

## MEETING NOTICE

<b>COMMITTEE</b>	<b>MEMORIAL POOL COMPLEX WORKING GROUP</b>
<b>DIRECTORATE</b>	<b>Planning and Environmental Services</b>
<b>DATE</b>	<b>Tuesday 4 August 2015</b>
<b>TIME</b>	<b>5:30pm</b>
<b>VENUE</b>	<b>Training Centre, 63 Elgin Street, Gunnedah</b>

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### AGENDA

Present

Apologies

Declaration of Interest

Confirmation of Previous Minutes – 9 June 2015

Project Design Development

Report on progression of architectural development of Concept Design – Chris Acevski and James McPherson (GHD)

Revised Project Timetable

Presentation of Revised Timetable – James McPherson (GHD)

Draft Operational Business Case

Preliminary review and discussion – James McPherson (GHD) and Director Planning & Environmental Services (M Silver)

Action Plan

General Business

Michael J Silver  
DIRECTOR PLANNING AND ENVIRONMENTAL SERVICES

*Apologies to: 02 6740 2120*

# Memorial Pool Complex Working Group Meeting Minutes

## 5:31pm Tuesday 9 June 2015

### Present

#### Committee Representatives

Councillor OC Hasler

Councillor C Fuller

Councillor RG Swain

Ms Barbara Williams

Ms Jenny Meyers (6.00pm)

Dr Brian Bickerton (5.56pm)

Mrs Lauren Robertson

Mrs Kathryn Yigman

#### Staff Representatives

General Manager (E Groth)

Director Planning and Environmental Services (MJ Silver)

Director Infrastructure Services (W Kerr)

Manager Public Facilities (G Phillips)

#### GHD Representatives

Mr J McPherson

### Apologies

Mrs R Pope

### Declarations of Interest

Nil.

### Confirmation of Minutes

The Minutes of the Memorial Pool Complex Working Group Meeting held on 21 April 2015 as circulated are confirmed as a true and accurate record of the meeting.

### Project Brief Definition

#### Project Overview

Mr J McPherson of GHD provided an overview on figures for the options and operational costs with discussion on the relative costs for running various scenarios.

Councillor Hasler felt the figures were high for some operations however the Director Planning & Environmental Services, Mr M Silver advised he would have a presentation to the Working Group in relation to comparative figures for the operation later in the meeting. Consideration of what costs would be involved in bringing the complex up to standard would need to be taken into account.

Councillor Hasler advised he had looked at the Blayney pool complex and the costs were very high but the community had accepted that but we need consider the Gunnedah community views on ongoing costs.

Mr McPherson discussed items in the Brief including the operational cost summary, installation of photovoltaic solar systems, energy savings, rock excavation and flexible pool size of 8 lane 52 metres in the same location which sets the standard for future development.

Costing for Stage 1 shows a figure of a \$7,765,000 budget. Councillor Hasler queried what the costing would be if the public perceived a 'like for like' option as this was part of the original project. Mr McPherson advised figures had previously been advised and the Consultants had tried to deliver multiple options. The Director Planning and Environmental Services advised in his presentation he would present five different options and operational costs.

Mr Groth advised that the work GHD had done was as per the previous meeting. The Group should have regard for 'like for like' but not disregard options.

Mr J McPherson advised the 25m heated pool should be considered in the final phase but not necessarily done at this stage and would not affect progress of the first stage.

Councillor Swain made the comment that she hopes the community would get extra value for the money spent and for the time it has to last.

Councillor Fuller felt that patrons and operators should be aware that it will be a cost in the future for everyone.

B Williams commented that if people have to pay, it has to be for something they want to pay for.

## **Report of Director Planning and Environmental Services**

### **ITEM 1                      Gunnedah Memorial Pool Renewal - Analysis of Definition Report**

**MEETING                      Gunnedah Memorial Pool Complex Working Group – 9 June 2015**

**DIRECTORATE                Planning and Environmental Services/Infrastructure Services**

**AUTHOR                        Director Planning and Environmental Services**

**ATTACHMENTS              Preferred Option Plans – Stage 1 and Stage 2**

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#### **WORKING GROUP RECOMMENDATIONS:**

- 1.            That the Working Group endorse the Preferred Concept Design recommended by GHD Pty Ltd for the Gunnedah Memorial Pool Renewal Project.**
- 2.            That a report on the endorsed Preferred Concept Design including whole of life costing be prepared for consideration by Council.**
- 3.            That consideration of Stage 2 options be deferred pending consideration of a further report on costings and operational costs from GHD Pty Ltd.**

*Moved Councillor RG Swain*

*Seconded Mrs L Robertson*

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#### **LATE REPORT**

This report is a Late Report due to the author being absent from Gunnedah on other Council business in the last few days and the need for collaboration with GHD Pty Ltd on the contents of its Project Definition Report.

#### **INTRODUCTION**

This report provides an evaluation of the consultant GHD's Project Definition Report and more particularly an evaluation of the recommendation together with an outline of the pathway to adopting the preferred concept design and further evaluation of the future master planning of the pool complex and its environs.

## **BACKGROUND**

The working Group at its April 2015 meeting, by consensus, considered that the following seven elements should be further evaluated having regard to capital and operational costings:

- 8 lane pool with moveable bulkhead provides well for multiple pool use (and carnivals etc)
- Kids wet play area (look at some depth)
- Kids dry play area
- Refurbishment of current heated pool.
- Café/canteen (not too lavish)
- Improved amenities
- Provision for warmed / enclosed main pool, starting with partial solution of tempering the main pool. (small increase in temperature to increase open period)

Mrs Williams also requested that the evaluation should also include analysis of a hydrotherapy pool – this being subject to budgetary capability.

As a consequence a brief was prepared requesting the consultant to respond to the Working Group's position and also to assess the following:

- Specific maintenance cost impacts for selected elements and feasibility of a new 25m heated pool.
- Discussion in relation to improving patronage
- Explore revenue streams for pool complex including discussion in relation to precinct usage and appropriate user group charges.

## **COMMENTARY**

The report that has been presented to the Working Group at this meeting covers a number of these issues although there is a further report to be provided in respect of the following specific matters:

- Early renewal of the existing 25m indoor heated pool and construction of a new 25m heated indoor pool.
- Future use capability of existing heated pool building including utilisation of part of existing heated pool as a hydrotherapy pool.
- Additional revenue streams including lease opportunities for elements within the complex.
- Examination of related businesses opportunities within the precinct.

It is anticipated that this report will be presented in early July. Essentially this subsequent report will inform future development of the facility rather than the immediate renewal project.

### **Recommended Preferred Option**

GHD has recommended the following preferred option:

1. 8 Lane 52m cold water pool, fitted with movable bulkhead.
2. Depth to vary from 1.3m (shallow end), section of 2.0m depth, 1m diving board with deep section. Provision of entry ramp and diving board.
3. Maintain operation of 25m heated pool, upgrade entry, treatment plant and amenities.
4. Refurbishment of pavilion, provision of café, amenities.
5. Kids wet play area with varying depth of pool, consideration of slide for older kids.
6. Provision of simplified dry kids play area.
7. Provision of shelter above segments of both pools and play areas.
8. Consideration of landscaping, shade areas and tables/chairs.
9. Provision of space for future new indoor heated pool incorporating full or partial kids wet play area.
10. Landscaping treatment to rock retaining wall.
11. Inclusion of 30kW photo-voltaic solar system.

This recommendation is based on:

- The outcomes of the recent feedback from the community consultation.
- Review of estimated relative operational costs and applicable variable construction costs.
- Provision of an 8 lane 52m pool (unheated) (Scenario 3).
- Located in a similar location to the existing 50m pool as this proves to be the most effective and capital cost effective approach based on relative construction costs.

The following capital and operational cost estimates have been provided:

Total Capital Budget Estimate:	\$7,765,000
Operational Costs:	\$246,000 (Cold Pool – S3)
	\$43,000 (Kids Pool)
	\$175,000 (Existing Indoor Heated Pool)

I will provide a detailed analysis of current operational costs of the existing pool operations compared to the project operational estimates at the meeting. This is critical to understand the implications of the proposed elements on Council's Long Term Financial Plan.

### **Overview**

The recommended option addresses the areas of interest from the perspective of the community engagement. It allows Stage 1 of the renewal to be considered in isolation of any future improvements and does not compromise consideration of those potential improvements.

The attached plan details the initial suggested stage of the renewal. This stage is within the \$7.8 million budget allocation.

Given that there is a need for further examination of Stage 2 options it is strongly recommended that this recommended preferred concept design be endorsed. Should subsequent stage options be adopted then certain elements of Stage 1 will become redundant without compromising the progress of the stage, viz. renovation of heated pool and works associated with upgrade of the heated pools filtration system.

GHD has also prepared a Stage 2 Preferred Option plan which is attached. This is based on the development of Stage 1, the feedback from the survey, comments from the Working Group and matters to be further considered in the subsequent operational and maintenance report to be delivered in July. This plan allows for a number of matters raised, such as a hydrotherapy pool to be considered. I will provide a presentation on this plan and report being undertaken by GHD at the meeting.

### **Progress of Concept Design**

It is suggested that the Working Group endorse the Stage 1 layout and request a detailed report, including costings, be prepared on the layout for consideration by Council. Further, consideration of Stage 2 Options be further considered at a meeting of the Working Group in July.

### **Power Point Presentation**

The Director Planning and Environmental Services proceeded with a power point presentation to the Working Group showing further evaluations for the future master planning of the pool complex and its environs.

The Director Planning and Environmental Services discussed the following items in the presentation with the Working Group:

### **Overview of operational considerations**

#### **Current operational considerations**

Existing water filtration and turnover does not meet public health standards

Comparative base cost (\$275,000) of all pools established on current filtration process

## Total Complex Operational Costs:

2013/14		
	Expenditure	\$769,000
	Income	\$298,000
	Net Cost to Council	\$471,000
2014/15		
	Expenditure (projected)	\$760,000
	Income (projected)	\$270,000
	Net Cost to Council	\$490,000

### Projected Operational Costs

- Costs are comparative to assess on apples with apples basis
- Costs contain 40% contingency
- Costs based on continuous 12 month operation of all pool elements
- Costs do not incorporate supervision
- Costs do not consider seasonal or patronage variations

The Director Planning and Environmental Services explained the cost to upgrade the existing facility to meet the necessary operational standards in each of the following scenarios:

### Comparative Base Cost – Existing Pool Operation

50m/6lane pool	
25m/6 lane heated pool	
Wading pool	
	<b>\$275,000</b>

### Option A - (Like for Like)

Stage 1, Scenario 1, Version 1	
50 metre/6 lane pool/diving	\$153,000
Existing heated pool	\$175,000
Kids Wet Pool	\$ 43,000
<b>Total Operational Cost</b>	<b>\$371,000</b>

*Cost differential to meet code compliance and improve filtration and turnover rates relative to Comparative Base Cost - \$96,000*

### Option A - (Minimalist)

Stage 1, Scenario 1, Version 1	
50 metre/6 lane pool/1.3m	\$125,000
Existing heated pool	\$175,000
Kids Wet Pool	\$ 43,000
<b>Total Operational Cost</b>	<b>\$343,000</b>

*Cost differential to meet code compliance and improve filtration and turnover rates relative to Comparative Base Cost - \$68,000*

### Recommended Option

<b>Stage 1, Scenario 3, Version 1</b>	
52 metre/8 lane pool/diving	\$203,000
Existing heated pool	\$175,000
Kids Wet Pool	\$ 43,000
<b>Total Operational Cost</b>	<b>\$421,000</b>

*Cost differential to meet code compliance and improve filtration and turnover rates relative to Comparative Base Cost - \$140,000*

*Additional cost above cost differential to meet code compliance, improve filtration and turnover rates of Comparative Base Cost - \$44,000*

### **Addition to Recommended Option**

#### **Stage 1, Scenario 3, Version 1**

52 metre/8 lane pool/diving/ tempering (8)	\$271,000
Existing heated pool	\$175,000
Kids Wet Pool	\$ 43,000
<b>Total Operational Cost</b>	<b>\$489,000</b>

*Cost differential to meet code compliance and improve filtration and turnover rates relative to Comparative Base Cost - \$214,000*

*Additional cost above cost differential to meet code compliance, improve filtration and turnover rates of Comparative Base Cost - \$118,000*

#### **Stage 1 (Scenario 3) & Stage 2, Version 3**

52 metre/8 lane pool/diving	\$203,000
25 metre/10 lane heated pool	\$262,000
Kids Wet Pool	\$ 43,000
<b>Total Operational Cost</b>	<b>\$506,000</b>

*Cost differential to meet code compliance and improve filtration and turnover rates relative to Comparative Base Cost - \$231,000*

*Additional cost above cost differential to meet code compliance, improve filtration and turnover rates of Comparative Base Cost - \$135,000*

The Director Planning and Environmental Services then gave an overview on the typical sectional view with depths and capabilities based on the recommended 52m pool option being placed in the existing 50 metre pool location. He noted that some excavation matters and long term use implications need to be considered in adopting the design depth of the pool.

Mr McPherson advised that the bulkhead was a significant. Councillor Hasler enquired on the extra cost in maintaining the bulkhead with Mr McPherson advising that there would be very little maintenance cost and the structure could be moved by two people. He indicated further investigation of capital costs of a bulkhead were being undertaken.

Ms Williams raised the need for a hydrotherapy pool. The Director Planning and Environmental Services said this is a matter for consideration by Council but is not budgeted. There is some opportunity to consider this in subsequent stages.

The capacity of the new Plant Room and the capital cost of plant to temper the 52 metre pool were raised. Mr McPherson indicated that no itemised capital cost for this heating equipment had been established.

The Director Planning and Environmental Services advised that the concept needs to be endorsed by Council to proceed and finalise the direction for the Consultants to develop.

### **Action Plan**

The Action Plan has been updated accordingly.

The meeting closed at 6.40 pm.

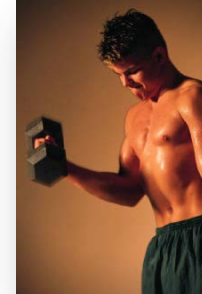
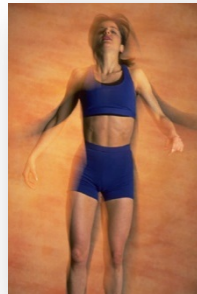
**Councillor OC Hasler**  
**CHAIRPERSON**

### Memorial Pool Complex Working Group Action Plan

ITEM	DATE OF MEETING	SUBJECT	ACTION REQUIRED	STATUS Action Completed In Progress Not Started	COMMENTS
1	11/11/14	Governance Structure	<ol style="list-style-type: none"> <li>1. That the Memorial Pool Complex Committee Constitution be revised in line with the Working Group Structure and that a report on the matter be presented to the next meeting.</li> <li>2. That the revised draft constitution contains a provision for the Memorial Pool Complex Working Group to operate without a quorum.</li> </ol>	Action Completed	25/11/14
2	11/11/14	Architectural Consultancy Gant Chart	Amended Gant Chart tabled	Action Completed	11/11/14
3.	11/11/14	Community Engagement Plan	<p>Community Engagement Plan to be revised by GHD following consultation</p> <p>Community Engagement Plan to be further reviewed.</p>	<p>Action Completed</p> <p>Action Completed</p>	<p>26/2/15</p> <p>For approval at February 2015 meeting</p>
4.	11/11/14	Concept Design Options	<p>GHD to provide revised concept design with optional inclusions together with preliminary cost analysis of options</p> <p>Report on Option A (as amended) and Option B together with costings to be prepared</p>	<p>Action Completed</p> <p>Action Completed</p>	<p>09/12/14</p> <p>Reported to the February 2015 meeting Reported to February 2015 Meeting. Community survey to be undertaken.</p>
5.	25/11/14	Architectural Works Contract	Execution of Contract	Action Completed	Purchase Order issued. Documents with GHD Document executed by both GHD and Gunnedah Shire Council.
6.	25/11/14	Geotechnical Survey	Additional geotechnical analysis to support Master planning options to be undertaken	Action Completed	26/2/15 Report accepted at February 2015 meeting
7.	26/2/15	Community Survey	Community survey and engagement to be undertaken in respect of elements within Options A & B.	Action Completed	Commence 10/3/15 – conclude 1/4/15. Outcomes considered on 21/4/15
8.	9/6/15	Preferred Concept Design	Report on recommended Preferred Concept Design to Council	In Progress	
9.	9/6/15	Stage 2 Options	Completion of Report by GHD and presentation to Working Group	In Progress	



# Operational Business Case for Gunnedah Memorial Pool Upgrade



**Prepared for**

**Gunnedah Shire Council**

**By**

**C Leisure Pty Ltd**

**Date**

**July 2015**

*Draft Report*



## DISCLAIMER

*The professional advice provided in this report has been prepared for the exclusive use of **Gunnedah Shire Council** (Council) and for the purposes specified in the report. The report is not to be used for other purposes or provided to other bodies or agencies without the explicit approval of the authors.*

*The report is supplied to Council in good faith and reflects the knowledge, expertise and professional experience of the consulting team members. C Leisure Pty Ltd. accepts no responsibility whatsoever for any loss occasioned by any person acting or refraining from action as a result of reliance on this report.*

*C Leisure Pty Ltd. have endeavoured to use what is considered to be the best information available at the time of the report's preparation, including all information supplied by Council. Unless stated otherwise, C Leisure Pty Ltd. does not warrant the accuracy of any forecast, prediction or projection made in the report. Although C Leisure Pty Ltd. have exercised reasonable care in making forecasts, predictions or projections, the accuracy of the data available, future market behaviour and other unforeseen factors or events are uncertain and thus cannot be predicted reliably.*

*The specific market and financial assessments contained in this report are derived from a range of sources including trends in the Australian aquatics industry, trends in aquatics participation, CERM and comparative data of other similar centres including usage patterns, township growth projections, interviews and discussions with Council staff. The assessments made could be expected to be achieved if consistent and comprehensive, management, marketing, monitoring and scheduling skills are applied to the proposed facilities once redeveloped. C Leisure Pty Ltd. accepts no responsibility for outcomes which are different to those projected here if these skills are not applied and if changes in the market or other market parameters occur.*

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## I. INTRODUCTION and BACKGROUND

### I.1 Introduction

In June 2015 GHD contracted C Leisure to develop a business case and financial projections as part of the Gunnedah Memorial Pool Upgrade Study.

The nominated site is the Gunnedah Memorial Pool situated on the corner of Anzac Parade and Eighth Div. Memorial Ave in Gunnedah. The site sits adjacent to both Anzac and Lions parks within the precinct.

The brief requires that the business case is to clearly articulate the likely operational costs for upgrade to help guide the decision making process of Council.

Council has developed concept plans (see separate report) and estimated capital costs through GHD and requires the development of business plan projections as part of the overall assessment of the proposal.

The proposed upgrade will ensure that the residents have access to a high quality mix of aquatic and leisure opportunities should Council decide to upgrade the site. Providing additional informal water spaces and dry areas will allow more of the community the opportunity to participate in the well documented health, social and fitness benefits of aquatic and leisure provision.

This document provides Council with the necessary information to determine whether all options are **operationally and economically** viable to redevelop water space and integrate social, wellness, health and aquatic services on one site. Council will need also to consider the capital costs associated with the project to determine if the proposed upgrade is of community value and viable.

### I.2 Work Program

In response to Councils request for the project to be undertaken a work program was agreed to and the report outputs include details on the following:

- Likely attendance effect as a result of the upgrade.
- Income effect from proposed expansion components including any financial effect on existing programs and services for all options.
- Operational cost effect for the upgrade.
- Any resource changes for the proposed upgrade.
- A summary of the financial implications for the upgrade.
- A sensitivity analysis of projections.
- The projected cash flow over a 10 year period using the data developed in the models, and
- Projected program mix/changes for the proposed upgrade.

### I.3 Key research

The following research was undertaken in order to formulate the business projections and includes;

- A review of the relevant reports and data in relation to the forecasts.
- Gunnedah Urban Landuse Strategy prepared by Insight in April 2015.
- Historical profit and loss statements for the existing operation to gain an understanding of traffic flow, usage and current expenses.
- Demographic and projected population profiles - in order to understand the likely current and projected usage patterns within the Shire.
- A commentary on the different management models available including the implications of each model.

- Meetings and discussions with Council Staff to clarify previous operational methods and attendance data.
- Previous work, data and experience with other aquatic leisure facilities in Australia including;
  - Echuca War Memorial Aquatic Centre,
  - Kyneton Toyota Sports and Aquatic Centre,
  - Gisborne Aquatic Centre,
  - South Gippsland Splash,
  - Sale Indoor Swimming Complex,
  - Ararat Aquatic and Leisure Centre,
  - Kilmore Leisure Centre
  - Warragul Leisure Centre.
  - Moama Outdoor Pool
  - Broadmeadows Outdoor Pool
  - Elizabeth Aquatic Centre
  - Noarlunga Aquatic Centre
  - Enmore Aquatic Centre
  - Palm Beach Aquatic Centre

#### 1.4 Current and Future Trends in Aquatic Leisure Provision

Trends in aquatic leisure service provision have seen many centres in Australia redeveloped from single purpose facilities catering for specific leisure opportunities to multi-purpose centres providing a wide range of experiences. The more successful facilities are those that are now positioned as a central hub for a wide range of community activities. The growing trends in the range of activities and services now provided are best summarised in seven main categories, these being:

- |                          |                  |
|--------------------------|------------------|
| ■ Health and fitness     | ■ Education      |
| ■ Recreation and leisure | ■ Wellbeing      |
| ■ Competition            | ■ Rehabilitation |
| ■ Social                 |                  |

Generally speaking, these main service categories are considered when forward planning and designing for re/development or extensions for

leisure facilities. A flexible building that can be reconfigured depending on emerging customer needs/wants is also incorporated into most new designs. A mixture of passive and active experiences is also now increasingly offered to ensure that centres provide for all age groups, abilities and community needs. The principle behind this is in line with the Council objectives in terms of increased usage and healthier communities. Having a mix of experiences under one roof also has an added benefit in that it attracts a larger volume of customers so that cross selling of services can be marketed. There is also a trend to cater for wellbeing services that focus on body, mind and spirit. Examples of this are personal training, physiotherapy, rehabilitation services, massage, yoga, beauty salons and dietary advice.

#### 1.5 Business Model Assumptions

The business projections have been factored within all options according to the following criteria and assumptions. It should be noted that all operating budgets are GST inclusive and GST implications are accounted for in the cash flow tables. More detailed notes on income and expenditure items are included in Appendix 3.

- All projections have been based on the preferred concept plan supplied by GHD (see separate report)
- All models are projected in 2015 dollars. Assumes that any increase in costs will be matched by increase in admission fees. No CPI or admission price increases have been factored into any models.
- Population projections are based on data from the Gunnedah Urban Landuse Strategy prepared by Insight in April 2015 which predicts a population growth rate of 0.03% per annum over the forecasted period.
- Program Growth has been projected in all models and reflects similar operating trends at other community leisure venues over a 10 year period.

- Operating income and expense projections are GST inclusive where applicable. GST inputs and outputs are considered in cash flow summary.
- Pre- opening costs are factored in each model.
- All estimates have been rounded to the nearest dollar.
- Energy costs have been increased to reflect increasing energy costs and the potential for continuing carbon tax implications.
- Increased annual projections have been made for building, equipment replacement and increased maintenance that reflects increased wear and tear as the site ages.
- Refurbishment provisions are based on 2% of the projected capital cost.
- Admission fees are based on 2014/15 rates and are the same for each model for consistency purposes. Admission fees are outlined in appendix 7
- Assumes all fit out costs are purchased from capital budget.
- Assumes that the centre will be managed and operated by Council.
- Management Fees/ corporate overheads have been included in all models.
- Projections are based on the operating hours nominated in section 2.5 of this report.

### 1.5 Summary

The business projections contained within this report have been provided after careful analysis and consideration of a number of factors including synergies associated with the proposed facilities, safety requirements, benchmarking of similar facilities, standard industry practises and the resources required to operate the facility effectively.

Based on the business models contained in this report it is recommended that Council adopt the base model as the likely outcome in terms of the financial projections. Provided management sells the benefits of the upgraded centre through specific marketing and promotional initiatives, it is

likely that an increase in community participation will be achieved and results in efficiencies similar to those set out in the program growth models.

Council will need to determine whether the proposed upgrade meets the needs of the community in the most effective way whilst having a clear understanding of the likely capital and operational costs.

### 1.6 Acknowledgement

C Leisure acknowledges the input and assistance provided by Council Officers and GHD staff for their input and guidance throughout the project.

## 2. BUSINESS PROJECTIONS

### 2.1 Introduction

The success of any redevelopment will ultimately be determined by the engagement of the local community and the ability of the managers to maximise on the trends occurring in aquatic and leisure provision to ensure that service provision continues to directly relate to identified needs.

The projections contained in this report provide Council with a clear understanding of the likely operating and financial implications should Council proceed with the proposed project. Table 2.1 provides a summary of the base, conservative and optimistic model projection **averages** over 10 years. Table 2.2 provides a +10/-10% sensitivity summary of all models over a 10 year period for comparison purposes. Council may wish to consider the alternative models if unsure about the likely use of the community.

Appendices 1 to 5 provide a more detailed analysis and include cash flow, GST requirements and operating models for each of the base and program growth models. Explanatory notes for operating projections are also included in appendix 3.

Operating income in the base model projections for the components of the proposed expansion have been modelled using current 2014/15 admission fees. The forecast models have been developed to reflect the likelihood of the community taking advantage of the inclusive use of all program areas.

The proposed upgrade will in part sell itself because potential users will be able to see first-hand a greater mix of opportunities and therefore be more open to take up program offerings from more varied activities at the one site. The ability to market and cross sell all services on the one site together with increased promotional resources allocated in the forecasts will provide some level of confidence in terms of achieving growth projections.

### 2.2 Summary of Business Projections

OPERATIONAL MODEL SENSITIVITY ANALYSIS SUMMARY Gunnedah Memorial Pool Upgrade	
	Pool Upgrade Preferred Option
	<b>10 year Average</b>
<b>Base Model</b>	
<b>Annual Operating Position</b>	<b>-\$442,207</b>
<b>Provision - Refurbishment/Lifecycle Costs</b>	<b>-\$129,600</b>
<b>Net Annual Cost/ Return to Council</b>	<b>-\$571,807</b>
<b>Annual attendances</b>	<b>123,356</b>
<b>Conservative Model (-10%)</b>	
<b>Annual Operating Position</b>	<b>-\$483,121</b>
<b>Provision - Refurbishment/Lifecycle Costs</b>	<b>\$129,600</b>
<b>Net Annual Cost/ Return to Council</b>	<b>\$612,721</b>
<b>Annual attendances</b>	<b>111,020</b>
<b>Optimistic Model (+10%)</b>	
<b>Annual Operating Position</b>	<b>\$404,277</b>
<b>Provision - Refurbishment/Lifecycle Costs</b>	<b>-\$129,600</b>
<b>Net Annual Cost/ Return to Council</b>	<b>\$533,877</b>
<b>Annual attendances</b>	<b>135,692</b>

Table 2.1 Summary of 10 year averages



Table 2.1 provides a summary of the **average** projected performance of all forecasted options over a 10 year period.

The base model summary for the upgrade indicates that:

- The redevelopment will require an estimated **average** annual operational deficit funding of \$442,207 per annum over the 10 year period.
- **Average** annual provisions of \$129,600 (2% of construction costs) have been made for refurbishment / life cycle costs. This is factored in all models.
- There will be an **average** net deficit or cost to Council of \$571,807 over the 10 year period after provisions have been made.
- It is estimated that there will be an annual average of 123,356 visits over the 10 year period.

The conservative summary for the redevelopment indicates that:

- A 10% decline in visits will likely require estimated **average** annual deficit funding of \$483,121 per annum over the 10 year period.
- There will be an estimated **average** net deficit or cost to Council of \$612,721 over the 10 year period after provisions have been made.
- It is estimated that there will be an annual average of 111,020 visits over the 10 year period.

The optimistic summary for the redevelopment indicates that:

- A 10% increase in visits will likely require estimated **average** annual deficit funding of \$404,277 per annum over the 10 year period.
- There will be an estimated **average** net deficit or cost to Council of \$533,877 over the 10 year period after provisions have been made.
- It is estimated that there will be an annual average of 135,692 visits over the 10 year period.

It is clear that all models are estimated to require annual deficit funding if Council wishes to redevelop the site to create all year community aquatic

and leisure provision. Council will need to weigh up the well documented benefits to the community, the cost associated with building, operating and maintaining the facility before any commitments are made.

## 2.2 Summary of Business Sensitivity Projections

Table 2.2 sets out a summary of the sensitivity analysis of annual projections over a 10 year period. A 10% increase or decline in usage patterns has significant financial implications in terms of viability and funding requirements.

- The projected annual **base** operating position for the redevelopment is estimated to require deficit funding in year 1 of \$443,077. This will be slightly reduced from years 3 -5 as programs and services become established. Required funding will be \$444,739 by year 10.
- The projected annual base operating position is expected to cost Council an **average** of \$442,207 over the 10 year period.
- From opening, the proposed Centre will need to achieve approximately 113,438 visits per annum or 312 visits per day to meet the Year 1 projections set out in the forecast. Estimated annual visits are forecasted to increase to 124,227 (342 per day) by year 5 and 129,277 visits (356 per day) by year 10.
- Provisions for refurbishment and lifecycle costs have been set at 2 % of the capital construction cost and are factored in after year 2 of the operation. This provision is \$144,000 per annum from year 2.
- The net annual cost to Council after provisions is estimated to be \$583,962 in year 2 and \$588,739 by year 10.
- The net average annual cost to Council over the 10 year period is estimated to be \$571,807.
- A 10% decline in estimated use will require estimated operational deficit funding of \$479,141 in year 1 and \$486,192 by year 10.
- A 10% increase in estimated use will require estimated operational deficit funding of \$407,104 in year 1 and \$403,378 by year 10

Gunnedah Memorial Pool Upgrade Projection - July 2015		SENSITIVITY MODEL - OPERATING SUMMARY										Year 2015
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	10 Y Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Base Model</b>												
Annual Operating Position	-14,458	-443,077	-439,962	-436,482	-434,433	-436,755	-442,013	-448,155	-455,331	-441,126	-444,739	-442,207
Provision - Refurbishment/Lifecycle Costs		0	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-129,600
Net Annual Cost/ Return to Council	-14,458	-443,077	-583,962	-580,482	-578,433	-580,755	-586,013	-592,155	-599,331	-585,126	-588,739	-571,807
Annual attendances		113,438	117,181	119,876	122,633	124,227	125,221	126,223	127,233	128,251	129,277	123,356
<b>Conservative Model (-10%)</b>												
Annual Operating Position	-14,458	-479,141	-477,299	-474,815	-473,678	-476,544	-482,129	-488,601	-496,110	-482,240	-486,192	-483,121
Provision - Refurbishment/Lifecycle Costs		0	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-129,600
Net Annual Cost/ Return to Council	-14,458	-479,141	-621,299	-618,815	-617,678	-620,544	-626,129	-632,601	-640,110	-626,240	-630,192	-612,721
Annual attendances		102,094	105,463	107,888	110,370	111,805	112,699	113,601	114,510	115,426	116,349	111,020
<b>Optimistic Model (+ 10%)</b>												
Annual Operating Position	-14,458	-407,104	-402,717	-398,239	-395,278	-397,058	-401,989	-407,800	-414,643	-400,103	-403,378	-404,277
Provision - Refurbishment/Lifecycle Costs		0	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-129,600
Net Annual Cost/ Return to Council	-14,458	-407,104	-546,717	-542,239	-539,278	-541,058	-545,989	-551,800	-558,643	-544,103	-547,378	-533,877
Annual attendances		124,781	128,899	131,864	134,897	136,650	137,743	138,845	139,956	141,076	142,204	135,692

Tables 2.2 Summary of all model sensitivity projections

### 2.3 Other Allocated Resources

- Increased marketing/promotional costs have been factored in to each of the models to ensure adequate resources to achieve the growth projections.
- There has been increased staff costs (Lifeguards) allocated to comply with RLSSA Guidelines for Safe Pool Operations (GSPO).
- Increased energy provisions have been made for each model given the uncertainty of the carbon tax and the increasing costs for energy supply.

### 2.4 Wet and Dry Play Areas

The inclusion of the proposed wet and dry play areas provides the opportunity to increase unstructured use of the facility. It is estimated that these spaces will attract both local use and tourists if marketed and promoted correctly. It is estimated that this provision will attract some 15,000 extra visits per annum. This increase has been allocated in the model.

### 2.5 Operating Hours

The following operating hours have been used to model projections for comparison purposes. They are;

Winter period	1 <sup>st</sup> April to 31 <sup>st</sup> October
Monday to Friday	5.30am – 8.00pm
Saturday	5.30am – 7.00pm
Sunday	9.00am – 7.00pm

Summer period	1 <sup>st</sup> November to 31 <sup>st</sup> March
Monday to Saturday	5.30am – 8.00pm
Sunday	9.00am – 8.00pm

*\* Closed Good Friday and Christmas Day*

*Note – The operating hours are used for modelling purposes only. They may be subject to program and seasonal demand when usage patterns are known.*

### 2.6 Programs and Services

The base model business projections have been calculated on the basis of all programs and services indicated below. Those programs and services include but are not limited to;

- Special needs and private lessons
- Water familiarisation classes
- Swimming lessons all ages
- School Swimming
- Lap swimming
- Recreational swimming
- Local Carnivals
- Rehabilitation/ Physiotherapy
- Pool hire

There is an opportunity for management to increase the program range and services offered to the community. These include;

- Fitness Classes (group training - land and aquatic)
- Strength Training for older adults
- Casual Group exercise classes
- Rehabilitation/ Physiotherapy

- Pool Birthday Parties
- School Recreation Days
- School Holiday Programs
- Markets
- Band nights
- Movie nights

The concept plans developed also provide potential future opportunities to expand services in the areas of health, fitness, rehabilitation and physiotherapy if demand warrants such provision. This could potentially be developed in partnership with private investors seeking the opportunity to supply like services to the community.

## 2.7 Staff

Projections have been based on the existing structure that includes a manager and three full time staff. Increased casual lifeguards have been factored in to the estimates to ensure compliance with RLSSA Guidelines for Safe Pool Operations (GSPO).

## 2.8 Stage 2 Proposal

Concept plans have been developed to rebuild the 25metre indoor pool next to the proposed wet play area. This will have very little impact on the forecast provided. This proposal will provide a better traffic flow for users and synergies with the wet play area but will not create any further program opportunities. There is an opportunity however to use the existing 25 metre building for further dry program space if stage 2 proceeds. If this were to occur then there would be a significant opportunity to provide an array of health and fitness services that would benefit the communities health and well -being and significantly contribute to the reduction in deficit funding required.

## 2.9 Modern Management Practises

The key elements of successful aquatic and leisure management are:

- A clear statement of the aim of the provision
- A clear set of management objectives which will guide decision making for all management elements
- An appropriate management structure or model to deliver the above aim and objectives
- A set of programs which reflect the researched needs and nature of the community and their aspirations –in keeping with the overall goal of Government
- A team of appropriately skilled staff with the ability to continually grow and change the services offered to meet the needs of the community
- A strategy for marketing the programs and services offered
- A strategy for scheduling use
- A strategy for maintaining and where appropriate, improving the condition of assets, and
- A strategy for monitoring the outcomes and performance of the venue or venues, the staff, the programs and the services.

All too often, local government authorities devolve responsibility for the majority if not all of these responsibilities to independent venue operators with little or no requirements for meaningful performance reporting. Not surprisingly, venues operated in this manner rarely meet the needs of the broad community in an effective manner. Addressing the key elements of successful management should thus be a key task at an early point in the development of any community aquatic venue.

## Appendix I of Cash flow Summary -All models

## Base Model

Gunnedah Memorial Pool Upgrade												
Projection - July 2015												
CASH FLOW SUMMARY												
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	10 Y Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Cash Balance	0	-14,458	-457,535	-897,498	-1,333,980	-1,768,412	-2,205,167	-2,647,181	-3,095,336	-3,550,667	-3,991,793	
Total Income	0	392,841	406,663	417,448	427,407	433,332	436,907	440,510	444,144	447,808	451,502	429,856
Total Operating Expenses	-15,161	-834,180	-844,755	-851,890	-859,670	-868,194	-877,579	-887,965	-899,520	-888,706	-896,403	-872,402
GST Payable	0	-33,112	-34,204	-35,022	-35,860	-36,359	-36,659	-36,962	-37,268	-37,576	-37,886	
GST Receivable	703	31,373	32,334	32,983	33,690	34,465	35,318	36,262	37,313	37,348	38,047	
Closing Cash Balance	-14,458	-457,535	-897,498	-1,333,980	-1,768,412	-2,205,167	-2,647,181	-3,095,336	-3,550,667	-3,991,793	-4,436,532	-2,439,856
Annual operating position	-14,458	-443,077	-439,962	-436,482	-434,433	-436,755	-442,013	-448,155	-455,331	-441,126	-444,739	-442,207
Provision - Refurbishment/Lifecycle Costs	0	0	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-129,600
Net Annual Cost/ Return to Council	-14,458	-443,077	-583,962	-580,482	-578,433	-580,755	-586,013	-592,155	-599,331	-585,126	-588,739	-571,807
Annual attendances		113,438	117,181	119,876	122,633	124,227	125,221	126,223	127,233	128,251	129,277	123,356
Operational expense recovery		-123%	-118%	-114%	-111%	-110%	-110%	-111%	-112%	-108%	-108%	

## Conservative Model

Gunnedah Memorial Pool Upgrade												
Projection - July 2015												
CASH FLOW SUMMARY												
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	10 Y Average
Opening Cash Balance	0	-14,458	-493,599	-970,898	-1,445,714	-1,919,392	-2,395,935	-2,878,064	-3,366,665	-3,862,775	-4,345,015	
Total Income	0	353,557	365,996	375,703	384,666	389,999	393,216	396,459	399,730	403,027	406,352	386,871
Total Operating Expenses	15,161	-834,180	-844,755	-851,890	-859,670	-868,194	-877,579	-887,965	-899,520	-888,706	-896,403	-872,402
GST Payable	0	-29,800	-30,784	-31,520	-32,274	-32,723	-32,993	-33,266	-33,541	-33,818	-34,098	
GST Receivable	703	31,282	32,243	32,892	33,599	34,374	35,227	36,171	37,222	37,257	37,956	
Closing Cash Balance	-14,458	-493,599	-970,898	-1,445,714	-1,919,392	-2,395,935	-2,878,064	-3,366,665	-3,862,775	-4,345,015	-4,831,207	
Annual operating position	-14,458	-479,141	-477,299	-474,815	-473,678	-476,544	-482,129	-488,601	-496,110	-482,240	-486,192	-483,121
Provision - Refurbishment/Lifecycle Costs	0	0	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-129,600
Net Annual Cost/ Return to Council	-14,458	-479,141	-621,299	-618,815	-617,678	-620,544	-626,129	-632,601	-640,110	-626,240	-630,192	-612,721
Annual attendances		102,094	105,463	107,888	110,370	111,805	112,699	113,601	114,510	115,426	116,349	111,020
Operational expense recovery		-148%	-142%	-138%	-134%	-133%	-134%	-135%	-135%	-131%	-131%	

## Optimistic Model

Gunnedah Memorial Pool Upgrade												
Projection - July 2015												
CASH FLOW SUMMARY												
Operating Model - Optimistic (+ 10%)												
Year 2015												
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	10 Y Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Cash Balance		-14,458	-421,562	-824,279	-1,222,518	-1,617,796	-2,014,854	-2,416,842	-2,824,642	-3,239,286	-3,639,389	
Total Income		432,125	447,329	459,193	470,148	476,666	480,597	484,561	488,559	492,589	496,653	472,842
Total Operating Expenses		-15,161	-834,180	-844,755	-851,890	-859,670	-868,194	-877,579	-887,965	-899,520	-888,706	-896,403
GST Payable		-36,423	-37,625	-38,524	-39,445	-39,995	-40,325	-40,658	-40,994	-41,333	-41,675	
GST Receivable	703	31,373	32,334	32,983	33,690	34,465	35,318	36,262	37,313	37,348	38,047	
Closing Cash Balance		-14,458	-421,562	-824,279	-1,222,518	-1,617,796	-2,014,854	-2,416,842	-2,824,642	-3,239,286	-3,639,389	-4,042,766
Annual operating position		-14,458	-407,104	-402,717	-398,239	-395,278	-397,058	-401,989	-407,800	-414,643	-400,103	-403,378
Provision - Refurbishment/Lifecycle Costs		0	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-144,000	-129,600
Net Annual Cost/ Return to Council		-14,458	-407,104	-546,717	-542,239	-539,278	-541,058	-545,989	-551,800	-558,643	-544,103	-547,378
Annual attendances		124,781	128,899	131,864	134,897	136,650	137,743	138,845	139,956	141,076	142,204	135,692
Operational expense recovery		-103%	-98%	-95%	-92%	-91%	-91%	-92%	-93%	-89%	-89%	

## Appendix 2 Operating Forecast – Base Model

### Base Model

Gunnedah Memorial Pool Upgrade												
Projection - July 2015												
ESTIMATED OPERATING INCOME												
Base operating model												
Year 2015												
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	NOTES
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Pools</b>												
Adult Swim (18 years + )	-	120,750	124,735	127,604	130,539	132,236	133,293	134,360	135,435	136,518	137,610	1
Child Swim (2-18 years )	-	56,350	58,210	59,548	60,918	61,710	62,204	62,701	63,203	63,708	64,218	2
Child Under 2 (Parent Supervision)	-	840	868	894	921	939	948	958	967	977	987	
Concession Swim - Adult	-	8,663	8,948	9,154	9,365	9,486	9,562	9,639	9,716	9,794	9,872	
Concession Swim -Child	-	8,575	8,858	9,062	9,270	9,391	9,466	9,541	9,618	9,695	9,772	
Multi pass - Adult - 10	-	15,750	16,270	16,644	17,027	17,248	17,386	17,525	17,665	17,807	17,949	
Multi pass - Child - 10	-	7,350	7,593	7,767	7,946	8,049	8,114	8,178	8,244	8,310	8,376	
Spectator/Non Swimmer	-	1,540	1,591	1,627	1,665	1,686	1,700	1,714	1,727	1,741	1,755	
School Swimming	-	12,800	14,080	15,488	15,844	16,050	16,179	16,308	16,438	16,570	16,703	
Pool Hire Outdoor 50 m	-	47,250	48,809	50,274	51,782	52,817	53,346	53,879	54,418	54,962	55,512	
Pool Hire Indoor 25 m	-	98,000	101,234	103,562	105,944	107,322	108,180	109,046	109,918	110,797	111,684	
<b>Sub Total</b>		<b>377,868</b>	<b>391,195</b>	<b>401,624</b>	<b>411,220</b>	<b>416,934</b>	<b>420,377</b>	<b>423,849</b>	<b>427,349</b>	<b>430,879</b>	<b>434,438</b>	
<b>Other</b>												
Café/Merchandise (Net)- 30%	-	14,974	15,468	15,824	16,188	16,398	16,529	16,661	16,795	16,929	17,065	3
<b>Sub Total</b>	-	<b>14,974</b>	<b>15,468</b>	<b>15,824</b>	<b>16,188</b>	<b>16,398</b>	<b>16,529</b>	<b>16,661</b>	<b>16,795</b>	<b>16,929</b>	<b>17,065</b>	
<b>Total Income - GST Inc</b>		<b>392,841</b>	<b>406,663</b>	<b>417,448</b>	<b>427,407</b>	<b>433,332</b>	<b>436,907</b>	<b>440,510</b>	<b>444,144</b>	<b>447,808</b>	<b>451,502</b>	
<b>Program Growth %</b>												
			3.00%	2.00%	2.00%	1.00%	0.50%	0.50%	0.50%	0.50%	0.50%	
<b>Population Growth %</b>												
			0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	
<b>VISITS</b>												
		113,438	117,181	119,876	122,633	124,227	125,221	126,223	127,233	128,251	129,277	

Gunnedah Memorial Pool Upgrade												
Projection - July 2015												
ESTIMATED OPERATING EXPENSES												
Base financial model												
Year 2015												
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	NOTES
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Staff</b>												
Full Time Payroll	6,135	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	4
Full Time On Costs	1,288	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	5
Casual Lifeguards		135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	6
Casual Oncosts		27,483	27,483	27,483	27,483	27,483	27,483	27,483	27,483	16,286	16,286	
<b>Sub Total</b>	<b>7,423</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>477,883</b>	<b>477,883</b>	
<b>Other Costs</b>												
Promotion	2,000	9,500	11,400	13,680	16,416	19,699	23,639	28,367	34,040	37,444	41,189	7
Office Costs	1,450	14,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	
Insurance (excludes PI & PL)	288	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Energy (Gas & Electricity)		85,000	87,125	89,303	91,536	93,824	96,170	98,574	101,038	101,038	101,038	8
Pool Chemicals	2,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	
Water		53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	
Cleaning Chemicals & Equip.	2,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
Maintenance (grounds, plant, equip, build)		51,000	53,550	56,228	59,039	61,991	65,090	68,345	71,762	75,350	79,118	9
Security		3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	
Sundry Expenses		500	500	500	500	500	500	500	500	500	500	
Core Activity Costs		21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	
Information Technology costs - overheads		2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	10
Management Fees - Corporate Overheads		29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	22,390	22,575	
Travel/Uniforms		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
<b>Sub Total</b>	<b>7,738</b>	<b>345,100</b>	<b>355,675</b>	<b>362,811</b>	<b>370,591</b>	<b>379,114</b>	<b>388,499</b>	<b>398,886</b>	<b>410,441</b>	<b>410,823</b>	<b>418,520</b>	
<b>Total Income - GST Inc</b>		<b>392,841</b>	<b>406,663</b>	<b>417,448</b>	<b>427,407</b>	<b>433,332</b>	<b>436,907</b>	<b>440,510</b>	<b>444,144</b>	<b>447,808</b>	<b>451,502</b>	
<b>Total Operating Expenses - GST Inc</b>	<b>15,161</b>	<b>834,180</b>	<b>844,755</b>	<b>851,890</b>	<b>859,670</b>	<b>868,194</b>	<b>877,579</b>	<b>887,965</b>	<b>899,520</b>	<b>888,706</b>	<b>896,403</b>	
<b>SURPLUS / (DEFICIT) GST Inc</b>	<b>-15,161</b>	<b>-441,339</b>	<b>-438,092</b>	<b>-434,443</b>	<b>-432,263</b>	<b>-434,861</b>	<b>-440,672</b>	<b>-447,455</b>	<b>-455,376</b>	<b>-440,898</b>	<b>-444,900</b>	



### Appendix 3 Accompanying Notes for all Models

Note	<u>Income description</u>	
1	Adult Swim	Based on 26,250 visits per annum. Increases have been factored in based on more families using the facility for recreational purposes.
2	Child Swim	Based on 24,500 visits per annum Increases have been factored in based on more families using the facility for recreational purposes. Proposed wet and dry areas will be a draw card to local users and tourist if actively promoted.
3	Café/Merchandise (Nett)- 30%	Based on CERM medium of 44 cents per visit spend. Calculation is net 30% of spend given proposed location of both reception and café. Assumed that reception staff will service both reception and café in off peak times.
Note	<u>Expense description</u>	
4	Full Time Payroll	Projections have been based on the existing structure that includes a manager and three full time staff
5	Full time on-costs	Superannuation, staff training, Worksafe, annual and long service
6	Casual lifeguards	Based on proposed operating hours. Increased casual lifeguards have been factored in to the estimates to ensure compliance with RLSSA Guidelines for Safe Pool Operations (GSPO.)
7	Promotion	Increased allocation to achieve growth projections.
8	Energy (Gas & Electricity)	Cost escalation based on increases in energy rates above CPI and possible carbon tax implications.
9	Maintenance (grounds, plant, equip, build)	Cost escalation to <u>maintain</u> increased water treatment plant and general wear and tear on venue. Refurbishment/life cycle provisions are factored in cash flow and will be used for capital maintenance and improvements
10	Information technology costs	Allocated to provide a front desk system the will accurately monitor traffic flow, use and financial data

## Appendix 4 Operating Forecast      Conservative model (-10%)

Gunnedah Memorial Pool Upgrade												
Projection - July 2015												
ESTIMATED OPERATING INCOME												
Operating Model - Conservative ( less 10%)											Year 2015	
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	NOTES
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Pools</b>												
Adult Swim (18 years + )	-	108,675	112,261	114,843	117,485	119,012	119,964	120,924	121,891	122,866	123,849	1
Child Swim (2-18 years )	-	50,715	52,389	53,594	54,826	55,539	55,983	56,431	56,883	57,338	57,796	2
Child Under 2 (Parent Supervision)	-	756	781	804	829	845	854	862	871	879	888	
Family Swim	-	-	-	-	-	-	-	-	-	-	-	2
Concession Swim - Adult	-	7,796	8,054	8,239	8,428	8,538	8,606	8,675	8,744	8,814	8,885	
Concession Swim -Child	-	7,718	7,972	8,156	8,343	8,452	8,519	8,587	8,656	8,725	8,795	
Spectator/Non Swimmer	-	1,386	1,432	1,465	1,498	1,518	1,530	1,542	1,555	1,567	1,580	
School Swimming	-	11,520	12,672	13,939	14,260	14,445	14,561	14,677	14,795	14,913	15,032	
<b>Sub Total</b>		<b>340,081</b>	<b>352,075</b>	<b>361,462</b>	<b>370,098</b>	<b>375,241</b>	<b>378,340</b>	<b>381,464</b>	<b>384,615</b>	<b>387,791</b>	<b>390,994</b>	
<b>Other</b>												
Café/Merchandise (Net)- 30%	-	13,476	13,921	14,241	14,569	14,758	14,876	14,995	15,115	15,236	15,358	3
<b>Sub Total</b>	-	<b>13,476</b>	<b>13,921</b>	<b>14,241</b>	<b>14,569</b>	<b>14,758</b>	<b>14,876</b>	<b>14,995</b>	<b>15,115</b>	<b>15,236</b>	<b>15,358</b>	
<b>Total Income - GST Inc</b>	-	<b>353,557</b>	<b>365,996</b>	<b>375,703</b>	<b>384,666</b>	<b>389,999</b>	<b>393,216</b>	<b>396,459</b>	<b>399,730</b>	<b>403,027</b>	<b>406,352</b>	
<b>Program Growth %</b>												
			3.00%	2.00%	2.00%	1.00%	0.50%	0.50%	0.50%	0.50%	0.50%	
<b>Population Growth %</b>												
			0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	
<b>VISITS</b>												
		<b>102,094</b>	<b>105,463</b>	<b>107,888</b>	<b>110,370</b>	<b>111,805</b>	<b>112,699</b>	<b>113,601</b>	<b>114,510</b>	<b>115,426</b>	<b>116,349</b>	

Gunnedah Memorial Pool Upgrade													
Projection - July 2015													
ESTIMATED OPERATING EXPENSES													
Operating Model - Conservative ( less 10%)													
Year 2015													
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	NOTES	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<b>Staff</b>													
Full Time Payroll	6,135	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	4
Full Time On Costs	1,288	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	5
Casual Lifeguards	-	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	6
<b>Sub Total</b>	<b>7,423</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>477,883</b>	<b>477,883</b>	
<b>Other Costs</b>													
Promotion	2,000	9,500	11,400	13,680	16,416	19,699	23,639	28,367	34,040	37,444	41,189	41,189	7
Office Costs	1,450	14,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	
Insurance (excludes PI & PL )	288	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Energy (Gas & Electricity)	-	85,000	87,125	89,303	91,536	93,824	96,170	98,574	101,038	101,038	101,038	101,038	8
Pool Chemicals	2,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	
Water	-	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	
Cleaning Chemicals & Equip.	2,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
Maintenance (grounds, plant, equip, build)	-	51,000	53,550	56,228	59,039	61,991	65,090	68,345	71,762	75,350	79,118	79,118	9
Security	-	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	
Sundry Expenses	-	500	500	500	500	500	500	500	500	500	500	500	
Core Activity Costs	-	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	
Information Technology costs - overheads	-	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	10
Management Fees - Corporate Overheads	-	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	22,390	22,575	
Travel/Uniforms	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
<b>Sub Total</b>	<b>7,738</b>	<b>345,100</b>	<b>355,675</b>	<b>362,811</b>	<b>370,591</b>	<b>379,114</b>	<b>388,499</b>	<b>398,886</b>	<b>410,441</b>	<b>410,823</b>	<b>418,520</b>	<b>418,520</b>	
<b>Total Income - GST Inc</b>	<b>-</b>	<b>353,557</b>	<b>365,996</b>	<b>375,703</b>	<b>384,666</b>	<b>389,999</b>	<b>393,216</b>	<b>396,459</b>	<b>399,730</b>	<b>403,027</b>	<b>406,352</b>	<b>406,352</b>	
<b>Total Operating Expenses - GST Inc</b>	<b>15,161</b>	<b>834,180</b>	<b>844,755</b>	<b>851,890</b>	<b>859,670</b>	<b>868,194</b>	<b>877,579</b>	<b>887,965</b>	<b>899,520</b>	<b>888,706</b>	<b>896,403</b>	<b>896,403</b>	
	-												
<b>SURPLUS / (DEFICIT) GST Inc</b>	<b>-15,161</b>	<b>-480,623</b>	<b>-478,758</b>	<b>-476,187</b>	<b>-475,004</b>	<b>-478,195</b>	<b>-484,363</b>	<b>-491,506</b>	<b>-499,791</b>	<b>-485,679</b>	<b>-490,050</b>	<b>-490,050</b>	

## Appendix 5 Operating Forecast

## Optimistic Model (+10%)

Gunnedah Memorial Pool Upgrade												
Projection - July 2015												
ESTIMATED OPERATING INCOME												
Operating Model - Optimistic (+ 10%)												
Year 2015												
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	NOTES
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Pools</b>												
Adult Swim (18 years + )	-	132,825	137,208	140,364	143,592	145,459	146,623	147,796	148,978	150,170	151,371	1
Child Swim (2-18 years )	-	61,985	64,031	65,503	67,010	67,881	68,424	68,971	69,523	70,079	70,640	2
Child Under 2 (Parent Supervision)	-	924	954	983	1,013	1,033	1,043	1,054	1,064	1,075	1,086	
Concession Swim - Adult	-	9,529	9,843	10,070	10,301	10,435	10,519	10,603	10,688	10,773	10,859	
Concession Swim -Child	-	9,433	9,744	9,968	10,197	10,330	10,412	10,496	10,580	10,664	10,750	
Spectator/Non Swimmer	-	1,694	1,750	1,790	1,831	1,855	1,870	1,885	1,900	1,915	1,931	
School Swimming	-	14,080	15,488	17,037	17,429	17,655	17,796	17,939	18,082	18,227	18,373	
<b>Sub Total</b>		<b>415,654</b>	<b>430,314</b>	<b>441,787</b>	<b>452,342</b>	<b>458,628</b>	<b>462,415</b>	<b>466,234</b>	<b>470,084</b>	<b>473,967</b>	<b>477,882</b>	
<b>Other</b>												
Café/Merchandise (Net)- 30%	-	16,471	17,015	17,406	17,806	18,038	18,182	18,328	18,474	18,622	18,771	
<b>Sub Total</b>	-	<b>16,471</b>	<b>17,015</b>	<b>17,406</b>	<b>17,806</b>	<b>18,038</b>	<b>18,182</b>	<b>18,328</b>	<b>18,474</b>	<b>18,622</b>	<b>18,771</b>	3
<b>Total Income - GST Inc</b>	-	<b>432,125</b>	<b>447,329</b>	<b>459,193</b>	<b>470,148</b>	<b>476,666</b>	<b>480,597</b>	<b>484,561</b>	<b>488,559</b>	<b>492,589</b>	<b>496,653</b>	
<b>Program Growth %</b>												
			3.00%	2.00%	2.00%	1.00%	0.50%	0.50%	0.50%	0.50%	0.50%	
<b>Population Growth %</b>												
			0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	

Gunnedah Memorial Pool Upgrade													
Projection - July 2015													
ESTIMATED OPERATING EXPENSES													
Optimistic financial model +10%													
Year 2015													
YEAR	PRE OPENING	1	2	3	4	5	6	7	8	9	10	NOTES	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<b>Staff</b>													
Full Time Payroll	6,135	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000	4
Full Time On Costs	1,288	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	86,877	5
Casual Lifeguards	-	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	135,720	6
<b>Sub Total</b>	<b>7,423</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>489,080</b>	<b>477,883</b>	<b>477,883</b>	
<b>Other Costs</b>													
Promotion	2,000	9,500	11,400	13,680	16,416	19,699	23,639	28,367	34,040	37,444	41,189	41,189	7
Office Costs	1,450	14,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	
Insurance (excludes PI & PL)	288	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Energy (Gas & Electricity)	-	85,000	87,125	89,303	91,536	93,824	96,170	98,574	101,038	101,038	101,038	101,038	8
Pool Chemicals	2,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	
Water	-	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	
Cleaning Chemicals & Equip.	2,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
Maintenance (grounds, plant, equip, build)	-	51,000	53,550	56,228	59,039	61,991	65,090	68,345	71,762	75,350	79,118	79,118	9
Security	-	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	
Sundry Expenses	-	500	500	500	500	500	500	500	500	500	500	500	
Core Activity Costs	-	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	
Information Technology costs - overheads	-	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	10
Management Fees - Corporate Overheads	-	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	22,390	22,575	
Travel/Uniforms	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
<b>Sub Total</b>	<b>7,738</b>	<b>345,100</b>	<b>355,675</b>	<b>362,811</b>	<b>370,591</b>	<b>379,114</b>	<b>388,499</b>	<b>398,886</b>	<b>410,441</b>	<b>410,823</b>	<b>418,520</b>	<b>418,520</b>	
<b>Total Income - GST Inc</b>													
		432,125	447,329	459,193	470,148	476,666	480,597	484,561	488,559	492,589	496,653	496,653	
<b>Total Operating Expenses - GST Inc</b>													
	15,161	834,180	844,755	851,890	859,670	868,194	877,579	887,965	899,520	888,706	896,403	896,403	
<b>SURPLUS / (DEFICIT) GST Inc</b>													
	-15,161	-402,054	-397,426	-392,698	-389,522	-391,528	-396,982	-403,404	-410,962	-396,117	-399,750	-399,750	

## Appendix 6 Management Models

A number of options are available to consider in relation to the most appropriate options of managing aquatic and leisure venues – and most other public community venues as well. The options are set out in table 9.1 with commentary of advantages and disadvantages of each model set out in table 9.2. These models are broken into 3 broad categories which are;

Direct -	<i>Managed and operated directly by Council employees</i>
Indirect	<i>Managed or part managed by specialist management agency through a management services agreement direct with Council, and</i>
Independent	<i>Managed by a private (commercial) individual or organisation through a formal lease</i>

A summary of the above options including the strengths and weaknesses are provided below. Comments on each option in relation to Council are made in *italics*.

### Direct ‘In House’

This option would see Council directly manage and operate the community venue/s. Strengths and weaknesses of this model include but are not limited to;

#### Strengths

- Prompt response and care by Council’s own maintenance staff
- Ability to change programs and services to suit community needs.
- Direct promotion of all regular activities.
- Management flexibility in program opportunities.
- Regular reports to Council
- Elected members have opportunity for ongoing input
- Maintained by Council staff to Council standards and budget provisions

#### Weaknesses

- Slower to exploit opportunities due to governance structure
- Politically vulnerable
- Less flexible industrial arrangements
- Unable to guarantee operating financial position

*The quality of service, flexibility of focusing on particular sections of the community at any time and direct control of the services and asset are all compelling arguments for retaining direct control over the management arrangements. There are many successful in house teams managing community facilities across Australia that have reached and in some cases exceeded the agreed objectives of the owners. This has to be balanced against the need for Council approval for service changes or opportunities that need immediate response and implementation.*

### Indirect ‘arms length’

This option would see the Council enter into a management services contract with a contractor/service provider to manage the whole or part of the community facility or facilities on behalf of the Council.

Strengths and weaknesses for this model include;

#### Strengths

- Entity is usually more nimble and independently accountable
- More flexible industrial arrangements
- Staff often encouraged by way of incentives
- Operator can provide immediate capital for viable propositions.
- Qualified agreement gives Council some control
- Council is usually a partner in the arrangement
- Regular reports to Council re use, fees, finance and administration
- Formal commitment built into management agreement for maintenance and refurbishment
- Monitored by Council through its partnership in the entity

- Direct promotion of regular activities.
- Operator can apply specialist experience through network

#### Weaknesses

- Focus on profitable programs in favour of community obligations
- Financial imperative to replace failing programs as soon as possible
- Locked into an agreement for a period of time.
- Legal implications and possible action for failure to deliver contract obligations.

*This arrangement would be more financially effective from Councils point of view and would mitigate financial risk/s associated with taking any day to day control of the management of the community (or part of the)venue whilst still providing opportunities to participate. Contractor rates of pay are approximately 20% lower than those of Council rates. The contractor would guarantee the operating position on an annual basis as a fixed lump sum. Council, through the management agreement, would be still able to control fees and operating times and to a large extent the programs delivered to the community. There are also many examples of this type of arrangement operating successfully throughout Australia. This has to be balanced against losing some control in terms of program delivery, promotion and focus on all community obligations.*

#### Independent 'outsourced'

This model entails Council outsourcing the entire management and operation through a formal lease. Strengths and weaknesses for this model include;

#### Strengths

- Lessee / operators able to make economies on conditions of use, labour, goods and services
- Financial and risk implications t
- More flexible industrial arrangements
- Guaranteed operating financial position
- Operator can provide immediate capital for viable propositions.

#### Weaknesses

- Limited community considerations when setting fees, timetables, programs etc
- Focus on generating profit for owner
- Control usually via mid to long term lease with no provision for change in local circumstances
- Usually no opportunity for Council to participate in management
- Financial objective (profit or providing funds for other ventures) often causes conflict in decision making related to appropriate maintenance of buildings and equipment
- One sport/ program often favoured.
- Usually focus on 'cash cow' activities only.
- Usage restrictions often apply

*Although this model would be the most financially effective from Council point of view in that it could seek financial contributions for development and mitigate refurbishment and ongoing operational costs there are a number of weaknesses that would need to be considered. Consideration would be required as to the loss of community benefit and input and balanced against financial gain.*

#### Management model summary

Each of the above models has strengths and weaknesses that can be advantageous or conversely detrimental to the community and related outcomes desired. It is also critical to point out that no one model is necessarily better or worse than the other. There are many instances around Australia where some services are operated directly by Council whilst other services are outsourced through management agreements or leases. Some management models use a hybrid of all the above models to provide services to ensure that they meet the needs of the community. The indirect and independent models weaknesses can be overcome by the right management agreement or lease clauses and inputs however Council will still need to set

up resources to monitor the outcomes. The Council or direct model can be overcome by the whole of Council agreeing to the management principles so that political and other factors are mitigated as much as possible.

### **Management structure**

It must be said from the outset that the key ingredient in the success or otherwise of any management model almost entirely relies upon the actual manager. Whether the management arrangements are operated directly by Council or outsourced through an agreement or lease, the right or wrong manager will determine whether all the required outcomes will be achieved. The consulting team has carried out many management reviews of community venues and services across Australia and in each and every case the success (or the failure) has been reliant on the venue manager's ability and drive to plan and deliver the required outcomes.



<b>DIRECT MANAGEMENT 'in house'</b>	<b>INDIRECT MANAGEMENT 'arms length'</b>	<b>INDEPENDENT MANAGEMENT 'outsourced'</b>
1. Managed and operated directly by Council employees	4. Managed by an entity * comprising representatives of Council and user groups	7. Managed by private (commercial) individual or organisation through a lease
2. Managed by a Special Committee under the Local Government Act using Council employees	5. Managed in partnership with Council via an entity * comprising representatives of Council and specialist management agency	8. Managed by single or composite user group (sporting or community organisation) through a lease
3. Managed by a Committee under Local government Act using contract labour and support services	6. Managed by specialist management agency which has a management services agreement direct with Council	9. Managed by a specialist management agency through a lease or agreement
	* An incorporated association or a Company Limited by Guarantee	

**Table 9.1 management model options**

<b>COUNCIL OBJECTIVES<sub>τ</sub></b>	<b>DIRECT MANAGEMENT 'in house'</b>	<b>INDIRECT MANAGEMENT 'arms length'</b>	<b>INDEPENDENT MANAGEMENT 'outside'</b>
<b>Reduce or eliminate deficit funding</b>	<ul style="list-style-type: none"> <li>• Slower to exploit opportunities</li> <li>• Politically vulnerable</li> <li>• Less flexible industrial arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Entity is usually more nimble and independently accountable</li> <li>• More flexible industrial arrangements</li> <li>• Staff often encouraged by way of incentives</li> <li>• Operator can provide immediate capital for viable propositions.</li> </ul>	<ul style="list-style-type: none"> <li>• Lessee / operators able to make economies on conditions of use, labour, goods and services</li> <li>• Limited political considerations when setting fees, timetables, programs etc</li> <li>• Focus on generating profit.</li> </ul>
<b>Maintain a significant degree of control</b>	<ul style="list-style-type: none"> <li>• Management flexibility in program opportunities.</li> <li>• Regular reports to Council</li> <li>• Elected members have opportunity for ongoing input</li> </ul>	<ul style="list-style-type: none"> <li>• Qualified agreement gives Council some control</li> <li>• Council is usually a partner in the arrangement</li> <li>• Regular reports to Council re use, fees, finance and administration</li> </ul>	<ul style="list-style-type: none"> <li>• Control usually via mid to long term lease with no provision for change in local circumstances</li> <li>• Usually no opportunity for Council to participate in management</li> </ul>
<b>Keep assets in good repair (buildings and equipment)</b>	<ul style="list-style-type: none"> <li>• Maintained by Council staff to Council standards and budget provisions</li> <li>• Prompt response and care by Council's own maintenance staff</li> </ul>	<ul style="list-style-type: none"> <li>• Formal commitment built into management agreement for maintenance and refurbishment</li> <li>• Monitored by Council through its partnership in the body corporate</li> </ul>	<ul style="list-style-type: none"> <li>• Financial objective (profit or providing funds for other ventures) often causes conflict in decision making related to appropriate maintenance of buildings and equipment</li> </ul>
<b>Gain optimum use and flexibility (multi-use)</b>	<ul style="list-style-type: none"> <li>• Ability to change programs and services to suit community needs.</li> <li>• Direct promotion of <b>all</b> regular activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on profitable programs in favour of community obligations</li> <li>• Direct promotion of regular activities.</li> <li>• Incentive to replace failing programs as soon as possible</li> <li>• Operator can apply specialist experience through network.</li> </ul>	<ul style="list-style-type: none"> <li>• One sport/ program often favoured.</li> <li>• Usually focus on 'cash cow' activities only.</li> <li>• Usage restrictions often apply</li> </ul>

Table 9.2 management model options

## Appendix 7 Fees and Charges

Council requested that C Leisure review the admission fees charged and recommend any changes.

C Leisure undertook a fee comparison at two other neighbouring Councils to provide a benchmark in order to review.

Table 7.1 provides the 2014/15 pool admission fees for each Council. It should be noted that C Leisure does not know the methodology behind the setting of fees for each Council.

Entry Categories	Gunnedah	Tamworth	Moree Plains
Adult	\$4.60	\$4.10	\$4.50
Child	\$2.30	\$3.10	\$3.50
Concession	\$3.30	\$3.10	\$2.50
Students	\$1.80	\$2.70	\$2.50
10 pass tickets - adult	\$42.00	\$33.00	N/A
10 pass tickets - Child	\$21.00	\$25.00	N/A
Notes			
<ul style="list-style-type: none"> <li>Fees are GST inclusive</li> <li>Prices are for 2014/15</li> </ul>			

Table 7.1 Fee Comparison

Table 7.1 indicates that;

- Adult entry fees at Gunnedah are at the high end of market rates
- Child entry fees at Gunnedah are at the low end of market rates
- Concession entry fees at Gunnedah are at the high end of market rates
- Student entry fees at Gunnedah are at the low end of market rates
- Adult 10 pass tickets at Gunnedah are at the high end of market rates
- Child 10 pass tickets at Gunnedah are at the low end of market rates

### Recommendations

It is recommended that Council review current fees and charges and bring child and student rates in line with market rates. This could be promoted and achieved given that Council is spending considerable capital and is adding elements into the proposed upgrade that will deliver benefits to this age group.