



Briefing Paper

Goolwa Oval Recreation Precinct: Management Model and Fees

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1. Summary of discussion questions for Council members at the briefing

- 1) Are there questions with regards to Council directly managing the Goolwa Oval Recreation Precinct for 3 years until the end of the 2025 Winter Season?
- 2) Does Council seek to retrospectively recover user groups fees from the 2022 Winter Season and 2022-23 Summer Season, or any portion of these fees?
- 3) What level of cost recovery is Council seeking 0% - 50%?
- 4) Do Council members agree that these fees are inclusive of approved pre-season usage, depending on other club access requirements?
- 5) Do Council members agree with the distribution of cost recovery across the six user groups as set out in Table 5?
- 6) Are there any other cost recovery options that should be considered?
- 7) Is there any broader discussion with regards to Council's oval contribution amounts?

2. Purpose

The purpose of the Briefing Paper is to provide to Council the background and important information about the Goolwa Oval Recreation Precinct that will support informed discussion and decision making at a future Council meeting. There is a need to:

- Provide clarity regarding the management model for the precinct
- Rescind motion ACM221429
- Present financial information to inform decisions regarding fee and charges
- Understand Council's expectation regarding cost recovery.

3. Background

3.1 Current user groups

Goolwa Oval Recreation Precinct is home to the following sporting groups ('user groups'):

- Goolwa Port Elliot Football Club
- Goolwa Netball Club
- Goolwa Cricket Club
- Goolwa Hockey Club
- Goolwa Croquet Club
- Goolwa Tennis Club

The Goolwa Lions Club and the Goolwa Bowling Club have separate stand-alone facilities and lease arrangements, and therefore are not part of the management model discussion in this paper.

3.2 Council Decisions

Date	Resolution No.	Detail
Monday 21 October 2019	ACM19317	Goolwa Oval - Endorsement of the Master Plan
Monday 15 March 2021	ACM21909	Goolwa Oval Recreation Precinct – Interim Council Direct Management Model
Monday 21 March 2022	ACM221429	Goolwa Oval Recreation Precinct - Establish a Section 41 Committee

Table 1: Summary of Council Resolutions for Goolwa Oval Recreation Precinct

The following was resolved at the 15 March 2021 Council meeting:

10.1 Goolwa Oval Sporting Precinct Master Plan

ACM21909 Moved Cr Gardner seconded Cr Rebbeck

1. That Council endorse Administration to develop a Council-operated model for the Goolwa Oval Sporting Precinct for a period of two years; and
2. That Council commence discussions and planning with the current lease holder, the Goolwa Oval Recreation Committee, for the transition to the new model by 31 August 2021; and
3. That Council note that the implications for 2021-22 and 2022-23 budgets will be discussed as part of Annual Business Plan and Budget processes.

CARRIED UNANIMOUSLY

As a result of this resolution, Council Administration implemented processes to support a transition to the interim management model – see *Management Model section*.

As part of the process of determining a management model, Council staff went to the market via an Expression of Interest (EOI) for food and hospitality services at the Goolwa Recreation Precinct. Only one submission was received and was from an unincorporated user group consortium. This proposal was predicated on an exclusive leasing arrangement for the whole of Level 1 of the Goolwa Oval facility and a significant financial contribution by Council. Council's procurement unit determined that the EOI was non-conforming and subject to a breach of the procurement process and, following the ACM221429 resolution (see below) the proponents were advised accordingly.

At the Council meeting 21 March 2022 (ACM221429), also resolved to establish a 'Goolwa Oval Precinct Collective' as a Section 41 Committee of Council. The implications of this are discussed in the Management Model and Governance sections.

ACM221429 Moved Cr Carter seconded Cr Stewart

1. That Council note one (1) non-conforming submission was received during the Expression of Interest process for the 'Provision of Food and Hospitality Services for the Goolwa Oval Recreation Precinct'.
2. That Council establish the Goolwa Oval Precinct Collective as a section 41 Committee of Council as soon as possible, with representation from one member of each participating group, an elected member as Chair and a staff member as liaison.
3. That Council approve of the Goolwa Oval Recreation Precinct Food and Beverage solution including bar, kitchen, canteen and scheduling to be Managed by the Goolwa Oval Precinct Collective, utilising, where required, third party providers.
4. That the existing Goolwa Oval Recreation Facility office space be provided in the first instance to the Goolwa Oval Precinct Collective for game day and weekly club Operations with the Council liaison officer to utilise that office space on a shared basis when, and if, required.

FORMAL MOTION

ACM221430 Moved Cr Farrier

That this matter be adjourned for consideration at a future Council meeting.

LAPSED
for want of a seconder

The original motion was PUT and **CARRIED UNANIMOUSLY**

3.3 Master Plan

The Goolwa Sports Precinct Master Plan (Master Plan) was developed and adopted by Council on 21 November 2019. View the full Master Plan [here](#).

The development of the Master Plan by insideEDGE (sport and leisure planning experts) and JPE (landscape architects) included extensive engagement with precinct user groups, as well as a period of consultation with the general public.

The Master Plan envisaged very significant changes to both facilities and operations of the Goolwa Oval Recreation Precinct, including:

- A new community facility with change rooms, first aid rooms, social space, office, bar and kitchen (replacing change rooms and 4 separate clubrooms)
- New tennis/netball courts and associated pavilion
- New cricket nets
- Relocated Lion's Shed
- Changes to access and movement (reduced parking around the oval, new one way road through site); and
- Landscaping and informal recreation opportunities (e.g. new playground and exercise loop around lake).



The key change would be the shift from several separate clubrooms and storage facilities to a single new building shared by the user groups.

The Master Plan reflected a long-term vision for the site, responding to the needs of site users and the broader community. The master planning project aimed to demonstrate how a traditional, country town oval / sports precinct can be reimagined, modified and activated to encourage participation in structured and unstructured physical activity by a much wider range of people.

There has been significant financial contribution in this project from all tiers of government, including \$2.4 million from Alexandrina Council. Council has the responsibility to ensure the facility meets the needs of the Goolwa community, whilst ensuring the facility is maintained and operated in a professional and compliant manner.

Revised Stage 1	
Alexandrina Council	\$900,000
State Government	\$800,000
Federal Government	\$1,600,000
	\$3,300,000
Stage 2	
Alexandrina Council	\$1,500,000
Federal Government	\$3,400,000
	\$4,900,000
Stage 1 + Stage 2	
Alexandrina Council	\$2,400,000
State Government	\$800,000
Federal Government	\$5,000,000
	\$8,200,000
Total Project Cost (as per masterplan)	\$10,986,000

Table 2: Goolwa Oval Recreation Precinct Funding Model

3.4 Community Engagement

There has been extensive stakeholder and public consultation since 2019:

Date	Description
2019	User group engagement during development of the draft Goolwa Oval Master Plan.
2019	Public consultation on draft Goolwa Oval Master Plan.
June 2020	User group engagement to inform the shared building design and selection of a governance model.
Oct 2020	User group consultation regarding draft building design.
Feb 2021	User group consultation on proposed management model (<i>see 3.5 below</i>) and principles.
March 2021	Council Briefing and endorsement of an interim management period.
June 2021	Recreation Grounds Committee meeting re development of the management model.
July 2021	User group engagement regarding details of the management model.
Aug 2021	Draft Financial Model developed and presented to clubs.
Oct 2021	Goolwa Recreation Grounds Committee formally endorses Interim Management model and gives up the grounds lease. <i>Effective from 1 November 2021.</i>
Nov 21 to Jul 22	Ongoing communications with user groups in preparation to transition to the new facility, and then to inform operational and facilities arrangements.
Aug 2022	User Group Workshop 1 – Management Model.
Sept 2022	User Group Workshop 2 – Management Model (Attachment 2).
Oct 2022	User Group Workshop 3 – Management Model (Attachment 3).

3.5 Management Model

Until 1 November 2021, Council leased the precinct and facilities to the Goolwa Recreation Grounds Management Committee (GRGMC), which sub-leased to sporting and community groups. The GRGMC’s governance was based on user group representation, together with informal agreements regarding financial and voluntary contributions for the upkeep of the site.

Utility costs were split between groups, and income was generated by individual clubs (e.g. via bar, canteen, sponsorships and gate takings). Asset management and maintenance was largely undertaken by volunteers and organised by the lease-holder and its sub-lessees. Assets such as oval turf were in need of significant repair and investment.



Stakeholder engagement during 2021 found that it was perceived by the majority of user groups that the GRGMC model would not be successful or work effectively. This is due to multiple clubs sharing one building and sub-leasing arrangements would be less clear-cut. As a result, Administration investigated other models for management of the redeveloped facilities.

The following principles were derived from consultation with user groups and Council.

Key consideration:

User Groups' principles for a new management model:

1. fair and equitable
2. effective decision making
3. responsible asset management
4. consultative
5. skills based.

Council's principles for a new management model:

6. cost effective
7. activation and community inclusion
8. minimise risks
9. accountability to Council
10. sustainable long term

After reviewing suitable options, Administration concluded that it would take time to work with user groups to identify an optimum model. It was proposed a two-year interim management period to allow adequate time for the construction and commissioning of the facility, and assessment of a range of options for on-going management. The management structure during the interim period was determined according to the principles identified above, taking into account the need to have a functioning access and booking system as soon as the new facility became available. For these reasons, a direct management model was proposed, with Council staff managing the facility while engaging with user groups to identify the optimum on-going model.

This approach was discussed with all user groups and with Council, and a two-year interim arrangement gained in-principle endorsement by the Goolwa Recreation Grounds Management Committee in February 2021, and was subsequently endorsed by Council in March 2021.

For the remainder of 2021, while construction of the new facility was underway, Administration maintained communication with user groups to gain a better understanding of their needs and capabilities.

After the facility was commissioned, Council managed access via its normal facilities booking process. Some user groups, which previously had unrestricted access to their own exclusive facilities, were challenged by the concept of booking even though groups could book usage times for an entire season. This created frustration for both Council and the affected groups and added significantly to Council staff workloads.



In March 2022, Council resolved to establish a 'Section 41 Committee' under the *Local Government Act* to manage the precinct. A *Section 41 Committee* is a formal committee structure which provides recommendations to Council. However, during the development of the *Terms of Reference* for the *Section 41 Committee* it became apparent that the user groups did not support the *Section 41 Committee* approach.

Three workshops were held in late 2022 to clarify user group expectations about site management (Attachments 1 and 2). The overwhelming feedback from these workshops was that user groups wanted to focus on sporting activities and could not support the additional volunteer burden of a *Section 41 Committee* or other collaborative governance arrangements. At the final workshop, user groups unanimously endorsed a Council-managed approach.

The current situation is that the Goolwa Oval Precinct is managed by Council. User groups book access for seasonal and ad-hoc requirements and clubs negotiate between themselves for use of bar and canteen and shared space.

With the two year interim period now concluding, and the resolution for a *Section 41 Committee* still in place, it is timely to seek Council determination of the long-term management model so that arrangements can be communicated to user groups.

3.6 Fees and Charges

Under the Goolwa Recreation Grounds Management Committee (GRGMC) lease agreement, Council made an annual contribution of approximately \$5,000 to the Committee for facility maintenance. The Committee and member clubs had full responsibility for assets maintenance, turf, utilities etc. Fundraising covered facility costs with much of the work done by volunteers.

Under the proposed model of direct management by Council, as endorsed at the October 2022 user group workshop, clubs are not responsible for maintaining the facility but are instead charged hire / season fees as set by Council. The proportion of maintenance and operational costs that can be recouped via user group fees is discussed in the *Discussion* section below.

The new community building opened in February 2022. As fees were a key consideration in the way the various management models could be structured, the collection of 2022 fees were deferred, and user groups have not paid season or hire fees during the past year.

The Administration will be seeking Council direction regarding its expectations of site cost recovery in order to establish the new fee structure in 2023.

4. Discussion

4.1 Governance

Broadly, there are three main approaches to managing these types of public recreation and sport facilities. They are:

Direct management by Council:

Local Government retains total control and accountability for the operations of the facility through directly-employed staff.

Example: Goolwa Sports Stadium.

Indirect (External) management:

The operation of the facility is managed at “arms length” from Local Government, whilst retaining effective control through the terms of its memberships of a ‘*body corporate*’ formed to lead and govern the facility equitably amongst its members.

Example: The previous Goolwa Oval Recreation Grounds Management Committee, with representatives of all user groups, operated under this model.

Independent management:

Local Government outsources the management of the facility to a private third-party operator or independent organisation.

Example: The Strathalbyn Swimming Pool is operated via this model.

There are several variations on these three management models. Councils across South Australia have different approaches and there is no one size fits all. Alexandrina Council uses all three models, depending on needs, user-group capacity and historical arrangements.

As it currently stands, Council has made two separate decisions regarding a management model for the Goolwa Oval Recreation Precinct as highlighted in *Table 1*.

These decisions reflect different models: a direct management by Council model (*ACM21909*) and an indirect management model by Council (*ACM221429*):

1. *Item 10.1 - Management of the precinct by Council staff – 15 March 2021 (ACM21909)*
2. *Item 14.2 - Management of the Precinct by a Section 41 Committee - 21 March 2022 (ACM221429)*

Administration’s original recommendation of direct management of the Goolwa Oval Recreation Precinct for a period limited to two years was endorsed by Council (*ACM21909*) and subsequently enacted. The rationale for this approach was:

- Set the precinct up for success with period of active support by Council
- Gather information on actual income and operating costs
- Better informed discussion and consultation on long term management model
- Provides time for Oval Committee and user groups to understand the facility operating costs and how they will meet them
- User groups can focus on developing their club/ sport/ activities for the period
- Covers the defects period of new community building
- Covers major changes from the next stages of Master Plan implementation

- Council can explore other community uses and activation (when current groups are not using the new building)
- Can satisfy the additional government funding and reporting requirements associated with large government grants.

The structure of the two-year 'interim management model' was developed with input from the user groups and Goolwa Oval Recreation Grounds Committee and Council. It was endorsed by both the Goolwa Oval Recreation Grounds Management Committee and the elected Council.

The interim model involved exploration of revenue-generation for Council from hospitality and venue hire to offset the increased costs associated with managing the facility. To date, external revenues have not been realised. There are a number of reasons for this, such as uncertainty about the management model; the extensive afternoon-evening and weekend reservation of the facility by user groups; and reduced demand resulting from ongoing COVID disruptions during 2022.

There is no avoiding the fact that there have been difficulties establishing and implementing direct Council management of the Goolwa Oval site. Unfortunately, there appears to be no clear and ideal alternative functional model which best suits the precinct's management going forward.

At the Monday 21 March 2022 meeting, Council resolved to establish a *Section 41 Committee* to be called the '*Goolwa Oval Precinct Collective*' (ACM 221429). The rationale for this decision was not provided to Administration, and the previous decision regarding direct management by Council staff for two years was not rescinded.

The two approved management versions (managed by Council Administration or managed by a Section 41 Committee) made decision-making authority unclear, which in turn created confusion and ill-will with user groups, with Administration receiving consistent user group feedback that the *Section 41* resolution ACM221429 did not reflect their needs.

As a result, Administration instigated another series of workshops in late 2022 to confirm a preferred management model:

Attachment 1 – Presentation to User Groups on Management Model Options (31 August 2022)

Attachment 2 – Summary of the Goolwa Oval Recreation Precinct Management Model
Workshop 2 (21 September 2022)

Attachment 3 - Summary of the Goolwa Oval Recreation Precinct Management Model
Workshop 3 (5 October 2022)

At the 5 October 2022 user group workshop, there was a unanimous agreement:
What Clubs have already agreed on:

Decisions from previous workshops held on 31 August and 21 September 2022

- Clubs were in agreement they did not want a Section 41 Committee model.
- Clubs want to minimise management time so they can focus on sport.
- Council should manage the Goolwa Oval facility.
- Clubs want to be able to work out issues and provide input to Council via an Advisory Group, which needs a Terms of Reference.
- Clubs agree that the Advisory Group shall be made up of two members of each club.



- Clubs to operate the bar and food (volunteers or paid staff) within season hire. *We still need to discuss details about how this will work in a shared facility.*
- Clubs agree that minor maintenance issues will be responsibility of Council.
- Clubs agree that a contractor is required to undertake turf management.
- Clubs agree that Council contracts a weekly clean and users clean up after themselves. If left dirty/in a mess, additional cleaning costs to be charged to that user.
- Clubs agree that running costs (energy, water etc.) to be built into the hire fees.

What Clubs have agreed on:

Decisions from workshop held on 5 October 2022

- Clubs agree that a Facility Manager is required.
- Clubs agree that a Maintenance Log should be developed to track issues.
- Clubs agree that a Turf Maintenance Schedule should be provided so all clubs are aware of the schedule of works.
- Clubs agree that the cleaning duties should be displayed on signs around the facility for users to reference.
- Clubs agree that they would like 24/7 access downstairs.
- Clubs agree that a new booking system is required.
- Clubs agree that they would like a shared glass cabinet to display club trophies, pennants and other special items.
- Clubs agree that they would like their logos printed onto the walls inside the facility.
- Clubs agree that their existing honour boards can be digitised.
- Clubs agree on the structure of the Advisory Group and how the group will be managed.

The management model recommended to Council Members for endorsement is ‘direct management by Council until October 2025’. This will enable a period of stability and certainty for both clubs and the Administration. It will also see the Stage 2 construction period completed and a full year of operation for the redeveloped precinct facility.

A proposed review in early 2024 would enable data on operational costs of the precinct to be considered during the Budget 2024/25 process.

4.2 Management Models Comparative Analysis

Council Administration has undertaken an extensive review of a range of management models for multi-use community sporting facilities. It can be concluded that there is no “perfect solution” to some of the challenges that not only Alexandrina Council, but many other Councils are experiencing with regards to ongoing management of community multi-use sporting facilities.

In recent years there has been a national trend towards co-locating sports clubs and other organisations. This has largely resulted from the fact that it has become unsustainable for clubs and / or Councils to continue to fund the construction and maintenance of stand-alone club facilities. As such, many of the infrastructure grants via State and Federal governments also prioritise multi-use facilities.

Sporting clubs and communities have benefited from new and modern facilities however, this has also resulted in a significant change to long-standing club practices and expectations, and adaptation of Councils’ business and management models. A broad example of operating models are described here;

- City of Onkaparinga - Flagstaff Hill Community Centre: clubs have seasonal licence agreements, clubs charged a per head fee by Council, Council fully responsible for asset and surrounds, clubs contribute towards a facility and bar manager, profit share arrangements through the bar.
- City of Marion - Mitchell Park Community Centre: direct management by Council, clubs have seasonal leases, clubs pay lease fees based on spaces and usage requirements, bar and hospitality are contracted out to a third party provider & clubs get % profit share based on sales.
- Port Pirie Regional Council - Port Pirie Sports Precinct: sports precinct is managed by a third-party provider, clubs pay fees.
- Port Augusta City Council - Central Oval Community Sporting Hub: asset is managed by Council and initially clubs had a peppercorn lease and Council received gate takings, a variety of arrangements were in place for hospitality. A recent review recommended centralising all services in-house and leasing out spaces to user groups for a flat fee.
- City of Burnside – the Glenunga Hub: managed by Council, facility manager on site, user groups have direct leases with Council, facility is used by the community during the day, clubs employ a bar manager, clubs are remunerated according to their level of consumption and all stock centralised under one agreement with the Council
- Alexandrina Council - Attachment 4 summarises the operating models contribution for all oval / sporting complexes across the region.

Many Councils are also challenged by fee structures for these new multi-use facilities. The example below highlights that Mount Barker District Council has had to take similar considerations into account when applying fees and charges:

-
- In establishing the fees applied to any user group, the following should be taken into consideration:
 - There should be appropriate levels of transparency to ensure the process to establish the fee is evident to the community and demonstrates the value the community derive from the facility.
 - Any level of subsidy applied to the fee should be benchmarked to ensure it is comparable with similar facilities across the state.
 - The level of subsidy should also recognise and take into account the level of capital investment to establish the facility and the cost of maintenance to manage and maintain the asset service standards of the facility.
 - Each user group may negotiate the level of maintenance it is able to undertake and the agreed cost of this will be deducted from the fee.
 - The fee charged to any user group should also take into account the capital cost of replacement of the playing surface. Income generated for this purpose should be reserved for the purposes of a sinking fund for future capital replacement works.
 - The capacity of the facility to generate revenue for the user group and the financial capacity of the user group to pay. Financial capacity of the user group may take account of factors such as player numbers, supporter base, funding and sponsorship associated with the user group.
 - User groups' management agreement(s) will provide the facility users with rights, as negotiated, to raise revenue during their occupancy e.g. gate takings.



4.3 Current Operating Requirements

Council Administration recently provided user groups with the following operational information to give some clarity during the transition from summer to winter sporting seasons. Copies of email communications are provided to update Council members about operational processes and practices at the Goolwa Oval Recreation Precinct:

Sent: Wednesday, 15 February 2023 11:22 AM

Subject: GOOLWA OVAL RECREATION PRECINCT - UPDATE ON MANAGEMENT MODEL AND USAGE ARRANGEMENTS - FEBRUARY 2023

Dear Goolwa Oval User Groups

Thank you all for you attending at the Goolwa Oval Management Model workshops held in September and October 2022.

We have attached a summary of what was agreed at the final workshop and Council administration are now working towards that agreed management model and seeking to formalise these arrangements with the Council chamber.

To formalise these arrangements, Council administration are preparing a report for the March Council meeting to:

- Rescind the motion to establish a formal Section 41 Committee motion made by Elected Members (now referred to as Council Members),*
- Confirm the management model (that Council Administration are to manage the facility);*
- Determine and set the user fees and charges for the facility – including the season charges and pre-season charges for clubs; and*
- Seek a Council decision with regards to yet to be charged fees for the 2022 Winter Season and 2022-23 Summer Season.*

A briefing paper will be provided to the Council Members to inform an Information Meeting to be held on 14 March 2023. This briefing paper will be a public document. Following this, a report will be prepared for the Council Meeting to be held on 20 March 2023 seeking Council's formal endorsement of the management model and fees and charges.

Both the Information Meeting and Council Meeting are open to members of the public - you are more than welcome to attend.

Until a decision is formalised by Council at the upcoming March meeting, administration will proceed with operating the facility and surrounds with the following requirements and usage arrangements:

- Clubs will complete a hire form – this will give consent for the Season Use and any additional requirements for pre-season.*
- A season is: Summer – October to March, Winter – April to September.*
- Pre-season is: Any usage by a club outside of their normal season.*
- Seasonal clubs will have access to the Goolwa Oval building and surrounds (eg. oval or courts) Monday to Friday from 3:00pm and full access every Saturday and Sunday. As an example, even if a club is playing away on the weekend, they will still have full access to the facility and surrounds.*



- All clubs will have year round access to the lower level storage and gym areas.
- The hire agreement form details further conditions of hire – please ensure you are familiar with these conditions.
- In the instance that seasonal clubs are sharing it is expected these clubs will liaise with each other regards to usage via the agreed Advisory Group (as determined at the workshops).
- Seasonal clubs will have full access to the bar area – seasonal clubs will make their own arrangements with regards to stock handover between seasons (*hockey will continue to operate from the canteen area in the short term).
- Light usage will be charged separate to season fee's and based on actual per hour use – further details on light charges will be provided upon completion of the lighting towers
- Council will manage community use and charge any applicable hire fees for the Goolwa Oval building Monday to Friday up until 3pm.

4.4 Fees and Charges

There are essentially two decisions Council will be required to resolve with regards to charging fees:

1. Whether to retrospectively charge fees for the 2022 Winter Season and the 2022-23 Summer Season

In 2021, all user groups were consulted about the proposed hire fees (Table 3) in advance of these being presented to Council for approval. A report was prepared for Council in early 2022 to endorse the proposed fees but this was superseded by the resolution (ACM221429) endorsing a Section 41 Management Committee.

Therefore, Council has not yet endorsed a fees and charges schedule for the Goolwa Oval Recreation Precinct and as such no user group fees have been paid since its opening in February 2022.

It is important to note that the fees proposed in early 2022, and agreed in-principle by user groups, were predicated on Council generating revenues from bar takings and casual hire. Since that time, user groups have now resolved to manage hospitality (bar and catering) themselves, so bar revenues are no longer available to Council and increased user group access has reduced the capacity for generating funds through casual hire. Furthermore, due to the uncertainty with regards to the management model, Council has not been in position to consider other revenue opportunities at the site.

The management of the Goolwa Oval Recreation Precinct has resulted in a net cost to Council, which was pre-empted in the initial Master Plan report that was presented to and endorsed by Council (ACM19317). The current financial year YTD cost as of February 2023 is approximately

CLUB	Proposed SEASON FEE 2022
Cricket	\$4,666.95
Croquet	\$690.25
Football	\$15,664.40
Hockey	\$3,221.70
Netball	\$3,739.57
Tennis	\$2,720.98
TOTAL	\$30,703.85

Table 3: Proposed Interim Club Fees



\$110,000 (inclusive of staff wages), and the budgeted cost for 2023-24 financial year (as per Table 4) is \$163,000.

In summary, Council is currently funding all operational aspects of the facilities (user groups fund their specific sporting costs) and has not recouped any hire fees from user groups at this time.

2. Determining Fees and Charges from April 1st 2023

Council needs to determine fees for user clubs at the GORP taking into consideration the cost to Council to manage the asset, an acceptable level of cost recovery for precinct operations and the capacity of groups to pay, noting that Council does not want to force the closure of its sporting groups.

It is reasonable that Council should contribute to the annual cost of the Goolwa Oval Recreation Precinct. The rationale for this being:

- The shared use, \$8.4 million community asset has been funded in full by Local, State and Australian Governments.
- There is an opportunity, and obligation, to maximise the use of the new facility by the broader community through activation for other activities (when the facilities are not being used by user groups).
- The requirement and expectation that Council assets are maintained and operated adhering to strict compliance protocols and meet the current and anticipated recreational (competition and leisure) requirements of the whole Goolwa community.

It is also reasonable that user groups and any other hirers should pay a fee to off-set a reasonable proportion of facility operational costs. This is no different to the hire fees charged to users at Goolwa Sports Stadium, entry fees for use of the Strathalbyn Pool and ticket fees to see a show at the Centenary Hall. This is the principle of user-pays.

User group fees at Goolwa Oval should be comparable to those charged at other Council ovals. Attachment 4 summarises the operating models and Council contribution for oval facilities across the region. It should be remembered that each facility has its own unique management and revenue model and while Council provides a contribution to all ovals and facilities, at most sites user groups assume responsibility for other operational costs such as turf management, utilities and maintenance.

Formalising and deciding on an appropriate cost recovery model is complex – there is no “one size fits all” formula, particularly in this instance where use is shared by six separate clubs. If Council determines that it needs to recoup some of its costs, the following needs to be considered:

- Comparative level of usage by the club – e.g. croquet has considerably less hours of actual greens and facility use, than other clubs.
- Facilities being used by the club – e.g. is the club using the bar, is the club using the oval, what pre-season usage requirements?
- Ability of the club to pay – which varies according to the type of sport, number of members, number of spectators, capacity to generate sponsorship, and broader societal trends. For example, cricket has a small number of players and spectators, but the game takes significantly longer (and hence requires longer access to facilities), and a small club would not have the same ability to pay as clubs with larger numbers such as football and netball.

- Ability of the club to generate additional income e.g. gate takings, bar / canteen income, which reflects available volunteers as well as member and spectator numbers.
- Pre-season usage requirements – should these be included in season fees or charged separately?
- Consideration of fairness and equity with respect to other sporting precincts in the region – refer Attachment 4.

Table 4 summarises operating budgeted costs directly associated with the management of the Goolwa Oval Recreation, equating to approximately \$163,400 for the 2024 financial year (year to date financial figures in February 2023 support these cost estimates). There are additional other costs that Council will incur for management and operations of the Goolwa Oval Recreation Precinct including depreciation. These costs however have not been included in the calculation of the cost recovery model.

With the Stage 2 redevelopment in progress, total actual annual costs on completion (e.g. for maintenance and repair), are still unknown. However, costs have been compared to other facilities and recreation sites and are 'current best estimate'.

With the total operating cost in mind, Table 5 summarises a number of total estimated budget recovery scenarios: 0%, 10%, 25% and 50% cost recovery scenarios. Table 6 compares the 25% cost recovery scenario to the proposed season fees for 2022 that had been agreed in-principle by the clubs (Table 3).

Whilst 0% has been included for comparative purposes, its application would not seem fair and equitable in comparison to Council contributions to other recreation sites in Alexandrina. Additionally, whilst 50% has also been included, the level of fees would not be affordable for most clubs.

In order to determine how the weighted % recovery amounts apply to each club for each total cost recovery scenario, fee projections were based on individual club membership numbers, reported in the Goolwa Oval Sports Precinct Masterplan (2019). A more recent check of membership numbers suggests that this weighted distribution generally aligns with overall club usage of facilities at the Precinct. The allocation of costs is not a perfect science. There is no one formula that can accurately ascertain exactly how much each club should pay, and club feedback suggested that a simple formula is preferred.

By comparison, some Councils have used a 'user pays' principle whereby clubs are charged per space per hour. This would mean that Council would determine a per hour charge for every "space" in the facility (social area, bar, oval, courts, training nets etc) and clubs would need to book each space separately for every hour of usage. This would be onerous for both clubs and Council, which does not yet have an online booking system. It may also mean that some clubs would not have capacity to pay those charges, nor the time to spend on complex booking arrangements.

EXPENDITURE	BUDGET 23-24
Facilities Coordinator (.2 FTE)	\$ 22,200.00
Professional cleaning	\$ 20,000.00
Electricity (facility)	\$ 6,000.00
Water	\$ 4,000.00
Gas	\$ 12,000.00
Insurance (build/contents)	\$ 12,000.00
Security	\$ 3,000.00
Phone/data	\$ 1,200.00
General operating expenses	\$ 3,000.00
Maintenance / Repair / landscaping	\$ 25,000.00
Turf management - contract	\$ 55,000.00
	\$ 163,400.00

Table 4: Draft Budget 2023-24 (based on actuals YTD 2022-23)

		Possible Distribution Between User Groups - Membership Based					
		FOOTBALL	CRICKET	NETBALL	TENNIS	HOCKEY	CROCQUET
		325	94	170	100	67	18
% COST RECOVERY	RECOVERY AMOUNT	42%	12%	22%	13%	9%	2%
0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10%	\$ 16,340.00	\$ 6,861.11	\$ 1,984.44	\$ 3,588.89	\$ 2,111.11	\$ 1,414.44	\$ 380.00
25%	\$ 40,850.00	\$ 17,152.78	\$ 4,961.11	\$ 8,972.22	\$ 5,277.78	\$ 3,536.11	\$ 950.00
50%	\$ 81,700.00	\$ 34,305.56	\$ 9,922.22	\$ 17,944.44	\$ 10,555.56	\$ 7,072.22	\$ 1,900.00

Table 5: Draft Cost Recovery Model – Goolwa Oval Recreation Precinct

	FOOTBALL	CRICKET	NETBALL	TENNIS	HOCKEY	CROCQUET
Proposed 2022 Fees	\$ 15,664.00	\$ 4,666.00	\$ 3,739.00	\$ 2,720.00	\$ 3,221.00	\$ 690.00
25% Cost Recovery Fee	\$ 17,152.78	\$ 4,961.11	\$ 8,972.22	\$ 5,277.78	\$ 3,536.11	\$ 950.00

Table 6: Comparative Analysis of 25% Cost Recovery versus 2022 Proposed Costs

5. Next Steps

Council report in April 2023 will recommend:

1. Rescinding the resolution ACM22149.
2. Endorsement of the direct management model (precinct to be managed by Administration) until 31st October 2025.
3. Endorsement of a cost recovery model for the precinct (with options presented for Council decision).
4. Authorisation for the CEO to establish user fees and changes for the Goolwa Oval Recreation Precinct, in line with Council's preferred cost recovery model.