

CITY OF SOUTH PERTH

BUSINESS PLAN

RECREATION AND AQUATIC FACILITY



City of
South Perth



Business Plan – Recreation and Aquatic Facility

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Business Plan – Recreation and Aquatic Facility

Business Plan

Proposal to enter into a major land transaction for the provision of a Recreation and Aquatic Facility (the “RAF”) to provide a premier health, wellness, fitness, recreation and education hub centrally located in the City of South Perth (the “City”), located at the existing Collier Park Golf.

This is a joint project between the City of South Perth, Curtin University, Clontarf Aboriginal College, SportWest and a number of other partners.

1. Introduction

The City Strategic Community Plan 2020-2030 (SCP) has the Vision “A city of active places and beautiful places”. Outcome 1.2.3 of the SCP is to Plan for and promote the development of recreation and aquatic facilities to service City of South Perth residents. This proposal has been developed in accordance with the SCP, as described in section 2.4 of this Business Plan.

Development of the City of South Perth’s (‘City’) Recreation and Aquatic Facility (‘RAF’) has been an aspiration for the City for an extensive period of time. In 2018, the City commissioned the development of a feasibility study for the RAF, with the priority being identification of a preferred location as well as preliminary concepts, cost estimates, financial operational models and funding strategy.

Collier Park North was endorsed as the preferred location due to:

- Co-locating Collier Park Golf with the RAF, creating a unique, recreational and community facility, while also assisting with on-going revenue generation;
- Upgrades were required to Collier Park Golf in the near future and this option allows the City to meet this objective in the single development;
- Impacts the most underutilised golf holes on the course and limited impact to existing trees and the wildlife living within; and
- Access to the Curtin University market.

In support, in March 2019 the Federal Government made a commitment of \$20 million in funding towards the project.

To date, the City has established \$41 million of project funding (which includes Federal Government (\$20m), the City (\$20m), together with SportWest (\$1m)) – with \$39 million additional funding required to achieve the proposed \$80 million facility. The project will now be progressed in line with available funding, with the remaining funding targeted to be:

- State Government funding of \$20 million will be targeted, with a draft Treasury Business Case prepared for this purpose, potentially through \$80 COVID-19 stimulus and/or

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supported by the inclusion of a Community House to accommodate State sporting entities and the Council on the Ageing and affiliated organisations, together with SEDA College and Clontarf College; and

- Funding from Commercial and other Funding Partners of \$20 million is targeted, considered to include to following parties:
 - Commercial Operator;
 - Curtin University;
 - SportWest (\$1M committed); and
 - Others, comprising neighbouring municipalities, key sport users, naming rights partner, supply rights, etc.

The City established the Collier Park Golf Course (CPGC) in 1984, prior to the Local Government Act 1995 and the introduction of section 3.59 – Commercial Enterprises by Local Governments. This section, and corresponding Regulations, require the City to prepare a Business Plan before it considers entering into a major land transaction and/or major trading undertaking. Under the Local Government (Functions and General) Regulations part 8A and part 9 describe a major land transaction and major trading undertaking (respectively) as being either \$10m or 10% of the Operating Expenditure (approximately \$6.1M).

This individual proposal, as described below, is greater than \$6.1M as required under Regulation, and therefore this Business Plan has been prepared. A Business Plan requires an overall assessment of the transaction and is required to be advertised for a period of not less than six (6) weeks. During this advertising period, submissions are invited from members of the public.

Council must consider any submission received during the advertised period before it decides whether to proceed with the Business Plan. The Business Plan has been developed to comply with the Local Government Act 1995 and the Local Government (Functions and General) Regulations.

2. The Proposal

The proposal is for the construction and operation of a Recreation and Aquatic Facility within the Collier Park Golf Course, with the site (approximate) depicted in Attachment A. To facilitate this, the main responsibilities are described as:

- Design and construct the Recreation and Aquatic Facility, in accordance with City and other partner requirements;
- Operate the Recreation and Aquatic Facility; and
- Purchase the Recreation and Aquatic Facility for construction up to an indicative project value of \$80 million.

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The existing Course Controllers Agreement, together with the Lease of Buildings are subject to a renewal in April 2023. The Operator for the new Recreation and Aquatic Facility will be appointed under the renewal of these contracts.

The construction process for the establishment of the Recreation and Aquatic Facility may be described as a multi-stage process, this being:

- 1. Feasibility, planning, project definition and business case;**
- 2. Concept and schematic design;**
- 3. Detailed design and building approval process;**
- 4. Procurement and tender;**
- 5. Construction; and**
- 6. Commissioning and asset handover.**

The stages are to be undertaken by the Project Team led by the City and will be finalised subject to the contract procurement route. The City retains absolute discretion in relation to the approval to proceed from to each stage. The overall estimated project value (and associated fees) will be subject to final design and cost estimates once the detailed design is completed.

The requirements for additional third party funding will continue to be pursued during Stages 1 and 2, allowing the finalisation of an appropriate facility to meet funding requirements prior to the construction procurement phase.

2.1. The expected effect of the RAF development on the provision of facilities and services by the City of South Perth

2.1.1. Effect relative to the City Assets

There are two key existing City assets (together the proposed aquatic facilities) under consideration within the RAF planning process, which have existing renewal requirements and will require further consideration of operational need post completion i.e. residual demand post RAF delivery. These assets are the George Burnett Leisure Centre (GBLC), comprising a recreation hall for local community sport, plus meeting rooms, located external to the proposed RAF development site and the Collier Park Golf Course (CPGC) incorporated within the overall proposed RAF development.

It is proposed that the delivery of the RAF will provide a streamlined asset renewal and operating structure for the City, integrating the functionality and benefits of these two key assets, together with the integration of aquatic facilities (with sport, health and wellness programs) in a single

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multi-purpose venue. **Thereby increasing the potential to attract funding, economic generators and provide economies of scale in service provision and costs.**

The existing strategic drivers supporting this renewal and streamlining being;

1. Collier Park Golf (CPG)

- The facilities are nearing end of life both physically and functionally, with a need for renewal in the short to medium term to maintain operational sustainability and to meet market demands.

2. George Burnett Leisure Centre (GBLC) – Built in 2000

- The functionality is not adequate and is generally underperforming. The facility requires re-purposing to improve market demand and utilization;
- Operates at (\$200k) annual deficit; and
- The asset strategy will be subject to a future business case to determine repurposing or other.

3. Proposed Aquatic Facilities – Federal funding commitment of \$20m

- The community for many years have been requesting a swimming pool in the City of South Perth. Conventional stand-alone pools require significant ongoing financial subsidy. The integration of aquatic facilities with sport, health and wellness programs in a single multi-purpose venue provides economies of scale in service provision and costs, together with attracting economic generators and funding.

2.1.2. Effect during the RAF Development Construction Process

The final staging plan for the RAF development within the existing Collier Park Golf Course, will be determined in consultation with the golf course operator and contractor, having regard to the operational and financial implications of any option. However, the pre-installation of the mini-golf next year, together with maintaining the majority of golfing operations during construction, will aid in the project and City economic revenue drivers.

An indicative staging plan has been prepared as shown below, which would allow for access, car parking and retention of the existing club house to facilitate ongoing golf course operations (golf course, existing driving range, mini-golf) throughout the main RAF construction works. Demolition of the existing club house could occur at the end of the construction program, subsequent to which the driving range and golf cart storage can be constructed. The alternate to this is to demolish all existing facilities and construct the RAF in one stage, providing temporary facilities for the ongoing golf course operations (e.g. office, food and beverage facility, golf cart storage, etc.).

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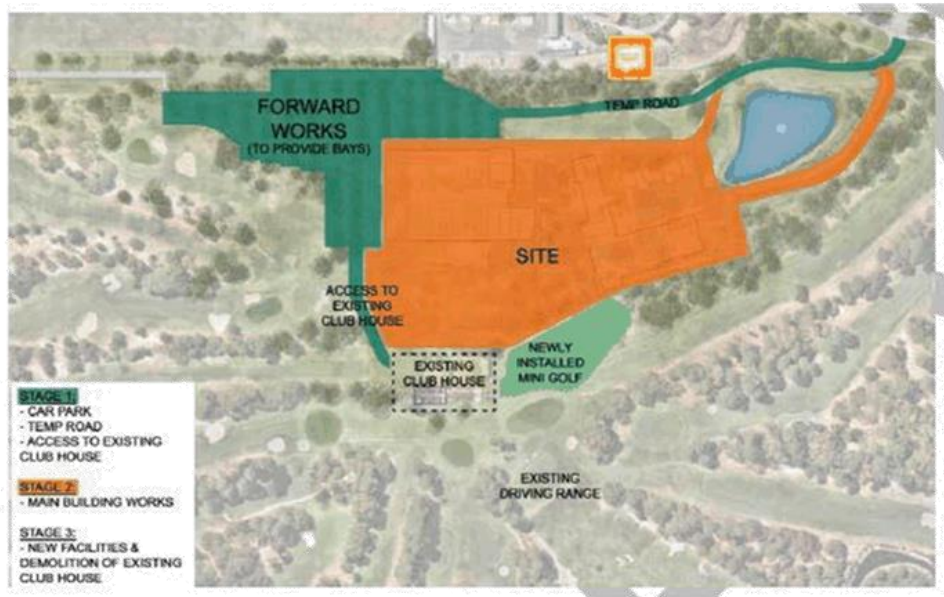


Figure 1: Indicative Staging Plan

2.2. The expected effect of the RAF development on persons providing facilities and services in the City of South Perth district

There are a number of persons providing individual facilities and services within the City of South Perth district that may or may not be effected by the proposed RAF development, these are described below.

Golf and Mini Golf

There is an existing private golf club (Royal Perth Golf Club) within the City, in contrast to the existing public golf course offered at the RAF location. Given the different nature of service offering (private club Vs public) it is anticipated; the development of the RAF will not have any substantial impact on the Royal Perth Golf Club. In terms of Mini Golf, there are no current or foreseen future providers of Mini Golf within the City. The Mini Golf providers outside the City were considered within the Business Plan advertised on 26 September 2019 (submission period is closed).

Aquatic Centre & Gym facilities

There are existing aquatic facilities and gym facilities operated by persons within the City, included services offered as part of private secondary educators. Wesley College offer aquatic, gym and associated services to the broader community, with the remaining private secondary schools offering these services within their school community only. The RAF may have a negative impact on these services, although only Wesley College provide this offering on a fee for service basis outside school hours. The City has not undertaken analysis of the likely impact to Wesley College,

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although the College are supportive of the RAF as they are unable to provide a full service offering due to their primary focus on their student community.

There are a number of Gym facilities operated by persons within the City, these typically provide 24/7 access and on major transport routes. The RAF integrated model is quite different to these types of Gym facilities and whilst there is potential for the RAF to negatively impact on these services, it is difficult to determine and therefore the City has not undertaken this analysis.

Courts: Basketball, Netball, Volleyball, Badminton

There is a well-documented need for additional courts to service the demand. Traditionally these services are offered by Local Governments or other Not For Profits (NFP). Through close liaison, the City is aware of one NFP considering the construction of Basket Ball facilities, however those plans are on hold considering this proposal.

The proposed RAF facility is also adjacent to the oval and hockey fields where opportunities are being investigated to build on the close connection both in the build form and at stakeholder level to again maximize on the recreation and sporting opportunities, together with supporting facilities and shared parking and cycle/pedestrian routes. Consideration is also being given to relevant transport and access guidance, including the Town of Victoria Park and City of South Perth Bike Plan and the proposed City of South Perth Integrated Transport Strategy.

In terms of aquatic facilities, the current situation in the City of South Perth region through the initial feasibility studies completed as part of the Federal Government commitment identified the following items which are being addressed within the RAF facility and can only be seen as a positive and upside to the local and regional community:

- Lack of public aquatic facility, no local Learn to Swim programs;
- Lack of indoor sporting facilities;
- Low participation rates in local sports, particularly amongst females;
- Insufficient community meeting and gathering spaces;
- Lack of integrated sport and wellbeing opportunities;
- Lack of preventive health programs delivered in the community; and
- Inadequate and ageing facilities that are no longer fit for purpose.

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2.3. The expected financial effect of the RAF development on the City of South Perth

The expected financial effect of the RAF development relates in the first instance to the asset construction/commissioning and secondly to the ongoing operating of the of the RAF facility. Construction and funding of the RAF, as well as the potential operating is incorporated within the Business Case that comprises of two key documents, these being:

- Project Definition Plan, and
- Operational Feasibility Report

The Business Case incorporating the Project Definition Plan and Operational Feasibility Report were considered by Council at the Ordinary Council Meeting on 24 November 2020. Included within these reports are a range of assumptions, based on best available planning to date.

In summary, the construction cost to commission the RAF asset is expected to cost \$80 million. Funding of the \$80m include the \$20m Federal Government commitment, \$20m City of South Perth contribution, with the remaining \$40m expected to be funded from a range of other agencies, including the State Government and the private sector.

In relation to operating the RAF, it is expected this will occur via a future Request For Tender (RFT) process. The operating viability of this model is described in detail in the Operational Feasibility Report. In summary, the RAF will return the existing revenue derive from the site, cover a sinking fund (to cover future capital replacements) and cover a \$20m City of South Perth contribution from a loan. It should be noted that the \$20m loan facility was included on a conservative basis to illustrate the viability of the RAF. Council have absolute discretion, at each Annual Budget, to determine the funding mix of the \$20m contribution, which may be via Municipal Funds, Reserve Funds, Loan funds or a combination of all three.

2.4. The expected effect of the RAF development on the City of South Perth Strategic Community Plan 2020-2030 and Corporate Business Plan

The development of the RAF aligns with one of the key strategies of the **City's Strategic Community Plan 2020-2030** – to plan for and promote the development of recreation and aquatic facilities to service community needs. It also closely aligns with the **Public Health Plan** which advocates for the promotion of a healthy lifestyle and the aspirations of the City's Corporate Business Plan.

The City seeks to encourage the on-going sustainability of their community and work to promote healthy lifestyles amongst their residents. This is primarily achieved through engagement with the community and providing infrastructure, services and events that bring the community together and allow for local growth. Based on the City's Strategic Community Plan 2020-2030, the City's vision for the next ten years is to provide:

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“A City of active places and beautiful spaces. A connected community with easily accessible, vibrant neighbourhoods and a unique, sustainable natural environment”.

To implement this vision, the City have developed **four strategic objectives** to help focus their operations. The aspirations for these objectives and activities identified which the RAF will assist in facilitating have been documented below:

1. Community – “A diverse, connected, safe and engaged community”

Relevant Strategies

- Develop and facilitate events, services and programs to respond to changing community needs and priorities;
- Facilitate and create opportunities for social, cultural and physical activity in the City;
- Encourage and educate the community to embrace sustainable and healthy lifestyles;
- Plan, develop and facilitate community infrastructure to respond to changing community needs and priorities;
- Manage the provision, use and development of the City’s properties, assets and facilities; and
- Plan for and promote the development of recreation and aquatic facilities to services City of South Perth needs.

Expected Effect of the RAF

The RAF will deliver a range of ongoing benefits for the community, Curtin University staff and students, local sporting clubs and community groups. A number of community benefits and corporate business generators include but are not limited to the following:

- Providing in-demand facilities for public schools including compulsory swimming lessons;
- Meet demand for Learn to Swim programs to an existing high-risk demographic (overseas born citizens) representing 30% of the City’s population;
- Increase netball participation (currently no courts within the City of South Perth);
- Provide a home for a number of state sporting associations including the Perth Redbacks basketball club;
- Increase physical activity across the region by approximately 500,000 people per year;
- Provide much needed water polo facilities for the South Perth region;
- Create facilities for senior citizens building social cohesion;
- Increase female club sport participation beyond its existing 23%;

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- Provide proactive and preventive health programs that in the future can be self-funding;
- Create an inclusive sport and recreation hub for the whole community, including those with disabilities; and
- Provide a home for sporting bodies and community groups. A number of sports-related partnerships will be enhanced as a result of the RAF and the facility will play an active role in sports development for the region.

2. Economy – “A thriving City, activated by innovation, attractions and opportunities”

Relevant Strategies

- Facilitate economic development opportunities to enhance local business success; and
- Facilitate activity centres and neighbourhood hubs that offer a diverse, viable and attractive mix of uses.

Expected Effect of the RAF

The RAF will deliver a range of ongoing benefits and corporate business economic generators:

- Provide revitalised golf facilities to meet changing trends including retaining the original 18 hole layout and development of additional and diverse range of golfing facilities including 9-hole short format, pro-shop, social and golf entertainment;
- A community café, restaurant/bar, function facilities and playground/picnic areas will position the RAF as a local meeting place where physical activity blends with leisure and lifestyle within a beautiful setting;
- Introduce international connections for overseas students and business (predominantly Asian markets);
- Enable training, research and work placement for Curtin University students (more than 8,000 currently enrolled in the Faculty of Health Sciences, incorporating Physiotherapy, Exercise Science as well as Occupational Therapy) and Clontarf Aboriginal College students; and
- Provide proactive and preventive health programs that in the future can be self-funding.

3. Environment (Built and Natural) – “Sustainable urban neighbourhoods”

Relevant Strategies

- Maintain and improve ecosystem biodiversity in the City;
- Improve the amenity value and sustainable uses of our streetscapes, public open spaces and foreshores; and

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- Promote and implement sustainable water, waste, land and energy management practices.

Expected Effect of the RAF

The RAF will have a strong focus on the delivery of a range of sustainable environmental initiatives both during and within the built form to enhance operational excellence and functionality.

Within the building envelope it is anticipated that a baseline target of 4-star Green Star certification will be targeted, with the ability to target a 5-star Green Star certification as detailed design verses life cycle costs are finalised.

4. Leadership – “A visionary and influential Local Government”

Relevant Strategies

- Be agile to stakeholder, community and customer needs;
- Advocate for public infrastructure improvements; and
- Maximise and diversify non-rate income

Expected Effect of the RAF

- The RAF is a significant infrastructure development that will provide for the needs of the community. The facility is predicted to return additional income to the city.

2.5. The ability of the City of South Perth to manage the undertaking or performance of the RAF development

The City has an experienced team of professional staff and contractors capable of managing the transactions relating to this Business Plan.

2.5.1. Project Implementation – Project Definition Plan and Business Case, Design, Tender, Construction, Commission and Handover of the RAF development

2.5.1.1. Project Governance Framework

In order to ensure that the project is managed in a manner that minimises risk for all partners and also provide partners with opportunities for considered input, a formalised project governance framework has been implemented. A Project Governance Structure has been established in order to define roles, responsibilities and accountabilities and facilitate decision making throughout the project.

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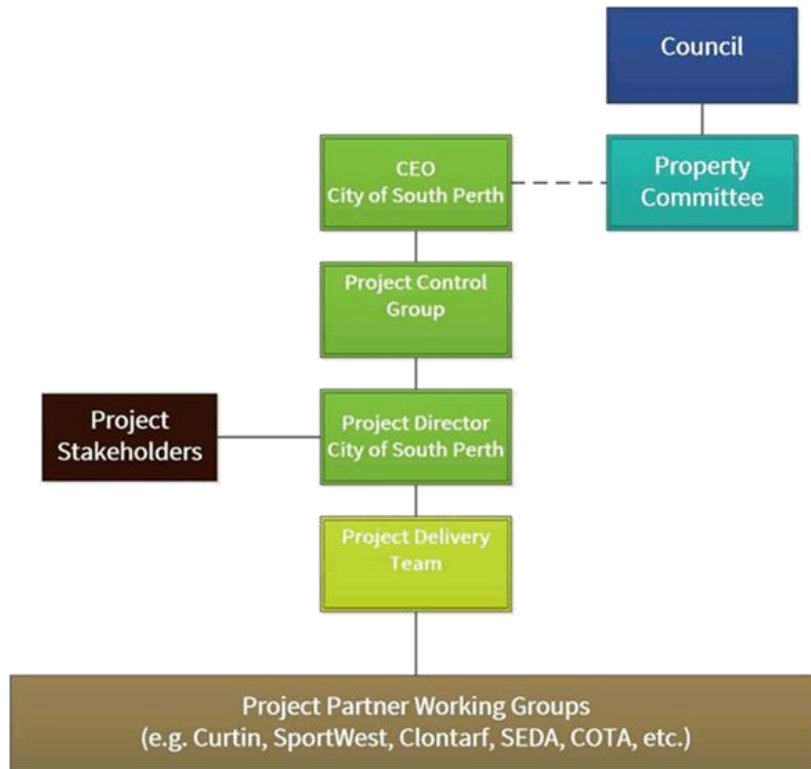


Figure 2: Indicative Project Governance Structure

2.5.1.2. Project Delivery Framework

A delivery structure has been established to detail delineation of project roles, together with delegation authorities upon definition of the decision making and delegation authorities within the project team.

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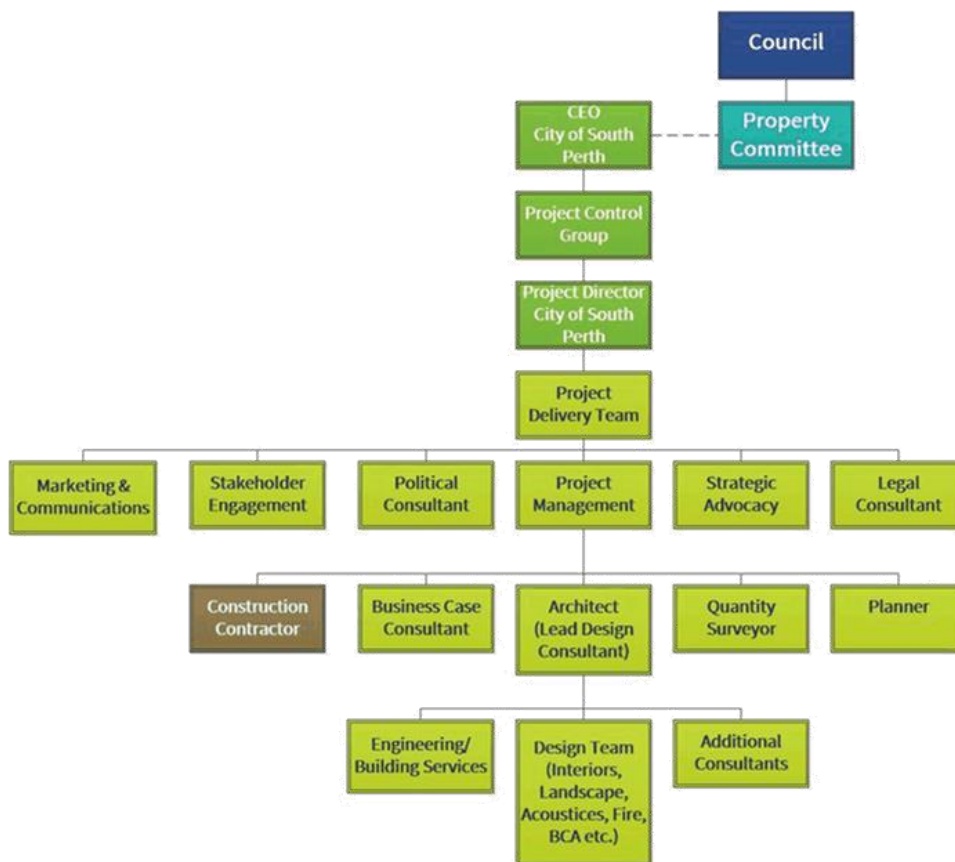


Figure 3: Project Delivery Structure

2.5.2. Project Implementation – Operation, Delivery and Maintenance of the RAF Facility

2.5.2.1. Operational On Going Management Structure

It is proposed that an operator will be appointed for the RAF, having the knowledge, skills and capacity to manage a facility of this scale and nature, whilst also ensuring its financial viability.

Three main operational management structures have been developed by the project team and were further considered at the Procurement Workshop attended by key City personnel in order to determine the most appropriate procurement/management approach for the operation of the RAF, with these being:

- Single external management group (i.e. Clublinks, YMCA, Belgravia Leisure, BlueFit, other specialist firms);
- Multiple external management groups (e.g. each responsible for management of an individual component(s) of the facility); and

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- Direct Management by the City of South Perth.

The current assumed management option was deemed to be the single external management group, adopted for the purpose of the determining the Operational Feasibility and performance of the RAF during the Stage 1 Project Definition and Business Case undertakings.

Ultimately, the final operational management structure will be determined following a market procurement process, which is anticipated to be in the form of a market sounding process via an Expressions of Interest campaign, followed by a tender process to those shortlisted operators. This is planned to be undertaken early in the next stage of the design process, in order to gain their input into the ultimate design from an operational perspective through early operator involvement, necessitating Local Government Procurement processes to be followed in this regard.

2.6. Other matters of which details are required to be given

Nil.

3. Business Plan Access and Submissions

The Business Plan is available from the City's website www.southperth.wa.gov.au. Alternatively you can request a copy by telephone (08) 9474 0777 or via email enquiries@southperth.wa.gov.au.

A hard copy of the Business Plan is available at:

- City Administration or South Perth Library: Cnr South Tce & Sandgate St, South Perth WA 6151
- Manning Library: 2 Conochie Cres, Manning WA 6152

Submissions related to this proposal are invited from members of the public. Any submissions received during the six week advertising period will be considered by Council, at a Council Meeting, before Council make a decision on whether to proceed with the Business Plan, or not.

To make an online submission, visit yoursay.southperth.wa.gov.au. Written submissions should be addressed to: Chief Executive Officer, City of South Perth, Cnr Sandgate St & South Tce, South Perth, WA 6151 or emailed to enquiries@southperth.wa.gov.au.


Submissions must be received by 5pm, DAY DATE MONTH 2021.

Any enquires relating to this proposal should be directed to the Project Director RAF, Beverley Davies on (08) 9474 0777.

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Attachment A

Below are two images that provide for the likely location of the Recreation and Aquatic Facility within the Collier Park Golf Course (CPGC). CPGC is located west of Curtin University, the location address is Hayman Rd, Como. CPGC boundary is Hayman Rd to the North, Murray Street to the West, Jackson St to the South and Kent St to the East.

	<p>This image depicts the entire CPGC, with Kent St and Curtin University to the East. The red lines depict the approximate location of the Recreation and Aquatic Facility within the CPGC.</p>
	<p>This image provides a close-up of the likely layout of the Recreation and Aquatic Facility, being over and north of the existing Club House. This image is indicative only and subject to change through the design process, should Council agree to proceed with this Business Plan, following the close of the comment period.</p>