

Public Access Presentation by Lei Parker – Tuesday Oct 23rd 2018

Councillors,

I would like to address you today on the issue of the Batemans Bay Aquatic and Performance Centre.

From Council's own reports I would like to present some background first:

The site was identified as a regionally significant site in Council's Recreation and Open Space Strategy 2010 and provides a strategic opportunity to create recreational and cultural facilities hub to benefit the Shire.

The Sunset Committee was established with Council taking note of their valuable input into the process.

There was significant consultation with the community to define a development direction for the site prior to the engagement of a strategic leisure consultant to undertake independent market research and further consultation to inform concept options for the site.

The consultant provided professional, independent, statistically reliable recommendation on the best way forward for the community and Council referring to statistically and demographically reliable survey data to establish market demand, user trends and inform development options

Ongoing stakeholder buy in was a key feature of the approach taken with continuous engagement of the Sunset Committee.

Following the creation of development concept plans for the site, the plans were publicly exhibited. The Council endorsed it's preferred option.

The consultant also provided a business plan.

It was evident that given the significant estimated capital cost Council would need to secure funding from a range of sources.

With development likely to be staged over a number of years in line with

capital availability, priority needs and optimum operating financial performance, there is time and opportunity to also plan and attract investment to the project.

As a next step in the project, Council will need to develop a more detailed, design, funding and investment strategy.

Council policy requires that the whole of life cost be considered before accepting any new asset. This includes ongoing maintenance costs and replacement costs.

The key findings of the report and business planning results indicate a significant community benefit of developing the facilities however, this will come at a cost to the community now and into the future.

To understand the extent of the cost, significant, further detail, design work needs to be done to enable a more robust funding and financing strategy to be developed by Council.

Councillors, the above is NOT about Mackay Park

It is in fact paraphrasing a REPORT TO ORDINARY MEETING OF EUROBODALLA SHIRE COUNCIL HELD ON TUESDAY 27 AUGUST 2013 which moved, and adopted, that Council:

Receive and note the Hanging Rock Master Plan and Business Plan that included an arts space and aquatic centre.

Council also moved and adopted that Council consider funding for a temporary Project Manager to oversight preparation of tender documents and calling of tenders for the preparation of detailed architectural plans, estimates of cost and business plans for Stages 1 & 2 and consider funding for the completion of detailed architectural plans in the 2014/15 operations plan based on the tenders received to develop the project to a shovel ready state.

Councillors, that motion still stands yet has never been acted on. Nor has it been formally dismissed.

This Council has NOT explained to the community, nor sought the

community's consent for the change of location from Hanging Rock to Mackay Park. **BY not doing so** it has made a mockery of the *"Significant consultation with the community [undertaken] to define a development direction for the site"* as stated in 2013.

Have the staff, under delegated authority, ignored a very clear direction of councillors representing the wishes of the community? Which staff made that call and under whose authority?

This is **ONLY** 5 years ago.

It is understood that Councillors were advised, during briefings, around the Mackay Park business plan that Hanging Rock would have less exposure as a venue and, as such, the projected revenues would be well below financial viability

It is known that the Bowling club site was known at the time of purchase to be in poor condition with little if anything recoverable, and though Councillors Brice, Harding and Leslight (Pollock and Thomson absent) were against the acquisition it was acquired (with a vote of 4 against 3) for \$2.7m

It was considered at the time by two informed councillors to be in excess of market worth, only to be proven so with an unimproved land value of \$1.5m five months later.

The project, costed at \$46m, has already blown out to \$51m because of inflation. It is known that councillors have also been warned that the facility will need to be heavily subsidised with an average expected loss of \$790,000 per year and further loss of \$1.3m annually in depreciation.

At this stage, the business plan does not include depreciation or contingency running costs – both of which are likely to be significant expenses – and any further decisions should not be made by council until these costs are known and included.

In the media release from Ann Sudmalis she was very clear...
"Eurobodalla Shire Council have been invited to submit **their full Business Case** for assessment under the Australian Government's

highly anticipated \$272.2 million Regional Growth Fund.”

The Mayor, in her own media release said “I’m certain Council’s strong and affordable business case that focuses on meeting the broadest community needs and our commitment to the project have impressed the Federal government.”

To date the community has seen only one business case – that prepared by Otium – is there another?

The Otium business case also advised of the projected **incomes** to support the long term, affordable, sustainable, financial viability of the project.

It based those incomes on assumptions.

Projected visitation 276,283 per year

That equals 756 people through the turnstiles each and every day of the year.

That is broken down to:

378 pool visitors per day every day at an average cost of \$7.80 per visit

54 gym visits each and every day at an average cost of \$9.50 per visit

and 63 Health & Fitness Programs visits every day of the year at \$9.60 per visit

In the theatre area the business case estimates 37,000 visitors per year suggesting the venue presents a theatre/ event season consisting of 12 productions over 12 months.

With a capacity of 500 this equates to 3000 theatre goers to each production with a full house every night for six nights in a row.

However Otium states (page 75 Aquatic and Arts/ Cultural Precinct Business Case):

Councillors should be reminded that Otium made a very clear statement

in their Aquatic and Arts/ Cultural Precinct Business Case (page 38).

It should be noted that the financial model does not incorporate sensitivity analysis or depreciation at this stage. This will be done after the base case assumptions and preferred design option have been approved by Council.

Further, once the preferred design option and financial modelling has been approved and finalised, an assessment of the economic impact of the facility SHOULD be undertaken by Council to support any applications for external funding.

In January 2017, Council engaged Otium Planning Group to prepare the Draft EUROBODALLA SHIRE COUNCIL AQUATIC STRATEGY to assist in the preparation of a detailed business case for an aquatic and recreation centre.

In that, as yet, unendorsed strategy it states:

A 50m pool is inconsistent with the draft aquatic strategy for the Eurobodalla Shire, which positions the Batemans Bay Aquatic Centre as the 'program and aquatic leisure centre' and the Narooma Pool as Eurobodalla Shire's 'event and competition swimming centre'.

That Draft EUROBODALLA SHIRE COUNCIL AQUATIC STRATEGY has NOT been adopted by Council nor has it been given public scrutiny.

Can Council advise if and when they intend to adopt that Draft Aquatic Strategy?

Can Council also please advise if they are now preparing a revised Aquatic and Arts/ Cultural Precinct Business Case as requested by the Member for Bega, Andrew Constance in November 2017 and as advised by Otium while also required by the Australian Regional Growth Fund and will that business Case be available to be scrutinised by the community before it is lodged in the next Round?