

10.7.2 Proposed Recreation and Aquatic Facility

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-19-80895
Meeting Date:	24 September 2019
Author(s):	Jac Scott, Manager Business & Construction Naomi Kavanagh, Senior Projects Officer
Reporting Officer(s):	Mark Taylor, Director Infrastructure Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

Summary

This report provides information on the progression of a proposed Recreation and Aquatic Facility within the City.

Amended Motion AND COUNCIL DECISION

Moved: Councillor Travis Burrows
Seconded: Councillor Glenn Cridland

That Council:

1. Formally acknowledge and thank the Federal Member for Swan, Hon Steve Irons MP and accept (subject to the execution of appropriate documentation and agreements as required) the May 2019 Federal Election Coalition Commitment of \$20m for a Recreation and Aquatic Facility in the City of South Perth;
2. Confirm as the preferred site the Collier Park Golf Course (north of the Clubhouse) as the selected location based on opportunities for establishing integrated facilities, enhancing commercial and operational viability, future proofing the golf course and attracting partner funding opportunities;
3. That the preferred site be used for the purpose of advancing the feasibility business case with the business case to include a stakeholder and funding strategy, estimates on capital and operational costs, delivery and operational procurement models, delivery risk assessment, facility scope and accommodation plans, and any required commercial and partner agreements;
4. Request the Chief Executive Officer to initiate and establish formal governance arrangements with prospective partners and to seek external funding support;
5. That all decision milestones on the progress of the project be reported direct to Council for its determination.

Reasons for Change:

1. The matter of a swimming pool in South Perth has been around for many years. We now have the opportunity to properly investigate and establish if it is viable.
2. This current proposal is far different to previous proposals given what it may include. This is particularly important for the financial viability. I will not support it if it is not financially viable.
3. This current proposal and concepts have been the subject of several workshops and briefings to elected members and has been included in the Council's Strategic Community Plan.
4. I listened to the deputations last week, particularly around consultation and have had many other conversations with local residents including Golfer's, which I'm one of.
5. In order to have meaningful and informed consultation we need nominate a proffered site in order to prepare a preliminary design, develop a capital budget, a detailed delivery schedule, an operating budget and model, sustaining capital and funding model. These will all form part of the feasibility and business plan and be a part of the gateway to broad consultation before any final approval can be put to Council.
6. What we are approving here tonight is one step towards informed consultation with all stakeholders and residents. There will be numerous milestones along the way and this motion provides greater clarity for that journey. Like all projects the work needs to be done before you proceed to construct anything.

For: Councillor Burrows, Councillor Cridland, Mayor Doherty, Councillor Irons, Councillor McDougall

Against: Councillor Cala, Councillor D'Souza, Councillor Manolas, Councillor Milner

CARRIED (5/4)

COMMITTEE RECOMMENDATION

That the Property Committee recommends to Council to:

1. Formally acknowledge and accept (subject to the execution of the appropriate documentation and Council approvals) the May 2019 Federal Election Coalition Commitment of \$20m for a Recreation and Aquatic Facility in the City of South Perth;
2. Confirm the preferred site (Collier Park Golf Course north of Clubhouse) as the selected location for the Recreation and Aquatic Facility;
3. Request the Chief Executive Officer establish formal governance arrangements with prospective partners to detail project scope, planning and design;
4. Prepare a funding and delivery strategy; and
5. Defer consideration of this Item to the September Ordinary Meeting of Council.

Officer Recommendation

That the Property Committee recommends to Council to:

1. Formally acknowledge and accept the May 2019 Federal Election Coalition Commitment of \$20m for a Recreation and Aquatic Facility in the City of South Perth;
2. Confirm the preferred site (Collier Park Golf Course north of Clubhouse) as the selected location for the Recreation and Aquatic Facility;
3. Request the Chief Executive Officer establish formal governance arrangements with prospective partners to detail project scope, planning and design; and
4. Prepare a funding and delivery strategy.

Background

The development of an aquatic facility within the City of South Perth (the City) has been the subject of a range of proposals dating back many years. More recently, an integrated, larger scale Recreation and Aquatic Facility (RAF) was incorporated into the Council's Strategic Community Plan.

Since 2003 the City has conducted six studies and delivered nine community polls / surveys incorporating sport and recreation needs. The community has indicated significant support for aquatic facilities, indoor sports and a gymnasium.

The City's only indoor recreation facility (George Burnett Leisure Centre) is below industry standard for provision of indoor sports and recreation, comprising one under-sized sports court. The minimum requirement for indoor sports such as basketball and netball is three to eight courts.

The City has no public aquatic facilities, which restricts the local community's ability to participate in recreation programs such as 'Learn to Swim' programs. A review undertaken in 2015 indicated that a conventional swimming pool, whilst publicly supported would require ongoing financial subsidy to meet operational costs.

The benefits of developing a multi-purpose recreation facility like the proposed RAF were highlighted in the City's Community Recreation Facilities Plan. The adopted Plan recommends the City to investigate provision of a Regional Recreation and Aquatic facility to include:

- Six to eight indoor sports courts to accommodate netball, basketball, volleyball, badminton, table tennis and other relevant sports;
- Outdoor and indoor swimming pool, leisure water, spa / sauna and other necessary aquatic sports;
- Education spaces, commercial spaces, entrainment spaces (function areas, golf), gymnasium, health and wellness space;
- Partnerships with Federal, State and regional stakeholders such as Curtin University and the Town of Victoria Park and commercial operators to assist in capital and life cycle funding; and
- Repurposing of the existing Geoff Burnett Leisure Centre.

At the meeting held in October 2018, Council resolved to:

1. *Reaffirm its commitment for the planning and promotion of the development of recreation and aquatic facilities to service community needs in accordance with Strategic Outcome 1.2(C) of the City of South Perth Strategic Community Plan 2017-2027;*
2. *Commence formal engagement with Federal and State Governments, adjoining local authorities, tertiary institutions, peak sporting bodies and commercial operators to gauge their interest, support and involvement in a regional scale multi-use leisure and aquatic facility to be located within the City;*
3. *Advance work on the design concepts and preferred sites to enable preparation of a detailed Business Plan to be submitted to Council by July 2019;*
4. *Commit to consultation with stakeholder groups and the public on the refinement of the concepts and preferred sites; and*
5. *Form a Project Reference Group reporting through to the Property Committee to oversee the development of the project.*

Progress of the project was expedited to align with the funding opportunities arising from the recent Federal Election. This was recognised in the both the October 2018 Ordinary Council Meeting and February 2019 Property Committee reports.

Comment

Since October 2018, the internal project team has focussed on key partner and stakeholder engagement, refinement of design concepts and site assessments and developing an understanding of general community interest in the project.

Formal Engagement

Project Partners

Key project partners have been identified for potential financial contributions and support that they will bring to the project, these potential partners are:

- Federal Government
- State Government
- Curtin University
- Town of Victoria Park
- West Australian Sports Federation

Federal Government

Extensive engagement at the Federal Government level was completed with both local and Canberra based representatives. This included two official visits by the Mayor and Chief Executive Officer (CEO) in November 2018 and January 2019.

The engagement was informed by:

- Alignment with government strategies,
- Initial feasibility studies,
- Positive community feedback,
- Conceptual designs, and
- Promotional material prepared by the City.

There was very strong advocacy for the project from the Member for Swan, Hon Steve Irons MP.

On 17 April 2019, Federal Treasurer, Hon Josh Frydenberg MP announced a \$20 million election commitment as part of a West Australian pre-election visit at the Collier Park Golf Course. The financial contribution by the Coalition Federal Government should now be formally acknowledged and accepted.

State Government and the Town of Victoria Park

Engagement at a state and local level has taken the form of a number of meetings with key representatives of the Department of Local Government, Sport & Cultural Industries and Department of Planning, Lands & Heritage. There was also a presentation to elected members and senior officers of the Town of Victoria Park in early July. Feedback has been positive, and has included interest in being involved with the project at a strategic level with representation in future governing arrangements.

Curtin University

Curtin University has long been a supporter of the provision of aquatic facilities by the City, as the current RAF proposal contributes to their Greater Curtin aspirations. More recent discussions have been very positive, with the University agreeing to representation in project governance in line with a commitment to funding further project planning.

West Australian Sports Federation (WASF)

WASF, as the State's peak sporting body representing all State Sporting Associations, has indicated in principle support and is committed to participating in the advancement of the project.

Stakeholders

Sporting Bodies

Engagement has been undertaken with a number of State Sporting Associations and other sporting bodies. Organisations include Golf WA, Swimming WA, Basketball WA, Hockey WA, Table Tennis WA, Badminton WA, Volleyball WA and Netball WA. Feedback has been very supportive with a desire to be active users of the facility, which will meet the needs of their members and the wider community who are interested in their sport.

Commercial Operators

Engagement with a number of commercial operators has occurred, with preliminary discussions both initiated by the City and sought by others. Further discussions were also held with the current commercial operator of the Collier Park Golf Course. Within the terms of their lease, the existing operator is required to develop a Masterplan for the site in conjunction with the City.

Broader Community Stakeholders

Representatives have been engaged from a range of organisations, including discussions with local schools (both public and private) and interested groups (including Clontarf Aboriginal College and the Perth Redbacks). The response once again has been positive and the City has received a number of letters of support (refer **Attachment (a)**).

In liaising with the public, a range of communications media were used. This included a project page on the City's website, 'Your Say' opportunities to engage, independent ReachTel surveys, Facebook posts, media articles and hard copy promotional material (namely articles in both the City's Peninsula newsletter and the Community Southern Gazette).

Site Identification

Identification of a range of sites was undertaken, which involved a review of over 20 sites within the City (referred to as the 'Long List of Potential Sites' in **Attachment (b)**). These were then ranked against a number of criteria. The criteria included the following considerations:

- Available building footprint
- Integration opportunities
- Available funding partners
- Land and stakeholder impact
- Traffic congestion
- Ability to meet functional brief
- Long term planning for the area
- Environmental impact

A short list of six potential sites (refer **Attachment (c)**) was selected for further investigation to inform a multi-criteria analysis.

Criteria were separated into: functional requirements; delivery viability; funding potential; integration opportunities; and value for money.

Sites were subsequently ranked in order of preference, with the top three sites selected for further analysis. These were:

1. Site 4: Collier Park Golf Course north of Clubhouse
2. Site 5: George Burnett Leisure Centre
3. Site 6: Collier Park Golf Centre south east corner



Figure 1: Shortlisted sites

Design concept

Architectural firm, Carabiner, was appointed to assist planning for and promotion of the development of the RAF. Carabiner were the architects of the Cockburn Aquatic and Recreation Centre (ARC) and were engaged by the City to review site potential and provide conceptual architectural footprints. Possible core functions and their components were reviewed and conceptual floor plans were prepared.

Each site offered varying challenges and opportunities that informed the layout and components of the facility. Councillors were presented with a comparative review of the sites at a Councillor briefing session in February 2019.

Preferred Site

The assessment identified Collier Park Golf Course, north of the clubhouse, as the preferred site due to the following benefits:

- Ability to achieve an operational profit;
- Co-location of the RAF with the existing golf operation to maximise operational and market opportunity;
- City's funds are better able to address multiple asset renewal requirements in a single combined facility;
- Enhanced funding profile for external partners;
- Proximity to the Bentley-Curtin Specialised Activity Centre;
- Proximity to the new Curtin central bus station; and
- Catchment benefits due to proximity to Curtin University Bentley Campus.

Integration with Current City Facilities

George Burnett Leisure Centre (GBLC)

As previously stated in this report, the GBLC is the City’s only indoor recreation facility and is below industry standard for provision of indoor sports and recreation. A requirement for investment in GBLC has been identified in previous budgets and project proposals to the City, with the need to address the reduced functionality of the Centre. This is further articulated in the Community Recreation Facilities Plan for the City to investigate provision for a regional Recreation and Aquatic Facility to include repurposing of the existing George Burnett Leisure Centre.

Collier Park Golf Course (CPGC)

The current CPGC clubhouse buildings are nearing end of life and are no longer fit for purpose. A requirement of the current Operator’s lease included the development of a masterplan, however the scope of commercially viable improvements is currently limited by the uncertainty presented by the RAF proposal.

In 2017 the City commissioned a review of the golf business by golf consultants ‘WellPlayed’. This identified a future direction for CPGC that articulated the need for change.

Need to sustain financial returns

Needs to deliver improved financial returns to pay for ongoing capital works

Infrastructure works ongoing

Next 3 years will challenge returns with major works on the Pines course

Golf entertainment?

Driving range not optimised for golf trends - not responding to the trend for golf-entertainment options

Revenue not diversified

Facilities do not allow for diversified revenue streams

Customer-focus?

Current focus is on traditional golfers, competitors are broadening their market

Hospitality offer basic

Hospitality offer is behind the times - explore functions & events and/or casual restaurant?

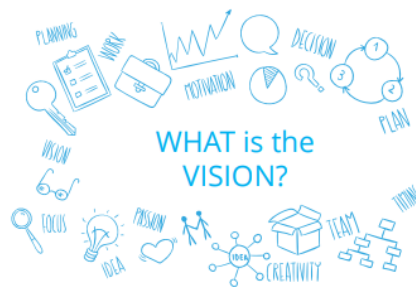


Figure 2: The need for change at CPGC (WellPlayed 2017)

The review identified that currently the business is focused primarily on the traditional golf market, but this approach will not support the facility into the future. The business model needs to become more market-focused and adapt in order to stay relevant. Currently the business is focused primarily on the traditional golf market, but this approach will not support the facility into the future. The golf course now needs to actively engage with the local community, be more customer-focused, and broaden appeal by targeting women, families, diverse groups and younger generations in order to stay relevant and commercially viable. The introduction of short-format, social and golf entertainment participation options would support this goal.

The development of the RAF at CPGC would enable the required diversification whilst still retaining the original 18-hole layout for the established traditional golfers. Golf provides a range of broader community benefits that align with the core purposes of local government and overlaps with the strategic purpose of the RAF project. Siting the RAF on CPGC allows for the maximisation of benefits whilst

financial demands are concentrated and reduced through the focus on a single facility.

Mini-golf has been identified as a diversification proposal that can be progressed, irrespective of the RAF by increasing the attractiveness of the CPGC to a broader demographic profile, as well providing a financial return to the City. This proposal will be presented to Council as a separate report, taking due consideration of the current RAF proposal status.

There are competing requirements which need to be managed between the current and future offerings and it is essential that these are addressed and resolved if CPGC is to remain relevant and continue to contribute financially to the City. It is expected that this would be achieved through specific zones within the facility for the different uses as well as through the different times and days of peak demand across the various offerings.

The focus for the next stage of the RAF project will be to engage with the existing CPGC users and the broader community to ensure that developments to the golf course meet community and customer expectations whilst allowing the golf business to remain financially viable and appeal more widely across the community.

It should be noted that in the event of the RAF not proceeding at CPGC the need to reconsider a 27-hole layout would remain in order to provide a more diversified product range. This would include an upgraded driving range; improved food & beverage; mini-golf and / or short course options; and replacement of end-of life buildings.

Timeline

A Gateway structure is being developed to facilitate governance and decision making support and to retain Council oversight and control of the Project. This identifies three main stages for the project (illustrated below). These gateways align with the anticipated stages of financial contributions towards the project for both Council and other Project partners to limit financial exposure for all partners as the project progresses to the approval of the construction stage.

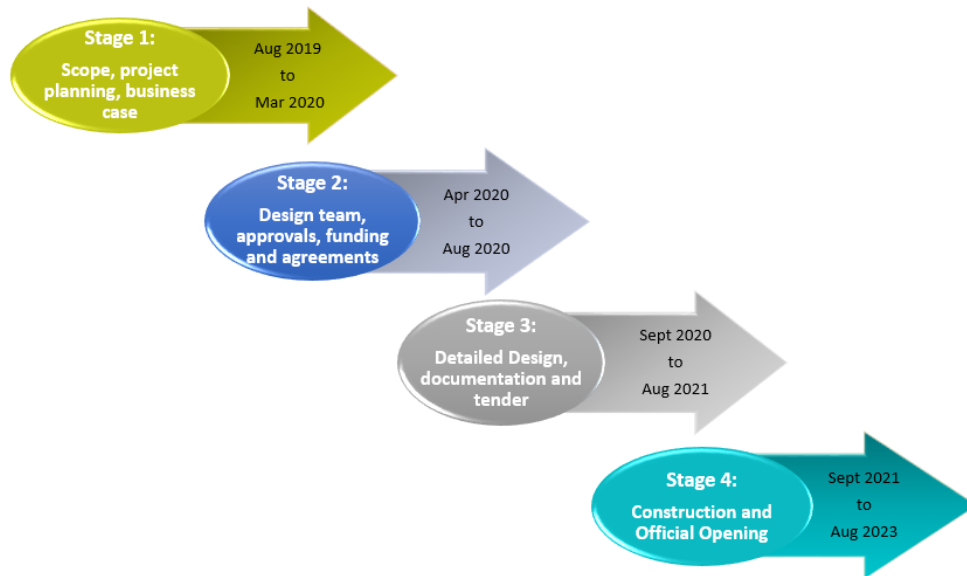


Figure 3: Projected stages and timelines

The key decision gateways for Council would be:

1. Confirmation of site location and approval to proceed to finalise financial partners and project scope;
2. Confirmation of financial partners and approval of Business Plan (project scope and financials) to commence to detailed design; and
3. Confirmation of final design and approval to commence to construction.

A project plan under development has identified expected milestones for the project, as illustrated in Figure 4.

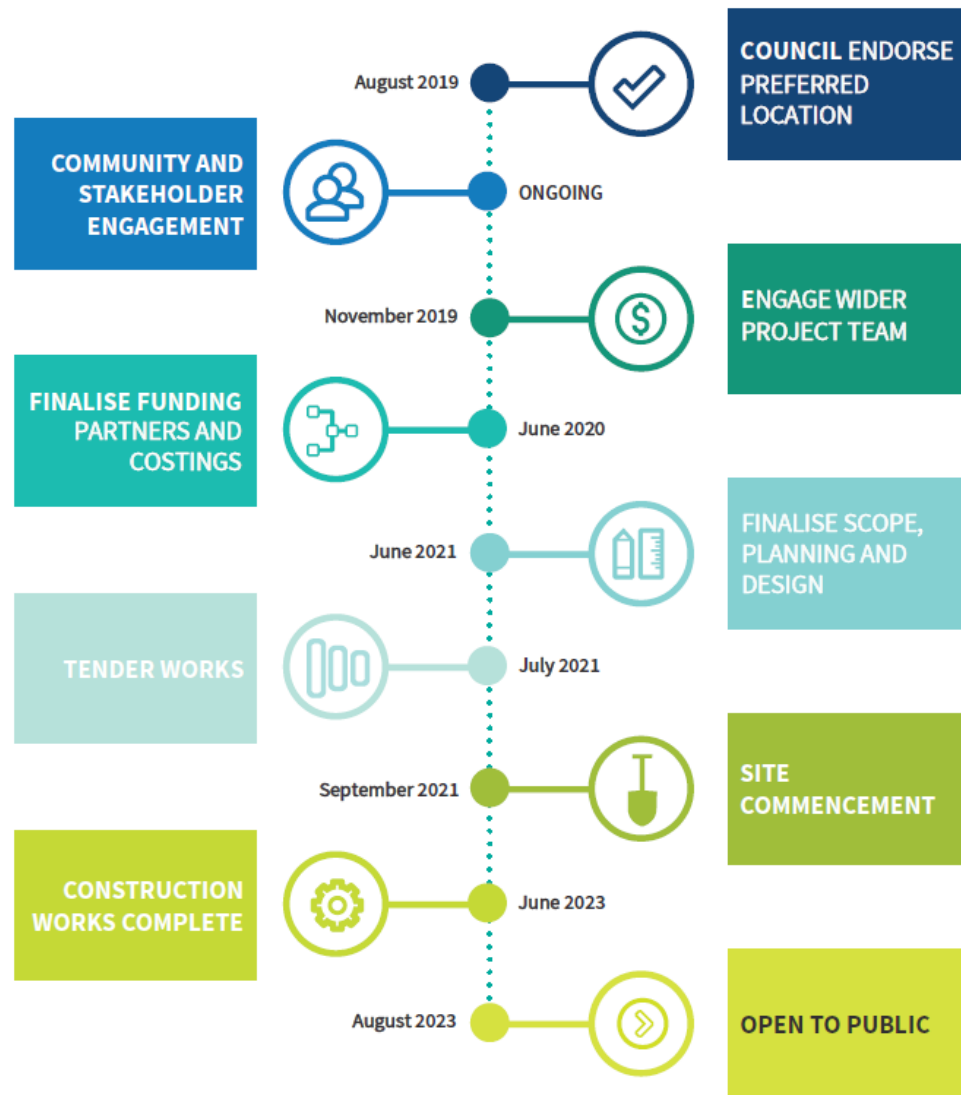


Figure 4: Indicative timelines for significant milestones

Facility Core Functions

The core functions were selected to maximise the commercial viability of the facility and to meet identified community needs. The concept footprints prepared for the three shortlisted sites by Carabiner therefore included:

- 50 metre multi-purpose swimming pool
- 25 metre indoor swimming pool
- Program and learn-to-swim pool
- Children's aquatic play area and splash pad
- Hydrotherapy pool
- Aquatic recover pools
- Regional multi-purpose indoor sporting centre inclusive of courts
- Health club
- Program rooms
- Rehabilitation facilities
- Allied health facilities
- Community café/restaurant/bar
- Community office and meeting spaces
- Sports-house (accommodation for a peak sporting body)

- Regional playground and picnic areas
- Education, research and work integrated learning facilities
- Integrated sport merchandise store and golf pro shop
- Golf facilities including mini golf and technology driven driving range

Next Steps

Following endorsement of the preferred site, engagement with potential funding partners would continue to finalise the full level of funding required to progress the project to construction. Planning and due diligence will be progressed, with consultants utilised where required. Proactive management of risk (including mitigation measures) will continue throughout the project. The planning and promotion of recreation and aquatic facilities is a key strategy of the City's Strategic Community Plan.

It is intended for the RAF to go beyond sport, recreation and aquatics. It is envisaged it will be:

- A unique and vibrant social hub where physical activity and lifestyle experiences meet to enhance overall community health and wellbeing;
- A place for community, sport and education partnerships;
- A dynamic destination and meeting place that connects communities;
- A leading centre for sport education and research;
- An economically efficient and financially viable multi-purpose facility; and
- A social space for every member of the community, accessible to all abilities and age groups.

Governance

At the Property Committee meeting of 18 February 2019, an update on progress was provided and noted by the Committee and subsequently at the Council meeting. At this meeting an internal governance arrangement was outlined where the Property Committee would essentially fulfil functions of an internal Project Reference Group so as to receive reports and recommend as necessary to Council so as to more readily receive feedback from Councillors.

An internal Project Working Group has been established (chaired by the CEO), and a project governance structure has been drafted to facilitate wider project delivery. Recognising the different requirements which government, commercial partners and the community have, this structure would better facilitate management of project stages (including interim project feasibility) and articulate roles to enable project delivery.

The structure would be further supplemented by development of terms of reference, memorandums of understanding, and other documentation as required to support governance arrangements. Additionally, a newly established wider project control group would be established to include both City of South Perth representatives but also contributing partners.

Consultation

The Mayor, CEO, City officers and consultants (where required) have liaised with a wide range of stakeholders (**Attachment (a)**). Additionally, the general community have also been engaged via a range of media.

Initially, interest in the project and support was gauged from key stakeholders, and more recently, potential funding partners have also demonstrated in principle support, as detailed in this report.

Policy and Legislative Implications

The following legislation and policies may be relevant to this project as it evolves:

- *Local Government Act 1995* – Section 3.18 of the Act prescribes that a local government may provide services and facilities; and in doing so should satisfy itself that they are integrated and coordinated with services and facilities provided by the Commonwealth, the State and other entities;
- *Local Government Act 1995* – Section 3.59 of the Act prescribes the requirements for preparation of a business plan detailing what this may include;
- Policy 106 ‘Use of City Reserves and Facilities’; and
- Policy 609 ‘Management of City Property’.

In looking at the feasibility of a RAF, land tenure will also need to be considered during the site investigation process and planning stages. Initial discussions with the Department of Planning, Lands & Heritage have indicated no major hurdles to the progression of the project. Liaison with the WAPC and appropriate approval processes will be required, acknowledging vesting and management orders that exist.

Financial Implications

The RAF involves a large capital outlay, in the region of \$60 to \$80 million, depending on its location and core functions. External funding, such as the \$20 million Federal Government commitment and other potential partners, uniquely reduces the City’s contribution towards the creation of a significant community asset.

The provision of the RAF would increase and expand the City’s recreation and aquatic services whilst also reducing maintenance demands and ongoing operational costs of existing facilities. The capital expenditure demands of the project for the City are projected to be in the order of that currently required to maintain and improve existing services at GBLC and CPGC. The RAF will effectively replace the need for significant investment in the existing facilities.

The RAF, in the proposed location and core functions, has the capacity to broaden the community recreation offering and contribute to the City’s income over a number of years. The facility location, design and scope are critical to avoid the negative financial impact often attributable with a stand-alone aquatic facility. The feasibility work undertaken to date points to the proposed RAF facility being fully sustainable.

The 2019/2020 budget includes a City contribution of \$300,000 for this project. Additional base fund contributions will be sought from partners to finance the delivery of Stage 1 of the project.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction: Community
Aspiration: A diverse, connected, safe and engaged community
Outcome: Community Infrastructure
Strategy: Plan for and promote the development of recreation and aquatic facilities to service City of South Perth needs

Additional Information – Ordinary Council Meeting - 24 September 2019

Since the preparation of the Property Committee report there has been additional information requested by Council and a further Councillor Concept Briefing held on 3 September. This is captured in the additional attachments now provided:

Attachment (d): Additional comments related to the report

This attachment provides for expanded or amended information to the August Property Committee report and to include information requested by the Property Committee.

Attachment (e): Timeline of Project Development

This attachment provides the timeline for the development of the proposal and summarises how the City has reached a point where a preferred site is identified and formal development of a business plan for that site it now proposed.

Attachments

- 10.7.2 (a): Project Partners and Stakeholders
- 10.7.2 (b): Long List of Potential Sites
- 10.7.2 (c): Short List of Potential Sites
- 10.7.2 (d): Additional comments related to the report
- 10.7.2 (e): Timeline of Project Development