Agenda

Special Meeting of Council

Tuesday, 16 June 2020

To be held via video conference (Zoom)

Commencing at 4.00pm

Council:

Cr Rose Hodge (Mayor)
Cr David Bell
Cr Martin Duke
Cr Clive Goldsworthy
Cr James McIntyre
Cr Brian McKiterick
Cr Tony Revell
Cr Margot Smith
Cr Heather Wellington

AGENDA FOR THE COUNCIL MEETING OF SURF COAST SHIRE COUNCIL
TO BE HELD VIA VIDEO CONFERENCE (ZOOM)
ON TUESDAY 16 JUNE 2020 COMMENCING AT 4.00PM

PRESENT:

OPENING:
Council acknowledge the traditional owners of the land where we meet today and pay respect to their elders past and present and Council acknowledges the citizens of the Surf Coast Shire.

PLEDGE:
As Councillors we carry out our responsibilities with diligence and integrity and make fair decisions of lasting value for the wellbeing of our community and environment.

APOLOGIES:

CONFLICTS OF INTEREST:

Note to Councillors and Officers

Declaration of Interest
Councillors and Officers please note that in accordance with Section 77A of the Local Government Act 1989, there is an obligation to declare a conflict of interest in a matter that could come before Council.

A conflict of interest can be a direct or indirect interest in a matter.

A person has a direct interest if:
There is a reasonable likelihood that the benefits, obligations, opportunities or circumstances of the person would be directly altered if the matter is decided in a particular way.

A person has an indirect interest if the person has:

1. *A close association whereby a "family member" of the person has a direct or indirect interest or a "relative" or member of a person's household has a direct interest in a matter;*
2. *An indirect financial interest in the matter;*
3. *A conflicting duty;*
4. *Received an "applicable" gift;*
5. *Become an interested party in the matter by initiating civil proceedings or becoming a party to civil proceedings in relation to the matter; or*
6. *A residential amenity affect.*

Disclosure of Interest
A Councillor or Officer must make full disclosure of a conflict of interest by advising the class and nature of the interest immediately before the matter is considered at the meeting. While the matter is being considered or any vote taken, the Councillor with the conflict of interest must leave the room and notify the Chairperson that he or she is doing so.

BUSINESS:

1. CULTURE & COMMUNITY

1.1 Surf Coast Aquatic Facility

Author's Title: General Manager Culture & Community
General Manager: Keith Baillie
Department: Culture & Community
File No: F12/1449-2
Division: Culture & Community
Trim No: IC20/738

Appendix:

1. Surf Coast Aquatic and Health Centre Feasibility Study June 2020 - Otium Planning Group (D20/98860)

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1989 – Section 80C:

☐ **Yes** ☒ **No**

Reason: Nil

Status:

Defined as confidential information in accordance with Local Government Act 2020, Section 3(1):

☐ **Yes** ☒ **No**

Reason: Nil

Purpose

The purpose of this report is to consider the findings of the Surf Coast Aquatic and Health Centre Feasibility Study and determine a position on the development of an aquatic and health centre in Torquay.

Summary

The Victorian Government has committed $10 million and the Australian Government has committed $20m towards an indoor aquatic and health centre.

In January 2020 Council resolved to commission a feasibility study to explore the kinds of facility that could be delivered:

- within the $30 million of current funding commitments; and
- with a capital investment greater than the $30 million, with the objective of delivering an improved financial operating performance.

Both options were to include a 50 metre indoor pool and facilities to satisfy the Australian Government funding requirement.

The feasibility study finds that there are many benefits in providing such infrastructure and presents two options.

	Option 1 **Less than or equal to $30M**	**Option 2** **$30M with lower operating cost**
Key components	50 Metre x 8 lane pool with moveable floor and swim wall	As Option 1 plus multi-purpose program/warm water pool, gym and group fitness rooms
Capital cost	$29.98 million	$38.52 million
Ave. annual operating cost (Yrs 1-10)	$806,000	$433,000

The many benefits of aquatic and health services need to be balanced with the costs of delivering them, not just for the current population, but also future generations.

The current funding commitments are significant and present a unique opportunity to resolve this matter at the lowest possible cost to current and future generations of ratepayers.

Drawing on the findings of the *Testing the Water* community consultation exercise undertaken in 2015, it is essential that Council minimises ongoing costs.

By building on the current funding commitments and adopting Option 2 as the preferred model, Council has the opportunity to resolve this long-standing community issue and keep ongoing costs as low as practicable.

1.1 Surf Coast Aquatic Facility

However Option 2 requires further capital investment to ensure that essential revenue-raising elements can be included to offset operational costs. If the balance of required capital funding is secured through additional government grants, Council can avoid loan servicing expenses and preserve its capacity to invest in other vital infrastructure throughout the Shire in future years.

It may be necessary to adapt Option 2 to suit the requirements of different grant programs however these should only be considered if there is no capital cost or growth in operating costs for Council. Possible inclusions, drawn from the feasibility study are allied health suites and expanded gym/fitness facilities.

Recommendation
That Council:

1. Recognises that aquatic facilities provide a range of social and economic benefits for communities.
2. Affirms the need to minimise operating costs of such services whilst delivering important service outcomes.
3. Notes the Surf Coast Aquatic and Health Centre Feasibility Study has explored options to establish an aquatic and health service in Torquay in consideration of known funding commitments.
4. Receives and notes the Surf Coast Aquatic and Health Centre Feasibility Study as attached at Appendix 1.
5. Determines not to proceed with Option 1 comprising a 50m pool only, due to the operating costs.
6. Determines to proceed with Option 2 as the Surf Coast Aquatic and Health Centre project comprising a 50m pool, warm water program pool, gym and group fitness rooms on the following basis:
   6.1 That no capital contribution is required by Council; and
   6.2 That the subject land indicated in the Surf Coast Aquatic and Health Centre Feasibility Study will be made available for the construction and operation of the facility as an in-kind contribution.
7. Supports an increase in the scope of Option 2 on the following basis:
   7.1 Inclusions are limited to those components listed in Table 21 in the Surf Coast Aquatic and Health Centre Feasibility Study;
   7.2 That no capital contribution is required by Council; and
   7.3 That no further increases in the operating cost are incurred by Council.
8. Authorises the Chief Executive Officer to submit grant applications for the Surf Coast Aquatic and Health Centre project.
9. Authorises the Chief Executive Officer to execute funding agreements on behalf of Council should applications for grants be successful once all required contributions are confirmed.

1.1 Surf Coast Aquatic Facility

Report

Officer Direct or Indirect Interest
No officer involved in the preparation of this report has any conflicts of interest.

Background
There has been discussion about Council providing an aquatic facility in Torquay for 30 years.

The matter was last considered in 2015 when Council completed an extensive community consultation process to ascertain whether an Aquatic and Health Centre in Torquay was supported. The outcome was that the broader Surf Coast Shire community was not supportive of the proposed model. This was largely due to the capital cost which estimated that Council's contribution would exceed $20 million, including associated borrowing costs, and would have incurred an operating cost estimated to be up to $1 million each year. Consequently, Council resolved in December 2015 to not undertake any further planning for an Aquatic and Health Centre at that time.

The concept of an aquatic facility continued to receive significant attention throughout the state and federal election campaigns in 2018 and 2019 respectively.

The Victorian Government has committed $10 million towards an indoor 25 metre pool, learn to swim pool, gymnasium and group fitness rooms.

The Australian Government has committed $20 million for a 50 metre pool and facilities.

Council considered the funding commitments of the other levels of government on 21 January 2020 and resolved as follows:

1. Authorises the Chief Executive Officer to undertake a feasibility study for an Aquatic & Health Centre in Torquay.
2. Requires the scope of the feasibility study to include at least the following:
   2.1. Modelling of capital cost, operational revenues and costs, and net operational cost for all options identified.
   2.2. All options to include a 50 metre pool that is suitable for swimming in all seasons, and leading environmental standards.
   2.3. Options that can be delivered within a capital cost of less than or equal to $30 million.
   2.4. Options that include facilities beyond that which can be delivered for $30 million, that will deliver lower net operational cost.
   2.5. Reference to previous community consultation, notably 2015's *Testing the Water* engagement findings, but not include new community consultation.
3. Allocates $50,000 from the Accumulated Unallocated Cash Reserve to fund the feasibility study.
4. Notes that the feasibility study is expected to take approximately four months.
5. Receives a report on the findings of the feasibility study and officer recommendations at a future Council meeting.
6. Writes to Darren Cheeseman MP, Member for South Barwon and Senator Sarah Henderson, Senator for Victoria advising them of this resolution.
7. Communicates its proposed actions to the Surf Coast community through its available communication channels.

This report presents the findings of the feasibility study.

Discussion
Council appointed Otium Planning Group to undertake the feasibility study. Otium Planning Group provides consultancy services in planning, facility development, management and funding for the sport, recreation and leisure industries throughout Australia, New Zealand and Asia Pacific. They are one of the leading advisers to local government on aquatic facilities and assisted Council with its 2014 feasibility study.

Council's resolution formed the basis of the consultants' brief. Options were required to establish what kinds of facility could be delivered:

- within the $30 million of committed grants (noting it must include a 50 metre indoor pool and the associated operating costs); and

1.1 Surf Coast Aquatic Facility

- in excess of the $30 million of committed grants (also including a 50 metre indoor pool) in order to deliver an improved operating performance.

The consultants were asked to consider:

- Community needs
- Market opportunities
- Maintenance and renewal requirements
- Competitor facilities
- Facility management models
- Design and operation innovations
- Site opportunities and constraints
- Relevance of Armstrong Creek growth area
- Seasonal impacts
- Potential facilities in addition to 50m pool – wet and dry components

Key findings
The study identifies that aquatic and health facilities provide a range of values and benefits for communities including:

- Health and fitness services allowing people to enjoy the benefits of physical activity.
- The provision of safe and welcoming spaces, supporting social inclusion and a sense of connection for all members of the community.
- Opportunities to participate for recreation, competition or sport.
- Community development that contributes to the development of social capital, helping to create links in a community.
- Positive impacts on physical and mental wellbeing.
- Water safety/education and water confidence programs that can reduce the incidence of drownings in the community.

The study presents two options:

	Option 1 **Less than or equal to $30M**	**Option 2** **$30M with lower operating cost**
Key components	50 Metre x 8 lane pool with moveable floor and swim wall Change amenities Food and beverage Wet and dry lounge Reception and administration Car parking	As Option 1 plus: • Multi-purpose program/warm water pool • Gym • Group fitness rooms x 2
Capital cost	$29.98 million	$38.52 million
Expected annual operating cost (average for Years 1-10)	$806,000	$433,000
Sensitivity analysis of annual operating cost (estimated highest and lowest annual results)	High – $957,000 (Yr 10) Low – $704,000 (Yr 3)	High – $756,000 (Yr 1) Low – $319,000 (Yr 6)
Annual visitation	132,000 visits	323,000 visits

Other components that could also be included are presented under the themes of health, leisure and fitness but not included in the options. Likely capital costs and operational contributions are identified.

Financial considerations
The consultants were not asked to form a view on Council's financial capacity to proceed with any options.

Council's January 2020 resolution was framed in recognition that any capital contribution from Council would prove challenging in light of a limited annual discretionary funding allocation in its long term financial plan and the many competing demands for funding. Council's overall financial position is currently forecast to decline through the 10 year period of the Long Term Financial Plan. Whilst any one-off capital contribution would be challenging, ongoing costs associated with operating a facility at a deficit (including annual

1.1 Surf Coast Aquatic Facility

allowances for renewal of a large asset) or loan servicing expenses would need to be minimised in light of Council's long-term financial position. While any annual operating deficit exacerbates Council's financial challenge, it is important to consider this opportunity given the health and wellbeing benefits of this service and the scale of grants that have been offered.

The many benefits of aquatic and health services need to be balanced with the costs of delivering them, not just for the current population, but also future generations.

Conclusions
Having considered the findings of the Surf Coast Aquatic and Health Centre Feasibility Study, officers conclude as follows:

- Aquatic facilities and their operating models have evolved significantly since Council last considered this matter in 2014 and 2015. Changes have included trends in demand, innovations in construction, new technology and increased competition in the contractor market. These have informed the latest designs and financial modelling.
- Option 1, despite a construction cost within the $30 million of government funding currently available, has an annual operating cost well beyond Council's means. This is a consequence of a very limited service offering and associated low visitation.
- Option 2 best meets the needs of current and future populations by providing a range of aquatic and health services that can specifically target key markets (e.g. young families, learn-to-swim, adult fitness, older adults, preventative health, rehabilitation). It would generate significant social and economic benefits.
- Option 2 presents a significantly lower annual operating cost (including asset renewal allocation) as a result of its considered combination of facility components driving two and half times the number of visits when compared to Option 1. It is considered to deliver the lowest operating cost achievable, possibly only bettered by the inclusion of more extensive gym/fitness facilities.
- Despite this, the annual and ongoing investment required to operate new aquatic and health services as well as maintain and renew a facility as presented in Option 2 is a considerable new undertaking for Council.
- Option 2 requires a capital investment of $8.52 million in excess of the committed government grants.
- Council is unable to reasonably accommodate both the operating cost and the additional capital investment to deliver Option 2.
- Neither the state nor the federal governments contribute to the operating costs of community infrastructure such as aquatic and health facilities. These expenses fall to local government, ratepayers and facility users. By seeking a 100% capital funding commitment from other levels of government, Council would be able to focus its entire capacity on the annual expense of running the largest piece of Council infrastructure ever built in the Shire. This three-way partnership best meets the objectives of all levels of government in a financially responsible way.
- Council's Long Term Financial Plan demonstrates that it faces a financial challenge that needs serious reform to address. While the introduction of an aquatic service doesn't cause the current challenge, it will exacerbate the situation with respect to the quantum and timing of the financial changes needed to be achieved. Notwithstanding this challenge, Officers believe this opportunity should be considered given the service benefits and scale of available grants.

A way forward
The long-running interest in a large aquatic facility in Torquay will likely continue as the population continues to grow and the public facilities in the City of Greater Geelong currently accessed by Shire residents become busier.

The health benefits of this type of facility are well-understood and well-accepted in coastal and inland communities across Australia.

The current funding commitments are significant and present a unique opportunity to resolve this matter at the lowest possible cost to current and future generations of ratepayers.

Drawing on the findings of the *Testing the Water* community consultation exercise undertaken in 2015, it is essential that Council minimises ongoing costs.

1.1 Surf Coast Aquatic Facility

The best way to achieve this outcome, is to secure the balance of capital funding required to deliver Option 2 from additional government grants. This prevents the annual costs rising with loan servicing expenses. It preserves Council's capacity to invest in other vital infrastructure throughout the Shire in future years.

Government economic stimulus programs are being announced in response to the COVID-19 pandemic, including the Victorian Government's Community Sports Infrastructure Stimulus Program which opened on 1 June 2020 and closes on 19 June 2020. This $68 million program will consider applications for up to $10 million and projects already in receipt of state funding commitments are eligible if they provide additional scope. Projects should be 'shovel ready' and ready to commence within six months of signing a funding agreement. This is the most immediate opportunity to seek the capital funding shortfall, however others may become available at a later date. There remains strong interest in this project from both levels of government.

It may be necessary to adapt Option 2 to suit the requirements of different grant programs however these should only be considered if there is no capital cost or growth in operating costs for Council. Possible inclusions, drawn from the feasibility study are allied health suites and expanded gym/fitness facilities.

Council Plan

Theme	1	Community Wellbeing
Objective	1.2	Support people to be healthy and active
Strategy		
Theme	3	Balancing Growth
Objective	3.2	Ensure infrastructure is in place to support existing communities and provide for growth
Strategy	3.2.6	Advocate for supporting infrastructure
Theme	5	High Performing Council
Objective	5.1	Ensure Council is financially sustainable and has the capability to deliver strategic objectives
Strategy	5.1.3	Develop innovative funding partnerships with community, business and government

Reporting and Compliance Statements:

Local Government Act 2020 – LGA 2020

Implications	***Applicable to this Report***
Governance Principles (Consideration of the Governance Principles under s.9 of LGA 2020)	Yes
Policy/Relevant Law (Consideration of the Governance Principles under s.9 of LGA 2020)	No
Environmental/Sustainability Implications (Consideration of the Governance Principles under s.9 of LGA 2020)	Yes
Community Engagement (Consideration of Community Engagement Principles under s.56 LGA 2020)	Yes
Public Transparency (Consideration of Public Transparency Principles under s.58 of LGA 2020)	Yes
Strategies and Plans (Consideration of Strategic Planning Principles under s.89 of LGA 2020)	Yes
Financial Management (Consideration of Financial Management Principles under s.101 of LGA 2020)	Yes
Service Performance (Consideration of Service Performance Principles under s.106 of LGA 2020)	Yes
Risk Assessment	Yes
Human Rights Charter	No

1.1 Surf Coast Aquatic Facility

Governance Principles - Local Government Act 2020 (LGA 2020)
This report seeks to provide a way forward on a matter of high importance in an effort to pursue best outcomes for the Shire community, both now and in the future.
The designs developed by the consultants call on the latest innovations in aquatic and health centre planning and address the brief established by Council's January 2020 resolution seeking to balance community need with financial viability.

Environmental/Sustainability Implications
The options include a range of Environmentally Sustainable Design elements. These are listed in the study. The study highlights the importance of the aquatic and health facilities to the social sustainability of communities.

Community Engagement
Council's 21 January 2020 resolution required the feasibility study to reference previous community consultation, notably 2015's *Testing the Water* engagement findings, but not include new community consultation. Accordingly no additional community engagement has been undertaken.

A lack of broad support for an aquatic facility in 2015 was founded on a capital cost to Council in excess of $20 million and an operating cost estimated to be up to $1 million (plus borrowing costs to cover the capital contribution).

The 8 December 2015 Council Report found that "*feedback and our understanding of aquatic facilities indicates that a project that could be supported by the majority of the community would need to:*

- *Be in a location to primarily service the shire's largest population centre, being Torquay/Jan Juc*
- *Cost those living outside of Torquay/Jan Juc nothing (initial and ongoing costs)*
- *Cost those living in Torquay/Jan Juc substantially less than the proposed model*
- *Provide a similar offering to facilities available in the City of Greater Geelong but be sufficiently different to what is presently available in private facilities in Torquay*."

To achieve this, the report concluded, there would need to be a significant reduction in the cost to build it (including the cost of borrowings) and run it (reduced operating costs).

If the capital funding shortfall for Option 2 can be met by further government grants, then this would meet virtually all of these requirements, the exception being that general operating expenditure would be required to underwrite the performance and asset renewal expenses. The operating cost is substantially less than that estimated in 2015. There would be no borrowing costs and consequently no charging scheme is proposed to differentiate the contribution of different townships in the Shire to the cost of building the facility. This is consistent with Council's approach to other community infrastructure including major projects.

Public Transparency
This Council report including the attached feasibility study seeks to provide maximum transparency regarding the options available to Council and the implications of those options for current and future communities.

Strategies/Plans
An aquatic facility is not identified as a priority in any of Council's strategic plans. Due to its size and complexity an aquatic facility project must be considered in the context of Council's long term financial plan, most recently published with the Draft Budget 2020-21, which includes Council's other obligations and priorities such as Development Contribution Plans, Community Infrastructure Plans and Asset Management Policies.

Financial Management
Officers have worked closely with the consultants to ensure financial estimates are robust. This has been achieved as shown below.

The capital cost estimates are informed by:

- A concept design developed by an experienced sports facility specialist architect
- Quantity surveyor estimates drawing on pricing of aquatic facilities currently being developed
- Allowances for all reasonably known capital costs including Council's project management expenses, design and construction contingencies and escalation of costs.

1.1 Surf Coast Aquatic Facility

The operating cost estimates are informed by:

- A well-developed financial model informed by the experiences of aquatic facilities and with a focus on those with populations comparable to the Surf Coast Shire municipality.
- Tailored catchment analysis including allowances for growth in populations in Surf Coast and Armstrong Creek
- Costs associated with a contract management operating model
- Council's established asset renewal modelling methodology
- Allowance for CPI escalation

The recommendation within this report has been developed after an analysis of the impact of Option 2 on Council's long-term financial plan (LTFP). This analysis identified that, based on the premise of no capital cost to Council and the annual operating costs as per the feasibility study, the establishment of an aquatic service as per Option 2 would:

- Worsen the financial challenge faced Council with respect to timing and quantum
- Result in Council operations delivering an unallocated cash deficit in 2023-24, one year earlier than without this facility
- See the depletion of the Accumulated Unallocated Cash Reserve in 2027-28

The financial implications are material and require a considered response, however, this does not change the overall need for reform of Council's business model to continue to deliver for the community. The need for major projects is legitimate and will continue with a study of Council's options to provide cultural and library services due to be completed and presented to the Council very shortly. The need for reform remains.

Service Performance

The recommendation considers the introduction of new services in the Shire. Council-run sport and recreation services are held at the Sport and Recreation Centre in Torquay (being replaced by the Surf Coast Multi-purpose Indoor Stadium in 2021), Winchelsea Health Centre and Winchelsea seasonal pool. This project would represent a significant new undertaking and is not considered suitable for direct Council management due to the specialist skills and knowledge required to maximise the performance of such a facility. Accordingly, the consultants were instructed to develop an operating model based on a contractor managed arrangement with Council's role confined to contract manager rather than operate the facility directly. Given the proposed integration with the multi-purpose stadium, it is anticipated that a contract would be designed for the full facility (i.e. indoor courts as well as aquatic and health components). The exact operating model is assumed for the purposes of modelling at this stage and would be subject to separate Council reports at a later date.

Risk Assessment

This report and recommendations seeks to address the following key risks:

- Financial implications are considered elsewhere within this report.
- Maximise the opportunity presented by the $30 million in government funding. Failure to proceed with an aquatic and health centre risks the loss of substantial funding committed to a major piece of infrastructure, which may in turn affect Council's ability to attract funding for future projects.
- As with all major infrastructure decisions, there will be mixed views within the community about its relevance to different townships and interest groups. Whilst it will be available for all ratepayers and residents to use, not all will choose to use it, which will in turn inform their views about the appropriateness of operating costs being funded from general rate income. This issue is applicable to all non-universal infrastructure and service decisions made by Council. The Community Engagement section of this report canvasses 2015's consultation findings in the context of this latest study.
- The facility's performance is sensitive to the actions of competitor facilities. The study assumes the capacity to attract visitors from Armstrong Creek given the likelihood of investment in a public facility in that area appears low at this time. The study finds that in similar communities to Torquay, the expansion of the private aquatic and health facilities can coexist with the introduction of public facilities. It would be expected that a facility of the size and scope of Option 2 would impact on existing private providers, however their established clientele is based on their unique offerings. A traditional gym (and aquatic) experience will likely appeal to community members accessing that experience outside our municipality, or not accessing existing services. Further, growth in the

1.1 Surf Coast Aquatic Facility

Torquay population and the proximity of a new facility to Armstrong Creek will increase demand for fitness providers, supporting all operators to compete.

- All costs are estimates only and rely on assumptions about the future. However, in response to Council's January 2020 resolution, officers engaged a highly experienced and credible consulting firm to ensure good quality information. There are both upside and downside risks associated with the capital cost estimate (estimate accuracy will be sharpened in later design stages and upon testing the market for a construction contractor) and operating cost estimates (the study includes optimistic and conservative scenarios either side of the base cost estimates used to inform this Council report).

There are no Workplace Health and Safety implications associated with this report.

Communication
Officers have continued to keep both levels of government informed of the progression of the study and the availability of this report. The Chief Executive Officer and the Mayor will continue to manage that communication.

Officers will use a variety of communication channels to inform the wider public of Council's resolution and progress of this matter as appropriate, as per Council's normal approach.

Options
Option 1 – Recommendation as presented - Proceed with Feasibility Study Option 2
This option is recommended by officers as outlined in the content of this report. It seeks to balance the opportunity presented by the availability of significant government funding, the social and economic benefits to the community, the need for further capital investment at no cost to Council, and the affordability of the ongoing operating cost of such a facility.

Neither the state nor the federal governments contribute to the operating costs of community infrastructure such as aquatic and health facilities. These expenses fall to local government and the ratepayer. By seeking a 100% capital funding commitment from other levels of government, Council would be able to focus its entire capacity on the annual operating expense of running the largest piece of Council infrastructure ever built in the Shire. This three-way partnership meets the objectives of all levels of government in a financially responsible way.

Option 2 – Proceed with Feasibility Study Option 1
This option is not recommended by officers as it does not deliver a financially viable facility. It does fit within the currently available government grants but will fail to attract sufficient visitation to reduce operating cost to a level that is manageable within Council's long-term financial plan. It fails to deliver a facility that meets current and future community needs (as shown by the lower visitation figures) and would present an unacceptable compromise for Council.

Option 3 – Do not proceed with Feasibility Study Option 1 or Option 2
This option is not recommended by officers as it does not respond to the opportunity presented by the availability of significant external funding to deliver substantial community benefit. This response may negatively impact the confidence of state and federal governments to deliver significant funding for future infrastructure needs, possibly increasing the cost of delivery to Council. It will leave the matter of an aquatic and health facility unresolved, to resurface at a later date as the community grows, possibly with less government funding made available.

Conclusion
Council's investment in this latest feasibility study has proven valuable as the latest trends and innovations have informed the design of two options. The recommended design (Option 2) requires additional government funding, however will deliver a facility that meets the needs of Surf Coast's growing community, maximise visitation and minimise the operating cost. If the facility can be delivered at no capital cost to Council, it is deemed appropriate and reasonable that Council incur the annual operating cost. This would resolve a long-standing debate about an aquatic facility and deliver a three-way partnership between all levels of government in a financially responsible manner.

1.1 Surf Coast Aquatic Facility

APPENDIX 1 SURF COAST AQUATIC AND HEALTH CENTRE FEASIBILITY STUDY JUNE 2020 - OTIUM PLANNING GROUP

SURF COAST AQUATIC AND HEALTH CENTRE FEASIBILITY STUDY

JUNE 2020

Surf COAST SHIRE
The start of the Great Ocean Road

Prepared by Otium Planning Group Pty Ltd
in association with Warren & Mahoney
Architects and Turner and Townsend
Quantity Surveyors

OTIUM Planning group
SPORT + LEISURE

Otium Planning Group Pty Ltd

Head Office:
304/91 Murphy Street
Richmond VIC 3121
ABN: 30 605 962 169
Phone: (03) 9698 7300
Email: info@otiumplanning.com.au
Web: www.otiumplanning.com.au

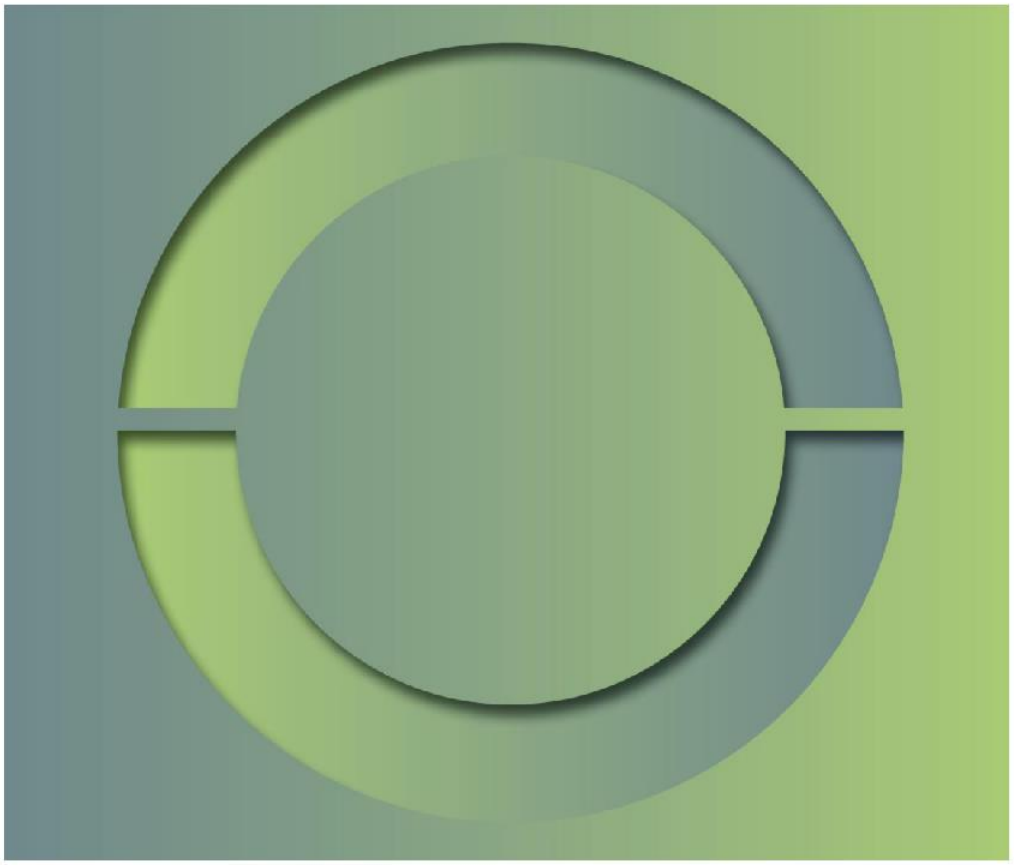
Local Office:
Melbourne
304/91 Murphy Street
Richmond VIC 3121
Contact: Kate Maddock
Phone: (03) 9698 7300
Email: info@otiumplanning.com.au

Otium Planning Group has offices in:

• Auckland • Brisbane • Cairns • Christchurch • Melbourne • Perth • Sydney

OPG, IVG and PTA Partnership has offices in Hong Kong, Shenzhen, Shanghai and Beijing.

Document History				
Document Version	Date	Checked	Distribution	Recipient
1.0				
2.0				
3.0				
4.0				



Contents

Executive Summary

Introduction

The purpose of the project was to complete a comprehensive feasibility study for and Surf Coast Aquatic and Health Centre in Torquay. The findings of the project will provide council with the information required to enable a decision to be made on the future direction for the Surf Coast Aquatic and Health Centre. The feasibility study considers a number of facility development options and incorporates the following:

- Demographic profile and catchment data
- Demand and trend analysis
- High level concept designs
- Quantity surveyors indicative cost estimates
- Financial operating and management models

Background

The Aquatic and Health Centre was an active topic through the State election campaign in 2018, with the project receiving bipartisan support in the form of $10 million pledges. On the back of the interest in the Aquatic and Health Centre during the 2018 State Election, both major parties again focussed on the Aquatic and Health Centre in the lead up to the Federal Election in May 2019. The Morrison Government were returned to power and the Liberal commitment of $20 million has been confirmed, contingent on a 50-metre pool.

With the Federal and State Government commitments for funding of an Aquatic and Health Centre in Torquay, Surf Coast Shire resolved to undertake a feasibility study to inform a decision on the direction forward.

The Impact of Population and Tourism Characteristics on the Future Provision of Aquatic Facilities Means:

- The large and rapidly growing population places pressure on Council to provide access to quality contemporary aquatic and leisure facilities.
- In areas where there are higher levels of older residents there will be greater demand for access to warm water pools to support hydrotherapy and rehabilitation-based programs and services.
- In areas with high populations of young people there will be a greater demand for access to learn to swim program pools, recreation swimming, and leisure/ inflatables, indoor and outdoor water play areas.
- A large proportion of residents (61.5%) are in the most active age group (5 to 49 years). This suggests ongoing demand for fitness swimming, health and wellness and all year-round access.

Surf Coast is a population destination for tourists with more than 2.2 million visitors directly expending over $448m during 2019. Torquay received the second highest number of visitors with 42% of visitors to the surf coast with an average of 829,100 visitors.

Providing tourists and residents convenient access to high-quality recreation and leisure opportunities is an important factor to encourage repeat visitation and to achieve high patronage of facilities. The development of an Aquatic and Health Centre may help to meet several of the challenges facing the tourism industry.

Trends

Contemporary aquatics and leisure facilities are community destinations and meeting points for a range of physical and social activities. Facilities including these elements will attract the following four key user markets and are most likely to provide more reasons for people to visit and stay longer, improving health and wellbeing and financial sustainability.

- Recreation, leisure and adventure 60 - 70% of users
- Fitness and training 20 - 25% of users
- Education 10 - 15% of users
- Therapy 10 - 15% of users

Facility Options

In line with the key project requirements, the project team considered a range of options to achieve the following:

- An option including a 50-metre pool that can be delivered within a capital cost of less than, or equal to $30 million
- An option including a 50-metre pool plus a number of components that are beyond a capital cost of $30 million but will deliver a lower net operational cost.

Project Architects Warren and Mahoney developed concept plans for the above options that included the following components.

Table 1 Facility Components

Area	Option One	Option Two
Aquatic Area	50 Metre x 8 lane pool	50 Metre x 8 lane pool
	Moveable floor 25m x 10m	Moveable floor 25m x 10m
	Swim wall	Swim wall
	Spectator seating	Multi purpose program/warm water pool 20m x 10m with ramp
		Spectator seating
Dry Area		Gym 550m2
		Group fitness rooms (1 x 170m2, 1 x 120m2)
Support Amenities	Change amenities (change village, male, female, group change and accessible)	Change amenities (change village, male, female, group change and accessible)
	Food and beverage	Food and beverage
	Wet and dry lounge	Wet and dry lounge
	First aid	First aid
	Administration	Administration
	Reception and foyer	Reception and foyer
	Storage	Storage
	Plant room	Plant room
	Car parking	Car parking
	Outdoor forecourt	

Indicative Capital Costs

Independent quantity surveyors Turner and Townsend have developed an indicative capital cost report for options. The costs report Includes:

- All construction costs and associated works
- All fees
- Design contingency 7.5%

- Construction contingency 7.5%
- Escalation for 2 yrs.
- Project Management Costs
- Furniture, Fixtures and Fittings

In summary the indicative capital cost for the two options are:

- **Option One**- $29,972,610
- **Option Two -** $38, 519,245

Financial Model

Otium Planning has developed a financial model for the potential two facility development options. The financial models have been developed using Otium Planning Group's computerised financial software. The model was first established in collaboration with KPMG via the development of the Business Case for Melbourne Sports and Aquatic Centre (MSAC). Over the last 20 years the model has been used and refined on in excess of 250 aquatic and health facility projects and is recognised by governments as a reliable tool.

The following table provides a comparison of the average operational performance over the 10-year period for Option One and Two.

Table 2 Facility Option Comparison

FACILITY STAGES	FACILITY BUSINESS SCENARIO	
	Option One - Base Case Average Over 10 years	Option Two - Base Case Average Over 10 years
Revenue	$1,799,000	$3,974,000
Expenditure	$2,280,000	$4,046,000
Operational Surplus/Loss	($481,000)	($72,000)
Asset Management	325,000	$361,000
Net Profit/Loss	($806,000)	($433,000)
Visitations	132,000 Visits	323,000 visits

Out of Scope Facility Components

Benchmarking of successful aquatic and leisure centres indicate that there are a range of facility markets that should be met to ensure both the social and financial viability of a centre.

The following table provides a list of facility components under the key priority themes of Health, Leisure and Fitness that would assist with addressing identified community recreation, leisure and health needs and in the case of the fitness components improve the overall operational performance of the facility.

The table on the following page provides an indication of the likely capital cost and operational contribution of the identified components.

Table 3 Out of Scope Facility Components

Theme	Components	Area M2	Capital Cost*	Revenue 10 Yr. Average	Expenditure 10 Yr. Average	Contribution 10 Yr. Average	Visits 10 Yr. Average
Health	• Dedicated warm water pool including additional amenities (third pool) • 4 x Allied health suites including reception	559m2 130m2	$4,458,885 $502,950	$200,374	$277,868	-$77,494	12,400
Leisure	• 400m2 water play area • Spa, sauna, steam	400m2	$3,135,000 $762,000	$194,246	$241,155	-$46,909	20,300
Fitness	• Larger gym • Dedicated spin studio, • Dedicated reformer pilates studio	200m2 100m2 100m2	$603,500 $388,500 $388,500	$490,478	$289,283	$201,195	36,000

*Note: contribution excludes costs of asset management.

It should be noted that all capital cost allowances include construction cost, contingency, escalation, fees etc.

1. Introduction

The purpose of the project was to complete a comprehensive feasibility study for an Aquatic and Health Centre in Torquay. The findings of the project will provide council with the information required to enable a decision to be made on the future direction for the Aquatic and Health Centre. The feasibility study considers a number of facility development options and incorporates the following:

- Demographic profile and catchment data
- Demand and trend analysis
- High level concept designs
- Quantity surveyors indicative cost estimates
- Financial operating and management models

1.1 Background

In 2009, the Surf Coast Shire received a petition form the Surf Coast Community Leisure Centre Action Group containing approximately 2000 signatures. The petition sought the development of a leisure Centre with aquatic facilities and associated active recreation facilities such as a gymnasium.

Council completed the Surf Coast Aquatic and Leisure Centre Feasibility Study in November 2009. This Feasibility Study recommended that Council should not consider the development of an indoor Aquatic and Leisure Centre until at least the end of the 2015 financial year.

In July 2013, Council established the Aquatic and Leisure Taskforce to keep and open dialogue with the community about an aquatic facility. The Taskforce produced a report that was received by Council in September 2014. This report recommended a Health, Wellness and Education Model.

In 2015 Council completed an extensive community consultation process to ascertain whether an Aquatic and Health Centre in Torquay was supported. The outcome was that the broader Surf Coast Shire community were not supportive of the proposed model. Consequently, Council resolved in December 2015 to "not undertake any further planning for an Aquatic and Health Centre at this time"

State Election 2018

The Aquatic and Health Centre was an active topic through the State election campaign in 2018, with the project receiving bipartisan support in the form of $10 million pledges. The Labour party won the election; and provided $10m funding towards the construction of a new aquatic centre to include an indoor 25 metre pool, learn to swim pool, gymnasium and group fitness rooms

Federal Election 2019

On the back of the interest in the Aquatic and Health Centre during the 2018 State Election, both major parties again focussed on the Aquatic and Health Centre in the lead up to the Federal Election in May 2019. The Labour Party pledged $15.3M to the project and the Liberal Party followed with a pledge of $20 million specifically for a 50-metre pool. The Morrison Government were returned to power and the Liberal commitment of $20 million has been confirmed, contingent on a 50-metre pool.

Surf Coast Shire Council Position

With the Federal and State Government commitments for funding of an Aquatic and Health Centre in Torquay, Surf Coast Shire resolved to undertake a feasibility study to inform a decision on the direction forward.

Experienced Leisure and Sports Planner Otium Planning Group along with Warren and Mahoney Architects and Turner and Townsend Quantity Surveyors were appointed in March 2020 to work in collaboration with Council on the development of the Feasibility Study.

1.2 Project Scope

The Scope of the Project included the development of a feasibility study that provided:

- Development of options that included a 50 metre pool suitable for swimming in all seasons and leading environmental standards
- Modelling of capital cost, operational revenues and costs and net operational cost for the options presented
- Options that can be delivered within a capital cost of less than, or equal to $30 million
- Options that include facilities beyond that which can be delivered for $30 million, that will deliver lower net operational costs
- Reference to previous community consultation

The following project methodology was used to undertake the study:

Stage One: Background Review and Market Research

- Project Plan
- Industry Benchmarking
- Aquatic, Leisure Facility Trends
- Review of Previous Research
- Competitor Facility Review
- User Catchment Population and Competitor Facility Mapping
- Priority Component Options

Stage Three: Feasibility Report Preparation

- Draft Report
- Draft Report Review
- Final Report

Stage Two: Concept Plan Development

- Facility Concept Options
- High Level Concept Design
- Indicative Cost Plan
- Financial Modelling
- Sensitivity Analysis

2. Project Area

The Surf Coast Shire Council is located along the Victorian coast in the south-western part of the state, between 10 and 60 kilometres south west of the Geelong CBD. The municipality covers an area of 1,553km² and includes the towns of Aireys Inlet, Anglesea, Lorne, Moriac, Torquay, Jan Juc, Deans Marsh and Winchelsea.

The Surf Coast Shire is a predominantly rural, residential and resort area with a large portion allocated to state forest and national park and a large natural coastline. The Council is surrounded by:

- Golden Plains Shire Council to the north
- City of Greater Geelong to the east
- The Bass Straight to the south
- Colac Otway Shire Council to the west

The figure below highlights the location of the Surf Coast Shire Council in relation to the Melbourne and Geelong CBD's.

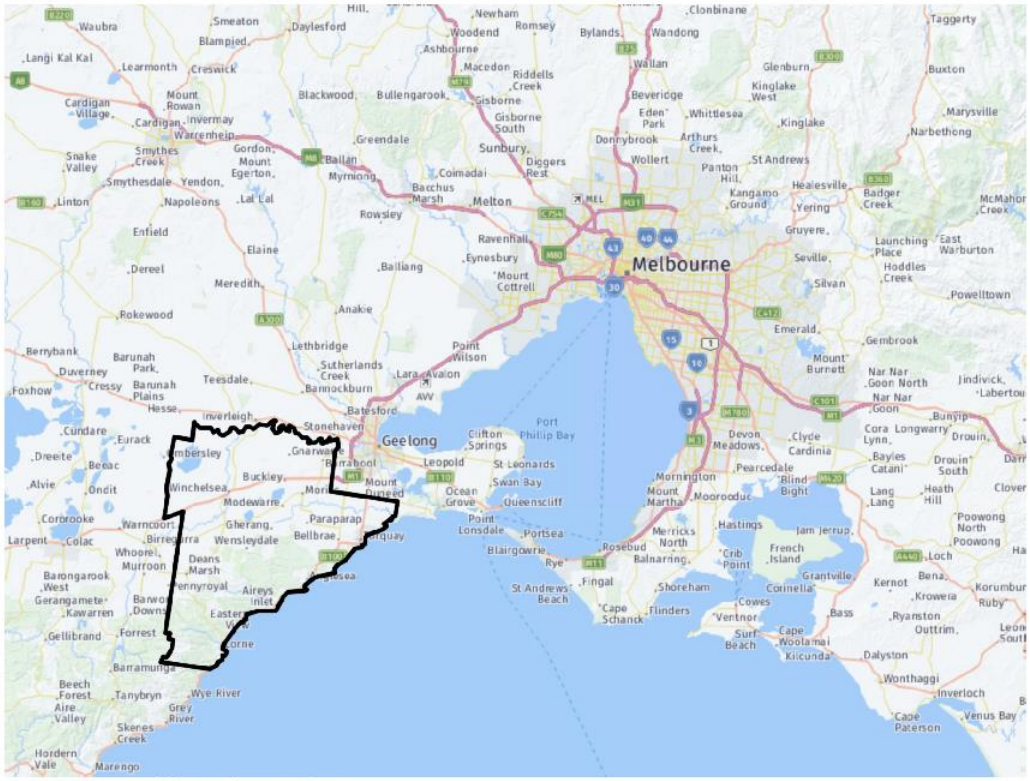


Figure 1 Location of the Surf Coast Shire

2.1 Demographic Review

The following section summarises the key population and demographic characteristics and trends likely to impact future participation in aquatic facilities within the Surf Coast region.
The population and demographic profile are based wherever possible on the 2016 ABS Census data and has been sourced from .id, an online company that analyses ABS Census data.

The following provides a snapshot of the current demographic and population characteristics. A detailed demographic review is provided in **Appendix One**.

Population

- The Surf Coast Shire has an Estimated Resident Population in 2018 of 32,251.
- Analysis of the five-year age groups of Surf Coast Shire in 2016 compared to Regional Victoria shows that there was a higher proportion of people in the younger age groups (under 15) and a lower proportion of people in the older age groups (65+).
- The Surf Coast Shire has a larger percentage of persons aged 40 to 44 years (7.5%) and 35 to 39 years (6.5%) than there is in regional Victoria (6.1% and 5.4% respectively). The age groups that experienced the largest increase in percentage of the population between 2011 and 2016 were 65 to 69 years (increase from 4.8% to 6.4%) and 70 to 74 years (increased from 3.4% to 4.4%).
- There is a significant proportion of the population in Surf Coast that falls into the age bracket that is considered the most likely to make use of aquatic facilities (0 – 49 years). In the Surf Coast area this age group accounts for 61.5% of the population, which is slightly higher than that in the regional Victoria area (58.8%).
- The population in Torquay in 2016 was 13,255 which accounted for 45.1% of the total Surf Coast Shire population. Approximately 67.4% of the Torquay population fell into the age bracket most likely to use aquatic facilities (0-49 years).
- The age structure in Torquay shows that there is a larger percentage of 'parents and homebuilders' (35 to 49 years) and 'babies and pre-schoolers' (0 to 4 years) and a smaller percentage of 'older workers and pre-retirees (50 to 54 years) and 'empty nesters and retirees (60 to 69 years) than the Surf Coast Shire population.

Diversity

- Cultural diversity is relatively low with 11.4% being born overseas, and 4.0% speaking a language other than English at home, compared to 11.0% and 6.0% in regional Victoria.

Disadvantage and Social Capital

- Individual income levels in Surf Coast Shire in 2016 compared to Regional Victoria shows that there was a higher proportion of people earning a high income (those earning $1,750 per week or more) and a lower proportion of low income people (those earning less than $500 per week).
- There is a low level of disadvantage in the Surf Coast area with the municipality ranking 5th on the SEIFA Index of Relative Social-Economic Disadvantage with a score of 1,077 in 2016.

Future Population

- It is predicted that the population within the Surf Coast Shire area will increase 50.2% from 30,445 in 2016 to 45,717 in 2036. The largest annual average rate of change is predicted to occur between 2016 and 2021 before slowing down.
- The population in Torquay is predicted to increase to 25,129 in 2036. This equates to 55.0% of the total Surf Coast population (up from 45.1% in 2016). The percentage of the Torquay population predicted to fall in the age bracket likely to use aquatic facilities is predicted to decrease to 62.3% (down 5.1% from 2016).

Surf Coast Aquatic and Health Centre Catchment Population

- Leisure and sporting facility trends and benchmarking generally indicates that local or municipal recreation or sporting facilities have a primary catchment radius of 5km and a secondary catchment radius of 10km. In general, approximately 75% to 85% of users will reside within a 0 to 5km radius and the remaining 15% to 25% coming from areas within the 5km to 10km radius of the facility. In rural areas these catchments may be slightly

larger depending on the distribution and availability of facilities and the secondary catchment may extend to up to 20km particularly for people wishing to access specific programs such as learn to swim, squad training and therapy based classes.

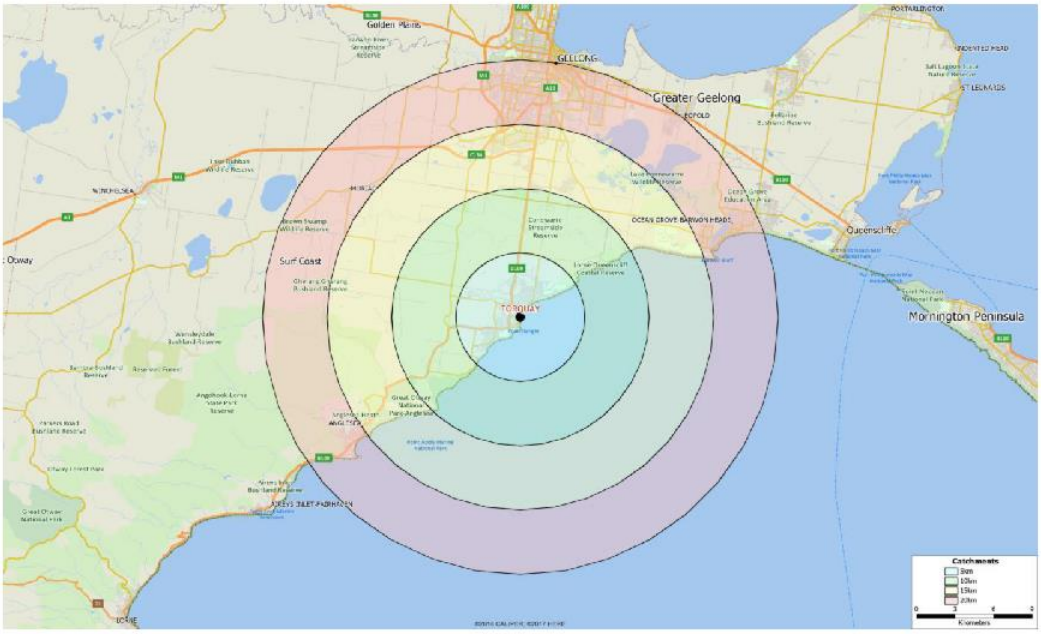


Figure 2 Torquay Population Catchment

- Based on the above definition the Torquay catchment area within approximately 10km of Torquay includes Torquay, Jan Juc, Bellbrae, Connewarre, Bells Beach and a large portion of Armstrong Creek located within the City of Greater Geelong.
- The population in this 10km catchment area in 2016 was 19,523 which accounted for 66.4% of the total Surf Coast Shire population. The Estimated Resident Population (ERP) for the catchment population in 2018 was 22,007.
- 11,660 residents within the catchment area fall into the 0-49 years age group (67.4% of the population).
- The population in the 10km catchment zone in 2036 is predicted to be in the vicinity of 27,828 residents (60.9% of the total 2036 predicted population).

Table 4 Torquay Catchment Area Population

	2016		2036	
	Population	Cumulative	Population	Cumulative
5km	16,944	16,944	24,455	24,455
10km	2,579	19,523	3,372	27,828
15km	24,953	44,476	45,785	73,613
20km	87,733	132,209	106,455	180,067

Source: ABS 2016

Torquay Future Population Age Breakdown

The town of Torquay is the major population centre for the Surf Coast Shire. As a result, many potential facility users will be drawn from this area. The town is further broken down into the smaller areas of Torquay, Jan Juc and Bellbrae and Bells Beach. Over the next 20 years population growth for the small areas is predicted as follows. The table also includes the current and future populations of Armstrong Creek (City of Greater Geelong) as this area falls within the primary catchment of the proposed facility and is not serviced by a local aquatic facility to the north of the area.

Table 5 - Catchment Age Group Population Growth

Age Group (Years)	Torquay			Jan Juc – Bellbrae-Bells Beach			Armstrong Creek			Total		
	2016	2026	2036	2016	2026	2036	2016	2026	2036	2016	2026	2036
0 to 4	1,137	1,323	1,679	289	320	379	580	1,497	1,975	**2,006**	**3,140**	**4,033**
5 to 9	1,092	1,394	1,757	427	367	413	371	1,453	2,084	**1,890**	**3,214**	**4,254**
10 to 14	961	1,334	1,634	376	365	421	243	1,183	1,834	**1,580**	**2,882**	**3,889**
15 to 19	761	1,129	1,430	286	398	406	195	980	1,670	**1,242**	**2,507**	**3,506**
20 to 24	583	935	1,223	192	328	352	351	1,240	1,833	**1,126**	**2,503**	**3,408**
25 to 29	652	929	1,182	317	249	317	604	1,620	2,107	**1,573**	**2,798**	**3,606**
30 to 34	927	1,159	1,455	313	252	327	559	1,637	2,200	**1,799**	**3,048**	**3,982**
35 to 39	1,082	1,434	1,793	291	357	399	412	1,348	1,916	**1,785**	**3,139**	**4,108**
40 to 44	1,135	1,453	1,812	398	386	422	284	1,054	1,509	**1,817**	**2,893**	**3,743**
45 to 49	1,049	1,309	1,687	354	366	427	196	882	1,356	**1,599**	**2,557**	**3,470**
50 to 54	820	1,238	1,565	324	395	416	156	706	1,230	**1,300**	**2,339**	**3,211**
55 to 59	743	1,224	1,525	359	347	376	133	567	1,098	**1,235**	**2,138**	**2,999**
60 to 64	788	1,054	1,459	282	326	391	108	486	955	**1,178**	**1,866**	**2,805**
65 to 69	754	889	1,314	260	337	347	93	399	793	**1,107**	**1,625**	**2,454**
70 to 74	524	851	1,122	173	264	307	55	304	668	**752**	**1,419**	**2,097**
75 to 79	326	737	921	121	231	297	36	225	528	**483**	**1,193**	**1,746**
80 to 84	199	479	738	67	143	220	13	155	370	**279**	**777**	**1,328**
85 and over	238	493	832	27	162	228	9	286	616	**274**	**941**	**1,676**
Total	**13,771**	**19,364**	**25,129**	**4,856**	**5,593**	**6,448**	**4,397**	**16,023**	**24,742**	**23,024**	**40,980**	**56,319**

The future population estimate shows that in 2036 Torquay will have the largest proportion of the population between the ages of 40 and 44. There will also be a significant proportion of the population aged between the ages of five and nine years (largest age group for learn to swim programs). The age group that is predicted to have the highest growth between 2016 and 2036 is the 85 years and older which is predicted to increase from 265 residents to 1,060 residents. This is an increase of 400%.

Based on these predicted increases and changes to the demographic make-up of the primary catchment that the proposed aquatic facility will draw from, the mix of features that the facility will bring must accommodate for both current potential users as well as future potential users.

Tourism to Surf Coast Shire

- Surf Coast is a popular destination for tourists with more than 2.2 million visitors directly expending over $448m during 2019.
- In 2019 more than half of visitors to the region were day trippers (57%) with domestic overnight visitors accounting for 40% and international visitors accounting for just 2%. However, 72% of expenditure comes from domestic overnight travellers.
- The most common activities for domestic day visitors to visit the area were going to the beach (71%), eating out at restaurants and/or cafes (61%), visiting friends and relatives (34%), and sightseeing/looking around (33%). International visitors ate out at restaurants and/or cafes (97%), went to the beach (92%), and went sightseeing/looking around (90%).
- Torquay received the second highest number of visitors with 42% of visitors to the surf coast with an average of 829,100 visitors. [1]

Key Findings from Resident Profile

The population in the Surf Coast Shire is growing with an increase of 13.6% between 2011 and 2016. The age groups that experienced that largest growth in numbers in this time were those in post-retirement age (65 to 74 years) as well as those in the young workforce (30 to 34 years) and secondary schoolers (10 to 14 years).

The Surf Coast Shire has a larger percentage of residents who are parents and homebuilders (35 to 49 years) and primary schoolers (5 to 11 years) while there is a smaller percentage who are seniors (70 to 84 years) and tertiary education and independence (18 to 24 years) than the regional Victoria area.

There is a low level of diversity within the Surf Coast population with 82.2% being born in Australia and 4.5% being born in the United Kingdom. The majority of the population speaks English only while at home (90.4%) with the other most common language being German and Italian (both 0.5%).

The Surf Coast Shire has a high level of disposable income when compared to regional Victoria, however there is still a large percentage of the population (33.7%) that is considered to be earning a low income (less than $500 per week). This will mean that consideration needs to be given when setting the pricing of aquatic services in order to target both of these segments of the market.

The population within the Surf Coast area is predicted to grow by 50.2% by 2036 (to 45,717). The percentage of the population that are most likely to use an aquatic facility (0 to 49 years) is predicted to fall from 62.7% in 2016 to 58.8% in 2036. The age bracket that is predicted to experience the largest increase in population is the 75 – 79 years age group which is predicted to increase by 1,280 residents. This needs to be considered when planning the components of a facility.

The population within Torquay is predicted to increase to 25,129 by 2036. This would represent 55.0% of the total Surf Coast population (up from 45.1% in 2016).

There is a large potential population (25,000 by 2036) in the Armstrong Creek area that may be users of the facility and are from outside the Shire's boundaries. While some of these residents will travel to the Leisurelink Aquatic and Recreation Centre in the City of Greater Geelong, it is assumed a portion will travel south to access the facility in Torquay.

The Impact of Population and Tourism Characteristics on the Future Provision of Aquatic Facilities Means:

- The large and rapidly growing population places pressure on Council to provide access to quality contemporary aquatic and leisure facilities.
- In areas where there are higher levels of older residents there will be greater demand for access to warm water pools to support hydrotherapy and rehabilitation-based programs and services.

[1] Source: Surf Coast Shire Visitor Insights 2018, Surf Coast Shire

- In areas with high populations of young people there will be a greater demand for access to learn to swim program pools, recreation swimming, and leisure/ inflatables, indoor and outdoor water play areas.
- A large proportion of residents (61.5%) are in the most active age group (5 to 49 years). This suggests ongoing demand for fitness swimming, health and wellness and all year-round access.

Surf Coast is a population destination for tourists with more than 2.2 million visitors directly expending over $448m during 2019. Torquay received the second highest number of visitors with 42% of visitors to the surf coast with an average of 829,100 visitors.

Providing tourists and residents convenient access to high-quality recreation and leisure opportunities is an important factor to encourage repeat visitation and to achieve high patronage of facilities. The development of an Aquatic and Health Centre may help to meet several of the challenges facing the tourism industry. These include:

- Managing the strong summer, holiday and weekend concentration of visitation to the region. An aquatic centre would provide visitors with a safe, family friendly recreation opportunity as an alternative to the beach.
- Accommodating unfavourable weather events and providing year-round access. The facility would serve as a recreational outlet for visitors in cool or wet weather, or when beach conditions are unfavourable.
- Fostering mid-week and low-season tourism markets, such as events.

2.2 Strategic Context

Council has a number of service planning and strategic documents that are pivotal to the planning and delivery of aquatic and leisure facilities in Surf Coast.

Establishing and understanding the role of the aquatic and leisure facilities in relationship with Council's other key strategies and plans across the organisation will ensure the development of an aquatic and health facility is consistent with these adopted policies and plans of Council.

The Surf Coast Council Plan 2017 - 2021, Surf Coast Health and Wellbeing Plan 2017-2021 articulate Council's vision and the overarching framework used to make key decisions and deliver service priorities.

Council works strategically at multiple levels and across different sectors, addressing 'big picture' policy issues, management planning and strategy development, and community level service issues. Creating community precincts/hubs that are well connected through place making, public transport and active transport options are a key objective.

The Shire 's Council Plan demonstrates its commitment on improving the health and wellbeing of residents through well-planned facilities and services via the following objectives.

Theme:	**1 Community Wellbeing**
Objective:	1.2 Support people to be healthy and active
Strategy	1.2.1 Develop and implement local programs to support Healthy Eating and Active Living
	1.2.2 Implement health and wellbeing impact assessments as part of infrastructure and project planning
Theme:	**3 Balancing Growth**
Objective:	3.2 Ensure infrastructure is in place to support existing communities and provide for growth
Strategy:	3.2.4 Ensure appropriate funding mechanisms are in place to support future growth including developer contributions
	3.2.6 Advocate for supporting infrastructure
Theme:	**5 High Performing Council**
Objective:	5.1 Ensure Council is financially sustainable and has the capability to deliver strategic objectives
Strategy	5.1.1 Establish long-term financial principles and incorporate into the long-term financial plan

3. Aquatic and Wellness Facility Trends

Physical Activity Participation Rates

AusPlay is the national population tracking survey funded and led by the Australian Sports Commission (ASC) and follows on from the previous Exercise, Recreation and Sport Survey (ERASS) and Australian Bureau of Statistics, 'Children's Participation in Cultural and Leisure Activities, Australia'.

Key participation statistics from the 2019-2020 survey show:

- 90% of people aged 15 and over participated in organised sport and physical activity
- 76% of children aged 0 to 14 years participated in some form of organised sport or physical activity outside of school hours
- 64% of people aged 15 and over participate in sport or non-sport related physical activity three or more times per week
- 60% of children aged 0 – 14 years are active at least once a week through organised sport or physical activity outside of school hours. Only 20% of children are active at least three times per week, highlighting the critical role of school physical activity programs
- Physical health or fitness is the strongest motivation for non-sport related physical activity followed by fun and enjoyment
- Adults up to middle age identify time pressure to be the main barrier to participation. Poor health or injury then become main factors
- The main barrier to young children's participation is their parents' perception that they are too young to start playing
- The use of technology for sport or physical activity is gaining in popularity with 39% of adults using Apps for tracking activity and wearable technology
- Fitness/gym (34.3% and ranked 2) and swimming (15.1% and ranked 4) were in the top 20 activities for adults. They were also ranked 1 and 2 respectively for adults participating through organisation/venue.
- Swimming is ranked 1 (33.1%) in the top 20 activities for children participating in organised sport out of school hours activities

In 2013, The Australian Sports Commission commissioned the CSIRO to research future sports trends, including the impact of megatrends – patterns of social, economic or environmental changes that influence sports participation (Future of Australian Sport: Megatrends shaping the sports sector over the coming decades, Australian Sports Commission, 2013).

The research found activities supported by aquatic and leisure facilities including swimming, aerobics and fitness/gym participation rates per capita have increased in recent years and remains within Australia's top 10 sport and recreational activities.

The key megatrends profiling the types of participant identified in the Australian Sports Commission's the Future of Australian Sport report that can support greater participation in swimming and fitness/gym include:

- A perfect fit – personalised sport for health and fitness
- More than a sport – achieving health, community and overseas aid objectives via sport
- Everybody's game – sports that respond to demographic, generational and cultural change.

Aquatic, Leisure, Health and Fitness Facility Trends

This section draws together a large range of information on aquatic, leisure, health and fitness and associated wellness facility trends.

Aquatic and health facilities provide a range of values and benefits for communities including:

- Health and fitness services allowing people to enjoy the benefits of physical activity.
- The provision of safe and welcoming spaces, supporting social inclusion and a sense of connection for all members of the community.
- Opportunities to participate for recreation, competition or sport.
- Community development that contributes to the development of social capital, helping to create links in a community.
- Positive impacts on physical and mental wellbeing.
- Water safety/education and water confidence programs that can reduce the incidence of drownings in the community.
- Fostering community pride.

The primary focus in contemporary aquatic facility design is on expanding the facility mix to include a combination of 'wet' and 'dry' options. These include spaces that accommodate a range of activities such as lap swimming, aquatic programs and learn-to-swim, leisure/ adventure water, with interactive water play elements, health and fitness gymnasium providing cardio and weight training areas and group class spaces, wellness services, multi-purpose program spaces, community meeting rooms/spaces, creche, quality and healthy food and beverage options and appealing merchandising/retail areas.

Contemporary aquatics and leisure facilities are community destinations and meeting points for a range of physical and social activities. Facilities including these elements will attract the four key user markets outlined in Figure 3 and are most likely to provide more reasons for people to visit and stay longer, improving health and wellbeing and financial sustainability.

Major increases in energy and water costs in recent years (and predictions of higher energy costs into the future) require aquatic and leisure facilities to incorporate modern, environmentally sustainable features. Community expectations about recreation and how leisure time is spent is changing

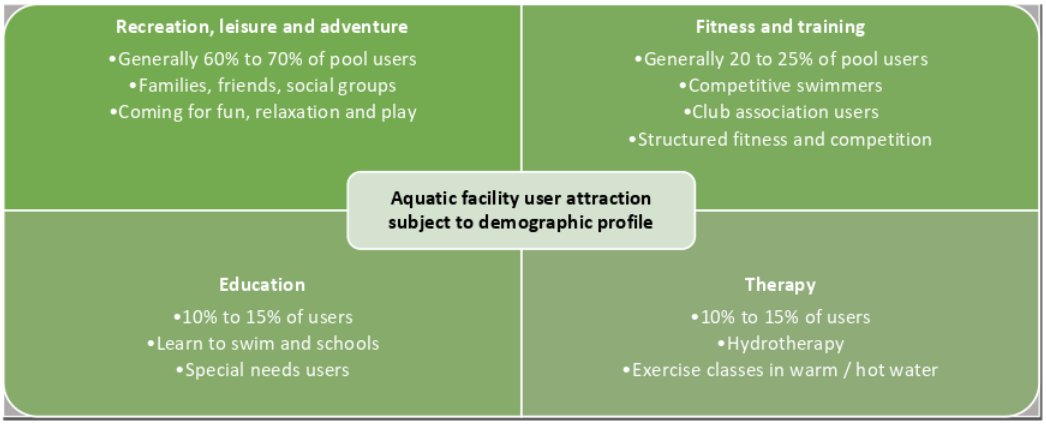


Figure 3 Main Aquatic and Leisure Facility User Markets

There has been a much greater emphasis in the development of a variety of water spaces within public aquatic centres including:

- Program pools designed for learn to swim and a variety of aquatics programs.
- Warm water pools which are used for rehabilitation and therapy, one of the highest use spaces within public aquatic and leisure centres.
- Water play including large enclosed slides, water jets and other leisure play opportunities.

Health and fitness programming have also advanced with a greater emphasis on programs for older adults as well as a much broader range of opportunities including Pilates, Yoga and Boot Camp. This is driven by several factors detailed in the table below:

Table 6 Trends and Challenges

Sport and Recreation Trends	Challenges
A gradual ageing of the population.	Consumer Expectations – low cost/long operating hours.
Flexibility in the times when people recreate.	Changing population demographics.
Increased variety in leisure options.	Competition for participants.
Constraints to leisure participation.	High cost of aquatic areas due to labour and services costs.
Changing employment structures, trading and work hours.	Need to operate commercial activities to help subsidise aquatic area costs.
Aquatic areas usually require financial subsidy whilst health and fitness usually profitable.	Maintaining and upgrading ageing and outdated facilities.
Different people want different activities.	Need for new facilities to accommodate population growth.
Provision of high standards and quality of facilities and services.	Ongoing asset management provision to ensure quality of facility is maintained.
Desire for activities to be affordable.	Environmental sustainability to reduce energy and water usage and costs.
Recognition of strong links between physical activity and health.	Rate capping impact and competing priorities on Council budgets.
Expectations of equity and access.	Balance required between accessible fees and changes and financial sustainability
Technology developments and impacts.	Keeping 'pace' with technology development
More sustainable and eco-friendly infrastructure.	High capital and operational costs can be associated in the provision of ESD initiatives
24 hour access to health and fitness facilities to support residents differing patterns of work and opportunities to exercise	Design of the facility should provide for 24 hour access to dry health and fitness areas and ensure aquatic areas are secure.

3.1.1 What is a Warm Water Program Pool?

Option two includes a separate multipurpose program / warm water pool that would support a range of key markets such as learn to swim and therapy /rehabilitation programs.

What is Hydrotherapy?

Hydrotherapy is a therapeutic whole-body treatment that involves moving and exercising in warm to hot water.

Hydrotherapy pools are usually different from ordinary pools - the temperature, depth, access, filtration system and movement of water is controlled and changed according to who's using the pool, and why.

Hydrotherapy involves the use of water to treat various conditions, such as arthritis, rheumatic complaints and other ailments. Although it resembles swimming, it is different because it requires the individual to undertake different exercises in a warm pool of water.

This water is much warmer than what you will encounter in a normal swimming pool. The depth is also different as most people using such pools walk or exercise in them but do not swim.

Hydrotherapy Pools in the Health and Medical Sector

The majority of Hydrotherapy Pools in Australia have been developed for people in the traditional health system at hospitals, rehabilitation centres, aged care facilities and exercise therapy service providers such as sports medicine, physiotherapist and exercise physiology practitioners.

These pools tend to be smaller water areas as they are used for specialist health activities and are usually linked to medical programs. The majority of these pools are not available to the general public due to the high use for health and rehabilitation treatment use.

The design of Hydrotherapy Pools is governed by Australian Safety Standards AS 3979-2006 and covers design requirements and recommendations, operating requirements and recommendations and safety issues.

The standard is based on the following definition of a Hydrotherapy Pool being: "A pool containing heated water, especially designed to meet the therapeutic needs of persons of any age with impairment due to illness, injury, disease, intellectual deficiency, congenital abnormality, or any change in normal mobility".

The Hydrotherapy Pool Australian Standards AS 3979 -2006 are not prohibitive as they are developed as updated standards that supersede the AS 3979-1993 standards. Their status is as informative standards for information and guidance and not statute.

Hydrotherapy/Warm Water Pools Located at Public Swimming Pools

In line with all levels of Government in Australia encouraging people to be more active and healthier there has been a major change away from the traditional small hydrotherapy pool located at a health institution to the development of large warm water pools at a large number of public swimming centres.

This trend has also been aided by Australia's continuing aging population that now sees across Australia more people aged 60 years and over than aged under 15 years old. Planning for an older and less mobile population that is living much longer has been a major catalyst to the development of such pools.

As these facilities have moved from simply a health model to a preventative health model the water areas have needed to be much larger and this has added extra capital and operating cost issues. Most health-related hydrotherapy pools are less than 100m2 in water area and some of this is taken up with stairs/access ramps.
The high cost of staffing, heating, maintaining and operating such larger water areas has also been the main industry trend factor to co locate facilities at aquatic leisure centres rather than build standalone facilities.

The industry has also moved away from calling these pools hydrotherapy pools due to the inability to meet all of the Australian standard requirements and the health and disease connotations and refer to the facilities as warm water program pools that can be used for group health and activity classes such as rehabilitation and therapy, learn to swim, walking in water and gentle exercise activities as well as for casual use.

Warm Water Program Pool Layouts and Components

To maximise use of warm water program pools there have been a number of innovative design and additional component features that now are included in contemporary pools. These include:

- Larger length of pools to cater for more users walking and exercising in the water and to meet the need to provide adequate gradient change (1:20 to 1:30) and ramp access at minimum of 1:14 gradient with a landing of at least 1200mm at its lowest point.
- Pool depths need to be designed for people walking and exercising in the water so need to be within a range of 900mm to 1.5m. The gradient of the floor shall be no more than 1:20 and if the pool is longer then it is recommended to design for a gradient of up to 1:30
- To provide accessible spas many pools are now designed to have a spa and seating area off the end of the ramp, so all people can access the spa. To ensure there is also a hotter spa a separate concourse entry spa is usually provided. These also link well to adjoining steam and dry sauna areas and concourse shower and relaxation areas.

- To meet Environmentally Sustainable Design (ESD) features most facilities are being developed in their own pool hall – at same concourse level with clear glass walling and large entry doors so the hotter water area can reduce its energy losses. This reduces energy costs but increases staffing and operational costs. The separation is also conducive to a number of conditions that require a quieter less stimulating environment.
- Development of close by change and amenities allow users to move from reception and control to activity areas quickly and change and shower close-by to the activity area.
- Universal design features also place this pool close to pool hall entry with full accessibility and concourses all at the same level.
- Development of adjacent wellness treatment areas for allied health activities as well as massage, preventative health services and classes.

What makes a successful aquatic and leisure centre?

The most successful facilities attract all user markets, draw users from a large catchment and should be set up to allow people to participate in a range of activities at the one site. The education market requires warm water pools and water depths with some straight edges and easy water access.

The health and therapy market require warm water pools and associated health relaxation areas, such as spas and saunas. As such the further addition of health and fitness facilities (many centres returning 125% to 180% of expenditure), spas and saunas, wellness centres / day spas, sports medicine, health, therapeutic and beauty services, social areas and cafés have been very successful at many aquatic and leisure facilities, as they add to the user experience and contribute to people being attracted to attend these facilities more often.

Successful future facility trends indicated a number of common success factors:

- **One stop shop:** Large range of activity areas at the one site to maximise use/help share the costs.
- **Reduce operating losses:** Need a mix of community and commercial activities at the one site, however the location needs to be right to make this viable.
- **Programmable spaces:** Need to offer programs and memberships to keep users coming back.
- **Cater for all ages and interests:** Need to develop facilities for broad range of people.
- **Community/social hub:** Needed to offer quality food, beverage, social and entertainment spaces. This could also provide a range of other services like community and cultural services, health and allied services and/or commercial precincts.

The market research confirm demand for aquatic, health and fitness and water play facilities is expected to increase and this is supported by the continued high popularity of this activity amongst adults and children for swimming and fitness/gym activities. This is particularly relevant for the Torquay and surrounding areas that has a high proportion (61.5%) of people in the most active age group cohorts (0 to 49 years).

4. Current Facility Provision and Catchment Analysis

As indicated, 75 to 85% of a facility's attendance and catchment is drawn from 5km from a facility (primary catchment), whilst the remainder usually reside within 10km of the facility (secondary catchment). This statistic is consistent across Australia and settlement types, whether it is in urban, peri-urban or regional areas. People tend to travel longer distances to access aquatic and leisure facilities in rural areas.

The most successful aquatic and leisure facilities attract all user markets. They draw users from a large catchment, clustering and connecting services rather than dispersing smaller facilities across a region; and should be set up to allow people to participate in a range of activities at the one site including for leisure and adventure, fitness and education, health and wellness and hospitality.

Previous research and industry trends indicate that the future viability of aquatic and health facilities will be affected by the range of facilities that are located within the primary catchment area.

4.1 Current Facility Provision

The following image details the current aquatic and health and fitness facilities located within the Surf Coast Council area and the wider regional catchment including the City of Greater Geelong, Golden Plains Shire and Colac Otway Shire.

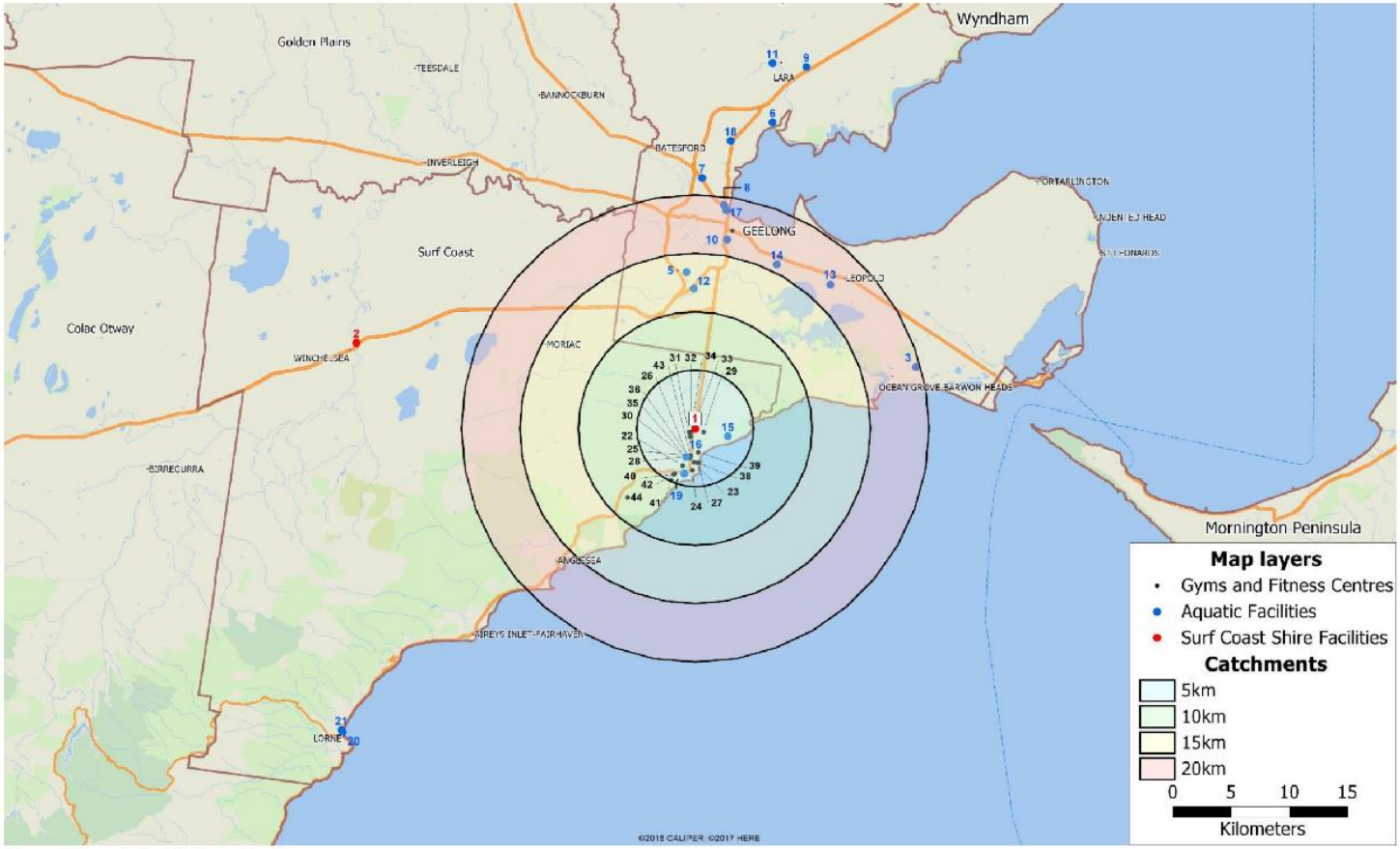


Figure 4 Current Facility Provision

ID	Aquatic Facilities	ID	Gym Facilities
1	Proposed Aquatic and Health Centre site – Torquay	23	Jetts Fitness Torquay
2	Winchelsea Pool	24	Quay Health Club
3	Bellarine Aquatic & Sports Centre	25	Surf Coast Sport & Recreation Centre
4	Bluewater Leisure Centre	26	Torquay Coastal Boxing & Fitness Family Gym
5	Christian College Geelong - Highton Campus	27	Zoo Health & Fitness
6	Geelong Grammar (Handbury Centre)	28	Anytime Fitness Torquay
7	Goodfellow Aquatic Centre	29	F45 Torquay
8	JUMP! Swim School - Geelong West	30	TORQ Fit
9	JUMP! Swim School - Lara	31	Crossfit Bells Beach
10	Kardinia Aquatic Centre	32	Fitxcore Torquay
11	Lara Aquatic Centre	33	The Boneyard Torquay
12	Leisurelink Aquatic & Recreation Centre	34	Body Fit Torquay
13	Leopold Swim School	35	Vidatha Yoga
14	Splashdown Leisure Centre	36	Upstate Studios Torquay
15	TORQ Swimmers	37	Yoke Yoga
16	Torquay Swim School	38	Sally Louise Yoga
17	Tri Swimming	39	Flow Mumma Pilates and Yoga
18	Waterworld Leisure Centre	40	Be Kind Yoga Studio
19	RACV Torquay	41	Jan Juc Yoga Room
20	Lorne Sea Bath Pools	42	Astanga Yoga Surf Coast
21	Mantra Pool	43	Balance Studio
22	Great Ocean Fitness	44	Surfcoast Yoga

The review of current facilities indicates:

- There are six aquatic facilities located within the Surf Coast Shire. The Winchelsea Outdoor Pool is the only facility owned and operated by Council. The other five facilities are privately owned with three in Torquay (including two swim schools - one in the Peppers Resort) and two in Lorne.
- There are no community based aquatic facilities within a 10km catchment of Torquay.
- There are Twenty-two private health and fitness studios within 5km of Torquay.
- There are two school based aquatic centres located within the 15km catchment
- The above mapping indicates that there are a range of current facilities catering for the fitness needs of residents in Torquay and the surrounding areas.

Travel Time User Population Trends

Industry trends indicate the largest population catchment for aquatic leisure facilities are likely to live within 15 minutes' drive-time of a facility subject to the types of competing facilities within that catchment zone. OPG have mapped travel time from the proposed site of the Surf Coast Aquatic and Health Centre in Torquay as well as locating known competitor aquatic and health and fitness facilities.

The user catchment map by travel time has documented three time zone travel areas being:

- 0 to 5 minutes' drive time from WFAC
- 5 to 10 minutes' drive time from WFAC
- 10 minutes to 15 minutes' drive time from WFAC

The travel time map is listed below.

The following image details the catchment areas within a 0 to 15min drive from the location of the proposed facility. The second image on page24 details the travel time catchment with an overlay of the 5km to 20Km radius catchments.

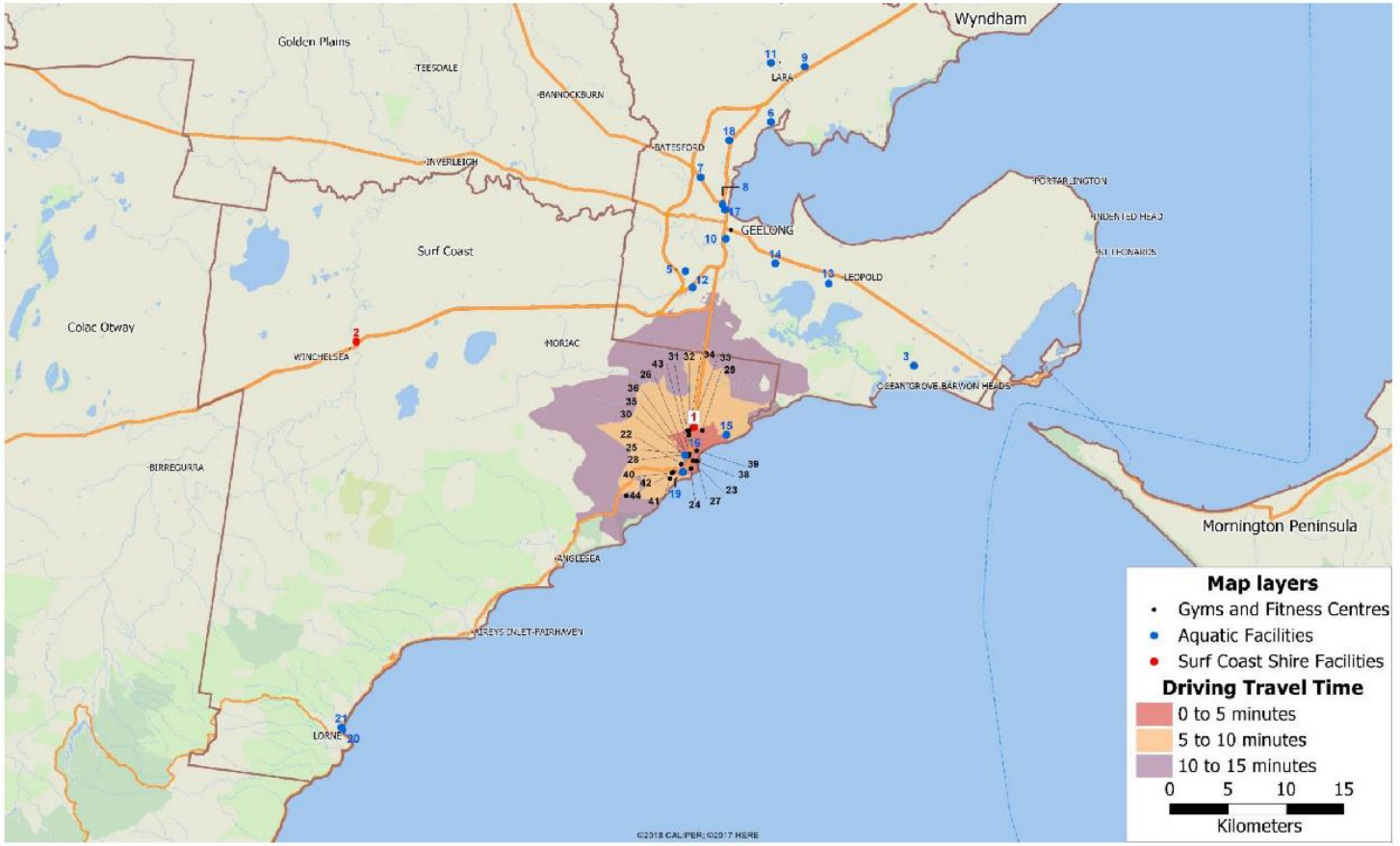


Figure 5 Travel Map

ID	Aquatic Facilities	ID	Gym Facilities
1	Proposed Aquatic and Health Centre site – Torquay	23	Jetts Fitness Torquay
2	Winchelsea Pool	24	Quay Health Club
3	Bellarine Aquatic & Sports Centre	25	Surf Coast Sport & Recreation Centre
4	Bluewater Leisure Centre	26	Torquay Coastal Boxing & Fitness Family Gym
5	Christian College Geelong - Highton Campus	27	Zoo Health & Fitness
6	Geelong Grammar (Handbury Centre)	28	Anytime Fitness Torquay
7	Goodfellow Aquatic Centre	29	F45 Torquay
8	JUMP! Swim School - Geelong West	30	TORQ Fit
9	JUMP! Swim School - Lara	31	Crossfit Bells Beach
10	Kardinia Aquatic Centre	32	Fitxcore Torquay
11	Lara Aquatic Centre	33	The Boneyard Torquay
12	Leisurelink Aquatic & Recreation Centre	34	Body Fit Torquay
13	Leopold Swim School	35	Vidatha Yoga
14	Splashdown Leisure Centre	36	Upstate Studios Torquay
15	TORQ Swimmers	37	Yoke Yoga
16	Torquay Swim School	38	Sally Louise Yoga
17	Tri Swimming	39	Flow Mumma Pilates and Yoga
18	Waterworld Leisure Centre	40	Be Kind Yoga Studio
19	RACV Torquay	41	Jan Juc Yoga Room
20	Lorne Sea Bath Pools	42	Astanga Yoga Surf Coast
21	Mantra Pool	43	Balance Studio
22	Great Ocean Fitness	44	Surfcoast Yoga

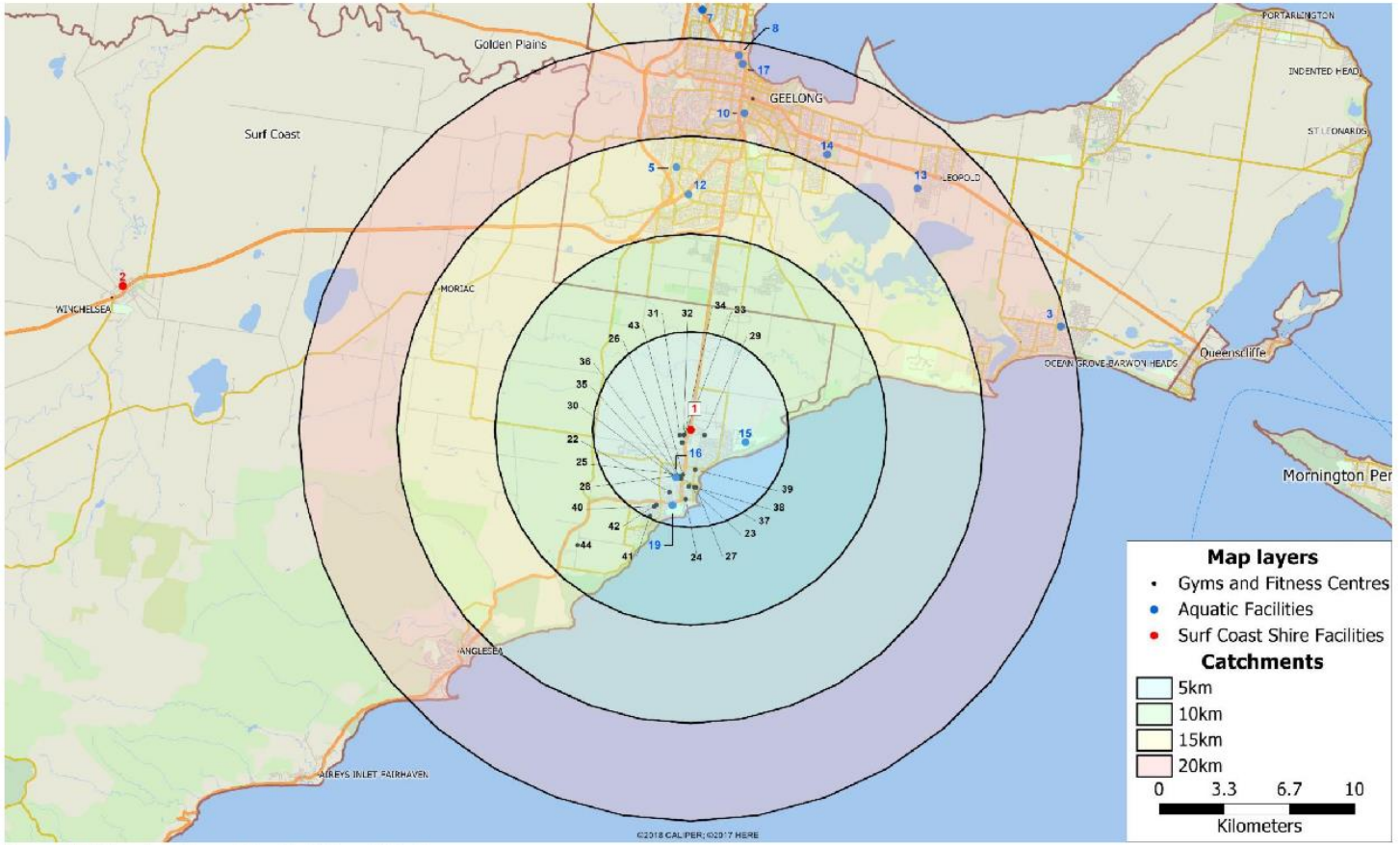


Figure 6 Existing Aquatic and Gym Facilities within Torquay

ID	Aquatic Facilities	ID	Gym Facilities
1	Proposed Aquatic and Health Centre site – Torquay	23	Jetts Fitness Torquay
2	Winchelsea Pool	24	Quay Health Club
3	Bellarine Aquatic & Sports Centre	25	Surf Coast Sport & Recreation Centre
4	Bluewater Leisure Centre	26	Torquay Coastal Boxing & Fitness Family Gym
5	Christian College Geelong - Highton Campus	27	Zoo Health & Fitness
6	Geelong Grammar (Handbury Centre)	28	Anytime Fitness Torquay
7	Goodfellow Aquatic Centre	29	F45 Torquay
8	JUMP! Swim School - Geelong West	30	TORQ Fit
9	JUMP! Swim School - Lara	31	Crossfit Bells Beach
10	Kardinia Aquatic Centre	32	Fitxcore Torquay
11	Lara Aquatic Centre	33	The Boneyard Torquay
12	Leisurelink Aquatic & Recreation Centre	34	Body Fit Torquay
13	Leopold Swim School	35	Vidatha Yoga
14	Splashdown Leisure Centre	36	Upstate Studios Torquay
15	TORQ Swimmers	37	Yoke Yoga
16	Torquay Swim School	38	Sally Louise Yoga
17	Tri Swimming	39	Flow Mumma Pilates and Yoga
18	Waterworld Leisure Centre	40	Be Kind Yoga Studio
19	RACV Torquay	41	Jan Juc Yoga Room
20	Lorne Sea Bath Pools	42	Astanga Yoga Surf Coast
21	Mantra Pool	43	Balance Studio
22	Great Ocean Fitness	44	Surfcoast Yoga

The following table highlights the potential user catchment by travel time based on 2016 ABS census data.

Table 7 Torquay Catchment by Travel Time

	0-5 minutes	5-10 minutes	10-15 minutes	Catchment Total
Population	10,185	7,439	7,965	25,589
Male	4,978	3,718	3,864	12,560
Female	5,224	3,733	4,090	13,047
Under 5 yrs.	797	540	648	1,985
5 - 19 yrs.	2,042	3,710	1,407	7,159
20 - 44 yrs.	3,090	2,370	3,060	8,520
45 – 64 yrs.	2,571	1,951	1,622	6,144
65 plus yrs.	1,684	882	1,229	3,795

Source: ABS 2016, Maptitude

Neighbouring Council Aquatic Facilities

The following provides a summary of the current and proposed aquatic facility developments in the neighbouring municipalities:

City of Greater Geelong

Within the City of Greater Geelong there are six aquatic facilities including:

- Bellarine Aquatic and Sports Centre – Ocean Grove
- Splashdown – Whittington
- Leisurelink – Warun Ponds
- Waterworld – Norlane
- Kardinia Outdoor Pool - East Geelong
- Lara Outdoor Pool - Lara

The City of Greater Geelong Council Plan 2018-22 (updated 2019-20) identified the following strategic priority for Informed Social Infrastructure and Planning:

- Provide new sports leisure facilities and upgrade existing ones.
- Advocate for funding for the Northern ARC Health and Wellbeing Hub

Councils Draft Social Infrastructure Plan for the City of Greater Geelong – Our Places, Spaces and Services, February 2020 provides identified projects by planning area and also the individual Network Reports such as aquatic facilities. The Armstrong Creek Town Centre Precinct Structure Plan (ACTC PSP) plan includes the development of a community facility within the planning area. The plan indicates that there will not be an aquatic facility developed in Armstrong Creek in the short term (3 years), however the planning for the components of the community facility will be undertaken. The Infrastructure Plan identifies the following priorities:

- Develop new Health and Wellbeing Hub as part of Northern ARC precinct development
- Consideration for new 50m outdoor pool - Drysdale
- Minor refurbishments - Bellarine Aquatic and Sports Centre
- Major refurbishment - Bellarine Aquatic and Sports Centre, Splashdown, Leisurelink, Kardinia and Lara Swimming Pool

Colac Otway Shire

Within Colac Otway Shire there are two aquatic facilities including:

- Blue Water Aquatic Centre - Colac
- Apollo Swimming Pool - 25m outdoor pool

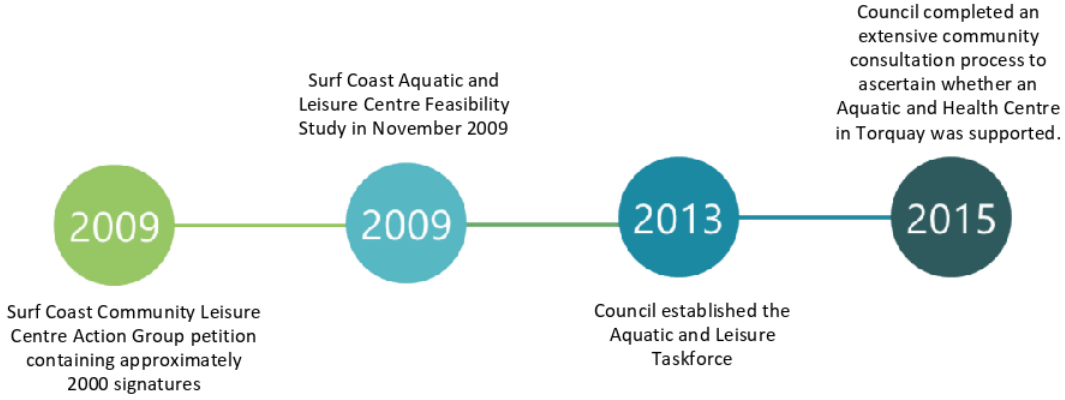
There are currently no plans to update the existing facilities.

Borough of Queenscliffe

There are currently no aquatic facilities located in the Borough of Queenscliffe.

5. Community Engagement 2009 - 2020

Over the last eleven years the Surf Coast Shire have undertaken community consultation and engagement in response to ongoing requests from the Torquay community for the development of an Aquatic and health Centre. The following diagram details the timeline of engagement.



The following provides a summary of the findings of the latest consultation undertaken in 2015.

5.1 Testing the Waters – Community Forums 2015

The 'Testing the Water' community forums provided an opportunity for 370 community members to find out more about the project, ask questions about the funding model, and to voice their feedback about key elements of this proposal. A thematic summary of the most prevalent community feedback has been provided below.

Location of the pool

In all forums outside of Torquay, the location of the pool was a significant issue with community members suggesting that other locations could be considered that would allow greater equity of access for Surf Coast residents.
Across a number of forums these sentiments were coupled with participants suggesting that Council could instead improve transport and access to existing or planned pool infrastructure for a significantly smaller financial commitment.

The Proposed Funding Model

In line with the market research survey results, support for the proposed funding model declined when participants were further away from the proposed site.

In forums outside of Torquay participants consistently felt the benefits of the new infrastructure were likely to fall solely on those residing within Torquay, yet the costs unfairly impacted all ratepayers.
In all locations participants called for greater investigation of alternative funding models, including private investment, or private/public partnerships (this was highest in Torquay with a poll result of 60%), and additional government funding.

Responses aligned with the market research survey findings in that the majority of participants were unwilling to accept any increase to rates for the development of the pool.
Participants urged Council to understand plans and potential synergies with City of Greater Geelong aquatic facilities.

The scale, design and cost

The predicted cost of both building and operating the proposed facility raised a number of concerns for participants at all forums regardless of individual levels of support for the proposal.

Concerns reflected the significance of this level of investment for Surf Coast, and the impacts this may have on their ability to respond to other funding needs in the short-to-medium term.

Comments from community members included recommendations that the scale of the facility be reduced or simplified to reduce costs. However, some participants suggested that Council should consider a larger facility including a 50m pool.

6. Aquatic & Health Centre Facility Development Options

6.1 The Site

The following image details the site for the potential Aquatic and Health Centre. The site key issues for consideration include:

- Maximising the opportunity to integrate the proposed aquatic centre with the indoor stadium, currently under construction. This will ensure economies of scale are achieved through the management and operations of the two facilities.
- Maximising the marketing opportunities "sport on show" by ensuring the facility is clearly visible from Surf Coast Highway.
- Retaining the netball courts and considering the need for club rooms as participation and use increases
- Consideration of prevailing winds across the netball courts and capacity of the aquatic centre building to reduce the impact and improve user comfort
- Location of the existing sub station
- Car parking requirements to service all facilities within the precinct during peak usage loads
- Landownership boundaries – council land and the Department of Education and Training Land

Figure 7 Existing Site Conditions

This section of the report assesses the following facility development options and the associated capital cost

- Option One - 50m pool $30m or less
- Option Two - 50m pool above $30M with improved operating performance

6.2 Facility Options

In line with the key project requirements, the project team considered a range of options to achieve the following:

- An option including a 50-metre pool that can be delivered within a capital cost of less than, or equal to $30 million
- An option including a 50-metre pool plus a number of components that are beyond a capital cost of $30 million but will deliver a lower net operational cost.

Detailed facility component schedules based on the above options were developed to guide the development of the concept plans for each option. In summary the options included the following key components. A copy of the component schedule for each option is provided in **Appendix Three**.

Option One – less than or equal to $30M

Table 8 Option One – Facility Components

Area	Component	Rationale
Aquatic Area	50 Metre x 8 lane pool	Meets condition of Federal Government funding. Provides long course competition length pool. Supports use by school/community events/carnivals.
	Moveable floor 25m x 10m	Provides shallower water to support and increase program flexibility i.e. allows for lower level learn to swim. Particularly important when a separate learn to swim /program pool with shallower water and warmer water temperatures is not provided
	Swim wall	Improves programming flexibility by providing the capacity to divide pool to create different program areas i.e. split pool to enable 50m lanes and 25m lanes to operate concurrently.
	Spectator seating	Spectator seating to support school carnival, events and learn to swim program.
Support Amenities	Change amenities (change village, male, female, group change and accessible)	To support all users
	Food and beverage	Provides secondary spend opportunities
	Wet and dry lounge	Supports secondary spend opportunities and social interaction
	First aid	To support all users
	Administration	To support all users
	Reception and foyer	To support all users
	Storage	To support all users
	Plant room	
	Car parking	Additional – car parking spaces to support integrated Aquatic and Health Centre and Indoor Stadium.
	Outdoor forecourt – potential future expansion area	

The concept plan detailing the functional layout of the above components is provided on the following page.

Option One – 50M Pool Only

Option Two - $30M plus

The Option Two concept plan incorporates a number of components to address the community need as identified through the extensive community consultation process. A number of the components also address the key market segments that are required to improve the operational performance of the facility.

Table 9 Option Two – Facility Components

Area	Component	Rationale
Aquatic Area	50 Metre x 8 lane pool	Meets condition of Federal Government funding. Provides long course competition length pool. Supports use by school/community events/carnivals.
	Moveable floor 25m x 10m	Provides shallower water to support and increase program flexibility i.e. allows for lower level learn to swim
	Swim wall	Improves programming flexibility by providing the capacity to divide pool to create different program areas i.e. split pool to enable 50m lanes and 25m lanes to operate concurrently.
	Multi purpose program/warm water pool 20m x 10m with ramp	Provide separate body of water designed to meet the needs of lower level learn to swim and rehabilitation /therapy via higher water temperature and shallower water.
	Spectator seating	Spectator seating to support school carnival, events and learn to swim program.
Dry Area	Gym 550m2	Provides access in one location to dry health and wellness services. Higher revenue yield helps to subsidies higher operational cost of aquatic areas.
	Group fitness rooms (1 x 170m2, 1 x 120m2)	Provide flexible program space to support a range of health and well programs and services Higher revenue yield helps to subsidies higher operational cost of aquatic areas
Support Amenities	Change amenities (change village, male, female, group change and accessible)	To support all users
	Food and beverage	Provides secondary spend opportunities
	Wet and dry lounge	Supports secondary spend opportunities and social interaction
	First aid	To support all users
	Administration	To support all users
	Reception and foyer	To support all users
	Storage	To support all users
	Plant room	
	Car parking	Additional – car parking spaces to support integrated Aquatic and Health Centre and Indoor Stadium.

The concept plan detailing the functional layout of the above components is provided on the following page.

Option Two – 50M Pool, Multi-Purpose Program/Warm Water Pool and Dry Health and Fitness

6.3 Indicative Capital Costs

Independent quantity surveyors Turner and Townsend have developed an indicative capital cost report for options. The detailed cost report in detailed in **Appendix Four**. The costs report Includes:

- All construction costs and associated works
- All fees
- Design contingency 7.5%
- Construction contingency 7.5%
- Escalation for 2 yrs.
- Project Management Costs
- Furniture, Fixtures and Fittings

In summary the indicative capital cost for the two options are:

- **Option One**- $29,972,610
- **Option Two -** $38, 519,245

6.4 Environmentally Sustainable Design Inclusions

Surf Coast Shire Council has identified its position in becoming a leader both in the region and country for sustainable and environmentally friendly practices.

The proposed concept plans are in line with Councils Towards Environmental Leadership Program and could incorporate the following features.

- A balanced energy source arrangement. 70% renewably sourced energy, 30% fossil fuels (gas) – with a view to transition to 100% renewable over the life of the building
- Rainwater harvesting for swimming pool and landscaping.
- Grey water use for toilet flushing.
- Double glazed windows.
- Electric heating, cooling and hot water systems using source heat pumps.
- Airtight façade (tested upon completion).
- Timber structure (Forest Stewardship Council) to the pool hall.
- Heat recovery ventilation to reuse otherwise wasted heat.
- Solar panels to be installed on the roof, with battery storage.
- Predominately native landscaping to reduce water use and improve biodiversity.
- Energy efficient fixtures, fittings and lighting.
- Bicycle parks
- Car re charging stations
- LEDs throughout with daylight dimming.

7. Financial Model

Otium Planning has developed a financial model for the potential two facility development options. The financial models have been developed using Otium Planning Group's computerised financial software. The model was first established in collaboration with KPMG via the development of the Business Case for Melbourne Sports and Aquatic Centre (MSAC). Over the last 20 years the model has been used and refined on in excess of 250 aquatic and health facility projects and is recognised by governments as a reliable tool.

The 10-year projections are developed using the following global impact assumptions.

7.1 Global Impacts

7.1.1 Business Growth

Industry trends indicate it takes up to 3 years to establish new facilities usage and business.

The financial models therefore assume average business and usage in year three. These figures are impacted by reduced business and usage in year 1 at 8% less and Year 2 at 5% less (than year 3). From year 4 onwards it is assumed the business growth will remain slowly increase before starting to reduce from year 7 as the facility ages and new competitors may come into the market.

Table 10 Business Growth

Year									
1	2	3	4	5	6	7	8	9	10
92%	95%	100%	101%	102%	103%	102%	101%	100%	98%

7.1.2 Price Growth/Increases

Fees and charges for accessing the Centre and programs and services price growth are set at 1% annually from year 2 onwards.

7.1.3 Consumer Price Index (CPI)

The financial model is annually impacted by a CPI increase. This has been set at 2.3% from year 2 to year 10. An additional 1% is provided every year to account for salary increases. An additional 2.5% is provided every year to some expense items that may increase above CPI such as utilities.

7.2 Business Assumptions

The following business and management assumptions impact on the financial model.

7.2.1 Operating Hours

The facility is estimated to be open 88 hours per week and operating all days except Christmas Day and Good Friday. The facility would vary between the hours of 6.00am to 9.00pm Monday to Friday and 7am to 8.30pm Saturday and Sunday.

7.2.2 Entry Charges

Entry charges are based on similar charges to aquatic and leisure centres and include GST. They have also been benchmarked against the Bellarine Aquatic Centre located in Ocean Grove, Aquazone located in Warnabool and Gurri Wanyarra Wellbeing Centre in Bendigo.

An allowance of 2% per annum for three years has been applied to fees and charges to take into account the facility opening in the 2023/2024 financial year.

7.2.3 Recurrent Operating Expenditure

The majority of recurrent operating expenditure including utilities, chemicals, administration, marketing, maintenance, and cleaning and are based on the industry benchmarks for similar facilities.

An allowance of 2% per annum for three years has been applied to all expenditure to take into account the facility opening in the 2023/2024 financial year.

7.2.4 Maintenance Allocation

Industry trends indicate that high use aquatic and health centres usually require an annual programmed maintenance allowance to ensure they are presented at a high standard.

To compensate for this an annual programmed maintenance allowance of approximately $80,000 per annum for recurrent maintenance has been provided.

7.2.5 Management/Staffing

There are a range of management models that could be implemented for the "day to day" management and operation of the proposed facility. For the purpose of this modelling a Contract Management Model has been assumed.

The contract management model is where Council contracts or leases out management rights of the facilities to either a professional contract management company or an individual to operate the facilities on their behalf. This is usually done through a contract for an agreed term and set of conditions detailed in a specification and contract that binds each party. The specification is tailored to include the key operating, health and wellness and asset management objectives of Council. The main operators in the market include:

- YMCA
- Belgravia Leisure
- Aligned Leisure
- Bluefit
- Clublinks

A provision of 1EFT would be required to manage the contract. Based on a Band 7 position this equates to approximately $118,750 including on costs per annum. This person could also be responsible for the indoor stadium allowing the cost to be shared across both facilities. This figure currently sits outside of the operational model.

A management and staffing structure has been developed based on a contract managements model. A summary of key staffing positions and allocations by Equivalent Full Time (EFT) positions against average salary is listed in **Volume Two.**

Table 11 Proposed Staffing EFT

Staff	Equivalent Full Time	
	Option One	**Option Two**
Centre Manager	1	1
Customer Service	2.5	3.5
Aquatic Team Leader	1	1
Duty Supervisors	2	2
Lifeguards	3	5.5
Learn to Swim Supervisor	-	1
Aquatic instructors	2.9	4.4
Café/kiosk	2.5	2.5

Staff	Equivalent Full Time	
	Option One	**Option Two**
Health and Fitness Team Leader	-	1
Group fitness Team leader	-	0.5
Gym instructors	-	3
Group fitness instructors	-	1.2
Sales staff	-	1.5
TOTAL	**14.9 EFT**	**28.1 EFT**

7.2.6 Insurance

The model includes an allowance for public liability. It is assumed that building insurance would come under the council wide building insurance cover, an allowance of $50,000 has been provided to cover the increase in Councils insurance premium.

7.2.7 Food and Beverage/Merchandising

Due to the large number of visitors to the Centre the model assumes significant secondary spend income based on a percentage per spend per visitor. The model assumes the operator will be responsible for the canteen and merchandise, which may also include the merchandise for the indoor stadium.

The staffing structure includes staffing allowance for the kiosk which are based on full operational hours of the Centre

The assumptions for secondary spend include:

Kiosk /café

$1.00 per spend with a 40% penetration

Merchandise

$1.00 spend with a 10% penetration

7.2.8 Sponsorship

No allowance for sponsorship has been included in this model. There may be the opportunity to attract sponsorship as the project develops further.

7.2.9 Asset Management

After discussions with Council's strategic asset management and finance departments an annual allowance for asset management in line with Council policy has been included in the model as a below the operational line figure. The allocation considers the differing life spans of the facility components i.e. building structure and plant and equipment over the 40-year life of the facility.

7.2.10 Usage Assumptions

The usage for the Centre is based on both the current and predicted future populations of the Torquay, Jan Juc, Bellbrae, Bells Beach and Armstrong Creek areas along with benchmarking of similar facilities in regional areas.

7.2.11 Pre-Opening Costs

The model includes a year one allowance of $184,520 for preopening expenses. This includes employment of the management team, marketing material and operational costs prior in preparation for the Centre opening.

7.3 Financial Models

Two financial model options have been developed for the proposed Surf Coast Aquatic and Health Centre in Torquay:

- Option One – less than or equal to $30M
- Option Two - $30M plus

7.3.1 Option One - Facility 10 Year Base Case Financial Models

The 10-year business projections are detailed in the following table.

Table 12 Base Case 10 Year Operational Business Projections

CATEGORY	YEARS										AVERAGE PER ANNUM (000)
	1 (000)	2 (000)	3 (000)	4 (000)	5 (000)	6 (000)	7 (000)	8 (000)	9 (000)	10 (000)	
Revenue	$1.421	$1,515	$1,647	$1,718	$1,792	$1,869	$1,930	$1,974	$2,039	$2,085	$1.799
Expenditure	$2,139	$2,039	$2,107	$2,168	$2,230	$2,295	$2,359	$2,421	$2,488	$2,555	$2.280
Operational Profit/Loss	($718)	($524)	($460)	($450)	($438)	($426)	($428)	($447)	($449)	($469)	($481)
Asset Management	$200	$221	$244	$269	$297	$328	$362	$400	$441	$487	325
Net Profit/Loss	($918)	($745)	($704)	($719)	($735)	($757)	($790)	($847)	($891)	($957)	($806)
Visitations	122	126	132	134	135	136	136	135	135	134	132,000 Visits

Note Does not include development costs such as depreciation, capital cost repayments, land tax, Council rates.

The 10-year base case business projections indicate:

- Revenue is expected to increase annually ranging from $1,421,000 in year 1 to $2,085,000 by year 10.
- Expenditure is expected to increase annually ranging from $2,139,000 in year 1 to $2,555,000 in year 10.
- The Centre is expected to operate at an annual operating deficit from the first year. The average operating deficit is estimated to be approximately $481,000 per annum.
- Once asset management is included over the ten years ($325,000 average p.a.) the average annual operating deficit is approximately $806,000
- Centre attendances are expected to gradually increase from 122,000 in year one to a high of 136,000 in year six. From year eight the attendance begins to decline in line with the assumed business growth to approximately 134,000 by year ten.

7.3.2 Business Case Scenario Comparisons

The following tables provide a 10-year impact comparison for the following different business scenarios:

- Optimistic Case - 10% more use than the base case
- Conservative Case - 10% less use than the base case

7.3.2.1 Optimistic Case Option

The following table details the 10-year optimistic case option.

Table 13 Optimistic Case – 10% More Use – Option One

CATEGORY	YEARS										AVERAGE PER ANNUM (000)
	1 (000)	2 (000)	3 (000)	4 (000)	5 (000)	6 (000)	7 (000)	8 (000)	9 (000)	10 (000)	
Revenue	$1,563	$1,667	$1,812	$1,890	$1,972	$2,056	$2,124	$2,172	$2,243	$2,294	$1.979
Expenditure	$2,159	$2,061	$2,131	$2,192	$2,256	$2,322	$2,386	$2,450	$2,518	$2,585	$2.306
Operational Profit/Loss	($596)	($394)	($319)	($302)	($285)	($265)	($263)	($278)	($275)	($291)	($327)
Asset Management	$200	$221	$244	$269	$297	$328	$362	$400	$441	$487	$325
Net Profit/Loss	($796)	($615)	($562)	($571)	($582)	($593)	($625)	($677)	($716)	($778)	($652)
Visitations	134	138	145	147	148	150	150	148	148	147	146,000 Visits

Note Does not include development costs such as depreciation, capital cost repayments, land tax, Council rates.

The 10-year optimistic case business projections indicate:

- Revenue is expected to increase annually ranging from $1,563,000 in year 1 to $2,294,000 by year 10.
- Expenditure is expected to increase annually ranging from $2,159,000 in year 1 to $2,585,000 in year 10.
- The Centre is expected to operate at an annual operating deficit from the first year. The average operating deficit is estimated to be approximately $327,000 per annum.
- Once asset management is included over the ten years ($325,000 average p.a.) the average annual operating deficit is approximately $652,000.
- Centre attendances are expected to gradually increase from 134,000 in year 1 to a high of 150,000 in year six. From year eight the attendance begins to decline in line with the assumed business growth to approximately 147,000 by year ten.

7.3.2.2 Conservative Case Option

The following table details the 10-year conservative case option.

Table 14 Conservative Case – 10% Less Use – Option One

CATEGORY	YEARS										AVERAGE PER ANNUM (000)
	1 (000)	2 (000)	3 (000)	4 (000)	5 (000)	6 (000)	7 (000)	8 (000)	9 (000)	10 (000)	
Revenue	$1,279	$1,364	$1,483	$1,547	$1,613	$1,682	$1,737	$1,777	$1,835	$1,877	$1.619
Expenditure	$2,118	$2,018	$2,084	$2,143	$2,205	$2,268	$2,331	$2,393	$2,459	$2,525	$2.254
Operational Profit/Loss	($840)	($654)	($601)	($597)	($592)	($586)	($594)	($616)	($624)	($648)	($635)
Asset Management	$200	$221	$244	$269	$297	$328	$362	$400	$441	$487	$325
Net Profit/Loss	($1,040)	($875)	($845)	($866)	($889)	($914)	($956)	($1,016)	($1,065)	($1,135)	($960)
Visitations	109	113	119	120	121	123	123	121	121	120	119,000 visits

Note Does not include development costs such as depreciation, capital cost repayments, land tax, Council rates.

The 10-year conservative case business projections indicate:

- Revenue is expected to increase annually ranging from $1,279,000 in year 1 to $1,877,000 by year 10.
- Expenditure is expected to increase annually ranging from $2,118,000 in year 1 to $2,525,000 in year 10.
- The Centre is expected to operate at an annual operating deficit from the first year. The average operating deficit is estimated to be approximately $635,000 per annum
- Once asset management is included over the ten years ($325,000 average p.a.) the average annual operating deficit is approximately $960,000.
- Centre attendances are expected to gradually increase from 109,000 in year 1 to a high of 123,000 in year six. From year eight the attendance begins to decline in line with the assumed business growth to approximately 120,000 by year 10.

7.3.2.3 Facility Business Scenario Comparison

The following table provides a comparison of the average operational performance over the 10-year period of each model based on:

- 10% more use
- Base Case – Average predicted use
- 10% less use

Table 15 Facility Business Scenario Comparison – Option One

FACILITY STAGES	FACILITY BUSINESS SCENARIO		
	Optimistic Case 10% More Use Average Over 10 years	**Base Case (Average Use) Average Over 10 years**	**Conservative Case 10% Less Use Average Over 10 years**
Revenue	$1,979,000	$1,799,000	$1,619,000
Expenditure	$2,306,000	$2,280,000	$2,254,000
Operational Profit/Loss	($327,000)	($481,000)	($635,000)
Asset Management	325,000	325,000	$325,000
Net Profit/Loss	($652,000)	($806,000)	($960,000)
Visitations	146,000 Visits	132,000 Visits	119,000 visits

7.3.3 Option Two - Facility 10 Year Base Case Financial Models

The 10-year business projections are detailed in the following table.

Table 16 Base Case 10 Year Operational Business Projections

CATEGORY	YEARS										AVERAGE PER ANNUM (000)
	1 (000)	**2 (000)**	**3 $000)**	**4 (000)**	**5 (000)**	**6 (000)**	**7 (000)**	**8 (000)**	**9 (000)**	**10 (000)**	
Revenue	$3,139	$3,347	$3,639	$3,796	$3,959	$4,129	$4,264	$4,361	$4,504	$4,607	$3.974
Expenditure	$3,695	$3,619	$3,747	$3,856	$3,969	$4,086	$4,200	$4,311	$4,431	$4,549	$4.046
Operational Profit/Loss	($556)	($272)	($108)	($61)	($10)	$43	$64	$50	$73	$58	($72)
Asset Management	$200	$225	$253	$285	$321	$362	$407	$458	$516	$581	$361
Net Profit/Loss	($756)	($497)	($361)	($346)	($332)	($319)	($343)	($408)	($443)	($523)	($433)
Visitations	297	307	323	326	329	333	333	329	329	326	323,000 visits

Note Does not include development costs such as depreciation, capital cost repayments, land tax, Council rates.

The 10-year base case business projections indicate:

- Revenue is expected to increase annually ranging from $3,139,000 in year 1 to $4,607,000 by year 10.
- Expenditure is expected to increase annually ranging from $3,695,000 in year 1 to $4,549,000 in year 10.
- The Centre is expected to operate at an annual operating deficit from the first year. The average operating deficit is estimated to be approximately $72,000 per annum
- Once asset management is included over the ten years ($361,000 average p.a.) the average annual operating deficit is approximately $433,000.
- Centre attendances are expected to gradually increase from 297,000 in year 1 to a high of 333,000 in year 6. From year 8 the attendance begins to decline in line with the assumed business growth to approximately 326,000 by year 10.

7.3.4 Business Case Scenario Comparisons

The tables on the following page provide a 10-year impact comparison for the following different business scenarios:

- Optimistic Case - 10% more use than the base case
- Conservative Case - 10% less use than the base case

7.3.4.1 Optimistic Case Option

The following table details the 10-year optimistic case option.

Table 17 Optimistic Case – 10% More Use

CATEGORY	YEARS										AVERAGE PER ANNUM (000)
	1 (000)	2 (000)	3 (000)	4 (000)	5 (000)	6 (000)	7 (000)	8 (000)	9 (000)	10 (000)	
Revenue	$3,453	$3,682	$4,003	$4,175	$4,355	$4,542	$4,691	$4,797	$4,955	$5,067	$4.372
Expenditure	$3,741	$3,669	$3,800	$3,912	$4,027	$4,146	$4,262	$4,374	$4,496	$4,615	$4.104
Operational Profit/Loss	($288)	$13,	$203	$263	$328	$396	$429	$423	$458	$452	$268
Asset Management	$200	$225	$253	$285	$321	$362	$407	$458	$516	$581	$361
Net Profit/Loss	($489)	($212)	($51)	($22)	$7	$34	$22	($35)	($58)	($129)	($93)
Visitations	327	337	355	359	362	366	366	362	362	359	356,000 visits

Note Does not include development costs such as depreciation, capital cost repayments, land tax, Council rates.

The 10-year optimistic case business projections indicate:

- Revenue is expected to increase annually ranging from $3,453,000 in year 1 to $5,067,000 by year 10.
- Expenditure is expected to increase annually ranging from $3,741,000 in year 1 to $4,615,000 in year 10.
- The Centre is expected to operate at an annual operating deficit for the first year. From year two to ten the Centre operates at an operating surplus. The average operating surplus is estimated to be approximately $268 per annum
- Once asset management is included over the ten years ($361,000 average p.a.) the average annual operating deficit is approximately $93,000.
- Centre attendances are expected to gradually increase from 327,000 in year 1 to a high of 366,000 in year six. From year eight the attendance begins to decline in line with the assumed business growth to approximately 359,000 by year 10.

7.3.4.2 Conservative Case Option

The following table details the 10-year conservative case option.

Table 18 Conservative Case – 10% Less Use – Option Two

CATEGORY	YEARS										AVERAGE PER ANNUM (000)
	1 (000)	2 (000)	3 (000)	4 (000)	5 (000)	6 (000)	7 (000)	8 (000)	9 (000)	10 (000)	
Revenue	$2,825	$3,013	$3,275	$3,416	$3,563	$3,716	$3,838	$3,925	$4,054	$4,146	$3.577
Expenditure	$3,648	$3,570	$3,693	$3,801	$3,912	$4,026	$4,138	$4,248	$4,366	$4,483	$3.988
Operational Profit/Loss	($824)	($558)	($418)	($385)	($349)	($310)	($300)	($323)	($313)	($337)	($411)
Asset Management	$200	$225	$253	$285	$321	$362	$407	$458	$516	$581	$361
Net Profit/Loss	($1,024)	($783)	($672)	($670)	($670)	($671)	($707)	($781)	($828)	($918)	($772)
Visitations	267	276	291	294	296	299	299	296	296	294	291,000 visits

Note Does not include development costs such land tax, Council rates.

The 10-year conservative case business projections indicate:

- Revenue is expected to increase annually ranging from $2,825,000 in year 1 to $4,146,000 by year 10.
- Expenditure is expected to increase annually ranging from $3,648,000 in year 1 to $4,483,000 in year 10.
- The Centre is expected to operate at an annual operating deficit from the first year. The average operating deficit is estimated to be approximately $411,000 per annum
- Once asset management is included over the ten years ($361,000 average p.a.) the average annual operating deficit is approximately $772,000.

- Centre attendances are expected to gradually increase from 267000 in year 1 to a high of 299,000 in year six. From year eight the attendance begins to decline in line with the assumed business growth to approximately 294,000 by year 10.

7.3.5 Facility Business Scenario Comparison

The following table provides a comparison of the average operational performance over the 10-year period of each model based on:

- 10% more use
- Base Case – Average predicted use
- 10% less use

Table 19 Facility Business Scenario Comparison

FACILITY STAGES	FACILITY BUSINESS SCENARIO		
	Optimistic Case 10% More Use Average Over 10 years	**Base Case (Average Use) Average Over 10 years**	**Conservative Case 10% Less Use Average Over 10 years**
Revenue	$4,372,000	$3,974,000	$3,577,000
Expenditure	$4,104,000	$4,046,000	$3,988,000
Operational Profit/Loss	$268,000	($72,000)	($411,000)
Asset Management	$361,000	$361,000	$361,000
Net Profit/Loss	($93,000)	($433,000)	($772,000)
Visitations	356,000 visits	323,000 visits	291,000 visits

7.4 Financial Options Base Case Comparison

The following table provides a comparison of the average operational performance over the 10-year period for option One and Two.

Table 20 Facility Option Comparison

FACILITY STAGES	FACILITY BUSINESS SCENARIO	
	Option One - Base Case Average Over 10 years	Option Two - Base Case Average Over 10 years
Revenue	$1,799,000	$3,974,000
Expenditure	$2,280,000	$4,046,000
Operational Surplus/Loss	($481,000)	($72,000)
Asset Management	325,000	$361,000
Net Profit/Loss	($806,000)	($433,000)
Visitations	132,000 Visits	323,000 visits

8. Out of Scope Facility Components

Benchmarking of successful aquatic and leisure Centres indicate that there are a range of facility markets that should be met to ensure both the social and financial viability of a Centre. Components that contribute to successful contemporary aquatic and leisure facilities are summarised in the figure below.

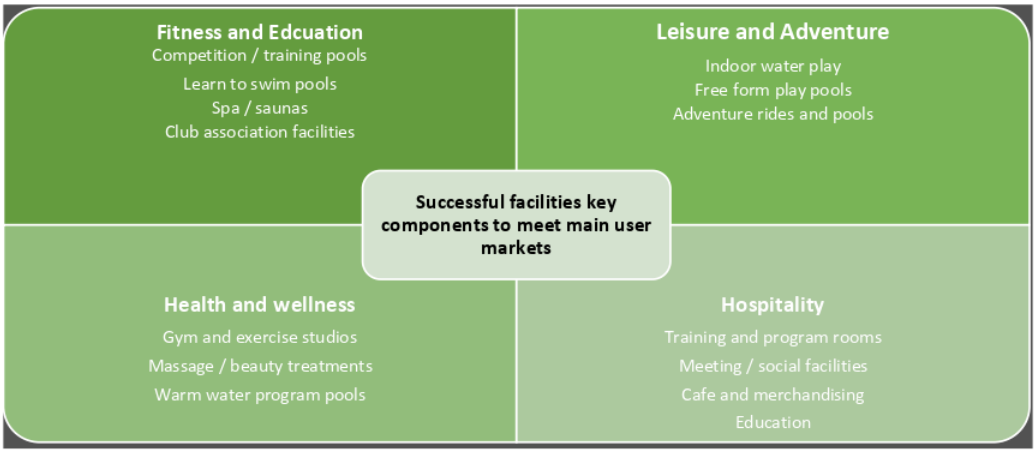


Figure 8 Successful Aquatic and Leisure Facility Model

The following table provides a list of facility components under the key priority themes of Health, Leisure and Fitness that would assist with addressing identified community recreation, leisure and health needs and in the case of the fitness components improve the overall operational performance of the facility.

The table provides an indication of the likely capital cost and operational contribution of the identified components.

Table 21 Out of Scope Facility Components

Theme	Components	Area M2	Capital Cost*	Revenue 10 Yr. Average	Expenditure 10 Yr. Average	Contribution 10 Yr. Average	Visits 10 Yr. Average
Health	• Dedicated warm water pool including additional amenities (third pool) • 4 x Allied health suites including reception	559m2 130m2	$4,458,885 $502,950	$200,374	$277,868	-$77,494	12,400
Leisure	• 400m2 water play area • Spa, sauna, steam	400m2	$3,135,000 $762,000	$194,246	$241,155	-$46,909	20,300
Fitness	• Larger gym • Dedicated spin studio, • Dedicated reformer pilates studio	200m2 100m2 100m2	$603,500 $388,500 $388,500	$490,478	$289,283	$201,195	36,000

*Note: contribution excludes costs of asset management.

It should be noted that all capital cost allowances include construction cost, contingency, escalation, fees etc.

9. Warranties and Disclaimers

The information contained in this report is provided in good faith. While Otium Planning Group has applied their own experience to the task, they have relied upon information supplied to them by other persons and organisations.

We have not conducted an audit of the information provided by others but have accepted it in good faith. Some of the information may have been provided 'commercial in confidence' and as such these venues or sources of information are not specifically identified. Readers should be aware that the preparation of this report may have necessitated projections of the future that are inherently uncertain and that our opinion is based on the underlying representations, assumptions and projections detailed in this report.

There will be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We do not express an opinion as to whether actual results will approximate projected results, nor can we confirm, underwrite or guarantee the achievability of the projections as it is not possible to substantiate assumptions which are based on future events.

Accordingly, neither Otium Planning Group, nor any member or employee of Otium Planning Group, undertakes responsibility arising in any way whatsoever to any persons other than client in respect of this report, for any errors or omissions herein, arising through negligence or otherwise however caused.

Appendix One: Demographic Profile and Population Trends

The following section of the report reviews the demographic profile of Surf Coast Shire area based on information obtained from .id, an online based company who complete demographic analysis of ABS Census data.

The population trends indicate that between 2011 and 2016 the population of the Surf Coast Shire area increased from 25,874 people to 29,394 people. This equates to an approximate growth of 13.6% of the population (+3,520 residents).

Age Group Population Profile

The age profile of residents in 2016 compared to the Regional Victoria area and the 2011 Census data was estimated as follows:

Table 22 Population Age Profile of Surf Coast Shire

	2016			2011			Change 2011 to 2016
	Number	%	Regional VIC %	Number	%	Regional VIC %	
0 to 4	1,860	6.3	5.8	1,860	7.2	6.3	0
5 to 9	2,123	7.2	6.3	1,897	7.3	6.2	+226
10 to 14	2,068	7.0	6.1	1,778	6.9	6.7	+290
15 to 19	1,647	5.6	6.1	1,568	6.1	6.8	+79
20 to 24	1,201	4.1	5.5	1,176	4.5	5.5	+25
25 to 29	1,276	4.3	5.4	1,121	4.3	5.2	+155
30 to 34	1,653	5.6	5.5	1,362	5.3	5.2	+291
35 to 39	1,905	6.5	5.4	1,967	7.6	6.1	-62
40 to 44	2,208	7.5	6.1	2,089	8.1	6.7	+119
45 to 49	2,182	7.4	6.6	1,892	7.3	7.0	+290
50 to 54	2,039	6.9	6.8	1,907	7.4	7.1	+132
55 to 59	2,060	7.0	7.1	1,779	6.9	6.9	+281
60 to 64	2,029	6.9	6.9	1,756	6.8	6.6	+273
65 to 69	1,886	6.4	6.6	1,236	4.8	5.2	+650
70 to 74	1,306	4.4	4.9	872	3.4	4.1	+434
75 to 79	832	2.8	3.6	643	2.5	3.2	+189
80 to 84	553	1.9	2.6	472	1.8	2.6	+81
85 and over	566	1.9	2.7	499	1.9	2.3	+67
Total population	**29,394**	**100.0**	**100.0**	**25,874**	**100.0**	**100.0**	**+3,520**

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016 (Usual residence). Compiled and presented in profile.id by .id, the population experts.

Analysis of the five year age groups of Surf Coast Shire in 2016 compared to Regional Victoria shows that there was a greater proportion of people in the younger age groups (under 15) and a lower proportion of people in the older age groups (65+). Overall, 20.5% of the population was aged between 0 and 15, and 17.4% were aged 65 years and over, compared with 18.2% and 20.4% respectively for Regional Victoria.

The major differences between the age structure of Surf Coast Shire and Regional Victoria were:

- A larger percentage of persons aged 40 to 44 (7.5% compared to 6.1%)
- A larger percentage of persons aged 35 to 39 (6.5% compared to 5.4%)
- A smaller percentage of persons aged 20 to 24 (4.1% compared to 5.5%)
- A smaller percentage of persons aged 25 to 29 (4.3% compared to 5.4%)

The largest changes in age structure in this area between 2011 and 2016 were in the age groups:

- 65 to 69 (+650 persons)
- 70 to 74 (+434 persons)
- 30 to 34 (+291 persons)
- 10 to 14 (+290 persons)

Gender Population Profile

The following table details the gender comparison of the Surf Coast Shire residents in 2016 compared to 2011 and Regional Victoria.

Table 23 Surf Coast Shire Resident Population Gender Comparison

	2016			2011			Change 2011 to 2016
	Number	%	Regional VIC %	Number	%	Regional VIC %	
Population	29,394	100.0	100.0	25,874	100.0	100.0	+3,520
Males	14,582	49.6	49.1	12,835	49.6	49.1	+1,747
Females	14,818	50.4	50.9	13,039	50.4	50.9	+1,779

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016 (Usual residence). Compiled and presented in profile.id by .id, the population experts.

There are more females than males in the Surf Coast Shire (50.9% compared to 49.6%) which is nearly identical with the ratio in Regional Victoria (51.0% versus 49.0%).

Country of Birth

The percentage of the population that is born overseas and the diversity of their country of origin can give an indication of how diverse the population is within a community.

An analysis of the cultural diversity data for the Surf Coast Shire area shows that there is a slightly higher level of diversity when compared to Regional Victoria with 11.4% being born overseas compared to 11.0% in Regional Victoria. People that spoke a language other than English as home accounted for 4.0% of the Surf Coast Shire population compared to 6.0% in Regional Victoria.

The table below details the country of birth of residents in 2016 and 2011 as well as being compared against the population in Regional Victoria.

Table 24 Most Common Overseas Countries of Birth

	2016			2011			Change 2011 to 2016
	Number	%	Regional Victoria %	Number	%	Regional Victoria %	
United Kingdom	1,324	4.5	3.2	1,252	4.8	3.5	+72
New Zealand	334	1.1	1.0	281	1.1	1.0	+53
United States of America	153	0.5	0.2	105	0.4	0.2	+48
Germany	152	0.5	0.4	140	0.5	0.5	+12
South Africa	130	0.4	0.2	123	0.5	0.2	+7
Netherlands	125	0.4	0.5	131	0.5	0.6	-6
Italy	95	0.3	0.5	87	0.3	0.6	+8
Ireland	94	0.3	0.2	57	0.2	0.2	+37
Canada	85	0.3	0.1	62	0.2	0.1	+23
India	67	0.2	0.6	36	0.1	0.4	+31
Philippines	54	0.2	0.4	62	0.2	0.3	-8
Malta	45	0.2	0.1	45	0.2	0.1	0

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016 (Usual residence). Compiled and presented in profile.id by .id, the population experts.

The table below summarises the languages spoken at home by the residents in the Surf Coast area.

Table 25 Languages Spoken at Home

	2016			2011			Change 2011 to 2016
	Number	%	Regional Victoria %	Number	%	Regional Victoria %	
Speaks English only	26,569	90.4	86.6	23,936	92.5	90.4	+2,633
Non-English total	1,165	4.0	6.0	886	3.4	5.3	+279
Not stated	1,665	5.7	7.4	1,049	4.1	4.3	+616
Total Population	29,394	100.0	100.0	25,874	100.0	100.0	+3,520

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016 (Usual residence). Compiled and presented in profile.id by .id, the population experts.

Analysis of the language spoken at home by the population of Surf Coast Shire in 2016 compared to Regional Victoria shows that there was a larger proportion of people who spoke English only, and a smaller proportion of those speaking a non-English language (either exclusively, or in addition to English). Overall, 90.4% of the population spoke English only, and 4.0% spoke a non-English language, compared with 86.6% and 6.0% respectively for Regional Victoria.

Residents Income Levels

The table below presents the personal weekly income levels of Surf Coast residents.

Table 26 Weekly Income Gross Income Levels for the Surf Coast Shire area

	2016		
	Number	%	Regional Victoria %
Negative Income/ Nil income	1,799	7.7	7.2
$1 - $149	1,093	4.7	4.4
$150 - $299	1,518	6.5	7.8
$300 - $399	1,734	7.4	10.5
$400 - $499	1,726	7.4	10.3
$500 - $649	1,917	8.2	9.0
$650 - $799	1,853	7.9	8.5
$800 - $999	1,901	8.1	8.5
$1,000 - $1,249	2,026	8.7	7.8
$1,250 - $1,499	1,513	6.5	4.9
$1,500 - $1,749	1,276	5.5	3.8
$1,750 - $1,999	869	3.7	2.4
$2,000 - $2,999	1,276	5.5	2.9
$3,000 or more	872	3.7	1.6
Not stated	1,975	8.5	10.4
Total persons aged 15+	**23,348**	**100.0**	**100.0**

Source: Australian Bureau of Statistics, Census of Population and Housing 2016 (Usual residence). Compiled and presented in profile.id by .id, the population experts.

Analysis of individual income levels in Surf Coast Shire in 2016 compared to Regional Victoria shows that there was a greater proportion of people earning a high income (those earning $1,750 per week or more) and a lower proportion of low income people (those earning less than $500 per week). Overall, 12.9% of the population earned a high income, and 26.0% earned a low income, compared with 6.9% and 40.2% respectively for Regional Victoria.

The major differences between Surf Coast Shire's individual incomes and Regional Victoria 's individual incomes were:

- A *larger* percentage of persons who earned $2,000 - $2,999 (5.5% compared to 2.9%)
- A *larger* percentage of persons who earned $3,000 or more (3.7% compared to 1.6%)
- A *smaller* percentage of persons who earned $300 - $399 (7.4% compared to 10.5%)
- A *smaller* percentage of persons who earned $400 - $499 (7.4% compared to 10.3%)

Vehicle Ownership

The number of vehicles per household is detailed in the table below.

Table 27 Vehicle Ownership

	2016		
	Number	%	Regional Victoria %
No motor vehicles	264	2.4	5.1
1 motor vehicle	2,888	26.5	31.1
2 motor vehicles	4,638	42.6	34.9
3 or more motor vehicles	2,325	21.4	19.2
Not stated	769	7.1	9.6
Total households	**10,884**	**100.0**	**100.0**

Source: Australian Bureau of Statistics, Census of Population and Housing 2016 (Usual residence). Compiled and presented in profile.id by .id, the population experts.

A household's ownership of vehicles can be used as an indicator of an individual's ability to independently access leisure facilities without the reliance on public transport or utilising other modes of transport.

A review of vehicle ownership in the Surf Coast Shire indicates that over nine out of every 10 households (90.5%) own one or more vehicles indicating a high ability to independently access leisure activities. This is higher than Regional Victoria at 85.2%. There was also a lower number of households who identified that they have access to no motor vehicles (2.4% compared to 5.1% in Regional Victoria) indicating there may be a reliance on public transport and non-motorised forms of transport such as walking, bikes or skateboards.

Future Population Predictions

It is expected that the population within the Surf Coast Shire area will increase 50.1% from 30,445 in 2016 to 45,717 in 2036. The largest annual average rate of change is predicted to occur between 2016 and 2021 before slowing down.

Table 28 Projected Population Growth 2016 - 2036

	Forecast Year				
	2016	2021	2026	2031	2036
Population	30,445	34,230	37,948	41,801	45,717
Change in population (5yrs)		3,785	3,717	3,854	3,916
Average annual change		2.37%	2.08%	1.95%	1.81%

Source: Population and household forecasts, 2016 to 2036 prepared by .id, the population experts, November 2017.

The figures for the projected populations are slightly higher than the data collected during the census as it takes into account the population that may have been missed by the census and the population that were overseas at the time of the census.

The following table highlights the likely change in the population age profile between 2016 and 2036.

Table 29 City of Surf Coast Shire Future Population Age Profile

Years	2016 Number	2021 Number	2026 Number	2031 Number	2036 Number	Change b/w 2016 and 2036
0-4 years	2,008	2,142	2,329	2,559	2,796	+788
5-9 years	2,197	2,304	2,492	2,713	2,960	+763
10-14 years	2,107	2,299	2,447	2,651	2,881	+774
15-19 years	1,685	2,025	2,204	2,361	2,559	+874
20-24 years	1,330	1,578	1,823	1,981	2,142	+812
25-29 years	1,481	1,528	1,718	1,912	2,083	+602
30-34 years	1,783	1,877	2,022	2,226	2,436	+653
35-39 years	1,992	2,302	2,503	2,715	2,960	+968
40-44 years	2,280	2,310	2,597	2,829	3,068	+787

Years	2016 Number	2021 Number	2026 Number	2031 Number	2036 Number	Change b/w 2016 and 2036
45-49 years	2,215	2,361	2,438	2,712	2,955	+740
50-54 years	2,078	2,313	2,473	2,586	2,859	+781
55-59 years	2,101	2,226	2,463	2,648	2,795	+694
60-64 years	2,051	2,200	2,346	2,585	2,784	+734
65-69 years	1,883	2,072	2,232	2,388	2,627	+744
70-74 years	1,324	1,833	2,041	2,212	2,378	+1,054
75-79 years	829	1,254	1,713	1,931	2,109	+1,280
80-84 years	542	755	1,087	1,464	1,670	+1,128
85+ years	558	851	1,019	1,329	1,655	+1,096

Source: Population and household forecasts, 2016 to 2036 prepared by .id , the population experts, November 2017.

In 2016, the dominant age group for residents in the Surf Coast Shire was between 40 – 44 years, which accounted for 7.5% of the total population. While this age group is predicted to remain the largest of the population in 2036, it is expected to fall to account for only 6.7% of the total population. The age bracket that is predicted to experience the largest increase in population number is the 75 – 79 years of age group which is expected to increase by 1,280 residents from 2.7% to 4.6% of the population.

The percentage of the population that is in their most active years (5 – 49 years of age) is predicted to fall from 56.1% in 2016 to 52.7% in 2036.

Appendix Two: Current Facility Provision

LGA	Facility	Ownership/Management	Aquatic Facilities	Map Ref
Surf Coast	Winchelsea Pool	LGA owned and operated	Outdoor 25m pool Outdoor 10m learner pool Toddler pool with water play	1
	TORQ Swimmers (The Sands Torquay Health Club)	Private	Indoor 25m lap pool	2
	Torquay Swim School	Private	Indoor pool	3
Golden Plains	No Facilities			
Colac Otway	Bluewater Leisure Centre		Indoor 25m pool Toddler pool Warm water pool with ramp Spa and steam room Splash pad Weights gym 2 group fitness room 3 x indoor multisport court	4
	Heathers Swim School	Private	Indoor pool	5
Geelong	Goodfellow Aquatic Centre (Kardinia International College)	Independent	Indoor 25m pool Learn to swim pool	6
	Jump! Swim School - Geelong West	Private	Indoor pool	7
	Jump! Swim School - Lara	Private	Indoor pool	8
	Leopold Swim School	Private	Indoor pool	9
	Tri Swimming	Private	Indoor 12.5m long pool	10
	Christian College Geelong - Highton Campus	Independent	Indoor 25m pool 9m children's pool Classroom 1 x multisport court Fitness circuit room Multi-use space	11
	Geelong Grammar (Handbury Centre)	Independent	Indoor 25m 10 lane pool Weights gym 2 x multisport courts Dance studio Classroom	12
	Lara Aquatic Centre (Abe and Jean McClelland Pool)	LGA owned and operated	Outdoor 50m 6 lane pool Water adventure playground Toddlers pool	13
	Leisurelink Aquatic & Recreation Centre	LGA owned and operated	Indoor 50m pool with boom Warm water pool with ramp Toddler and learner pools Spa, sauna, steam room Waterpark inc waterslide adventure playground and splash pad Weights gym Group fitness rooms Cycle room	14

LGA	Facility	Ownership/Management	Aquatic Facilities	Map Ref
	Splashdown Leisure Centre	LGA owned and operated	Indoor 25m pool Beach entry pool Learner pool Spa and sauna Splash park and indoor waterslide Weights gym Group fitness room Cycle room	15
	Waterworld Leisure Centre	LGA owned and operated	Outdoor 25m lap pool Beach entry pool Weights gym Group fitness room Cycle room Spa and sauna Outdoor children's splash pad Outdoor diving pool Rock climbing wall Creche	16
	Bellarine Aquatic & Sports Centre	LGA owned and operated	Indoor 25m pool Toddler and learner pool Splash park Weights gym Group fitness room Cycling room 2 x multicourt courts Creche	17
	Kardinia Aquatic Centre	LGA owned and operated	2 x outdoor 50m pool (10 land FINA and 8 lane) 75m waterslide Diving pool Toddlers pool Learners pool	18
	Lorne Sea Bath Pools	Private	33 long freshwater pool 10 hydro baths 32-35°C Gym Allied health Trampoline Mini golf	19
	Mantra Pool	Private	2 lane indoor heated Mineral pool and spa	20

Appendix Three: Facility Component Schedules

Option One

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m^2)
Indoor Aquatic Hall	Main 50M Pool with 8 lanes (2.5m) Swim wall Moveable Floor for 25 metre	▪ Education ▪ Competition ▪ Health and fitness ▪ Events ▪ Training ▪ Programs	▪ Provide indoor activity areas for residents, schools and leisure users. ▪ Provide club and fitness activity area. ▪ Provide Events Pool	▪ Adjacent to spectator areas. ▪ Deep pool areas located away from change rooms	▪ Disabled access/ramp/ pool pod ▪ Separate school access ▪ Consider opportunities and constraints of boom v swim wall ▪ Integrated pool covers	▪ Pool – 50.33m x 20m (8 lanes) ▪ Swim wall ▪ Moveable floor for 25 metre ▪ Wet Deck – 0.5m around pool edge ▪ Concourse – 3.5m sides, 4.0m ends ▪ Water depth 900mm to 2m (with moveable floor) ▪ 1.2m – 2m for lap and competition swimming ▪ Water temperature 26– 28 degrees Celsius	Pool area: 1,007m^2 (50.33m x 20m) plus ramp access and concourse approx. 800 m^2 Total area: approx. 1807 m^2
	Aquatic office/ Event management	▪ Learn to Swim staff ▪ Sporting groups ▪ School groups	▪ Provide adequate space for LTS staff. ▪ Provide an area for competition and carnival staff ▪ Provide an area for Event management officials.	▪ Located next to competition pool ▪ Located near shallow end of pool to support learn to swim ▪ Allow for Pram/disabled access	▪ Access to services to support technology requirements	▪ 25 m^2	25 m^2
	Spectator Area for 50m pool	▪ Education ▪ Competition ▪ Events ▪ Casual spectator	▪ Provide seating provision (500) ▪ Incorporate 5 wheelchair positions in various locations.	▪ Adjacent to side of 50m pool. ▪ Ensure no pool hall columns in vision lines. ▪ Consider temporary spectator area clear of columns.	▪ Consider range of options for providing spectator seating ▪ Cut outs in seating for users of wheelchairs 5	▪ Seating area down sideline of pool plus walkways etc.	Approx. 250m^2

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m^2)
	Other support facilities - Storage for swim club/ water polo/ LTS - First aid room - Wet lounge - Plant rooms	▪ Service areas	▪ Service areas	▪ Storage adjacent to shallow end of pool ▪ First aid providing direct concourse access and external ambulance access ▪ Pool office close to shallow end of pool ▪ Wet lounge adjoins café and leisure pool	▪ Link circulation and wet lounge areas ▪ Consider issues of access to outdoor pools ▪ Provision of security lockers on the concourse.	▪ Storage – 80m² ▪ First aid – 15m² ▪ Wet lounge – 150m² ▪ Circulation allow 10% (240m² ▪ Plant – 500m²	1085m²
Subtotal Indoor Aquatic Hall							**3,167 m²**
Front of House Areas	Combine foyer / Reception / Merchandising (retail space)	▪ All customers	▪ Provide welcoming entry area that allows users to relax and socialise before entering central areas. ▪ Social areas that encourage casual stay and increased secondary spending.	▪ Links to indoor sports stadium ▪ Airlock between public front of house and pool hall.	▪ Need to consider link foyer/reception area with new indoor stadium ▪ Close relationship with existing and proposed new car parks	▪ Foyer – 50m² ▪ Reception – 20m² ▪ Merchandising – 30m² ▪ Store – 20m²	120m²
	Communications Room	▪ Centre staff	▪ Provide area close to reception/customer service for photocopier, back up system/telephone system			▪ 10m2	10m2
	Offices/Administration/ Staff Rooms	▪ Centre staff	▪ Provide areas for staff and centre administration.	▪ Close to reception ▪ Vision into activity circulation spaces.	▪ Possible extension of areas if further centre activity areas added	▪ Offices x 1 – 15m² ▪ Work area – 30m² ▪ Storage – 20m² ▪ Staff room/meeting room – 30m²	95m² staff no need to be confirmed
	Café	▪ All customers and staff	▪ Provide high quality food area that attracts high secondary spend. ▪ Key socialisation.	▪ Links to pool hall indoor (servery) and indoor sports courts if possible ▪ Access to front of house to avoid wet area.	▪ Linkage to indoor courts potentially ▪ Consider placement of café within centre to maximise visibility	▪ Dry lounge – 50m² ▪ Café serveries – 30m² ▪ Kitchen – 40m² ▪ Store – 30m² ▪ Other –10m²	160m²
Subtotal Front of House							**385m²**

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m^2)
Amenities / Change	Changerooms and Amenities	▪ Aquatics hall users	▪ Provide modern amenities easily maintained	▪ Adjoining pool concourse and close to reception	▪ Lockable links to dry facilities to open up all amenities for major events	▪ Male – 100m² ▪ Female – 100m² ▪ Unisex accessible toilets with baby change area – 15m2 ▪ Service areas – 20m²	235m²
	School/Event Change rooms	▪ Schools ▪ Event Users ▪ Swim Club	▪ Provide separate group change areas 1 x male, 1 x female	▪ Close to group entry doors ▪ Possibly located below Spectator area. ▪ Linked to separate school access	▪ Minimal Shower / Toilet provision.	▪ 2 x Group change – 40m²	80m²
	Change village	▪ All users	▪ Provide range of cubicles	▪ Next to wet and dry amenities	▪ Open all times pool is open	▪ Accessible change rooms ▪ Unisex cubicles ▪ Family change ▪ Changing Places (to be considered in line with stadium changing places facility. Need to consider if need to duplicate facilities)	80m²
Subtotal Amenities / Lounge							**395m²**
Service Areas	Mechanical Plant room	-	-	-	- enclosed to mitigate risk from coastal environment		300m2
	Heating provision/Solar Panels				200kw	▪ Allowance	TBA
	Cleaners Room / Store	-	-	-	-	▪ Allowance	30m²
	General Circulation Allowance (10%)	-	-	-	-	▪ Allowance	427m²
Subtotal Service Areas							**757m²**
ESTIMATED TOTAL BUILDING AREA							**4704-m²**

Option Two

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m^2)
Indoor Aquatic Hall	Main 50M Pool with 8 lanes (2.5m) Swim wall	▪ Education ▪ Competition ▪ Health and fitness ▪ Events ▪ Training ▪ Programs	▪ Provide indoor activity areas for residents, schools and leisure users. ▪ Provide club and fitness activity area. ▪ Provide Events Pool	▪ Adjacent to spectator areas. ▪ Deep pool areas located away from change rooms	▪ Disabled access/ramp/ pool pod ▪ Separate school access ▪ Consider opportunities and constraints of boom v swim wall ▪ Integrated pool covers	▪ Pool – 50.33m x 20m (8 lanes) ▪ Swim wall ▪ Wet Deck – 0.5m around pool edge ▪ Concourse – 3.5m sides, 4.0m ends ▪ Water depth 900mm to 2m (with moveable floor) ▪ 1.2m – 2m for lap and competition swimming ▪ Water temperature 26– 28 degrees Celsius26– 28 degrees Celsius	Pool area: 1,007m^2 (50.33m x 20m) plus ramp access and concourse approx. 800 m^2 Total area: approx. 1807 m^2
	Aquatic office/ Event management	▪ Learn to Swim staff ▪ Sporting groups ▪ School groups	▪ Provide adequate space for LTS staff. ▪ Provide an area for competition and carnival staff ▪ Provide an area for Event management officials.	▪ Located next to competition pool ▪ Located near shallow end of pool to support learn to swim ▪ Allow for Pram/disabled access	▪ Access to services to support technology requirements	▪ 25 m^2	25 m^2
	Spectator Area for 50m pool	▪ Education ▪ Competition ▪ Events ▪ Casual spectator	▪ Provide seating provision (500) ▪ Incorporate 5 wheelchair positions in various locations.	▪ Adjacent to side of 50m pool. ▪ Ensure no pool hall columns in vision lines. ▪ Consider temporary spectator area clear of columns.	▪ Consider range of options for providing spectator seating ▪ Cut outs in seating for users of wheelchairs 5	▪ Seating area down sideline of pool plus walkways etc.	Approx. 250m^2
	Warm Water/ Program Pool	▪ Programs ▪ Therapy ▪ Education	▪ Provide for a range of programs including: ▪ Lower level learn to swim ▪ Therapy and rehabilitation	▪ Adjacent to change village area. .	▪ Requires disabled ramp for entry.	▪ Pool - 20m^2 × 10m^2 ▪ Wet Deck – 0.5m^2 around pool edge ▪ Concourse 3m down one side and 2m down other (ramp side) 2m ends. ▪ Depth 0.9m to 1.5m ▪ Water Temperature 32 – 36 degrees Celsius	360m^2 (24m^2 x 15m^2)

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m^2)
	Other support facilities - Storage for swim club/ water polo/ LTS - First aid room - Wet lounge - Plant rooms	▪ Service areas	▪ Service areas	▪ Storage adjacent to shallow end of pool ▪ First aid providing direct concourse access and external ambulance access ▪ Pool office close to shallow end of pool ▪ Wet lounge adjoins café and leisure pool	▪ Link circulation and wet lounge areas ▪ Consider issues of access to outdoor pools ▪ Provision of security lockers on the concourse.	▪ Storage – 80m^2 ▪ First aid – 15m^2 ▪ Wet lounge – 150m^2 ▪ Circulation allow 10% (240m^2 ▪ Plant – 500m^2	1085m^2
Subtotal Indoor Aquatic Hall							**3,167 m^2**
Health, Fitness and Wellness	Weights / Cardio room	▪ Health and fitness ▪ Therapy ▪ Competition / clubs ▪ Industry training	▪ Provide general fitness area incorporating weights, cardio equipment, functional gym and circuit area. .	▪ Located close to reception ▪ Located close to change rooms ▪ Shared storage ▪ Separate access to enable 24hr programming and eliminate risk of aquatic access when aquatic areas are closed after hours	▪ Ensure provision for future extension opportunities	▪ Gym – 550m^2 ▪ Office – 15m^2 ▪ Fitness test X 2 – 40m^2 ▪ Store – 40m^2 ▪ Allow for future expansion as part of design.	645m^2
	Group Fitness Rooms	▪ Health and fitness ▪ Therapy ▪ Competition / clubs ▪ Industry training	▪ Provide flexible program space to support a range of health and wellness programs	▪ Located next to gym ▪ Shared storage	▪ Consider extension for future provision	▪ Room 1 -=150m2 ▪ Room 2 = 100m2	250m2
Sub-total Health and Fitness							**645m2**
Front of House Areas	Combine foyer / Reception / Merchandising (retail space)	▪ All customers	▪ Provide welcoming entry area that allows users to relax and socialise before entering central areas. ▪ Social areas that encourage casual stay and increased secondary spending.	▪ Links to indoor sports stadium ▪ Airlock between public front of house and pool hall.	▪ Need to consider link foyer/reception area with new indoor stadium ▪ Close relationship with existing and proposed new car parks	▪ Foyer – 50m^2 ▪ Reception – 20m^2 ▪ Merchandising – 30m^2 ▪ Store – 20m^2	120m^2

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m^2)
	Communications Room	▪ Centre staff	▪ Provide area close to reception/customer service for photocopier, back up system/telephone system			▪ 10m2	10m2
	Offices/Administration/ Staff Rooms	▪ Centre staff	▪ Provide areas for staff and centre administration.	▪ Close to reception ▪ Vision into activity circulation spaces.	▪ Possible extension of areas if further centre activity areas added	▪ Offices x 1 – 15m² ▪ Work area – 30m² ▪ Storage – 20m² ▪ Staff room/meeting room – 30m²	95m² staff no need to be confirmed
	Café	▪ All customers and staff	▪ Provide high quality food area that attracts high secondary spend. ▪ Key socialisation.	▪ Links to pool hall indoor (servery) and indoor sports courts if possible ▪ Access to front of house to avoid wet area.	▪ Linkage to indoor courts potentially ▪ Consider placement of café within centre to maximise visibility	▪ Dry lounge – 50m² ▪ Café serveries – 30m² ▪ Kitchen – 40m² ▪ Store – 30m² ▪ Other –10m²	160m²
Subtotal Front of House							**385m²**
Amenities / Change	Changerooms and Amenities	▪ Aquatics hall users	▪ Provide modern amenities easily maintained	▪ Adjoining pool concourse and close to reception	▪ Lockable links to dry facilities to open up all amenities for major events	▪ Male – 100m² ▪ Female – 100m² ▪ Unisex accessible toilets with baby change area – 15m2 ▪ Service areas – 20m²	235m²
	School/Event Change rooms	▪ Schools ▪ Event Users ▪ Swim Club	▪ Provide separate group change areas 1 x male, 1 x female	▪ Close to group entry doors ▪ Possibly located below Spectator area. ▪ Linked to separate school access	▪ Minimal Shower / Toilet provision.	▪ 2 x Group change – 40m²	80m²
	Change village	▪ All users	▪ Provide range of cubicles	▪ Next to wet and dry amenities	▪ Open all times pool is open	▪ Accessible change rooms ▪ Unisex cubicles ▪ Family change ▪ Changing Places (to be considered in line with stadium changing places facility. Need to consider if need to duplicate facilities)	80m²
Subtotal Amenities / Lounge							**395m²**
Service	Mechanical Plant room	-	-	-	- enclosed to mitigate risk from coastal environment		300m2

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m^2)
Areas	Heating provision/Solar Panels				200kw	▪ Allowance	TBA
	Cleaners Room / Store	-	-	-	-	▪ Allowance	30m^2
	General Circulation Allowance (10%)	-	-	-	-	▪ Allowance	492m^2
Subtotal Service Areas							**822m^2**
ESTIMATED TOTAL BUILDING AREA							**5414m^2**

Appendix Four: Capital Cost

Surfcoast Shire Council
Surf Coast Aquatic and Health Centre

Indicative Cost Plan - Option 1

QS REF: me28588
Date: 14/05/2020

Function	Area m2		Rate $/m2		Total $
Building Works - Ground Floor					
Entrance foyer	50	$	2,200	$	110,000
Reception	20	$	2,900	$	58,000
- Extra for reception joinery	Allow			$	30,000
- Extra for turnstiles	Allow			$	50,000
Café	114	$	3,000	$	342,000
Extra for cafe equipment	Allow			$	200,000
Store / Merchandising	57	$	2,000	$	114,000
Dry lounge	50	$	2,000	$	100,000
Admin	88	$	2,500	$	220,000
Communications room	10	$	3,500	$	35,000
Circulation	120	$	2,000	$	240,000
Lobby	369	$	2,000	$	738,000
Airlock	16	$	3,600	$	57,600
Wet Change	202	$	3,000	$	606,000
Change Village	80	$	2,800	$	224,000
Unisex accessible toilets	15	$	3,300	$	49,500
Group Change	80	$	2,800	$	224,000
Cleaners / store	20	$	2,900	$	58,000
Pool Office	25	$	2,600	$	65,000
Pool Hall [incl spectator seating]	2016	$	2,700	$	5,443,200
Extra for spectator bench seating	Allow			$	200,000
Pool storage	118	$	2,000	$	236,000
First Aid	15	$	2,700	$	40,500
Wet lounge	151	$	2,700	$	407,700
Plant	225	$	2,000	$	450,000
Building Works - First Floor					
Plant - mechanical	300	$	2,400	$	720,000
Allowance for stairs access to plant	Allow			$	50,000
Connection to school building	Allow			$	50,000
Modification to existing school building café [to serve forecourt]	Allow			$	60,000
Modification to existing canopy	Allow			$	60,000
Allowance for piled foundations	Allow			$	646,000
Allowance for fire sprinklers	Allow			$	119,000
Allow for AV infrastructure	Allow			$	163,000
Entrance Canopy	Allow			$	150,000
ESD Initiatives ['Best Practice']					Included
- Solar Panels	Allow			$	350,000
- Rainwater harvesting tanks & treatment for pool use	Allow			$	204,000
Total Building Works Option 1B	***4,141***	**$**	**3,110**	**$**	***12,876,500***
Aquatic Works - Internal					
50m x 8 lane pool incl ramp access	Allow			$	3,900,000
Swimwall	Allow			$	250,000
Moveable floor incl 2 flip up walls: 16m long x 9m wide	Allow			$	1,225,000
Pool equipment	Allow			$	100,000
Builders works [excavation, etc - piling included in building above]	Allow			$	120,000
Preliminaries on aquatic works	Allow			$	671,400
Total Aquatic Works				**$**	**6,266,400**
External Works & Services					
Demolish part school building	Allow			$	15,000
Site Preparation / sundry demolition	Allow			$	77,420
- Earthworks	Allow			$	154,840
Contaminated Soil Remediation / Asbestos Removal	Allow				EXCLUDED
Waste yard	208	$	650	$	135,200
Pool plant access / bund	Allow			$	30,000
Entry forecourt	795	$	200	$	159,000
Outdoor forecourt	602	$	200	$	120,400
New carpark	5527	$	160	$	884,320
Crossovers	Allow			$	20,000
Carpark road access	1314	$	200	$	262,800
Temporary Works - access to adjacent bridges during construction incl temp carpark	Allow			$	200,000
Allowance for fencing	Allow			$	50,000
Allowance for soft landscaping	3197	$	90	$	287,730
Allowance for Stormwater	Allow			$	208,000
Total External Works & Services	***4,141***	**$**	**629**	**$**	**2,604,710**
Sub Total	***4,141***	**$**	**5,252**	**$**	**21,747,610**
Design Contingency			7.5%	$	1,632,000
Cost Escalation to tender [2 years]	based on 3% pa			$	1,403,000

G:\Projects\mexxxxx Surf Coast Aquatic and Health Centre\2000 Cost Plan\2200 Cost Plans\2210 Indicative CP\20200112_Surf Coast Aquatic

Surfcoast Shire Council

Surf Coast Aquatic and Health Centre

Indicative Cost Plan - Option 1

QS REF: me28888
Date: 14/05/2020

Function	Area m2	Rate $/m2	Total $
Construction Cost	***4,141***	***$ 5,985***	**$ 24,782,610**
Construction Contingency		7.5%	$ 1,859,000
Professional Fee Allowance		7%	$ 1,865,000
PM			$ 500,000
Authority Fees & Charges	Allow		$ 218,000
Fixtures, Fittings and Equipment	Allow		$ 248,000
Audio Visual/ Active IT Equipment Allowance/ Members systems	Allow		$ 250,000
Council internal costs	Allow		$ 100,000
Legal, permits, marketing, other professional Fees	Allow		$ 150,000
Sub Total			**$ 5,190,000**
Project Total (excluding GST)			**$ 29,972,610**

Exclusions:

No allowance has been included for the impact of Covid-19 virus on labour, materials, supply chain and programme.

GST	Cost Escalation beyond April 2022
Upgrade or provision of authority services infrastructure external to the site	Works to adjoining streets
Land and finance costs	Public Art
Adverse soil conditions incl. excavation in rock, contaminated soil, soft spot	Asbestos & other hazardous materials removal
Diversion / relocation of existing inground services	Stormwater on site retention / detention system
Relocation / Decanting / Temporary Accom	Planning permit fees
Demolition of sports stadium, netball courts or other school buildings	No allowance for impact of building over DET title
Works to school and school forecourt beyond cost plan allowance	**Note: Exclusions within cost plan**

G:\Projects\mexxxxx Surf Coast Aquatic and Health Centre\2000 Cost Plan\2200 Cost Plans\2210 Indicative CP\20200412_Surf Coast Aquatic

Surfcoast Shire Council

Surf Coast Aquatic and Health Centre

Indicative Cost Plan - Option 2

QS REF: me28888
Date: 14/05/2020

Function	Area m2	Rate $/m2	Total $
Building Works - Ground Floor			
Entrance foyer	50	$ 2,200	$ 110,000
Reception	20	$ 2,900	$ 58,000
- Extra for reception joinery	Allow		$ 30,000
- Extra for turnstiles	Allow		$ 50,000
Café	117	$ 3,000	$ 351,000
Extra for cafe equipment	Allow		$ 200,000
Store / Merchandising	60	$ 2,000	$ 120,000
Dry lounge	62	$ 2,000	$ 124,000
Admin	95	$ 2,500	$ 237,500
Communications room	10	$ 3,500	$ 35,000
Circulation	159	$ 2,000	$ 318,000
Lobby	353	$ 2,000	$ 706,000
Airlock	13	$ 3,600	$ 46,800
Wet Change	202	$ 3,000	$ 606,000
Change Village	95	$ 2,800	$ 266,000
Unisex accessible toilets	15	$ 3,300	$ 49,500
Group Change	82	$ 2,800	$ 229,600
Cleaners / store	20	$ 2,900	$ 58,000
Pool Office	25	$ 2,600	$ 65,000
Pool Hall [incl spectator seating]	2016	$ 2,700	$ 5,443,200
Extra for spectator bench seating	Allow		$ 206,000
Warm water pool hall	512	$ 2,700	$ 1,382,400
Concourse showers	12	$ 1,500	$ 18,000
WWP additional change	24	$ 3,000	$ 72,000
Pool storage	104	$ 2,000	$ 208,000
First Aid	15	$ 2,700	$ 40,500
Wet lounge	151	$ 2,700	$ 407,700
Plant	266	$ 2,000	$ 532,000
Gym	550	$ 2,200	$ 1,210,000
Office / fitness testing	63	$ 2,400	$ 151,200
Gym store	55	$ 2,000	$ 110,000
Group fitness rooms 1+2	293	$ 2,500	$ 732,500
Building Works - First Floor			
Plant - mechanical	300	$ 2,400	$ 720,000
Allowance for stairs access to plant	Allow		$ 50,000
Connection to school building	Allow		$ 50,000
Modification to existing school building to suit gym	Allow		$ 60,000
Modification to existing canopy	Allow		$ 60,000
Allowance for piled foundations	Allow		$ 914,000
Allowance for fire sprinklers	Allow		$ 215,000
Allow for AV infrastructure	Allow		$ 225,000
Entrance Canopy	765	$ 750	$ 568,750
ESD Initiatives ["Best Practice"]			Included
- Solar Panels	Allow		$ 350,000
- Rainwater harvesting tanks & treatment for pool use	Allow		$ 204,000
Total Building Works Option 2B	**5,739**	**$ 3,069**	**$ 17,610,650**
Aquatic Works - Internal			
50m x 8 lane pool incl ramp access	Allow		$ 3,900,000
Swimwall	Allow		$ 250,000
Moveable floor	Allow		$ 1,225,000
Warm water pool	Allow		$ 1,500,000
Pool equipment	Allow		$ 120,000
Builders works [excavation, etc - piling included in building above]	Allow		$ 150,000
Preliminaries on aquatic works	Allow		$ 857,400
Total Aquatic Works			**$ 8,002,400**
External Works & Services			
Demolish part school building	Allow		N/A
Site Preparation	Allow		$ 78,395
- Earthworks	Allow		$ 156,790
Contaminated Soil Remediation / Asbestos Removal	Allow		EXCLUDED
Waste yard	158	$ 650	$ 102,700
Pool plant access / bund	Allow		$ 30,000
Gymnasium forecourt	203	$ 200	$ 40,600
Entry forecourt	1147	$ 200	$ 229,400
New carpark	5527	$ 160	$ 884,320
Crossovers	Allow		$ 20,000
Carpark road access	1314	$ 200	$ 262,800
Temporary Works - access to exig bldgs during construction incl temp carpark	Allow		$ 200,000
Allowance for fencing	Allow		$ 50,000
Allowance for soft landscaping	1891	$ 90	$ 170,190

G:\Projects\mexxxxx Surf Coast Aquatic and Health Centre\2000 Cost Plan\2200 Cost Plans\2210 Indicative CP\20200412_Surf Coast Aquatic

Surfcoast Shire Council

Surf Coast Aquatic and Health Centre

Indicative Cost Plan - Option 2

QS REF: me28888
Date: 14/05/2020

Function	Area m2	Rate $/m2	Total $
Allowance for Stormwater	Allow		$ 287,000
Total External Works & Services	**5,739**	**$ 438**	**$ 2,512,195**
Sub Total	**5,739**	**$ 4,901**	**$ 28,125,245**
Design Contingency		7.5%	$ 2,110,000
Cost Escalation to tender [2 years]	based on 3% pa		$ 1,815,000
Construction Cost	**5,739**	**$ 5,585**	**$ 32,050,245**
Construction Contingency		7.5%	$ 2,404,000
Professional Fee Allowance		7%	$ 2,412,000
PM			$ 500,000
Authority Fees & Charges	Allow		$ 282,000
Fixtures, Fittings and Equipment	Allow		$ 321,000
Audio Visual/ Active IT Equipment Allowance/ Members systems	Allow		$ 300,000
- Gym equipment [assumed leased]	Note		EXCLUDED
Council internal costs	Allow		$ 100,000
Legal, permits, marketing, other professional Fees	Allow		$ 150,000
Sub Total			**$ 6,469,000**
Project Total (excluding GST)			**$ 38,519,245**

Exclusions:

No allowance has been included for the impact of Covid-19 virus on labour, materials, supply chain and programme.

GST	Cost Escalation beyond April 2022
Upgrade or provision of authority services infrastructure external to the site	Works to adjoining streets
Land and finance costs	Public Art
Adverse soil conditions incl. excavation in rock, contaminated soil, soft spot	Asbestos & other hazardous materials removal
Diversion / relocation of existing inground services	Stormwater on site retention / detention system
Relocation / Decanting / Temporary Accom	Planning permit fees
Demolition of sports stadium, netball courts or other school buildings	No allowance for impact of building over DET title
Works to school and school forecourt beyond cost plan allowance	**Note: Exclusions within cost plan**

G:\Projects\mexxxxx Surf Coast Aquatic and Health Centre\2000 Cost Plan\2200 Cost Plans\2210 Indicative CP\20200412_Surf Coast Aquatic