

**MOUNT ALEXANDER SHIRE
AQUATIC FACILITIES STRATEGY**
FINAL REPORT JULY 2007



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CONTENTS

Introduction	1
Aquatic provision in a current policy and planning context	2
Summary of Relevant Reports	3
Demographic Analysis	4
Task Force Group Analysis	5
Current Facility Provision	6
Financial Analysis – Current Provision	7
Financial Model – Indoor Aquatic Centre	8
Review of Industry trends	9
Relevant Benchmarks and Case studies	10
Funding Options and Opportunities	11
Summary of Findings and Recommendations	12

1. INTRODUCTION

Mount Alexander Shire is increasingly being seen as an attractive place to live and an alternative to the highly urbanized environment of metropolitan Melbourne. The appeal of Castlemaine and other towns is related to the reduced travel times (road and rail) to and from Melbourne and Bendigo, the town's heritage and landscape character, lifestyle qualities, and its recognition as an arts and cultural centre.

In recent years there has been a marked increase in the number of dwelling approvals and level of residential subdivision activity, particularly as infill within the town. Population growth estimates (Mount Alexander Urban Living Strategy, 2004) indicate that Castlemaine's population will grow from 8,000 to 10,500 persons by 2021. A strengthening of Castlemaine's regional role will require strategies to provide and enhance regional level facilities that meet community expectations for their health, education and recreation.

In order for Council to understand the long term needs for Aquatic Facilities the Shire has commissioned this report to review the work of the Aquatic Facilities Task Group and provide some additional information by way of the following:

- A demographic profile highlighting information that is likely to influence future aquatic facility provision.
- A competitor analysis which shows the spatial distribution of existing aquatic facilities within the municipality and surrounding municipalities, including outdoor and indoor pools, both private and public.
- A review of Industry Trends including recent aquatic facility developments (within both metropolitan and rural areas) their cost to build and operate, and what the funding 'blend' for those developments have been.
- A review of current aquatic facility provision costs and likely capital, maintenance and operational costs associated with all Swimming Pools over the next 5 – 10 years.
- Recommendations regarding the use of the sites where the pools are to be closed.

This report consolidates information from a number of sources including previous reports that have been prepared for Council. .

2. AQUATIC PROVISION IN A CURRENT POLICY AND PLANNING CONTEXT.

It is important for Council to articulate the policy and planning context for the provision of Aquatic facilities in the Shire. These are significant community assets that are highly valued by many members of the community and they have important historic and cultural contexts.

Within this Shire there are 6 ageing outdoor swimming pools. All of them require significant work to meet regulatory requirements that govern the operation of public swimming pools. Some of them have critical problems with key infrastructure including pool shells, pipework, other plant, universal access, toilets facilities and change-rooms. Council should address the capital maintenance requirements of these facilities through the development of a comprehensive Asset Management Plan. While Council has made allowance for the capital maintenance of swimming pools in its forward budgets it is unlikely that this is sufficient to cover a comprehensive program of maintenance or improvements to these ageing facilities.

Council Plan

The provision of swimming pools by Mount Alexander Shire Council is consistent with the *Community and Built Environment* sections of the Mount Alexander Shire Council Plan 2006-2010.

Several specific objectives which support the provision of aquatic facilities include:

- *To improve the sense of safety and wellbeing within the community:*
Aquatic facilities provide a safe environment for water based activities. Their existence generally alleviates the need for people to undertake water based activities in unsupervised bodies of water including dams, reservoirs and rivers. There are a wide range of social, health and economic benefits that can be achieved through the provision of aquatic facilities and related programs and these contribute to community well being.
- *To plan for and coordinate a range of high quality services which respond to the needs of the community:*
Mount Alexander Shire has a number of smaller townships within which recreational facilities serve as a community gathering / focal point. This has been articulated through the MAP2020 community consultation process.
- *To provide an attractive and stimulating place with a high level of cultural vibrancy in which to live, work, visit and invest:*
The provision of a safe, friendly atmosphere which residents and visitors can enjoy their day to day activities influences the livability of all townships. Mount Alexander Shire has a good provision of services including hospitals, secondary college and major business. The provision of aquatic facilities which meet the community's needs and expectations adds to these already attractive community features.
- *Provide and maintain infrastructure assets including quality landscapes and public spaces which meet community needs and expectations with a long term focus:*

The considerable age of Council's aquatic facilities necessitates the need to review the provision of those facilities for the future. Any provision must be considered in the context of Council's limited fiscal resources and its long term financial plan.

Community Satisfaction Survey:

The 2007 Community Satisfaction Survey conducted on behalf of Council revealed that residents rate recreational services within Mount Alexander Shire at a slightly lower level than the state average. Of the reasons why Council needs to improve recreation services, 38% of responses cited *More/better Sporting Complexes (including pools)*.

Community planning and growth:

As Mount Alexander Shire is within a short distance of Melbourne, Ballarat and Bendigo, many residents of the Shire commute to these larger cities for employment. The ease of access to these cities also attracts *tree change* residents who wish to live in the country but want easy access to the city as required. With the fast rail development and Calder Freeway upgrades this makes Mount Alexander Shire an attractive location. These residents often have increased expectations as to the facilities available to them one of which is the provision of adequate and year round aquatic facilities.

During the Community Planning process, MAP 2020, there has been a consistent call for the Council to consider the development of an indoor aquatic facility in the Shire.

Long Term Financial Strategic Plan 2007-2026:

The Mount Alexander Shire Council *Long Term Financial Strategy* suggests that Council has the capacity to borrow funds and draw down from reserves to support the renewal of key community infrastructure in the medium term. Council does not have the capacity to totally fund a new aquatic facility. Any consideration of the development of a new indoor facility will be dependant on the availability of significant external funding from a range of sources including, Health, Education, Sport/Recreation, Infrastructure, philanthropic organisations, community fund raising and sponsorship.

Any loan borrowings obtained for the construction of a new aquatic facility will need to be paid back over a set period. These repayments will need to be taken into account as part of the operating budget for that facility.

Water Availability:

Since September 2006, Mount Alexander Shire has been on Stage 4 Water Restrictions. These restrictions do not allow Council to fill any swimming pools using a potable source unless they are already 75% full and have no leaks. With the minimum age of Council's Aquatic Facilities being over 35 years, leaks will become more prevalent increasing the need to invest in major repairs/replacement in the short term future. If Council is unable to meet the requirement of repairing leaks, swimming pools will not be able to function.

3 SUMMARY OF RELEVANT REPORTS

Several reports have been conducted over the past 15 years, looking at the provision of Aquatic Facilities within the Shire. The following is a brief summary of each of the main reviews that have been conducted.

2.1 Feasibility Report on Partial Building Enclosure & Heating of Castlemaine Municipal Swimming Pool – August 1993 (Ian K Prudden Pty Ltd)

This report was commissioned by the City of Castlemaine at the Special Meeting of 28 June, 1993 where it was recommended: *“From the overall perspective of the future needs of the City of Castlemaine, Council should arrange for an investigation and report on the feasibility of heating the water and constructing a roofed structure over the existing pool”*.

This feasibility report included key recommendations that incorporated an Indoor Pool on the current Castlemaine Outdoor pool site including:

- a site layout that involve features such as main entry from north, with direct access from Caravan Park.
- a public car park in the Caravan Park area. Main entry disabled provisions, removal of car parking in Cornish st and pedestrian's precinct on south and east side of the pool.
- Enclosure of Western portion of existing pool, plant room to be constructed below ground
- Roof powered solar heating system with natural gas fire boiler backup and fresh air direct gas fired system with heat recovery
- A contract management structure

2.2 Aquatic Centre Feasibility Study – September 1999 (Lacey Management Services in conjunction with DC Leisure)

This report was commissioned to provide a feasibility study on delivering, operating and managing a heated indoor aquatic centre for community use. The following conclusions were given:

- If a new facility were built, people would transfer their use from existing pools to the new facility rather than increase their total use of swimming facilities.
- A new facility would have a detrimental effect on existing outdoor pools
- There is a need for a hydrotherapy and warm water exercise pool that supplies older adults.
- The Shire has a higher attendance rate at public swimming pools compared to rural Victoria

- The Shire has a lower socio-economic profile and a higher proportion of people aged over 55 than the average for rural Victoria

The report listed three key recommendations:

1. Mount Alexander Shire accept that the provision of a new indoor heated pool in the Castlemaine area while desirable, is not feasible because of such significant capital and recurrent costs involved
2. Should as a matter of urgency, bring existing pools up to current industry standards to meet expectations of customers and the current OHS requirements
3. Should upgrade the Castlemaine Outdoor Pool through the provision of solar heating and a warm water hydrotherapy pool at a cost of \$635,000

2.3 Aquatic Facilities Strategic Plan – May 2001 (Stratcorp Consulting)

The recommendations given in this report indicate that the number of aquatic facilities be reduced from six pools to four pools which involved the closure of Campbell's Creek swimming pool in 2002 and closure of the Chewton Swimming Pool by 2012.

Stratcorp recommendations included:

- the redevelopment of Castlemaine swimming pool and the development of a new leisure facility to be constructed for the Campbell's Creek community.
- a new pedestrian and bicycle link be constructed between Chewton and Castlemaine.

Stratcorp estimated that the total ten year maintenance and capital cost excluding the pedestrian and bicycle link was to be \$1,406,230 from 2001.

2.4 Technical Audit of Swimming Pools for Mount Alexander Shire Council –2006 (R J Ball Civil Engineer)

This technical audit uncovered various pool maintenance and public health safety issues across the six pools. It was concluded that the ageing of public swimming pool assets was a universal problem in rural Victoria.

Pool Water Turnover rate, Pool Circulation Pattern and Water Treatment were identified as the main issues relating to public health. Re-modeling and maintenance issues were identified as the key issues relating to asset management.

Recommendations included directing first priority expenditure into issues that bear risk to public health and secondly asset maintenance. It was recommended that upgrading of assets be considered to encourage utilization and maximise the benefits to be obtained from the recreational and physical exercise opportunities available at these facilities.

4 DEMOGRAPHIC PROFILE

The Shire's urban centres accommodate approximately 67% of the Shire's total population. The urban population of the Shire is increasing due mainly to housing growth in Castlemaine. The Shire is experiencing a "tree change" trend. Almost 3000 people moved to the Shire between 1996-2001 with the majority moving from Melbourne. Factors influencing this trend include reduced travel times to Melbourne and Bendigo, quality of lifestyle, heritage character, and comparatively lower house and land prices.

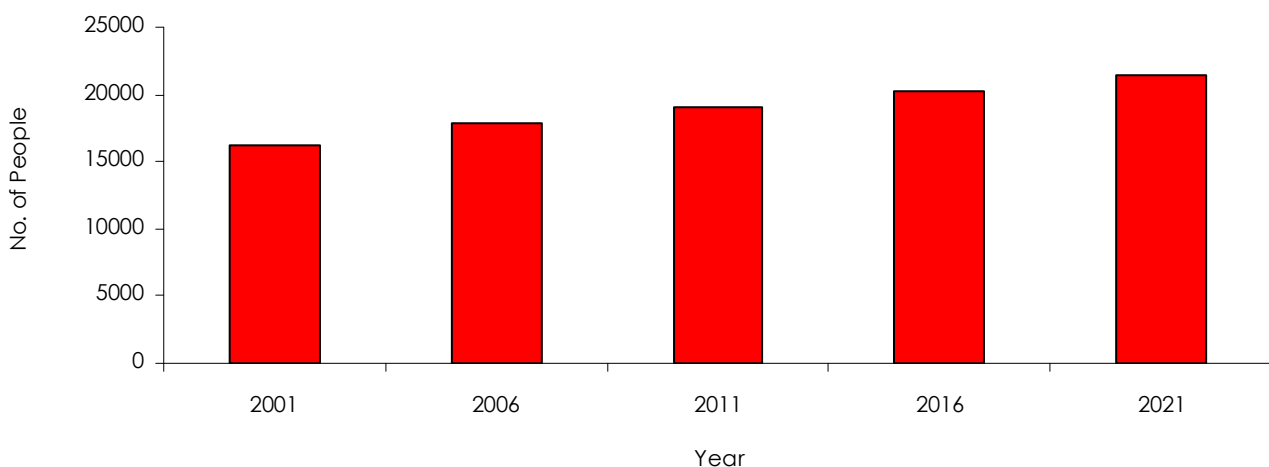
The Mount Alexander Urban living Strategy estimates growth of the Shire's population from 16,200 to 21,400 by the year 2021. The proportion of the Shire's urban population is estimated to increase from around 67% in 2001 to 73% by 2021. Approximately 50% of the Shire's population growth during this period is expected to occur in Castlemaine.

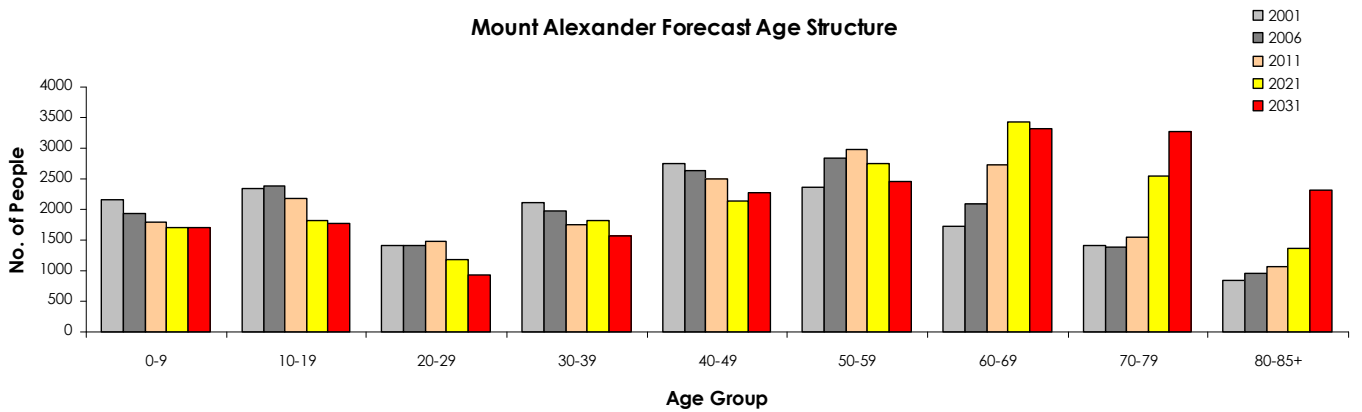
The following section presents demographic data obtained from the Department of Sustainability and Environment.

- The total number of people within the Mount Alexander Shire catchment was approximately 17,066

3.1 Mount Alexander Age Profile and Population Growth

Mount Alexander Population Growth



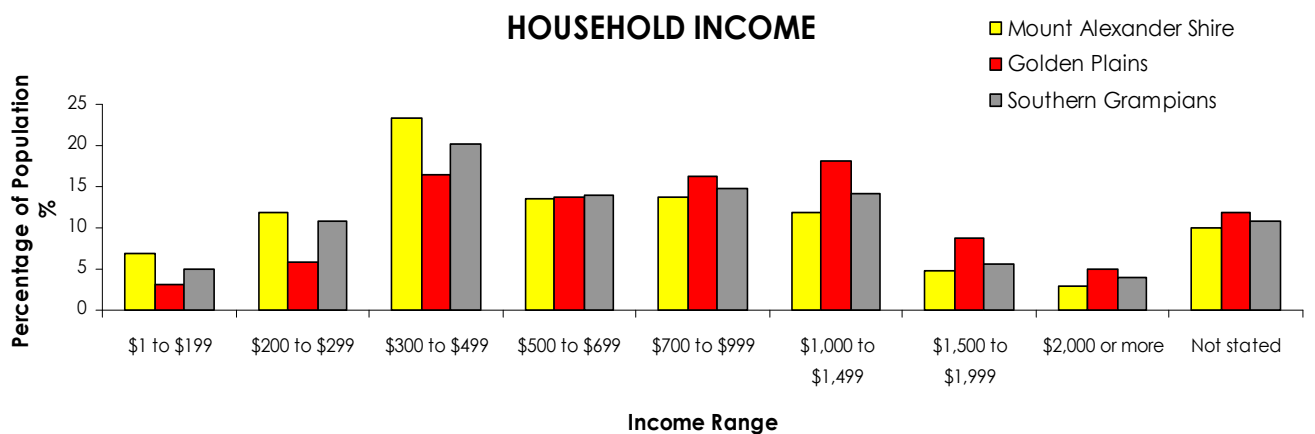


The above graph indicates the change in age structure from 2001 to 2031.

- The population forecast predicts that residents aged 0-49 will slowly decrease whilst residents aged 50-85+ will increase.
- In 2021 53.7% of the population will come from people aged 50-85+.
- This will increase to 58.4% of the population in 2031.
- People aged 20-29 recorded the lowest percentage which could be explained by young people leaving the Mount Alexander shire to seek work; and also young families choosing to live in Bendigo where more services are available and commute to Castlemaine for work.

3.2 Household Income

The following graph indicates the household income for Mount Alexander Shire compared against similar demographics areas in Golden Plains Shire and the Southern Grampians Shire.



Almost 25% of residents earn between \$300 and \$499 gross per week with only 3% earning \$2000 or more.

3.3 Population Growth

The Mount Alexander Urban Living strategy estimates that the Shire will grow at an average annual rate of 1.4% to the year 2021. The Shires population is estimated to grow at a faster rate than it has in the past, due to factors such as reduced travel times to Melbourne and Bendigo and the increasing appeal of the Shire as places to live.

3.4 Ageing Community

It is predicted that the population of the Shire will continue to age, and by the year 2021 will have almost 32% of the population over 60 years. This change will require an increase in housing choice and in community health care and welfare services. Suitable housing and accommodation, including retirement homes and medium density developments will need to be located near commercial and community facilities and public transport.

3.5 Unemployment:

Unemployment figures can be utilised to give an indication of an area's wealth and levels of disposable income. The Victorian Government's Regional Skills Shortage Survey report published in May 2006 outlines that, as of December 2005, the unemployment rate in Mount Alexander Shire was 8.3%, well above the State average of 5.4%. Mount Alexander Shire also has a higher unemployment rate than Macedon Ranges (3%) and Bendigo (7.2%).

3.6 Implications of the Demographic Profile

An older population is more likely to use a heated indoor facility for activities with social and fitness components including water aerobics, hydrotherapy, fitness training, etc. There is an increasing trend for over fifty year olds using aquatic and recreation centres, actively engaging in programmed activities such as water aerobics, strength training, etc.

The demographic data also indicates that Council has a stable family aged population going forward. Families and children are often the largest users of these types of facilities.

The lower than average household income is a factor that council will need to consider when setting fees and charges, but is unlikely to greatly effect viability, beyond the forecasts made in this report.

5 AQUATIC FACILITIES TASK FORCE GROUP ANALYSIS

The following comments are provided in response to a review of the "Aquatic Facility Task Group" recommendations.

A summary of our recommendations for moving forward based on an analysis of the Task Group's work and the other research we have undertaken can be found in Section 11 of this report.

That Council:

1. Develop an indoor, heated aquatic / multi-purpose facility ('the facility').

Our analysis of demographic trends in the Shire complement the primary assessment of need provided by the Aquatic Facilities Task Group.

In the future, the Mount Alexander population will have increasing growth in its older age groups and a decline in the proportion of younger people. It is likely that the proportion of older people in this Shire will exceed the number of older people in the community more broadly.

The implications of an ageing population on community health and fitness can be planned for and addressed. Proactive support for an active older population can have very positive impacts on general health and well being. There is increasing evidence that older adults will participate in aquatic activities and programs in indoor heated pools. These people are not attending outdoor pools in great numbers and thus represent a new market and an opportunity to increase the overall level of physical activity in the community year round.

A review of the demographic data suggests that a case can be mounted for an indoor heated aquatic leisure centre within the Shire.

There are also a number of economic benefits that can be derived by the Shire as a result of providing this type of service to the community. Presently there are a number of people that leave the Shire to visit larger regional centres where there are indoor aquatic facilities.

Quality community infrastructure like indoor aquatic facilities can assist people make the decision to settle in the Shire. This type of facility is particularly attractive to young families who make up the most significant proportion of users at other similar facilities around the State. It is also the case that aquatic leisure facilities are large employers. There are a number of jobs that are created in these facilities, particularly for young people.

The net cost of operating Councils pools will increase should Council decide to build and operate an Indoor Aquatic Facility. The proposition of a new facility, must however be considered in the context of a reduction in the cost of operating and maintaining 3 existing outdoor pools at Castlemaine, Campbell's Creek and Chewton. At the same time, the indoor facility represents a vast improvement on the quality and accessibility of the aquatic programs and services. A further analysis of operating costs is provided in section 6 of this report.

2. Decommission Campbell's Creek Swimming Pool from operation on a permanent basis, effective immediately.

Our analysis of the Campbell's Creek pool supports recommendation (2) of the Aquatic Facilities Task Group – “to decommission operation of the Campbell's Creek Pool on a permanent basis”.

The pool is reported to be close to 90 years old. There is extensive cracking in the pool shell and the water treatment and filtration systems which do not meet current Occupation Health and Safety requirements. Rectifications of these defects would require a complete rebuild of the pool and plant. The size of the site is not optimal for the effective and efficient operation of a community swimming pool that can meet contemporary requirements.

We believe that the current allocation of capital that is designated for works to the Campbell's Creek pool would be better spent on other recreational assets for that community. Our recommendation is that Council continue to consult with the Campbell's Creek community to negotiate a suitable asset replacement that will fulfill other recreational needs.

3. Decommission Castlemaine and Chewton Swimming Pools from operation on a permanent basis, effective immediately upon the commissioning of the facility.

We do not agree with this statement entirely. We believe that the Chewton Swimming Pool should be decommissioned in the next 2 years. The Castlemaine Pool should be decommissioned when/if a new facility is built irrespective of its location.

If Mount Alexander Shire Council were to construct a new indoor heated facility the findings show from other rural shires that successful indoor facilities are more viable when the total number of seasonal pools is reduced. We are also mindful that Council has limited financial resources and that a year round facility becomes more affordable if a degree of rationalisation occurs.

4. Maintain Harcourt, Maldon and Newstead Swimming Pools in operational order subject to an annual review of viability.

We support the recommendation of maintaining Harcourt, Maldon, Newstead Swimming pools on the basis that these swimming pools service smaller townships and more remote communities.

The Harcourt Swimming Pool has upgraded its filtration plant recently but has indications of cracking in the pool tank. The Maldon Pool has had filtration system upgrades as well as improvements to its amenities. Newstead Pool has also had a filtration system upgrade in 2003 and in 2006 an automatic chemical dosing system was installed.

5. Undertake a feasibility study:

- to develop a range of options for the facility.
- to investigate and make a recommendation regarding a proposed site.

We support this recommendation of the Task Group. The Feasibility Study into the development of a new Indoor Aquatic Facility will be required as a precondition of any funding application to the State or Federal Government. The Feasibility Study will;

- quantify demand and the specific requirements of this community,
- determine the necessary componentry to meet the needs of the community,
- identify the best site within the Shire for the facility
- identify the number of key partners in the community for the project (ie the health and education sectors)
- help determine the budget for the project
- examine the timing, management arrangements and outline a preliminary business case for the development

After a review of the sites suggested by the Task Group, we make the following preliminary points. All of these sites should be given a more thorough analysis during the preparation of the Feasibility Study:

Current Castlemaine Swimming Pool site:

We believe that this is the best option of all the sites listed. It is close to the hospital, nursing home and hostel facilities, which provides great opportunity for the co-generation of energy which could be a major financial imperative to viability. Close proximity to the caravan park and Botanic Gardens are also positives.

There are also benefits of locating a warm water exercise pool adjacent to the hospital and aged care facility. This could also be beneficial in attracting State funding for the facility.

The Aquatic Centre Feasibility Study, conducted by Lacey Management Services in 1999 confirmed that the current Castlemaine Pool site has a large enough foot print to accommodate an Indoor Aquatic Centre.

Western Oval:

We believe that this land is valuable open space that is best utilised by the community for that purpose. It would likely be costly to design something that negates geotechnical problems given the proximity to a creek bed.

Castlemaine Secondary College – Junior Campus

This site is not considered to be in a good location in terms of the residential population. Land ownership, also the placement / size of the facility would preclude the school from combining campuses in the future. Council facilities built on Education Department land have limitations in terms of community access.

Wesley Hill

This site has the available space to locate an indoor facility, however consideration should also be given to the impact that such a development would have upon the remaining users of the reserve and surrounding residents. Given the current high use of this reserve, traffic management and parking problems would be exacerbated during peak user times such as Saturday morning and during seasonal sports changeovers.

It is likely that the feasibility study will reveal that this site is not the most cost effective site to build a new facility on. Land that would be flat enough to build the new facility on is limited without significant excavation and the land adjacent to the stadium is not large enough to co-locate an indoor facility at ground level. Underground car parking or constructing the facility at multi levels increases the cost substantially.

6. Vary the Terms of Reference for the Aquatic Facilities Task Group in order that the Task Group be retained as a reference group for the purposes of the feasibility study:

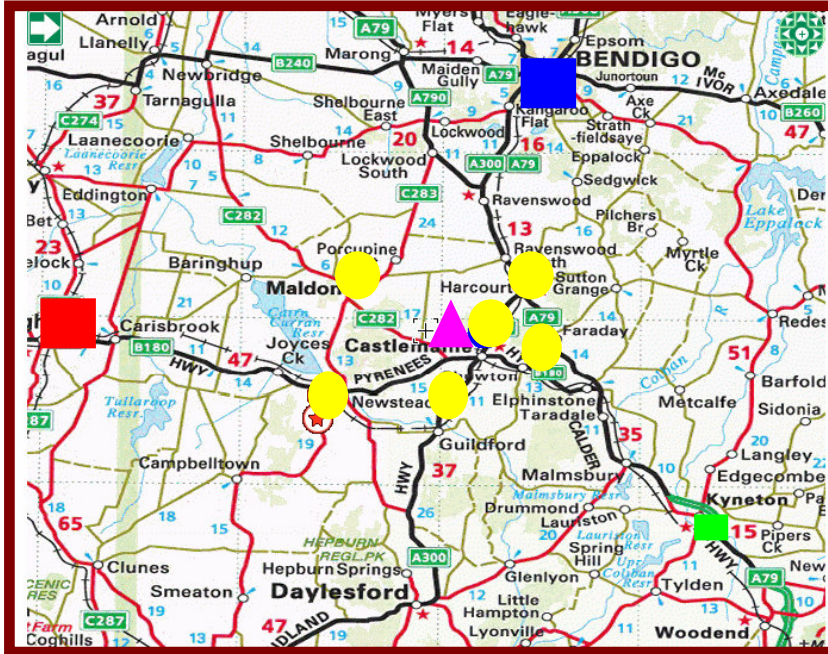
While this Group will have a good base knowledge of swimming pools within the Mount Alexander Shire, Council should give consideration to developing a specific Reference Group for the purposes of the feasibility study consisting of appropriately qualified representatives (some of whom may be sourced from the membership of the Aquatic Facilities Task Group).

7. Consult with the community as to any options for the facility arising out of the feasibility study:

As previously outlined, the feasibility study will take into account consultation with the community. This consultation will be undertaken as outlined in recommendation 5 above.

6 CURRENT FACILITY PROVISION

5.1 Spatial Analysis of Aquatic Facilities within Mount Alexander catchment



- Maldon Pool
- Newstead Pool
- Campbell's Creek Pool
- Harcourt Pool
- Chewton Pool
- Castlemeane Pool
- Neighbouring Council Major Facility – Maryborough
- Neighbouring Major Council Facility – Bendigo
- ▲ Private Competitor – Every body Health & Fitness
- Kyneton – Indoor Pool & Stadium: 2009/2010

5.2 Council and Competitor Facility Profile

Mount Alexander Shire has an unusually high number of aquatic facilities located within close proximity of one another. Mount Alexander Shire would be one of few if any Shires with 4 swimming pools within 4km of one another and 5 swimming pools within 10km.

Maldon Pool

Facilities: The Maldon Pool has a 27m main pool plus toddler's pool, kiosk / entrance area, male, female and accessible toilet facilities plus change rooms.

Newstead Pool

Facilities: The Newstead Pool has a 25m main pool plus toddler's pool, kiosk / entrance area, male and female toilet facilities plus change rooms.

Campbell's Creek Pool

Facilities: The Campbell's Creek Pool has a 28m pool plus attached toddler's pool. Small kiosk/entrance area. Toilets and change rooms are located outside of the pool compound in a public park.

Harcourt Pool

Facilities: The Harcourt Pool 25m main pool plus small program pool and toddler's pool. Small kiosk / entrance area, male, female and accessible toilet facilities plus change rooms.

Chewton Pool

Facilities: The Chewton Pool has a 19m long main pool plus small program (intermediate) pool and toddler's pool (which is currently non operational due to poor water quality). Small kiosk / entrance area, male and female toilet facilities plus change rooms.

Castlemaine Pool

Facilities: The Castlemaine Pool has a 50m pool redesigned in 1952 with two stepped entrance wings. One beach entry toddler's pool. No intermediate pool. Small kiosk / entrance area, male and female toilet facilities plus change rooms. (This is the only 50 meter pool in the Shire).

Maryborough Aquatic Centre

Facilities: The swimming complex has a 50m Outdoor Olympic Swimming Pool, a 25m heated Swimming Pool, a children's Play pool.

The swimming pool is leased to the Maryborough Swimming Club. The 25m pool is open to public all year except for carnivals and special events. The Aquatic Centre runs Learn to Swim Programs, Aqua Aerobics, fitness programs and club competitions.

Bendigo Leisure Centre

Facilities: The Bendigo Leisure Centre has 50m Indoor Heated Pool, Health Club, squash courts, creche and also an 18 hole mini-golf facility. The Health Club contains cardio and strength training equipment designed to suit all ages and levels of fitness. The creche offers childcare places to the community and Centre users. The facility is registered to care for 28 children at any one time.

The Centre has an Aquatic Education program with classes catering for all ages from 6 months to adult age. Private instruction is available for all ages as well. The Centre also involves a range of programs such as group fitness and aquacise programs.

Kyneton Recreation Centre & Kyneton Indoor Swimming Pool

Facilities: The Centre has a gym and group fitness area attached to an indoor 2 court stadium. Attached to this facility will be an indoor 25m heated pool for which the specifications are still being developed.

Every Body Health & Fitness

Facilities: Indoor 17m heated pool, gym & group fitness located in Castlemaine. The facility is ageing and the pool in need of a substantial upgrade.

5.3 Competitor Analysis Overview

As has previously been documented, Mount Alexander Shire has an unusually high number of outdoor pools per head of population and some rationalisation of these is prudent. Anecdotally, there are a number of residents that travel to Bendigo and Maryborough to visit indoor aquatic facilities. The provision of a facility in Castlemaine is likely to meet the needs of many of these people locally. It is also likely that a new market of indoor aquatic facility users could be cultivated from Castlemaine and the Shire more generally if a new high quality facility were to be provided.

7 FINANCIAL ANALYSIS OF AQUATICS PROVISION

Mount Alexander Shire Council currently has 6 outdoor aquatic facilities. All of these facilities have exceeded the average life expectancy of a swimming pool (25 years) and require ongoing capital improvements to address the deterioration of ageing infrastructure. The pools also require ongoing operational support to assist in the coordination of services and volunteers and the maintenance of a number of safety standards.

Capital Works Audit Report Recommendations

Below is an indicative list of capital works which will be required as part of an asset maintenance and renewal program for the existing facilities. The costs outlined below are based on current pricing and have been identified as part of the Technical Audit of Swimming Pools for Mount Alexander Shire - 2006 by RJ Ball Civil Engineer and arising out of post season facility inspections:

Castlemaine Swimming Pool:

- Lining of the pool tank, connection to the sump, wet deck conversion, and reduction to 2m deep - \$1 million
- Replacement of pipework and concourse: \$90,000
- Installation of an intermediate pool - \$80,000
- Refurbishment of the amenities including universal access - \$500,000
- Installation of a universal access lift - \$10,000
- **Total: \$1,680,000**

Chewton Swimming Pool:

- Stainless steel lining of the pool tank, and conversion to wet deck - \$350,000
- Fiberglass lining of the pool tanks and conversion to wet deck - \$150,000
- Replacement of pipework and concourse \$80,000
- Replacement of amenities block - \$250,000
- Installation of universal access lift - \$10,000
- Removal of asbestos from pump room shed and replacement with galv. iron - \$4,000
- Reforming of toddlers pool - \$35,000
- Renovate kiosk to acceptable standard - \$30,000
- **Total: \$759,000 (stainless steel)**
- **Total: \$559,000 (fiberglass)**

Harcourt Swimming Pool:

- Stainless steel lining of the pool tank, wet deck conversion, and installation of a SWR sump - \$520,000
- Fiberglass lining of the pool tank and installation of a SWR sump - \$220,000
- Installation of subsoil drainage - \$80,000
- Installation of a universal access lift - \$10,000
- Replacement of the concourse - \$10,000
- **Total: \$620,000 (stainless steel)**
- **Total: \$320,000 (fiberglass)**

If these works were undertaken this pool would be in good condition for the next 10-25 years

Maldon Swimming Pool:

- This pool tank is currently not showing any leaks
- Replacement of leaking pipework and replacement of concourse - \$80,000
- Installation of a universal access lift - \$10,000
- **Total: \$90,000**

Newstead Swimming Pool:

- Pool tank is currently holding water well.
- Replacement of 150mm pipework - \$80,000
- Refurbishment of the amenities block - \$130,000
- **Total: \$210,000**

Total Capital \$2.86m – 3.36m

NB: Based on age and trends, it could be reasonably assumed that the Maldon and Newstead Swimming Pool tanks will show signs of leaking in the near future.

Indicative Summary of Operating and Capital Costs over the next 10 years

The forecasting of forward expenditure on swimming pools in the Shire is not simple. It is important, however, to try and get some sense of the relative costs of the different options Council has in providing a number of facilities into the future.

Each scenario has a different impact on Council's operating budget, capital budget and service levels.

Scenario 1 - Status Quo

The first Scenario is basically status quo. There are 6 pools, 5 functioning and they cater for approximately 30,000 visits per year (very accurate data is not available as attendance figures are collected by volunteers). The 10 year capital budget that has been prepared has made an allowance for \$160,000 for the first 2 years and then \$100,000 per year (plus CPI) to be spent for the next 8. The current Capital Budget estimates have not been informed by an Asset Management Plan or the Technical Report that was undertaken in 2006. Lack of clarity around the number of pools Council wishes to retain and the service levels required has contributed to this.

Scenario 2 – Capital Improvements as per Audit Report

The second scenario would look at the implementation of the recommendations of the Technical Audit of Swimming Pools for Mount Alexander Shire - 2006 by RJ Ball Civil Engineer. The Audit Report recommendations are summarized on the previous page and identify work that needs to be done at each pool over the next 5-10 years. The work will cost between \$2,859,000 and \$3,359,000 in today's dollars. This will achieve a number of improvements to the pool shells, plant and equipment but no improvements to change, toilet or kiosk facilities. Nor does it include any new equipment at any of the facilities.

Scenario 3 – Recommendations of this Report

The third scenario is the implementation of the recommendations of this Report. It assumes the closure of the Campbell's Creek now and the Chewton Pool by the

end of the 2008 season. It also includes the construction of a \$10m indoor aquatic facility in the first 5 years at a maximum cost to Council of \$5m. This development would involve the closure of the Castlemaine Swimming Pool by the end of the 2010 season. It would have a small impact on the coordination costs of all of the facilities as they are reduced from 6 to 4. An amount of \$325,000 per year for 6 years has been included to cover the operating costs of the new facility.

The summary costing's are as follows;

	Scenario 1	Scenario 2	Scenario 3
Operating (\$)	2.69m	2.69m	4.058
Capital (\$) (grant)	1.25m	2.86m – 3.36m (.5m)	10.62m (5m)
Total 10 yrs	3.94m	5.55m – 6.05m	14.678m
Total net cost to Council 10 yrs	3.94m	5.05m – 5.55m	9.678m
Attendance	325,000	325,000	1,395,034
Cost Per Visit	\$12.12	\$17.07	\$6.93

Discussion

Council's current capital maintenance budget does not accurately reflect the cost of maintaining the Shire's outdoor pools. There has been inadequate and generally reactive maintenance over the past 10 years at all of the pools. Work done has not generally improved the amenity of the facilities, rather it has addressed concerns relating to minimum standards to meet safe operating guidelines.

While the refurbishment of Castlemaine Swimming Pool looks to be a cost effective service when compared to the construction of a new Aquatic Facility (\$10,000,000), consideration needs to be given to the service value. For example, currently Council is able to provide an aquatics based service accessible for only 13 weeks of the year and which is generally accessed by 25,000-30,000 people per year. The facilities are considered to be average to poor by modern standards. If a new facility was constructed, this facility would cater for in excess of 200,000 visits pa and offer wider access to aquatic facilities and diversity of programs.

The strength of option 3 is that it provides a year round service that increases opportunities for local participation in healthy physical activity. It also addresses the needs of the community looking forward. The new facility has the potential to cater well for the community for the next twenty years.

These figures do not take into account loan borrowing repayments which may form part of the operating expenditure should a new aquatic centre be constructed.

8 FINANCIAL MODEL - INDOOR AQUATIC CENTRE

The following Financial Model is based on the operation of an indoor complex based in Castlemaine that includes a 25 metre heated pool, 15 metre program pool, gym and kiosk. This model has been provided to indicate the likely level of subsidy this type of facility will require.

Budget - Indoor Aquatic Leisure Centre - Castlemaine

Revenue	Year 1
Annual Memberships	63,000.00
Casual Admission - Gym / Aerobics	18,000.00
Casual Admission - Pool	60,000.00
Program Income	10,000.00
Kiosk Sales	45,000.00
Learn-to-Swim	24,000.00
Other Income	500.00
Retail Sales	6,000.00
Special Events	3,500.00
Total Revenue	230,000
Expenditure	
Salaries & Wages	235,000.00
Salary On costs	61,000.00
ELE - Public Holidays	5,000.00
Training Costs	5,000.00
Office Costs	4,000.00
Telephone	4,000.00
Marketing	10,000.00
Insurance	25,000.00
Cleaning Consumables	2,000.00
Security Services	2,700.00
Other Consumables	4,500.00
Uniforms	2,700.00
IT Support	2,500.00
Electricity	40,000.00
Water Rates/Charges	6,000.00
Gas	45,000.00
Pool Chemicals	14,000.00
Building Maintenance	20,000.00
Equipment Maintenance	15,000.00
First Aid Supplies	500.00
Licences & Subscriptions	4,200.00
Retail Products - Expenditure	3,000.00
Kiosk Items - Expenditure	29,700.00
Total Expenditure	540,800
Operating Subsidy required	\$310,800

Based on our analysis of the catchment and demographics and our knowledge of operating costs associated with similar facilities we believe a facility as described above, located in Castlemaine would require an annual subsidy of \$310,000.

Our financial projection is based on development of a Multi Purpose Aquatic and Leisure Centre.

Competition and Competitive Neutrality

Given that there is an existing gym and swimming pool operator located in Castlemaine, Council will need to consider the implications of a Council managed indoor facility on competitive neutrality.

Competitive neutrality is about ensuring that the significant business activities of publicly owned entities compete fairly in the market when it is in the public interest for them to do so. The objectives of the Australian Government's policy of competitive neutrality aims to eliminate potential resource allocation distortions arising from the public ownership of significant business activities operating in contestable environments; and to encourage fair and effective competition in the supply of goods and services.

A precedent was set where private gym in regional Victoria was concerned that the local council-owned recreation centre may not have been complying with the Government's competitive neutrality policy. The recreation centre offered aerobics, gym, creche facilities and a pool, while the private gym provided aerobics and gym facilities only.

The private gym was unable to compete with the recreation centre on price and noted that the costs of memberships in the industry were substantially higher than those at the council-owned centre. The private gym was concerned that the lower prices charged by the Centre were due to cost advantages attributable to Council ownership of the centre.

The investigation by the Competitive Neutrality Unit revealed that competitively neutral costing and pricing principles were not being correctly applied. The activities the Council wished to subsidise, such as the pool, should have been separated from commercial activities such as the gym and aerobics activities.

Other rural councils such as Swan Hill and Horsham have successfully overcome the competitive issues, where private gyms have been well established within their communities prior to development of Council facilities. In both cases they offered the private operators the option to lease space within their proposed facilities .

In the case of Horsham the private gym operator successfully tendered to operate within the Council facility. In the case of Swan Hill the private gym operator continues to operate in the town in addition to the new Council facility.

9 REVIEW OF INDUSTRY TRENDS

Based on the experience of the consultant team and analysis conducted by Sport and Leisure Solutions, several key "general" trends were considered relevant for this study. These include:

8.1 Aquatic Based Exercise Programs

The current interest in health and well-being is attracting great numbers of people to the water. Aquatic exercise is reported to have a higher percentage of growth in participation than all other forms of aquatic activity. Since exercises can be performed in shallow or deep water, it encourages non-swimmers to participate. The benefits of aquatic exercise include physical conditioning, flexibility, strength and aerobic endurance in a non-impact environment.

8.2 Warm Water Exercise

For many of the reasons above physiotherapists, General Practitioners, personal trainers and other healthcare professionals increasingly prescribe aquatic exercise programs. Studies have demonstrated the benefits of aquatic exercise for rehabilitation, injury prevention, and pain management. Arthritis patients have an increased range of motion and more flexibility in water, allowing them to improve their physical condition. As the population ages, it is expected that the demand for aquatic therapies will have an explosive growth in years to come. In response to the increased popularity in hydrotherapy, community facilities have developed pools with warm water and areas designed to support hydro programs. Often the area for therapy is incorporated into the leisure pool, which is in most cases maintained at a water temperature suitable for hydrotherapy.

8.3 Reduction of Outdoor Aquatic Facilities

As Rural Local Government Areas (LGA's) across Australia face increased costs for services and declining revenue. This has forced sport and recreation departments to make changes in the delivery of leisure and recreation services. This is especially true for aquatic facilities, which have historically required substantial operating subsidies. To lower operating costs, Rural LGA's are consolidating resources into larger all-inclusive aquatic facilities.

These Regional Aquatic Centres can provide greater services for less operating cost per user. The centralisation of facilities is seen not only with new facilities that are being developed nationally, but also with the number of redevelopments that remove the traditional 50m pool and replace it with a two or three pool complex.

8.4 Water Play Areas

The latest trend in providing aquatic recreation is the water play areas. These water playgrounds incorporate various types of types of water elements. Elements are composed of a relatively flat surface covered with colourful resilient surfacing and interactive water sprays emanating from the ground as well as vertical play elements. The treated water runs off the deck and is recirculated through the filtration system rather than disposed into the storm drain. Splash Pads are commonly located in Aquatic facilities that are part of a large Aquatic complex.

The Splash Pads embody the current approach toward accessibility, safety, innovation and affordability.

8.5 Health Club's, Spa, Sauna & Café Amenities

Another trend in the design of aquatic facilities is the addition of site amenities that transform a swimming pool into a recreation destination. Pool operators report that customer satisfaction, length of stay, and attendance are greater with increased space and complementary amenities. Another important trend has been the incorporation of shade structures including large umbrellas and permanent shade elements that provide protection from the sun. Sand has been another addition to large aquatic facilities. Features such as sand volleyball and sand play are incorporated in many of the new aquatic centres. Guest satisfaction is critical to achieving a successful and economically viable aquatic centre and attention to amenities is an important component of that success.

8.6 Universal Access

Changes in Government legislation in regard to Disability Access now require modern facilities to have ramp access into pools, hoists and accessible toilets and change facilities. Indoor Heated Pools are widely used by disability groups and individuals. Modern facilities are now more accommodating of families in the design of change rooms that specifically cater for their needs.

8.7 Allied Health

There is a trend towards the provision of health and therapeutic services within new aquatic facilities. These services include: Health consultancies, weight loss and therapeutic services linking in worker and accident rehabilitation patients to use the range of facilities with centre memberships paid by relevant authorities.

On site Sports Medicine Clinics including the development of consulting rooms, with patient access to health and fitness pools has also emerged in the past decade.

10 RELEVANT BENCHMARKS AND SPECIFIC LEARNINGS

As part of this study Sport and Leisure Solutions visited two sites where seasonal 50 meter outdoor pools had been enclosed to create indoor year round leisure facilities. The facilities were the Ringwood Aquatic Centre and the Centenary Swimming Pool in Kilsyth. The purpose of the visits was to ascertain if there were any issues that would be considered in relation to the potential redevelopment of the Castlemaine Outdoor Pool. We also investigated two similar examples which had been completed more recently in rural towns – Gisborne (Victoria) and Junee (NSW).

9.1 Ringwood Aquatic Centre

Centre overview

The Ringwood Aquatic Centre was constructed around 1970 and was enclosed in the mid 1980's. The Centre was enclosed using a steel portal frame and glass walls and the maximum span is more than 50 metres.



It features an indoor 50m pool, a diving pool (attached to the 50m pool), a very small indoor toddler's pool, a hydro-therapy pool, spa, café/kiosk, an outdoor 25 metre pool and outdoor play pool. The spa and diving pool were added when the indoor facility opened and the hydrotherapy pool was added in the mid 1990's. The original outdoor change rooms were enclosed and are still in use today.

Asset condition

The pool shell itself is nearing the end of its effective life of between 40 and 50 years (depending on site location) and whilst it is not currently leaking the operators will need to prepare a long an replacement/refurbishment program for the pool within the next few years.

This example reinforces the need for the pool shell to be replaced before enclosing with a permanent structure. Air handling systems need to be over specified as the effects of corrosion are costly as this should be a key learning for Mount Alexander Shire.

Financial Issues

The key revenue driver is the learn to swim program which accounts for approximately 60 - 70% of all revenue. The Centre is subsidised by Council around \$200,000 pa. Gas and electricity costs are around \$100,000 pa each.

Whilst there's no masterplan in place for the future development of the Centre the operators believe that the development of a health club including weights room, group fitness and wellness facilities will improve financial viability and health outcomes.

9.2 Centenary Swimming Pool - Kilsyth

Centre overview

Like the Ringwood Aquatic Centre the Centenary Swimming Pool was constructed in the 1970's and enclosed in the 1980's.

Cladding of the facility was achieved via installation of a pressurised vinyl dome



The facility incorporates a 50 metre indoor pool, spa, kids play pool, a recently constructed program pool and outdoor aquatic areas. The original change rooms and reception area was incorporated into the enclosed facility and is linked by a 30 metre hallway (tunnel) to the 50m pool.

Unlike the Ringwood Aquatic Centre where the enclosure of the centre has been relatively seamless from a customer perspective the redevelopment of the Centenary Pool has been very rudimentary in its attempts to integrate all facets of the facility.

Asset condition

The pool dome was replaced in the last 5 years at a cost of around \$1.5 million. The dome has an effective life of approximately 10 years. The material is easily damaged through vandalism and is costly to repair and clean. Council has investigated options to replace the dome with a traditional portal frame with a cost of around \$3.6 million.

Financial Issues

The facility is well used for school swim programs, after school swim programs, lap swimming and aqua play.

The key revenue driver is the Learn to Swim Program which accounts for approximately 70% of all revenue. Annual turnover is approximately \$1.2 million and the Council subsidy is in the order of \$370,000 per annum. Gas expenditure is \$95,000 pa, electricity \$60,000 pa and maintenance \$120,000.

Council Officers involved with the Centre have developed a preliminary masterplan that recommends the complete upgrade of the Centre to meet customer expectations. This includes replacing the existing fabric dome with a steel portal frame and the construction of dry program space including health club, group fitness and wellness suites. They believe this type of development would dramatically improve financial viability and local health outcomes.

The costs associated with repair and replacement of this structure, demonstrate the fact that there are no quick fix, cheap options when it comes to enclosing an outdoor pool. Replacement and maintenance costs for semi permanent structures such as the Kilsyth dome make this type of option less viable.

Recently Built Rural facilities

9.3 Junee Aquatic Centre



Junee has undertaken a planned metamorphosis from 'historic town' to 'modern convenient lifestyle centre'. Preserved historic buildings and modern new infrastructure have been used as part of a marketing push to attract residents and visitors to the Shire. The construction of a new Recreation and Aquatic Centre is a reflection of the town's push to promote the town as a great place to live, bringing enormous benefit to the people of Junee and surrounding district.

Some quick comparisons with Mount Alexander Shire

	Junee	Castlemaine
Population:	5,905	8,300
Median Income:	\$35,673	\$35,000

Up until three years ago Junee Council was operating an outdoor 50 metre 1935 built Olympic pool at an operating subsidy of \$85,000 per annum. To meet both social and economic objectives, Council embarked on the construction of a roof over its 50 metre pool, and the construction of an additional learner's pool, gym and one court stadium at a total cost of \$3.1 million.

The uniqueness of this project was that Councils engineering department project managed the construction and sourced local materials including concrete tilt panels, steel and timber flooring. Retractable panels create an outdoor feel and good ventilation in summer.

There was an economic benefit to local business and some significant savings in project management.

Current Operating deficit is \$300,000 p.a

Repayment of Interest and Principle \$200,000 p.a over 25 years

Total Council contribution per year \$500,000

As part of the feasibility study Council should conduct a visit to Junee Shire Council in NSW to learn from their experience at implementing a similar project.

9.4 Gisborne Aquatic Centre

Centre overview

Completed in 2005 in the town of Gisborne this facility includes a 6 lane 25 metre pool, a program pool with toddler's end and beach access and a hydrotherapy pool. The facility was built around the existing outdoor pool and is managed by Council staff.

Project Costs

The project cost \$4.2 million(\$1.9 mil was covered by a State Government Grant). This low initial capital cost is due to the decision to build no ancillary facilities. Therefore this facility operates without a gym, kiosk/café, meeting rooms and has very little office space.

Financial Issues

The facility is in its first full financial year of operation and Council predicts the end of year result will be a deficit of between \$230,000 and \$240,000. The Centre operates on a "Demand Management Model" which was adopted by Council as a method to lessen the operating costs of the centre. On school days the pool is closed to the public from 11am to 3.30pm. It opens at 9am on weekends.

Note: The above Case examples indicate operating and capital costs of recently built facilities. It should be noted that cost escalation for Aquatic Centres has been running at 15% over the past 3 years. The Gisborne Pool if built today would cost approximately \$6.3 million. Council needs to keep this in mind if intending to delay construction for future years.

11 FUNDING OPTIONS AND OPPORTUNITIES

Funding options

A number of possible funding sources exist for Council to finance the capital cost of a new facility. These sources include:

- Mount Alexander Shire Council
- Government Grants - State & Federal
- Commercial Investment
- Community Fundraising
- Sponsorship including Naming Rights

These sources are considered the most realistic in terms of affordability, opportunity and timing. Ideally, a combination of the above funding sources should be arranged to reduce the financial commitment from Council, and to ensure that funds might become available in a relatively short period of time (i.e. within 12 – 18 months of Council agreeing to proceed).

A description of the funding options is contained herein.

1.1. Mount Alexander Shire Council

Council is most likely to be the major funding contributor for an Indoor Aquatic Centre. The options available to Council to raise the necessary capital may include one, or any combination of, the following strategies.

1.2. Government Grants

The Victorian Government's Community Facility Funding Program is the main State Government funding source for facility developments. Applications for funding under the Major Facilities and Better Pools categories close in October each year.

Projects funded under the Major Facilities category are eligible for grants of up to \$500,000 with a maximum proportional contribution of \$1 per \$1 of the total funding, for Local Councils.

Projects funded under the Better Pools category are eligible for grants of up to \$2,500,000 with a maximum proportional contribution of \$1 per \$1 of the total funding for Local Councils. It is recommended that Council liaise with Sport and Recreation Victoria to discuss the best way of packaging the funding application.

The Federal Government has indicated that there may be new funds available to support community infrastructure renewal in a similar way to support that is provided for the Roads to Recovery Program. Contact with the Area Consultative Committee would also be appropriate to establish the likelihood of funding support for a project that is capable of delivering a range of health, social and economic benefits.

1.3. Commercial Investment

Council may consider entering into a partnership with a commercial investor. There are precedents around Australia where facility management companies and sports associations have contributed to the capital cost of sport and leisure facility development, in return for long-term management and/or occupancy rights to the facility (i.e. more than 10 years).

This option is considered to be more attractive for such investors where the facility is recognised as a “regional” facility, has a large catchment, has high annual (and sustainable) returns, and for that reason is unlikely to be an option for council. Broad community access and “community obligation” objectives of Council could also be more challenging to deliver to residents through such a partnership.

1.4. Community Fund-Raising

This funding strategy could be adopted as a means by which the demonstrated local community support for the proposed aquatic centre development may be harnessed and capitalised upon.

The success of community-based fund-raising is largely dependent upon the motivation, skill and networks of the individual/s charged with the responsibility of coordinating the effort. For this project, it would be recommended that a community-based committee be established / appointed to manage the fund-raising campaign, rather than one individual or a Council officer/committee. A variation on this approach is to register the project with the Australian Sports Foundation (pending eligibility) to enable donations to be tax deductible.

1.5. Sponsorship and Naming Rights

There are examples of Council's that have successfully sold naming rights to a public Aquatic Facility. Hobart Aquatic Centre is known as the Tattersall's Aquatic Centre as a result of a substantial contribution made by Tattersall's.

This option should be explored with manufacturers and corporates that have an association with the Shire

12 SUMMARY OF FINDINGS AND RECOMMENDATIONS

Based on our analysis of the current provision of aquatic facilities in the region and taking into account the demographic trends in the Shire we make the following recommendations:

- Decommission operation of the Campbell's Creek Pool on a permanent basis during 0708 financial year.
- Continue consultation with the Campbell's Creek community about other appropriate provision of recreation facilities to replace the pool, for example playgrounds, community centre expansion, walking track links upgrades to Castlemaine, or other works.
- Decommission the Chewton Pool on a permanent basis within 2 years and work with the community to determine what improvements could be made to address the recreation needs of the community.
- Undertake a detailed investigation in to the development of an Indoor Aquatic Facility in the Shire in 2007 which would begin with a short list of sites and undertake a more detailed cost analysis of one preferred site. The preliminary recommendation is that the site be the existing Castlemaine Swimming Pool.
- That in Council's consideration of the development of a new multi-purpose facility there be a 25 metre indoor heated pool, an indoor program pool with beach entry for toddlers, gym and kiosk. (Preliminary estimates of the cost are in the order of \$10 million).
- Decommission the Castlemaine Pool on a permanent basis, just prior to the construction of a new indoor aquatic facility in Castlemaine.
- Monitor the viability of all pools on an annual basis. Evaluating asset management costs, capital improvements and life cycle of each pool.
- Develop more detailed Asset Management Plans for each pool, taking into account age and life expectancy of each facility.