

Cessnock Aquatic Centre Feasibility and Design Project

Final Report

June 2016



Prepared by SGL Consulting Group Australia Pty Ltd in association with Strategic Leisure Group and Graphite Architects.



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Executive Summary

Introduction

This report is the second report for the project and follows the 'Site and Facility Options Report' completed in March 2016. From this report, Council adopted Turner Park as the preferred development site and nominated 'Option 2' and 'Option 3' for further design development and feasibility assessment.

This report includes all of the initial background research from Report 1 and provides further detail on the design and feasibility of options 2 and 3.

Key Research Findings

Key findings identified by the background research are summarised below. These findings influence planning for the development and operation of the proposed centre.

Demographics

- In 2014, the Council area population was 54,979 people compared to 47,181 people in 2003.
- Cessnock has population growth of approximately 1.5% per annum.
- Compared to the Regional NSW average, Cessnock has a higher proportion of people aged in all service age categories from 0 to 49 and a higher proportion of households with children.
 - Traditionally, younger people are higher users of aquatic facilities. There may be high demand for leisure water/ adventure water and learn-to-swim opportunities given high proportions of children and young people.
 - The 10-19 year old cohort will seek access to leisure and social activities as well as opportunities for skill development and aquatic training activities.
- The largest change in 'service age group' between 2006 and 2011 was 'empty nesters'.
 - This will continue as the largest 'service age group' (35-49) gradually ages and increases the proportion of service age groups over 50.
 - An aging population will likely have a demand for access to heated pool for warm water therapy or aquatic programs.
- Unemployment rates have increased since 2011 and key employment sectors include Accommodation and Food Services, Retail Trade, Manufacturing and Health Care & Social Assistance.

Planning

- In regional planning for the Lower Hunter, Cessnock has been identified as a regional and/or strategic centre.
- The project area and surrounding regional population has a large number of urban release and future residential areas.
- An aquatic centre in Cessnock has been identified in the 2013-2017 Delivery Program as a major capital works priority and recommended components have been recommended and supported by Council through the Aquatic Needs Analysis (2014).

Current Aquatic Facility Operations

- The performance of the Cessnock Pool continues to decline and is well behind a number of industry benchmarks.
- Visitation is highly dependent on group/carnivals and weather conditions. This results in fluctuations on a seasonal basis.
 - This is likely to be because facilities and services have not been able to keep pace with contemporary demands.
- Although limited in some facility areas, KKAFC performs significantly better than Cessnock Pool and provides some insight as to the opportunity for developing an aquatic centre in Cessnock. It also needs to be considered that KKAFC and any proposed facility in Cessnock will need to be complimentary as far as possible rather than directly competing with each other.

Future Development and Growth

- A number of significant existing and future residential development areas have been identified within the primary catchment area of a potential aquatic centre.
- The population of the primary catchment area for a potential aquatic centre could increase to between 28,720 and 40,263.
 - Potential population growth will place pressure on existing facilities. New/upgraded facilities will need to be accessible to new populations.

Demand and Consultation

- Community feedback has revealed that the main perceived issues with the existing pool are:
 - 'Opening season – not long enough and not year round'.
 - 'Parking – lack of parking and unsafe parking for families'.
 - 'Heating/ Indoor Pool – not heated, cold, no indoor pool, no hydrotherapy or spa pool'.
 - 'Age and condition – old, run down, tired'.
- Community feedback and consultation with key users has identified demand as follows:
 - Major redevelopment by way of a new aquatic centre or extensive upgrades to the existing facilities, for example:
 - Year round aquatic facilities/ centre (e.g. indoor heated 51 metre pool with boom, outdoor 25 metre heated pool, hydrotherapy pool, spa, sauna, children's recreation area, leisure water, gym, kiosk, picnic and bbq facilities, adequate car parking).
 - Upgrade or improvements to existing facilities (e.g. cover over the 50 metre pool, year round heating, new 25 metre indoor pool, hydrotherapy pool, grassed areas, major amenities upgrade, leisure/ recreation water components).

Aquatic Leisure Facility Trends

- Industry trends identify activity area components that can:
 - Provide a mix of shallow leisure/recreation water with programmable water areas.
 - Provide high revenue generating complementary service areas such as spas, saunas, and food and beverage services.
 - Are located in a high traffic/visitation area.
 - Are located as part of other leisure facility component development.
 - Located at high use locations close to shopping centres or schools or main transport access.

- Industry trends indicate due to high capital and operating costs of indoor aquatic 50 metre swimming pools that the project area will require a population of more than 100,000 people to provide for a sustainable facility model.

Existing Supply of Facilities

- Of existing aquatic facilities, the most relevant impact/interrelationships will be related to KKAFC and any proposed centre in Cessnock.
- Of the existing health and fitness facilities, there is only one facility located in Cessnock which offers a full range of health and fitness services.

Facility Development and Operation

From the key findings outlined above, the following planning took place:

- Preparation of component plans for three development options;
- Assessment of six potential sites;
 - Turner Park was identified as the preferred site option due to its
 - Access
 - Commercial potential
 - Size of site
- Preparation of concept designs and capital costs estimates;
 - Preliminary capital costs for Option 2 is estimated at \$39.9M and \$48.1M for Option 3.



Figure 1 - Design Perspectives

- Preparation of operating and financial models for forecast operating results;

Table.1 Future Cessnock Aquatic Centre Options 10 Yr Operational Business Trends

10 Year Facility Option Operational Models	Projected Visitations 10 Years	Projected Profit/(Loss) 10 Years	Projected Facilities Capital Cost	Average Operating Profit/(Loss) Per Visit	Projected Asset Renewal Allowance
Option 2: Medium Embellishment	4,956,853	(\$3,121,710)	\$39,880,645	(\$0.63/visit)	\$598,000 - \$798,000
Option 3: High Embellishment	5,327,287	(\$2,869,341)	\$48,061,810	(\$0.53/visit)	\$721,500 – \$962,000
Status Quo: Current Pool¹	453, 963	(\$4,566,871)	\$9,000,000	(\$10.06/visit)	N/A

- Identification of potential funding sources for project capital;
 - Approximately \$20M could be sourced externally with the balance for either option (\$19.9M for Option 1 and \$28.1M for Option 2) to be funded internally.
 - Council could finance the majority of its contribution through a 15 year loan funded by a combination of developer contributions and a special rate variation.
- Identification of Asset Renewal Allowances:
 - The projected annual Option 2 asset renewal allowance is estimated at between \$598,000 to \$798,000 and for Option 3 is estimated at \$721,500 to \$962,000. The cost of asset renewal and depreciation will be significantly higher on Option 3 (+\$200,000/year) than Option 2 due to the extra building and plant areas and more equipment required.
 - These allowances will need to be updated once the final design, plant and equipment and fit out is determined so asset management plan and associated budget can be developed.
- Comparison of Options Total Cost
 - Though the financial modelling indicates Option 3 returns the lowest operating deficit, the extra cost of to be determined asset renewal, loan repayments and depreciation allowances on the larger Option 3 facility impacts on this options overall viability.
 - Overall, Option 2 provides a better value outcome and is a more sustainable option for a population the size of the Cessnock LGA.

Recommendations

Should Council wish to pursue this project further the following recommendations are suggested. These are based on the findings and analysis of this report.

1. Adopt a Preferred Concept

- Conduct community engagement to exhibit the preferred options and seek community feedback and input.
- Confirm the location and a preferred development option
 - SGL has identified Option 2 as the most feasible option.
- Identify and prioritise the project in corporate planning documents.

2. Continue Planning and Secure Funding

- Establish a Project Control Group to guide and facilitate further planning and to undertake the task of securing funding for the project.

¹ Based on straight line increase of 2.5% on visitation, income and expenditure and capital renewal of major asset items

- i. Conduct sensitivity analysis on the preferred option to refine the scope of facilities to be provided in order to deliver optimum cost benefit outcomes.
- b. Based on the model presented in this report, further develop and adopt a funding strategy.
- c. Prepare and implement internal budget and financing arrangements as per adopted funding strategy (clearly identify and confirm Council's intended contribution).
- d. Seek external funding
 - i. Set up funding campaigns and strategies to lobby state and federal government representatives and ministers to gain support for the project.
 - ii. Promote the project and seek support from potential project partners including seeking partnership funding commitments where possible.
 - iii. Monitor funding opportunities (from programs listed in this report and other sources) and prepare grant submissions as required.
 - iv. Allocate funding (\$30,000 to \$40,000) to fund resources and reports/documents necessary for secure significant external funding. This may include an economic appraisals/cost benefit analysis, business plan/business case revisions, design adjustments, guidance for application preparation and/or the preparation of other required supporting documents.
- e. Undertake a preliminary development approval process to identify key requirements and/or potential barriers.
- f. Plan for necessary changes and/or relocation of existing facilities at the site.

3. Plan the Procurement Process

- a. Develop a procurement plan – the preparation of a procurement plan will clarify the specific methods to be employed to deliver the project.
- b. Base detailed planning on the progress of funding acquisition – the success of implementing internal and external funding strategies will ultimately determine Council's ability to procure the project and will determine the extent and timing of further detailed work. Ideally, detailed planning would take place once substantial funding is secured.
- c. Detailed design and development approval – a traditional procurement process will require a detailed design and development application to be prepared to enable the project to be approved for development and procured through a typical tender process.
- d. Detailed business and management planning – as further design detail is developed it is advisable that business and management implications are identified and monitored to ensure that operating forecasts are updated and remain relevant and as accurate as possible.
- e. Tender and construction – subject to the acquisition of funds and the identified procurement method, a tender process for acquiring a project builder will need to take place prior to construction being undertaken.
- f. Management acquisition – regardless of the management model selected (internal or external), it is advisable to secure facility management resources as soon as practicable during the delivery phase to provide input into ongoing project and design detail.



1 Project and Area Overview

1.1 Introduction

Cessnock City Council has engaged SGL Consulting Group Australia Pty Ltd (SGL) to prepare a Feasibility and Design Report for the proposed Cessnock Aquatic Centre.

This report is the second report for the project and follows the 'Site and Facility Options Report' completed in March 2016. From this report, Council adopted Turner Park as the preferred development site and nominated 'Option 2' and 'Option 3' for further design development and feasibility assessment.

This section provides an overview of:

- Project Background
- Project Objective and Scope
- Project Methodology
- Project Area Overview
- Demographic Review

1.2 Project Background

The Cessnock Pool is an aged outdoor aquatic facility constructed in the 1930s and consists of an outdoor 50 metre pool toddler/leisure pool and baby pool. The facility is out dated and the site is largely inaccessible and spatially constrained.

A Cessnock Aquatic Needs Analysis was completed and adopted by Council in 2014 to guide the future provision of aquatic facilities within the Cessnock local government area.

The strategy identified that the provision of aquatic facilities in Cessnock were inadequate and proposed the construction of a new Cessnock Aquatic Centre. The recommendations of the Aquatic Needs Analysis were to construct a facility in Cessnock consisting of:

- 50 metre x eight (8) lane outdoor pool with access ramp.
 - Permanent shaded seating for 400 adjacent to the 50 metre pool to cater for swimming carnival. On the infrequent occasions when larger spectator numbers are in attendance, temporary seating can be positioned on the opposite side of the pool
 - The 50 metre pool would be closed in the winter but heated in the shoulder season months.
- Heated indoor 25m x (up to) 8 lane pool (open year round). If capital cost is a constraint the 25m pool could be scaled back to 6 lanes.
- Indoor warm water therapy/program pool integrated with separate leisure/water play area (approximately 300m²).
- Café/kiosk/administration/retail area.
- Health & fitness/wellness area (approximately 300m² with potential for subsequent expansion to 500m²).

- Swim club meeting room.
- Outdoor grassed area with shade and land based play area.
- Car park.

Council resolved to amend the recommendations of the study and in turn adopted a 51 metre indoor pool as the preferred facility configuration. Council also resolved to undertake further investigations to determine the style and mix of a new aquatic facility, including consideration of a separate hydrotherapy pool.

This study completes the next phase to identify a preferred site, final facility mix, preferred concept, indicative capital cost and funding strategy for the proposed Aquatic Centre before progressing to a facility detailed facility design and construction.

1.3 Project Objective and Scope

The project objective is to provide a preliminary design, preliminary costs, suitable location and an advanced understanding of the resources required to construct and operate the proposed Cessnock Aquatic Centre.

1. Undertake a feasibility study of the proposed aquatic facility reflecting low, medium and high levels of embellishment. The study is to include:
 - a. Concept designs illustrating low, medium and high levels of embellishment.
 - b. Construction costs of each level of embellishment. Costs are to be itemised with unit rates and categorised into capital, site establishment and land acquisition.
 - c. Operational costs for each level of embellishment including running of plant, staffing and facility management, life cycle costs including major cyclical and essential maintenance and renewal requirements.
 - d. Identify and assess options for the repurpose or disposal of the current Cessnock pool site.
 - e. A review of existing/proposed health and fitness facilities as potential competitors.
 - f. Identification of innovative activity, program and revenue streams (including commercial opportunities associated with an aquatic centre).
 - g. Attendance and financial projections up to 20 years for each of the embellishment levels and determine return on investment for each embellishment level.
 - h. Identify and assess management structures for the operation of the aquatic centre.
 - i. Identify realistic and achievable capital funding opportunities and options.
 - j. Based on the outcomes of the feasibility study; Identification of a final facility mix.
2. Prepare a preliminary design report to include:
 - a. Preliminary design and layout of final facility mix incorporating ecologically sustainable development principles.
 - b. Detailed preliminary costs prepared by a Quantity Surveyor. Costs should include capital, site establishment and land acquisition.
 - c. Construction program setting out key milestones and if appropriate, stages.
 - d. If appropriate for staged development, each stage of the development must be accurately costed by a Quantity Surveyor.
 - e. Discuss key site considerations based on the preliminary design and layout.
 - f. Identify process to complete detailed design.

1.4 Project Methodology

A project methodology was developed to meet the project's purpose, objective and the specific requirements as listed in the project brief. The project methodology for the study is listed below. The current project stage is shown by the arrow below indicating progress to the final draft report.

Table 1.1 Cessnock Aquatic Centre Feasibility and Design Methodology

Phase	Task
Phase One: Background Review and Preparation	Project Clarification
	Review Research
	Review Current Facility Operations
	Demographic Profile and Geographic Spread Impacts
	Aquatic Leisure Trends
Phase Two: Market Analysis and Research	Review of Surveys and Consultation
	Key Stakeholder Consultation
	Community Engagement
	Facility Case Studies and Industry Best Practice Review
	Current Site Options
	Demand and Supply Analysis
Phase Three: Develop Strategic Direction	Identification of Opportunities and Options
	Potential and Priority Facility Component Plan
	Site Assessment
	Review of Opportunities and Component Plan Forum
	Concept Design Options
	Facility Options Indicative Capital Cost Plans
	Review of Management Options
	Initial Business Case Assumptions
	First Cut Base Case 10 Year Electronic Financial Model
	Draft Report and Summary of Key Findings Forum
Milestone (First Report)	Hold Point - for discussion and decision making
Phase Four: Business Model and Concept Development	Preliminary Design Plan
	Business Model
	Capital Cost Plan
	Funding Options and Opportunities
	Outline Project Development Process
 Phase Five: Final Feasibility and Design Report	Draft Feasibility and Concept Design Report
	Final Feasibility and Design Report

1.5 Project Area

The project is focused on the township of Cessnock located in the Local Government Area (LGA) of Cessnock City Council. Cessnock is located in the Hunter Valley, about 120 kilometers north of Sydney and 40 kilometers west of Newcastle.

The Cessnock LGA is bounded by Maitland City in the north, the Cities of Newcastle and Lake Macquarie in the east, Wyong Shire and Gosford and Hawkesbury Cities in the south and the Singleton Council area in the west.



Figure 2 - Location of the Cessnock LGA

The LGA encompasses a total land area of 1,950 square kilometers, of which a large proportion is State Forest and National Park. Cessnock LGA has a long history of coal mining, manufacturing, construction, agriculture (e.g. grazing, poultry), viticulture and related tourism activities, all of which are still its primary employment sectors.

The Cessnock town centre is the administrative, retail and service centre for the LGA with Kurri Kurri town centre being an important secondary retail node and the industrial heart of the LGA. Local villages service the basic needs of more rural and outlying areas. The LGA is well serviced in terms of education and training, children, cultural and community, health, aged care, recreation and sports.

1.6 Demographic Review

A review of demographic factors is an important aspect of facility design and business modelling. Age, household and employment profiles all influence the design process and help determine the potential market for various facilities and services.

The following demographic review has been developed using data and analysis from a *Cessnock Community Profile Report* created and downloaded on 19 February 2016 from the *Cessnock profile.id* website. The official population of Cessnock City as of the 30th June 2014, is 54,979 compared to a population of 47,181 in 2003.

As illustrated by the chart on the below Cessnock experienced consistent growth of more than 800 people per year from 2007 to 2013, peaking at almost 1,200 people in 2011. Cumulatively, since 2003 Cessnock has grown by 7,798 persons (16.5% or 1.5% per annum).

Annual change in Estimated Resident Population (ERP)

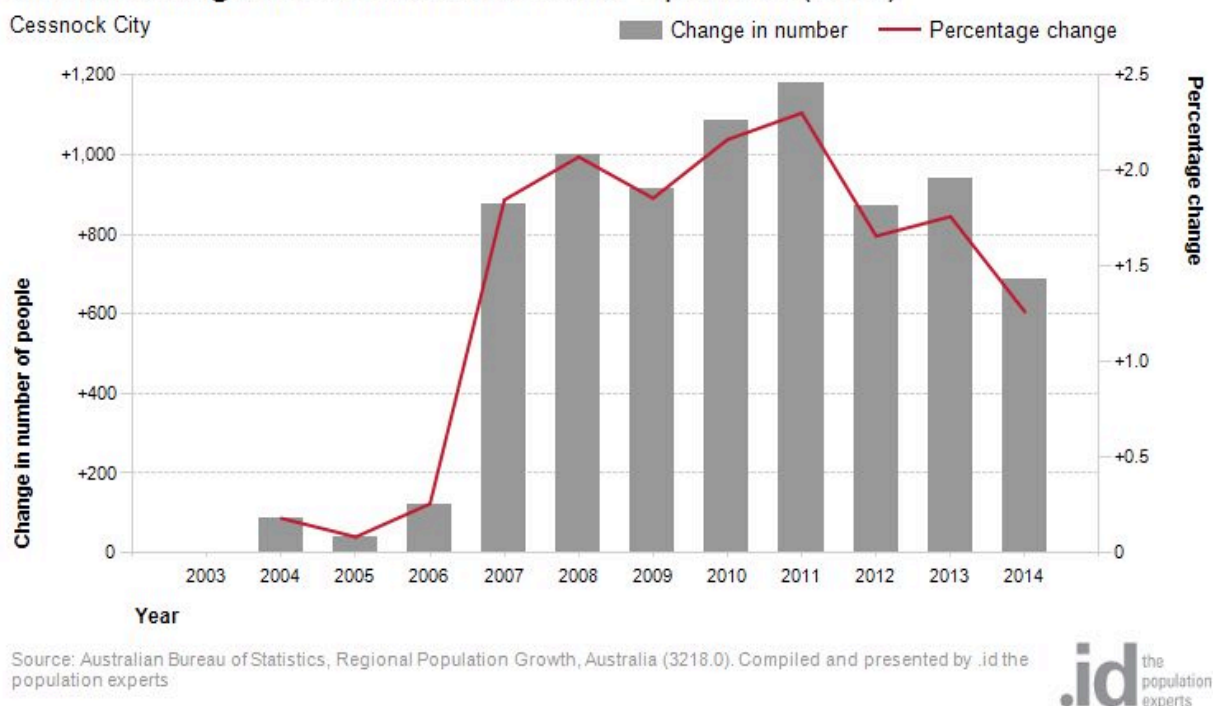


Figure 3 Annual Change in Estimated Resident Population in Cessnock

The following figure provides an overview of Cessnock's demographic factors compared to regional NSW, NSW and Australia.



Figure 4 - Cessnock LGA Profile Snapshot

1.6.1 Age Profile

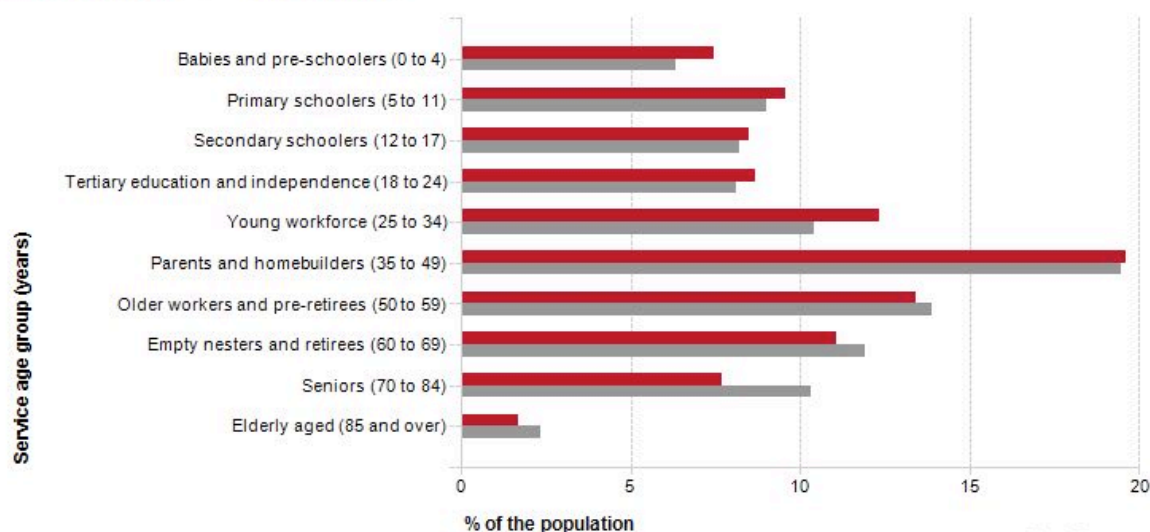
Age structure provides key insights into the level of demand for age based services and facilities such as aquatic and recreation facilities. It is an indicator of Cessnock residential role and function and how it is likely to change in the future.

Service age groups divide the population into age categories that reflect typical life-stages. They indicate the level of demand for services that target people at different stages in life and how that demand is changing. The age structure of Cessnock compared to Regional NSW is shown below.

Age structure - service age groups, 2011

Total persons

■ Cessnock City ■ Regional NSW



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

.id
the population experts

Figure 5 Age Structure in Cessnock

Dominant groups

Analysis of the service age groups of Cessnock City in 2011 compared to Regional NSW shows that there was a higher proportion of people in the younger age groups (0 to 17 years) and a lower proportion of people in the older age groups (60+ years).

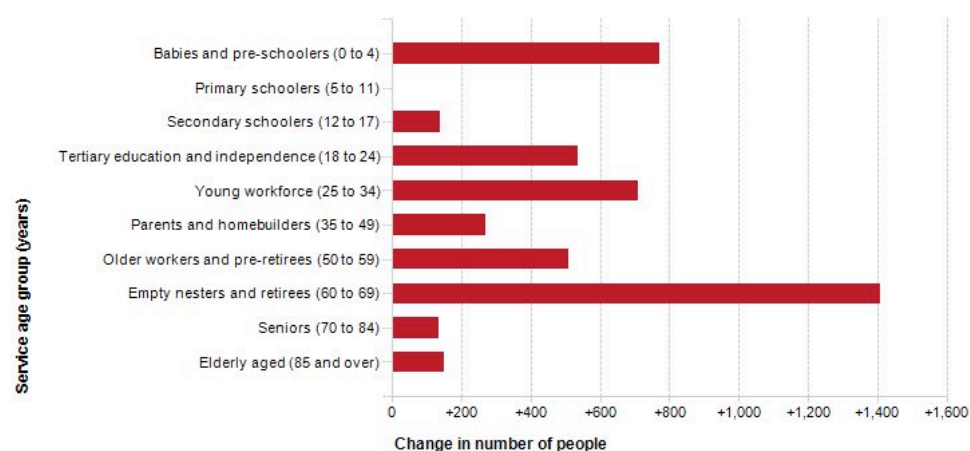
Overall, 25.5% of the population was aged between 0 and 17, and 20.5% were aged 60 years and over, compared with 23.6% and 24.5% respectively for Regional NSW. The major differences between the age structure of Cessnock City and Regional NSW were:

- A *larger* percentage of 'Young workforce' (12.3% compared to 10.4%)
- A *larger* percentage of 'Babies and pre-schoolers' (7.5% compared to 6.3%)
- A *smaller* percentage of 'Seniors' (7.7% compared to 10.3%)
- A *smaller* percentage of 'Empty nesters and retirees' (11.1% compared to 11.9%)

The change in Cessnock's age structure between 2006 and 2011 is presented in the chart below.

Change in age structure - service age groups, 2006 to 2011

Cessnock City - Total persons



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006 and 2011 (Usual residence data)
Compiled and presented in profile.id by .id, the population experts.

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Figure 6 Change in Age Structure in Cessnock

Emerging groups

From 2006 to 2011, Cessnock City's population increased by 4,641 people (10.0%). This represents an average annual population change of 1.93% per year over the period.

The largest changes in the age structure in this area between 2006 and 2011 were in the age groups:

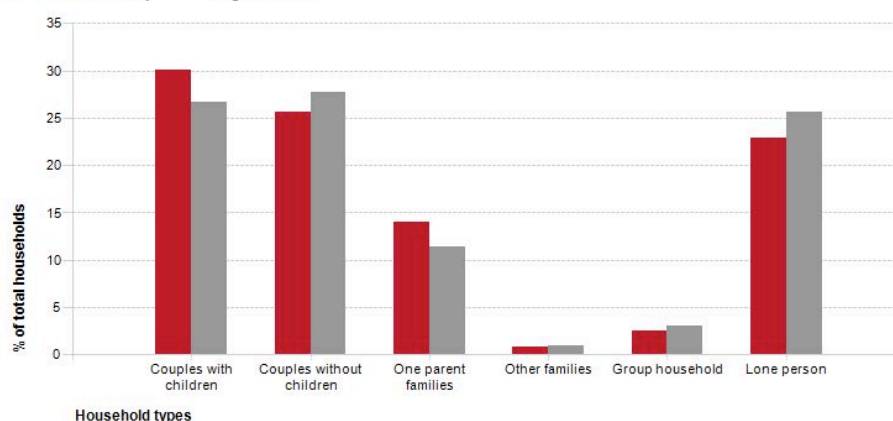
- Empty nesters and retirees (60 to 69) (+1,410 people)
- Babies and pre-schoolers (0 to 4) (+771 people)
- Young workforce (25 to 34) (+711 people)
- Tertiary education and independence (18 to 24) (+538 people)

1.6.2 Household Types

Household and family structure is one of the most important demographic indicators. It reveals the area's residential role and function, era of settlement and provides key insights into the level of demand for services and facilities as most are related to age and household types. The household structure of Cessnock compared to Regional NSW is presented below.

Household type, 2011

■ Cessnock City ■ Regional NSW



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

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the population experts

Figure 7 Household Type in Cessnock

Dominant groups

Analysis of the household/family types in Cessnock in 2011 compared to Regional NSW shows that there was a higher proportion of couple families with child(ren) as well as a higher proportion of one-parent families. Overall, 30.1% of total families were couple families with child(ren), and 14.1% were one-parent families, compared with 26.7% and 11.3% respectively for Regional NSW.

There were a lower proportion of lone person households and a lower proportion of couples without children. Overall, the proportion of lone person households was 22.9% compared to 25.6% in Regional NSW while the proportion of couples without children was 25.6% compared to 27.7% in Regional NSW.

Emerging groups

The number of households in Cessnock increased by 1,769 between 2006 and 2011. The largest changes in family/household types in Cessnock between 2006 and 2011 were:

- Couples without children (+455 households)
- Lone person (+432 households)
- Couples with children (+303 households)
- One parent families (+289 households)

1.6.3 Employment Profile

Statistics from the Australian Government Department of Employment shows that since December 2011, unemployment rates in the Cessnock LGA have increased significantly from 5.3% up to 14.2% in December 2015. As shown by the figure below, most of this increase has taken place between March 2013 (7.4%) and March 2014 (12.8%).

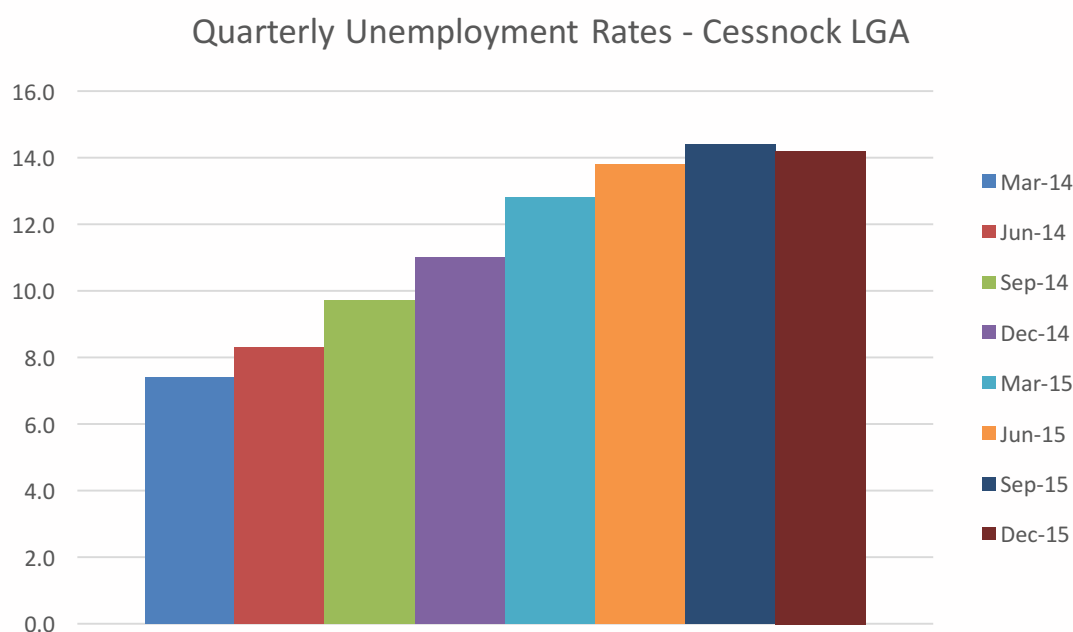


Figure 8 Quarterly Unemployment Rates – Cessnock

Data from Cessnock's economic profile provided by Remplan shows that 14,045 people work in the Cessnock LGA with the largest sector for employment being 'Accommodation and Food Services' (14.45%) followed by 'Retail Trade' (13.93%), 'Manufacturing' (12.84%) and 'Health Care & Social Assistance' (11.25%)

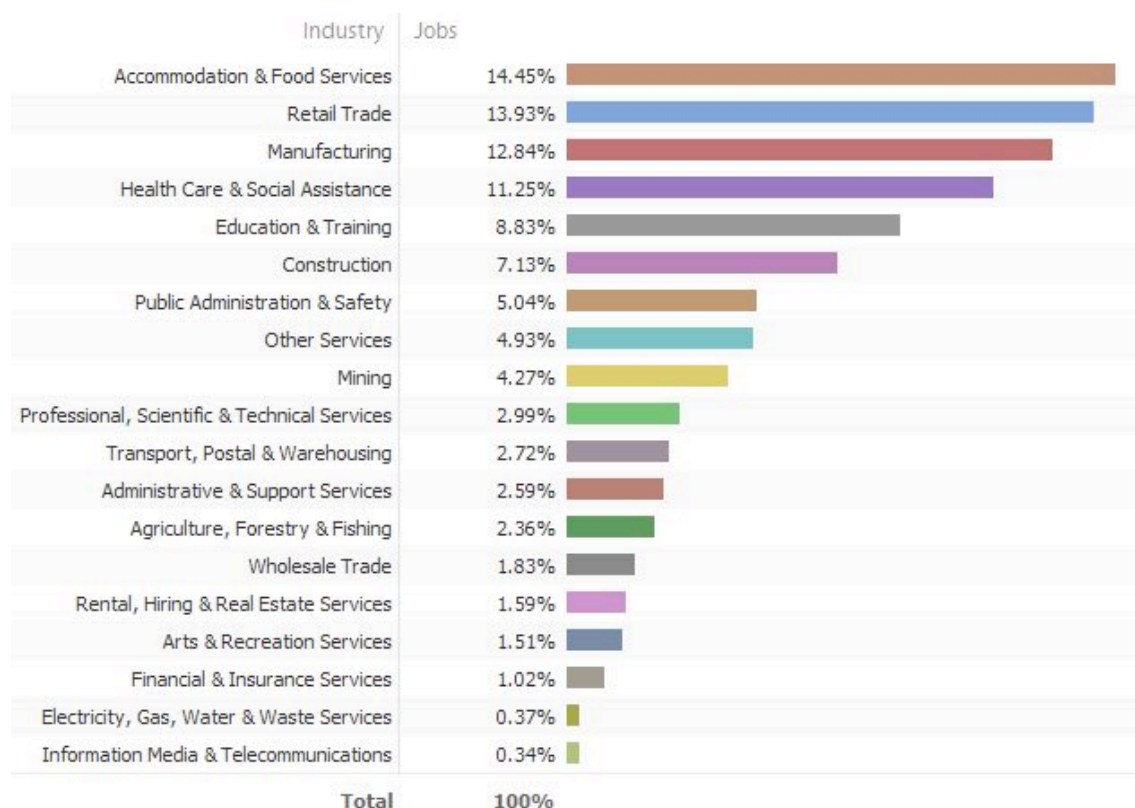


Figure 9 Employment Industries in Cessnock

1.7 Related Planning

The following plans are pertinent to the planning and growth of Cessnock and will influence development of an aquatic centre in Cessnock. A brief summary of the plans and key points relating to the planning of the centre is provided as follows.

Hunter Regional Plan – Draft 2015 (Department of Planning and Environment)

The Hunter Region is the most populous region in NSW outside Sydney and the largest regional economy in Australia. By 2036, an additional 117,850 people are expected to be living in the region. This plan aims to guide the delivery of homes, jobs, infrastructure and services to support the growing and changing needs of the Hunter.

The plan consolidates strategic planning considerations for land use and infrastructure for the 11 local government areas of Cessnock, Dungog, Gloucester, Great lakes, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter. Once finalised, this plan will replace the Lower Hunter Strategy (see below).

Lower Hunter Regional Strategy 2006-2031 (NSW Department of Planning)

The Regional Strategy is the strategic land use-planning framework to guide the sustainable growth of the Lower Hunter over the next 25 years. Key elements of the Strategy include:

- In 2006 the population of the Region was estimated at 515,000. It is expected that an additional 160,000 people will reside in the Region by 2031 making the Regional population approximately 675,000.
- The document outlines a number of challenges facing the region. Some key points to note in relation to aquatic planning are:

- Rapid population growth, creating increased demand for accommodation, employment and services.
 - Greenfield housing areas make up 75 per cent of all new housing, placing pressure on State and local governments for infrastructure provision.
 - The population is older than the NSW average and is continuing to age, which has implications for social infrastructure, education and transport needs as well as housing and employment implications.
- The Strategy outlines a Centres Hierarchy, with Cessnock identified as one of six Major Regional Centres and Kurri Kurri identified as a town.
 - The Strategy projects an additional 2,300 jobs and 300 new dwellings in the Cessnock Regional Centre.
 - The Strategy predicts a total of 21,700 new dwellings in the Cessnock local government area, made up of 2,000 infill dwellings and 19,700 new release dwellings.
 - Bellbird is identified as a major priority release area, with up to 4,000 dwellings expected (3,500 identified in Council's Bellbird Urban Release Area).
 - Branxton-Huntlee release area is also noted as a major release site with up to 7,200 dwellings.

The Department of Planning's website also identifies current and future urban release areas for the Lower Hunter as shown in the figure below. Much of this development will be serviced at a regional or sub-regional level by facilities and services located at Glendale.

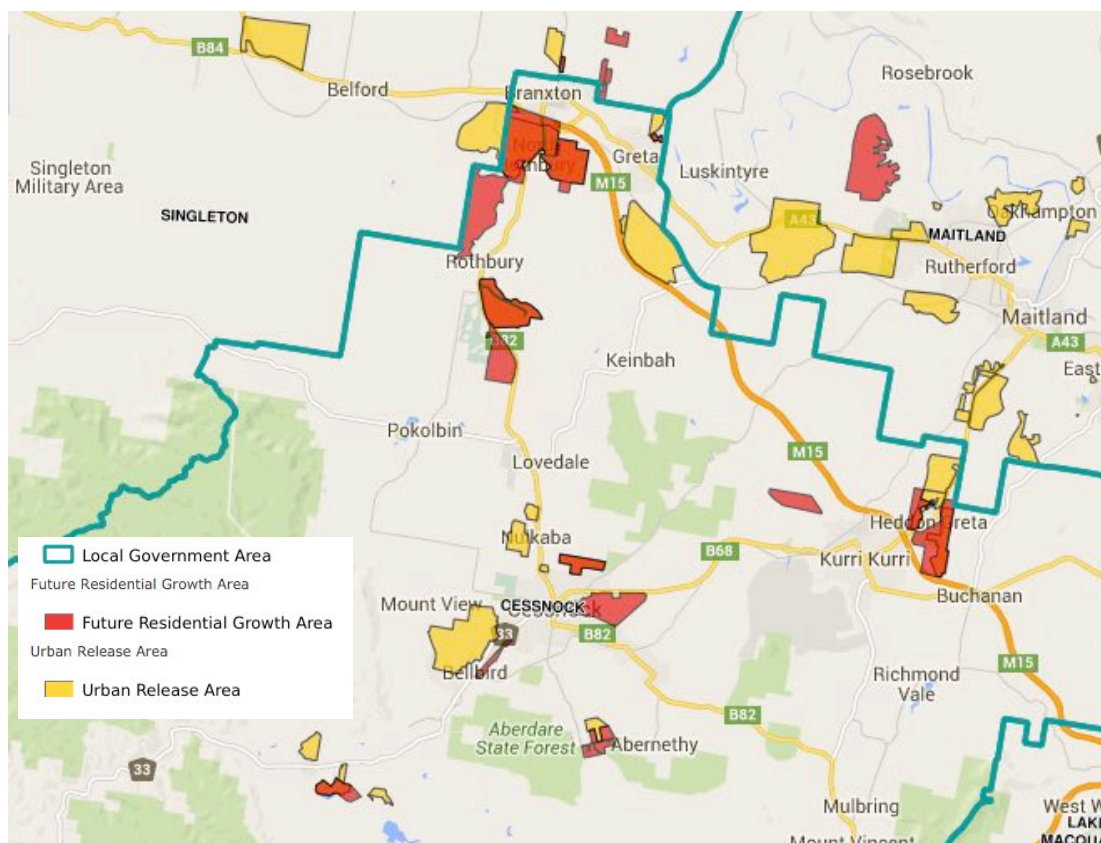


Figure 10 – Current and Future Urban Release Areas

1.7.1 Cessnock City Council Corporate Plans

Cessnock 2023 Community Strategic Plan

This plan was refined in 2013, following community surveys in 2009 and 2013 and adopted by Cessnock City Council on 19 June 2013.

The plan is organised into five sections (which flow through to the operational and delivery plan for 2013/14). The outcome that encompasses the aquatic centres is “A Sustainable and Healthy Environment” and is described as focussing on the conservation and preservation of the natural environment whilst balancing the impact of development to ensure sustainable and healthy community.

It notes that the community rated (in 2012) a number of qualitative measures throughout the plan. In response to the statement “...There is a wide range of recreation and leisure opportunities” a rating of 3.1 (out of 5) was noted as a target to improve.

2013-2017 “Delivery Program - Planning for our people, our place, our future (Revised)”

This delivery program was adopted by Council on 19 June 2013. It is adopted for a four year period to coincide with the local government elections. At the end of the Council term progress is reviewed and reported to Council and the community in the End-of-Term Report.

The 2013-17 Delivery Program has five Desired Outcomes as identified in the Community Strategic Plan, Cessnock 2023. Objective 3.2 – “Better utilisation of existing open space” includes the completion of the priority components of the Recreation Needs Analysis (aquatic facilities making up one component) and review of the Recreation & Open Space Strategic Plan 2009-2014. This document includes a recommendation to investigate the relocation of Cessnock pool to a centralised location.

The Capital Works Program indicates that \$100,000 per year (to 2016-17) is allocated to a renewal program for pool facilities (all three pool facilities are listed).

A new Cessnock Aquatic Centre is listed as one of thirteen potential major works in future years but no cost estimate is provided. The Financial Sustainability Position of Cessnock City Council as rated by NSW Treasury Corporation in April 2013 is ‘moderate’ with a ‘negative’ outlook.

City Wide Settlement Strategy (2010)

The strategy sets out strategic directions to inform the preparation of the new LEP and implements a number of the outcomes and actions arising from the Lower Hunter Regional Strategy 2006. A fundamental action from the CWSS is the need to contain the urban footprint of the Cessnock LGA to that identified in the Lower Hunter Regional Strategy 2006 and the CWSS.

Cessnock Aquatic Needs Analysis (2014)

The overall purpose of this study was to provide Council with recommendations regarding the current and future needs of Aquatic Facilities and their uses in the Local Government Area. The study process included:

- A review of background reports and strategic planning context,
- Inspections of pools in Cessnock and the wider region,
- Analysis of condition information on Cessnock pools,
- Review of demographics, current and projected population data,
- Analysis of pool patronage and financial information,
- Review of public aquatic facility provision trends,
- Benchmarking of pool performance and an overview of pool management arrangements, and
- Comprehensive Council, community and stakeholder engagement process was also undertaken

Specific findings relating to Aquatic services in the township of Cessnock included:

- There is a need for a new aquatic facility in Cessnock to meet the medium to long term needs of the predicted expanded population.
- The existing site is not considered suitable due to its small size and access & parking constraints.

- The pool should be open year round, cater for the competitive swimming needs of the Cessnock LGA as a whole, and provide other contemporary aquatic, 'health and fitness' and recreational opportunities.
- The development of a major indoor facility to seek high level competitions and events is not recommended.
- The suggested facility mix comprised:
 - A 50 metre by eight (8) lane outdoor pool with access ramp (closed in winter but heated in shoulder season),
 - Permanent seating for 400,
 - Indoor heated 25 metre by (up to) eight (8) lane pool (open year round),
 - Warm water therapy/ program pool with separate leisure water (open year round),
 - Gym/ wellness area,
 - Café/ kiosk/ administration/ retail area,
 - Swim club meeting room, and
 - Outdoor grassed area.

1.8 Key Project Area and Population Findings

From the information reviewed in the previous sections, the following key points and findings need to be taken into account in the planning of the future Cessnock Aquatic Centre.

1. Demographics

- Cessnock has population growth of approximately 1.5% per annum.
- Compared to the Regional NSW average, Cessnock has a higher proportion of people aged in all service age categories from 0 to 49 and a higher proportion of households with children;
 - Traditionally, younger people are higher users of aquatic facilities. There may be high demand for leisure water/ adventure water and learn-to-swim opportunities given high proportions of children and young people.
 - The 10-19 year old cohort will seek access to leisure and social activities as well as opportunities for skill development and aquatic training activities
- The largest change in 'service age group' between 2006 and 2011 was 'empty nesters';
 - This will continue as the largest 'service age group' (35-49) gradually ages and increases the proportion of service age groups over 50.
 - An aging population will likely have a demand for access to heated pool for warm water therapy or aquatic programs.
- Unemployment rates have increased since 2011 and key employment sectors include Accommodation and Food Services, Retail Trade, Manufacturing and Health Care & Social Assistance.

2. Planning

- In regional planning for the Lower Hunter, Cessnock has been identified as a regional and/or strategic centre.
- The area and region around it has a large number of urban release and future residential areas.
- An aquatic centre in Cessnock has been identified in the Delivery Program as a major capital works priority and recommended components have been recommended and supported by Council through the Aquatic Needs Analysis.



2 Review of Cessnock Pool

2.1 Introduction

This section presents a review of the facilities and performance of the current Cessnock Pool as well as providing an overview of other Council owned facilities at Kurri Kurri and Branxton.

The Cessnock Pool facilities and services were reviewed to provide background into current aquatic utilisation and financial performance trends.

In completing the existing facility review it should be noted that as a key recommendation of the Cessnock Aquatic Needs Analysis (2014) and Council's subsequent resolutions, it was determined that the existing site was unsuitable for the development of an indoor aquatic centre.

Key reasons for unsuitability related to the small size of the site, poor vehicle access, lack of car parking and the potential cost of acquiring more adjoining land.

2.2 Cessnock Pool Site and Facilities Review

Cessnock Swimming Pool is located at corner of Wollombi and Allandale Roads, Cessnock. This pool is one of two outdoor pools in the LGA – the other being located at Branxton.

The site is centrally located, however severely constrained in terms of expansion and car parking – bounded by major roads on two frontages and residences on two frontages.

Existing facilities:

- 1930's outdoor 6 lane by 50 metre, floodlit pool (1.0 metre deep at one end and 2.1 metres at other end graduating to 3.3 metres approx. 5 metres from edge).
- Disabled access ramp.
- Shade cover over shallow end, scum gutter, fully tiled (some visible cracks).
- Pool blankets used at beginning/ end of season. Heated to between 26° - 27°.
- Small covered toddler pool [0.9 metres average depth].
- Leisure pool with stair entry, water play features and soft fall (approx 16m x 6m). Small adjacent covered playground.
- Grandstand with capacity to seat approximately 750.
- Old-style change rooms (including facilities for people with disabilities).
- Minimal off street car parking (8 spaces + 2 x disabled spaces). Drop off area on Allandale Rd.
- Swim clubroom. Three swim clubs based at the pool.
- Main entry building including supervisor's office, kiosk.

2.3 Cessnock Pool Operational Review

The following subsections provide an overview of operational information and performance of the current Cessnock Pool. As noted in these sections, financial and visitation data available for the pool is limited and therefore restricts the capacity to provide a full analysis of the current operation.

2.3.1 Operational Details

The following provides an outline of current operational details for the Cessnock Pool.

Management

- Cessnock Pool is directly operated by Council with on-site staff responsible for lifeguarding, grounds maintenance & plant operation.
- An external contract is in place for kiosk operation and the kiosk contractor collects entry fees.
- Bookings are managed by administration officers within the main Council building.
- All programs (e.g. learn-to-swim) are conducted by swim clubs or private coach.

Season

- October to March each year.

Hours of Operation

- Monday - Friday 6.00am - 6.00pm.
- Saturday, Sunday and Public Holidays 7.00am - 6.00pm.
- While the pool is closed to the public from 6.00pm (Mon-Fri) the pool is kept open for swim clubs to 8.30pm on Mondays and Fridays; and masters swimming train to 7.30pm on Wednesdays.

Entry Fees

- Single Entry Cost:
 - Family: \$11.00
 - Adult: \$4.50
 - Spectator: \$2.00
- Season Tickets:
 - Family: \$345.00
 - Couple: \$268.00
 - Single: \$191.00
- Three Month Tickets:
 - Family: \$180.00
 - Couple: \$139.00
 - Single: \$100.00
- Booking Fee:
 - Carnival/Fun Day \$110.00

2.3.2 Visitation Trends

Available visitation data from Council is presented on the next page. Data from 2013/14 and 2014/15 was not available due to issues with data collection software.

Table 2.1 Cessnock Pool Visitation Trends

	2010/11	2011/12	2012/13
Cessnock Pool Visits	30,822	26,819	37,627

This sample demonstrates the fluctuating nature of a seasonal facility which is largely dependent on good conditions to increase visitation levels. Cessnock Pool also hosts the majority of school carnivals in the area and in some seasons has held up to 20 carnivals. In February 2016, the Pool was scheduled to host 13 carnivals over a two week period. If bad weather is experienced during the carnival season this will have a significant impact on annual visitation levels.

The breakdown of visitation by type of visit is shown in the chart below.

2012/13 Attendance by Type of Visit

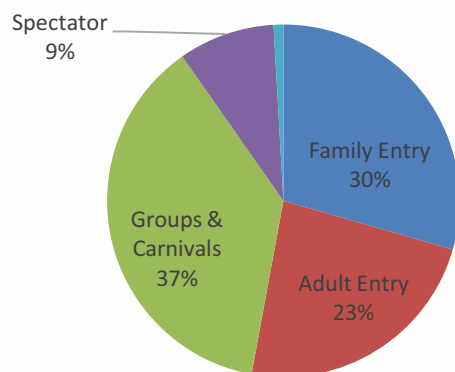


Figure 11 2012/2013 Attendance by Type of Visit

This shows a high proportion of visits generated by groups and carnivals (37%) and a relatively low level of visitation using entry passes (season tickets etc.) compared to other centres of this type.

2.3.3 Financial Performance

The financial performance for Cessnock Pool for the last five financial years is outlined below. Although a breakdown of main expenditure items has been sourced, a breakdown of revenue is not available. Visitation and financial data are then combined to establish key business performance indicators.

1. Financial Summary

The following chart and accompanying table summarise revenue, expenditure and operating trends.

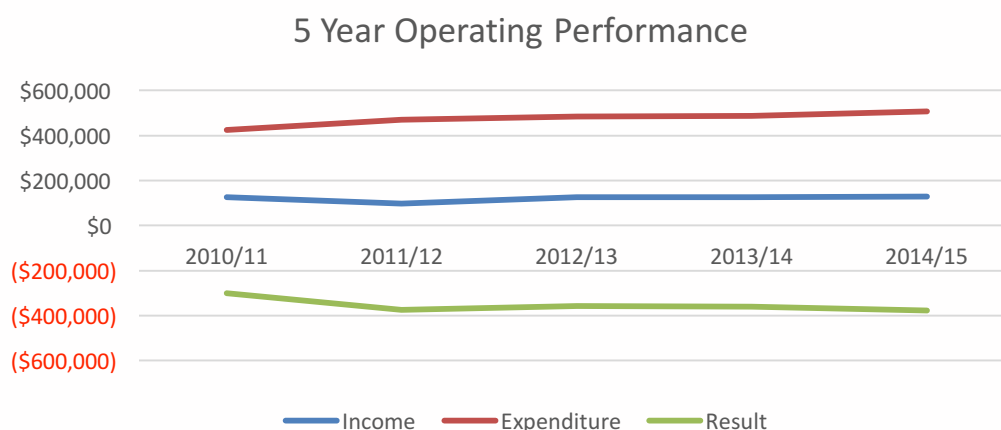


Figure 12 - Cessnock Pool 5 Year Financial Summary

Table 2.2 Cessnock Pool 5 Year Financial Summary

Item	2010/11	2011/12	2012/13	2013/14	2014/15
Income	\$125,358	\$96,853	\$124,683	\$126,666	\$127,477
Expenditure	\$425,383	\$471,086	\$483,010	\$486,319	\$506,005
Profit/(Loss)	(\$300,025)	(\$374,233)	(\$358,327)	(\$359,653)	(\$378,528)

This data shows that revenue has remained relatively static over the past 5 years (despite regular entry price increases) whilst expenditure has steadily increased each year (19% over 5 years). This has resulted in increasing losses (26% over 5 years).

2. Operating Expenditure

Cessnock Pool operating expenditure has increased each year for the 5 years of operations reviewed. For 2010/11 it was \$425,383 and this increased by \$80,622 by 2014/15 to \$506,005. This represented an increase in operating expenditure of 19% over the 5 year review period. The chart and table below present a breakdown of operating expenditure by main cost type for 2010/11 to 2014/15.

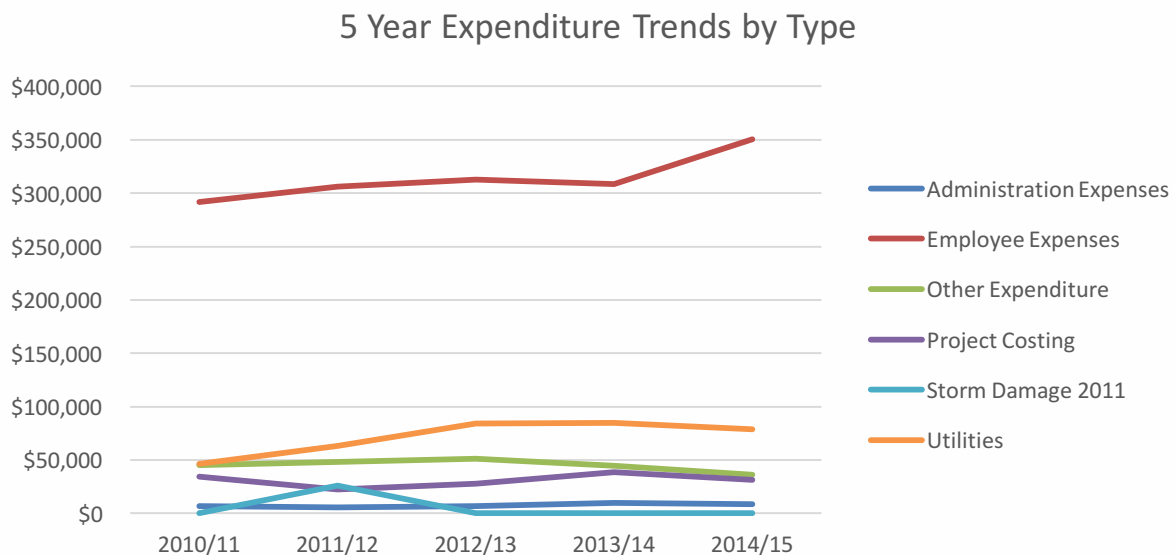


Figure 13 - Cessnock Pool 5 Year Expenditure by Type

Table 2.3 Cessnock Pool Operating Expenditure

	2010/11	2011/12	2012/13	2013/14	2014/15
Administration Expenses	\$7,042	\$5,634	\$7,055	\$9,583	\$8,913
Employee Expenses	\$291,932	\$305,828	\$312,653	\$308,416	\$350,435
Other Expenditure	\$45,140	\$47,941	\$51,263	\$44,848	\$36,448
Project Costing	\$34,441	\$22,571	\$27,914	\$38,431	\$31,231
Storm Damage 2011	\$231	\$26,122	\$0	\$0	\$0
Utilities	\$46,598	\$62,991	\$84,124	\$85,041	\$78,978
Total	\$425,383	\$471,086	\$483,010	\$486,319	\$506,005

As noted in the table and chart above, the main contributor to overall expenditure increase in 2014/15 was Employee Expenses which increased by 13.6% from the previous year.

3. Key Business indicators

Given that visitation data is not available for 2013/14 and 2014/15, key business indicators have been applied to information from 2010/11 to 2012/13. The following table highlights the Cessnock Pool key business indicators for this period.

Table 2.4 Cessnock Pool Business Indicators 2011 - 2013

Indicator	2010/11	2011/12	2012/13
Visits	30,822	26,819	37,627
Revenue	\$125,358	\$96,853	\$124,683
Expenditure	\$425,383	\$471,086	\$483,010
Net Profit/(Loss)	(\$300,025)	(\$374,233)	(\$358,327)
Revenue/visit	\$4.07	\$3.61	\$3.31
Expenditure/visit	\$13.80	\$17.57	\$12.84
Net Profit/(Loss)/visit	(\$9.73)	(\$13.95)	(\$9.52)
Revenue as a % of Expenditure	29.47%	20.56%	25.81%

Despite increased visitation between 2010/11 and 2012/13, key business indicators declined including revenue per visit (\$4.07 down to \$3.31); cost recovery (29.47% down to 25.81%); and increased overall loss (up by \$58,302). However, there was an improvement in the overall loss per visit improved from \$13.80 down to \$12.84.

2.3.4 Industry Benchmark Key Performance Indicators

The Centre for Environmental and Recreation Management (CERM) is a unit of the University of South Australia, which compiles and reports on performance indicators for subscribing sport, leisure and aquatic facilities from around Australia.

CERM performance indicators (CERM PI ®) have industry recognition throughout Australia. CERM PI ® data measures median operational management efficiency (cost recovery, maintenance, catchment usage rates, secondary spending etc.) and customer service quality (customer satisfaction, profile of attendees, performance against expectations). A comparison of Cessnock Pool's performance compared to CERM data for similar facilities (1,500-2,500m²) and all outdoor pools are provided in the table below.

Table 2.5 CERM Performance Indicators

CERM PI	Cessnock Pool 2014/15	Outdoor Pools 1,500 - 2,500m ²	Cessnock Pool Comparison	Outdoor Pools Median	Cessnock Pool Comparison
Total Space M ²	2,300	2,075		2,075	
Expense recovery %	25%	66%	-41%	62%	-37%
Gross receipts	\$127,477	\$352,526	-\$225,049	\$332,181	-\$204,704
Gross expenditures	\$506,005	\$642,208	-\$136,203	\$531,896	-\$25,891
Fees per visit	\$3.39	\$4.70		\$4.69	
Secondary spend per visit	-	\$1.24		\$0.92	
Surplus (subsidy) per visit	-\$10.06	-\$3.18	-\$6.88	-\$3.64	-\$6.42
Receipts per visit	\$3.39	\$5.96	-\$2.57	\$5.48	-\$2.09
Receipts per metre ²	\$16.36	\$170		\$159	
Adult swim fee	\$4.00			\$4.70	-\$0.70
Child swim fee	\$2.50			\$3.50	-\$1.00
Total visits per year ²	37,627	68,577	-30,950	61,587	-23,960
Catchment pop. (5km)	22,419	50,000	-27,581	25,597	-3,178
Visits per head of pop.	1.68	1.60	0.08	2.50	-0.82

² 2012/13 visitation used

2.4 Other Council Aquatic Facilities

Council owns two other public aquatic facilities located in Branxton (22km) and Kurri Kurri (14km) from Cessnock. These are reviewed below.

2.4.1 Kurri Kurri Aquatic and Fitness Centre

The KKAFC is part of a broader sports park (Margaret Johns Park) situated at Boundary St, Kurri Kurri and includes sporting fields, amenities and a skate park. This centre contains the only heated, indoor Council pool in the LGA. It is currently managed by Belgravia Leisure. Facilities include:

- Indoor eight (8) lane by 25 metre, heated pool (1.0 metre – 1.6 metre depth) with stair entry and available hoist.
- Indoor heated program pool, approximately 12.0 metres by 10.0 metres (0.9 metre average depth).
- Indoor Leisure Pool with beach entry, water fountains, water jets and sprays (0.3 metre average depth).
- Retractable glass doors on northern side.
- Tiered concrete seating – three (3) levels seating approximately 150.
- Change rooms (including PWD facilities).
- Large car park (97 spaces, shared with adjacent playing fields).
- Lifeguard station, first aid room, reception area/ office.
- Small gymnasium area.
- Main entry with offices and kiosk/ café.

A performance summary for Kurri Kurri Aquatic Centre is provided below.

Table 2.6 Kurri Kurri Aquatic Centre Business Performance Indicators

Indicator	2012/13
Visits	126,261
Revenue	1,223,373
Expenditure	\$1,521,910
Net Profit/(Loss)	(\$298,537)
Revenue/visit	\$9.69
Expenditure/visit	\$12.05
Net Profit/(Loss)/visit	(\$2.36)
Revenue as a % of Expenditure	80.4%

Although performing better than other pools in the area, it is still below industry benchmarks for similar facilities in regard to visitation (218,218) and operating loss per visit (\$0.83).

From postcode research conducted during the Aquatic Needs Analysis, approximately 24% of visits to KKAFC were from what would be the primary catchment area for an aquatic centre in Cessnock.

2.4.2 Branxton Pool

Branxton Swimming Pool is located at corner of Maitland Road and the New England Highway, Branxton. This pool is one of two outdoor pools in the LGA – the other being located at Cessnock.

Facilities:

- 1965 outdoor six (6) lane by 33 metre, floodlit pool (1.0 metre – 3.0 metre depth) with ramp entry.

- Adjoining toddler pool with shade cover, step entry and water play features (zero to 0.6 metre deep).
- Small concrete grandstand.
- Disabled change room and toilet.
- Off-street car parking.
- Adjacent to highway, licensed bowls club and playing fields.
- Swim clubroom.
- Main entry, supervisor's office, kiosk.
- Shade cover between pools and in grounds.

A performance summary for Branxton Pool is provided below.

Table 2.7 Branxton Pool Business Performance Indicators

Indicator	2012/13
Visits	11,980
Revenue	45,380
Expenditure	\$322,566
Net Profit/(Loss)	(\$277,186)
Revenue/visit	\$5.86
Expenditure/visit	\$41.64
Net Profit/(Loss)/visit	(\$23.14)
Revenue as a % of Expenditure	14.1%

Low visitation and revenue for Branxton Pool results in a significantly high loss per visit of over \$23 per visit.

2.5 Key Points and Implications

From the information reviewed above, the following are key points and possible implications for the planning of an aquatic centre.

- The performance of the Cessnock Pool continues to decline and is well behind a number of industry benchmarks.
- Visitation is highly dependant on group/carnivals and weather conditions. This results in fluctuations on a seasonal basis;
 - This is likely to be because facilities and services have not been able to keep pace with contemporary demands.
- Although limited in some facility areas, KKAFC performs significantly better than Cessnock Pool and provides some insight as to the opportunity for developing an aquatic centre in Cessnock. It also needs to be considered that KKAFC and any proposed facility in Cessnock will need to be complimentary as far as possible rather than directly competing with each other.



3 Market Research and Industry Trends

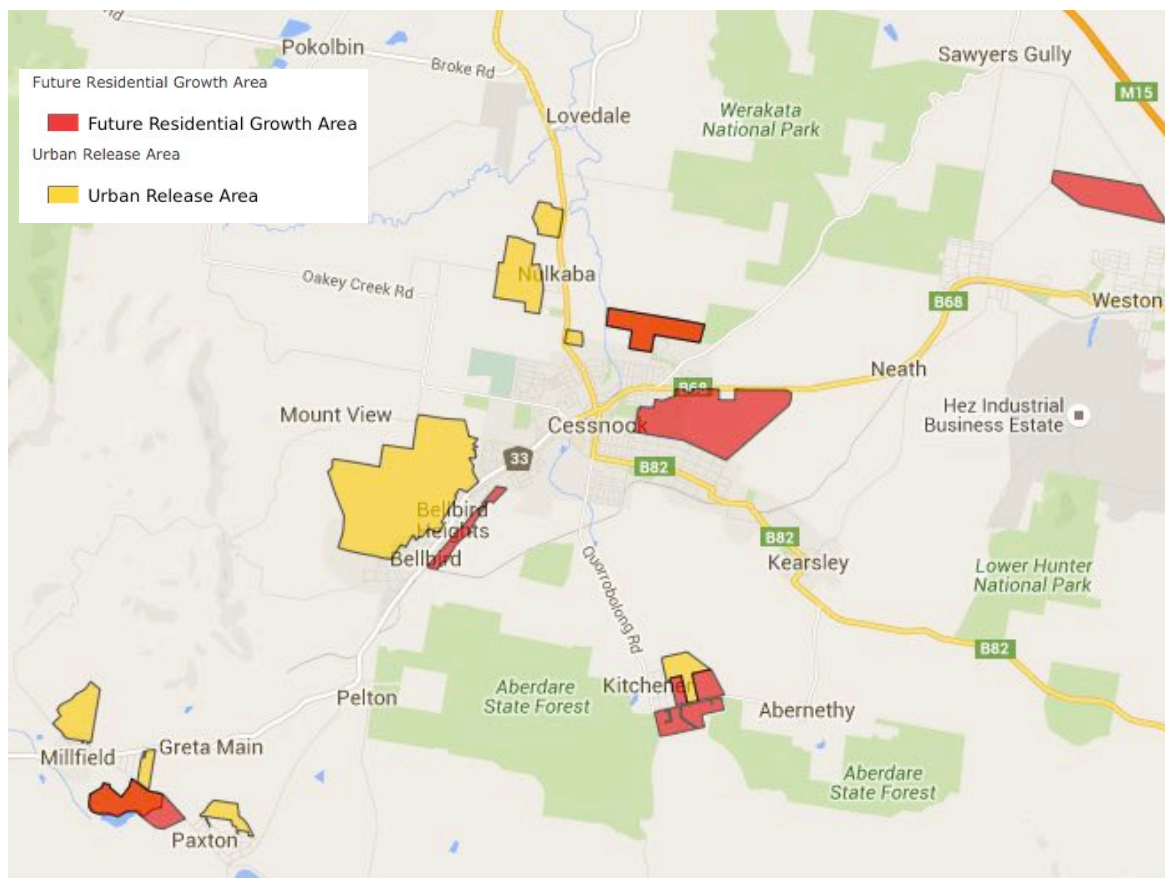
3.1 Introduction

This section presents information on the relevant research for a proposed aquatic centre in Cessnock, including:

- Future development and population projections,
- Demonstrated community demand,
- Aquatic facility trends; and
- Review of existing facilities in the region.

3.2 Future Development and Population Growth

As noted previously, the Department of Planning and Environment has identified the Cessnock LGA as a potential growth area and indicated areas of current and future residential development. The development areas located in within the primary catchment of a potential aquatic centre are shown



below.

Figure 14 – Cessnock Urban Release Areas

This shows significant urban release areas to the South West and North with future areas located to East, South East and South West. These developments will naturally contribute to population growth as they take place. The Department of Planning and Environment and Council have developed population projections for 2021 and 2031.

Based on Department of Planning data³, the Cessnock LGA will increase to 59,550 by 2021 and 66,400 by 2031. From data supplied by Cessnock City Council, the 2021 the population is projected to be between 59,274 (low scenario) and 76,467 (high scenario) and the 2031 population between 68,364 (low scenario) and 101,987 (high scenario). At the low end of estimates, by 2031 the population of Cessnock LGA could increase by around 15,000 persons, and at the high end of estimates by around 50,000 persons. Projections are illustrated in the table below.

Table 3.1 Population Projections

Source	2011 Population	Estimated 2021 Population	Change 2011-2021	Estimated 2031 Population	Change 2021-2031
NSW Dept of Planning	51,900	59,550	+8,650	66,400	+6,850
Cessnock (Low) CC	50,840	59,274	+8,434	68,364	+9,090
Cessnock (High) CC	50,840	76,467	+25,267	101,987	+25,520

With the estimated residential population estimated at 54,979 as of June 2014 showing a growth of just over 4,000 since 2011, it appears the 'low growth' projections provided by Council are the most accurate forecast figures but may still be slightly understated.

A breakdown of Cessnock City Council population projections and population change by Planning Area is set out below (increases are shown in brackets).

Table 3.2 Population projections by Planning Area 2021 to 2031

Planning Area	Population as at 2011	Projected Population as at 2021		Projected Population as at 2031	
		Low Growth	High Growth	Low Growth	High Growth
Planning Area: Greta – Branxton- North Rothbury [Branxton/ Greta/ North Rothbury/ Huntlee]	5,965	9,947 (+4,012)	17,469 (+11,504)	14,017 (+8,052)	29,000 (+23,035)
Planning Area: Kurri Kurri and Surrounds [Central Kurri Kurri townships; Buchanan/ Mulbring and surrounds; Clifftleigh/ Heddon Greta; Neath/ Abermain/ Weston and surrounds]	18,053	19,415 (+1,362)	22,479 (+4,426)	20,877 (+2,824)	26,305 (+8,252)
Planning Area: Rural West [Wollombi/ Laguna/ Rural West; Millfield/ Paxton/ Ellalong & surrounds]	3,952	4,300 (+348)	5,135 (+1,183)	4,750 (+798)	6,419 (+2,467)
Planning Area: Cessnock and Surrounds [Allandale/ Lovedale/ Pokolbin/ Mount View; Bellbird/ Bellbird Heights; Cessnock CBD/ Aberdare/ South Cessnock/ Kearsley; Nulkaba; West Cessnock/ Vineyard Grove Area; East Cessnock/ Cessnock North; Kitchener/ Abernathy and surrounds]	22,419	25,612 (+3,193)	31,384 (+8,965)	28,720 (+6,301)	40,263 (+17,844)
Total	50,389	59,274	76,467	68,364	101,987

³. NSW Department of Planning (2014). NSW Local Government Area Population Projections: 2010.

The planning area 'Cessnock and Surrounds' represents the primary catchment area for a potential aquatic centre. As shown by the table above, the population in this area could increase to between 28,720 and 40,263.

3.3 Previous Research

The studies key findings in relation to previous relevant research are listed as follows.

3.3.1 Cessnock City Council Aquatic Needs Analysis 2014

As a part of the Aquatic Needs Analysis (2014), an extensive community engagement process was implemented to seek resident and stakeholder views about aquatic facility needs in the Cessnock Council area. This included:

- Community awareness raising via press release.
- Meetings with Cessnock City Council officers.
- Interviews with pool staff and contract managers.
- Meetings with pool user groups and other stakeholders.
- Briefing of Councillors.
- Survey of residents available on-line and in hard copy format.
- At-pool survey of Kurri Kurri Pool patrons (Cessnock and Branxton Pools were closed over winter).
- Survey of schools.
- Discussions with neighbouring councils.
- Focus group discussions with Year 6 and Year 11 school students
- Direct community feedback via advertised '1300' telephone number and dedicated email address for the project.

The section below outlines key findings from the resident survey specifically relevant to planning a potential aquatic centre in Cessnock.

3.3.1.1 Survey of Pool Users and Residents

Surveys seeking resident information about their usage of pools, levels of satisfaction and essential aquatic facility needs in the Cessnock City Council area were administered. The surveys were available 'on-line' via Council's website, and in hard copy format at the Council Customer Service Centre, Cessnock library and at KKAFC. The surveys were promoted in local media and were available over a three (3) week period from 9th – 30th August 2013. A total of 203 responses were received; 136 from the on-line survey and 67 in hard copy format.

The vast majority of respondents (84.1 per cent) indicated they had used a swimming pool in the Cessnock area at least once in the previous 12 months. Of more interest however is how often survey respondents visited any of the pools they used. This was assessed on a five point scale ranked from 1 (two or more times per week) to 5 (less than once per month).

KKAFC was the most commonly cited pool as visited by respondents, with 66.0 per cent of the sample stating they had visited it at least once in the previous year. This was followed by Cessnock Pool (62.1 per cent) and finally Branxton Pool, which recorded substantially lower attendance compared to the other two pools (20.2 per cent). It should be noted, however, that many respondents to the survey stated they visited more than one pool and did not restrict their attendance to a single site. Likewise clear distinctions were apparent in terms of frequency of attendance of different pools. Those who indicated they patronised Kurri Kurri and Cessnock Pools were mostly regular users – 50.8 per cent of respondents who said they used Cessnock Pool and 38.8 per cent of respondents who said they used KKAFC did so two (2) or more times a week.

By contrast Branxton Pool had higher proportions of seasonal or infrequent users (i.e. less than once per month) with 70.7 per cent of respondents who attended Branxton Pool stating that they attended less than once per month. Table 3.3 outlines the frequency of participation by survey respondents at each pool.

Table 3.3 Frequency of attendance by pool⁴

Aquatic Facility	Attended %	2 or more times per week %	Once a Week %	Once a Fortnight %	Once a Month %	Less than once per month %
KKAFC	66.0	38.8	29.9	6.0	10.4	14.9
Cessnock Pool	62.1	50.8	20.6	4.0	7.9	16.7
Branxton Pool	20.2	19.5	4.9	2.4	2.4	70.7

Survey respondents were asked to identify the main reason for attending the pool(s) they visited. What emerges is a slightly different focus, or reason for attending, among the pools. However, of those who completed the survey, what is also clear is that the largest single proportion of respondents identified lap swimming as their main reason for attending, with recreational activities the second most cited reason.

In terms of differences among the pools, Cessnock Pool was notable for having a relatively higher proportion of respondents attending for recreational activities, whilst KKAFC recorded a notably higher proportion of respondents who cited learn-to-swim and aquatic programs as their main reason for attending. Club or squad training was a notable feature for Cessnock Pool (n=35).

Table 3.4 Main reason for visit by pool (number of respondents)

Aquatic Facility	Lap Swimming	Recreational Activities	Socialising	Learn to Swim	Aquatic programs	Club or Squad	Other
KKAFC	54	31	18	37	29	19	14
Cessnock Pool	64	49	32	27	12	35	12
Branxton Pool	7	10	9	1	1	3	4

Respondents were asked how satisfied they were with the pools they use. This was measured on a 5-point scale from 1 (very dissatisfied) to 5 (very satisfied). Table 3.5 outlines the average satisfaction with the facilities for each pool, as well as the proportion of respondents who stated they were either 'very satisfied' or 'dissatisfied/ very dissatisfied' with the facilities at the pool/s they currently use.

Table 3.5 User Satisfaction Ratings.

Aquatic Facility	% of respondents citing as "Very satisfied"	% of respondents citing as "Dissatisfied/ Very Dissatisfied"	Mean Satisfaction	Number
KKAFC	26.3	21.2	3.58	137
Cessnock Pool	14.3	39.2	2.99	133
Branxton Pool ⁵	10.4	10.5	3.50	48

Respondents were requested to identify specifically what they either liked or disliked about the Cessnock, Kurri Kurri or Branxton pools. For Cessnock Pool, what follows is a summary of the main features that respondents rated as positive (like) and negative (dislike).

⁴. Overall attendance is shown as a proportion of the total sample (N=203). Frequency is shown as a proportion of the total users of that pool.

⁵. Very low numbers make inference about satisfaction levels at Branxton Pool problematic.

The most frequently cited positive features for Cessnock Pool related to the location of the pool, management/ staffing, cleanliness, size, and to a lesser extent the setting and features (refer Table 3.6).

Table 3.6 Features of Cessnock pool that users like

Pool	Positive feature ("like")	Number of Mentions
Cessnock Pool	Location – distance from home, close to public transport, central	34
	Staff/ management – friendly staff, good lifeguards	27
	Cleanliness – clean and well maintained	25
	Size of the pool – 50m, good width and depth	19
	That the pool is outdoors	18
	Children's pool and playground	16
	Outdoor facilities – gardens, outside areas, green space, shade	10
	Heating	7
	Spacious	7
	Shade/ undercover area	5
	Water quality	4
	Programs and activities – holiday activities, squad, lessons	4
	Atmosphere	2
	Disabled access	2
	Canteen	2
	Price	1

The things that respondents most disliked about Cessnock Pool related overwhelmingly to the fact that the pool is not open year round and car parking, followed by the lack of indoor pools, the age and condition of the facility and the lack of heating (refer Table 3.7).

Table 3.7 Features of Cessnock Pool that users dislike

Pool	Negative feature ("dislike")	Number of Mentions
Cessnock Pool	Opening season – not long enough and not year round	44
	Parking – lack of parking and unsafe parking for families	39
	Heating/ Indoor Pool – not heated, cold, no indoor pool, no hydrotherapy or spa pool	35
	Age and condition – old, run down, tired	19
	Opening hours – short, not promoted, closed/ limited access during school or event use	12
	Lack of leisure water	10
	Location	10
	Lack of shade	9
	Dissatisfaction with fees – increasing price, too expensive for seniors, season pass only available at CCC	9
	Dissatisfaction with amenities	7
	Inadequate pool size – not FINA standard	6
	Staff and management	5
	Dirty	4
	Too small	4
	Dissatisfaction with spectator facilities	4
	Management of space – conflict between lap and non-lap swimmers	4
	Lack of programs	3

Survey respondents were asked what new or improved aquatic facilities, services or programs they felt were essential in the Cessnock LGA. By far the most frequently expressed demand was for a new or upgraded pool in Cessnock. Responses are summarised in Table 3.8

Table 3.8 Essential improvements desired by survey respondents

Pool	Essential Improvements	Number of Mentions
Cessnock Pool	Major redevelopment by way of a new aquatic centre or extensive upgrades to the existing facilities, for example: Year round aquatic facilities/ centre (e.g. indoor heated 51 metre pool with boom, outdoor 25 metre heated pool, hydrotherapy pool, spa, sauna, children's recreation area, leisure water, gym, kiosk, picnic and bbq facilities, adequate car parking)	92
	Upgrade or improvements to existing facilities (e.g. cover over the 50 metre pool, year round heating, new 25 metre indoor pool, hydrotherapy pool, grassed areas, major amenities upgrade, leisure/ recreation water components)	
	Upgrade car parking	13
	Hydrotherapy pool	12
	Water splash park/ recreation water park	6
	Programs & Services (e.g. learn to swim program, vacation care, aqua aerobics, veterans programs)	3
	Healthy canteen options	1

3.3.2 Key Stakeholder Consultation

Consultation sessions have been held with relevant Council Officers, Cessnock Pool Management, Cessnock Pool Users Group and local swimming club representatives.

3.3.2.1 ELT Meeting

A meeting was held with the Council's senior management team including:

- General Manager
- Director Planning and Environment
- Director Corporate and Community Services
- Director Works and Infrastructure

The ELT discussed that there were a range of community groups seeking a major facility. It was critical the study identified a sustainable future aquatic facility that was of suitable size to meet current and projected future resident needs.

Such a facility also needed to be located at a high use site that provided high visibility and was easy to get to from the majority of people in the facility catchment area. The facility also had to be able to attract significant funding from other levels of government as local funds were limited and rate capping would see this funding limitation continue in the immediate future.

3.3.2.2 Council Officer Meetings

Information collection meetings were held with the following Cessnock City Council Officers:

- The Senior Property Officer.
- The Strategic Land Use Coordinator and the Senior Strategic Land Use Planner.
- Council's Management Accountant and Financial Accountant.
- Recreation and Community Facilities Coordinator and Recreation and Community Facilities Officer.
- Building Maintenance Coordinator.

The meetings were held to provide a range of background information in relation to:

- Potential sites for a future aquatic facility in Cessnock.
- Property and land issues.
- Building and asset maintenance issues at the current aquatic facilities and lessons learned for future asset maintenance of aquatic facilities.
- Current financial operating trends and capital project funding issues.
- Land use and planning issues.
- Current potential recreation and sport land use and user impacts.
- Funding capacity and capability.

3.3.2.3 Cessnock Pool Users Group

A meeting was held on site at the Cessnock Pool in December 2016 with members of the Cessnock Pool Users Group (CPUG). The group were well prepared at the meeting and presented a power point summary of what was needed in a future Cessnock Aquatic Leisure Centre. Key issues covered at the meeting included

1. History of CPUG

- Group was first formed in 1998 to link swim clubs and aquatic users to help get improvements at Cessnock Pool.
- Represent Coalfield United Swim Club, Cessnock Amateur Swim Club, Masters Swimming, Water Aerobics, Special Needs Group, Lap Swimmers and local schools.
- Key objective is to work for all sections of the community and Cessnock City Council to achieve modern aquatic facilities for Cessnock and the Region.
- Historically the group has help get a range of improvements at the Cessnock Pool and in the past 5 years have campaigned for a new indoor aquatic centre to replace the aged and out of date Cessnock Pool.

2. Current Facility Issues

- The current Cessnock Pool was built in the 1930s and is now over 80 years old and past its use by date.
- It only operates seasonally and in the winter users have to travel to Kurri Kurri Indoor Pool (built in 2002) or stop swimming.
- Current pool is good for swimming clubs and lap swimmers but due to outdoors is not suitable for younger and older users as well as special needs users.

3. Future Aquatic Facility Issues

- Population the size of Cessnock and surrounds needs a large indoor aquatic facility with a mix of water areas for different users needs.
- Now that Maitland City Council is only building a small indoor 25 metre pool at Maitland Swimming Centre there is a major gap in the region for an aquatic competition and leisure pool which could be developed at Cessnock.
- The group presented a power point presentation on the priority components and features they believe a new Cessnock Indoor Aquatic Centre should include.
- CPUG supported the need for a regional pool to future proof for population increases as well as making sure more people could use it if it had more and varied water areas.
- Need to master plan a major facility and if cannot be afforded at least plan for future extensions.
- Current pool site was not suitable for the future indoor aquatic centre due to small size of development area and poorly located from local traffic congestion perspective.

Future site reviews from the CPUG perspective included:

- Critical to have a high profile site (easily accessed with passing traffic to promote the centre) that had adequate space for the facility, parking and some land for future extensions.
- Mining history of the area is likely to impact on most sites and also keep away from low lying land as impacted by flooding.
- Private mining company land at East Cessnock was identified as the best site (opposite East Cessnock Public School) that should be investigated further to availability/could it be donated etc.
- Did not support Mount View Road site due to poor traffic access and no visual impact with passing traffic. Site also has flooding issues.
- Baddeley Park is also away from passing traffic and can be very congested when events are held.
- TAFE site might be an option but cost to demolish buildings and congestion of local traffic at peak times is a concern for this site.
- Future population increases in Huntlee need to be recognised in site selection review.
- CPUG wish to be involved in all stages of the project and M King advised that he would contact client representative and then advise CPUG if the draft report was going to be put out for community review and feedback.
- CPUG also indicated that the local Federal and State politicians were supportive of a new indoor aquatic facility and were both active users of the Cessnock Pool.

3.3.2.4 Swimming Clubs

A meeting with local swimming clubs (Coalfields, Masters and Cessnock) was held on 26 November 2015. Key points raised included:

- Lane availability.
- Impact of carnivals on pool availability.
- Community profile – shift workers requires consideration of operating hours.
- Recommended facilities;
 - 51.5m 10 lane indoor pool with a boom.
 - Learn to swim pool.
 - Community support and need for 'regional' facilities.
 - Suggested Peninsula Aquatic Centre (Gosford) as a good model.
- Suggested potential sites;
 - 'Coal & Allied land opposite East Cessnock Public School.
 - Cessnock Showground.
 - Cessnock TAFE.
 - East End Oval.

3.4 Aquatic Leisure Facility Trends

Key trends that SGL and SLG have noted over their respective 25 years working in the aquatic industry have been documented in this section.

The aquatic's industry lacks large scale independent academic research on user preferences for facilities and catchment zones but the companies 25 years work experience covering more than 1,400

projects in association with company market research results on people's participation trends indicate the following industry trends that may impact on the project.

1. Changing Aquatic Facilities is an Emotive Issue

Organised formal groups (specialist users of pools) may dominate consultation processes whilst the general resident/casual and recreation user (highest user of pools) can remain unheard. In many cases when a Council is faced with developing a new facility or redeveloping an aged aquatic facility the debate about the right components for the community it is to serve may at times be dominated by:

- The priority for long course competition, lap swimming and training facilities (50m or 25m lap pools) sometimes at the expense of not including or building multi-use high use viable water areas as well.
- The need for deep water to meet specialist sport needs which increases operating costs and also restrictions as to who can use the water. Selection of these areas must be made with financial and user impacts clearly highlighted.
- Lack of a co-coordinated strategy for other existing pools in the project area and user catchment zones so there is not duplication of the same thing in the same catchment zone.
- Lack of knowledge on local competitor facilities and user markets of why and how people use pools. Participation trends show only a small market for lap swimming, whilst a large proportion of people use the facilities for recreation, fun, enjoyment, socialisation, education and therapy.
- The development of limited water areas that have a range of differing water depths and temperatures.
- Not ensuring all user markets is a priority so that a mix of water areas becomes an essential part of a successful aquatic leisure centre design brief.

2. Trends Impacting on Design, Components and User Attraction

Leisure trends impacting on aquatic leisure facilities design, facility components and user attraction are summarised in the following graphic and listed in detail below this:

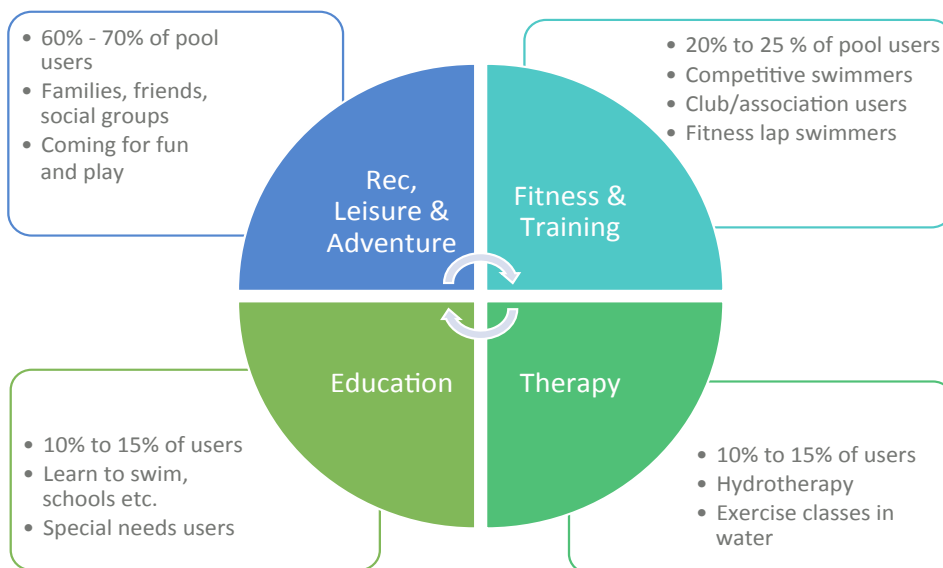


- ***A gradual ageing of the population.*** As life expectancy increases, birth rates stay low and the “baby boomers” of the 1950's and 1960's grow older. This is placing a new demand on providing programmed hotter water areas as well as pools suitable for therapy and older adult exercises. It also means it is essential to have a range of pools with different water depths and temperatures.
- ***Flexibility in the times when people recreate.*** As demands on people's time increases and work practices change people are seeking to take their recreation at different times, over a broad spread of hours and at facilities that offer a lot of activities under the one roof. Indoor pools and health and fitness facilities are particularly attractive and getting easier to use as many are open 12 to 16 hours, 7 days a week.
- ***Increased variety in recreation and leisure options.*** People's leisure and recreation options are changing towards newer more varied activities offered over a greater range of timeframes compared to previous decades where limited variety in activities and scheduling occurred. This has supported the trend to more multi-use facilities to attract a broader range of users as well as multiple water areas to meet different needs at the one centre.
- ***Constraints to recreation and leisure participation.*** Lack of time, lack of facilities close by, family and work constraints, health problems and cost of service or use of facilities are the main constraints to many people's recreation and leisure participation. The development of targeted markets of users, programs and services at aquatic and health and fitness centres has assisted in reducing some of these participation constraints.
- ***Changing employment structures, trading and work hours.*** These trends often make participation in traditional sports difficult and therefore people are looking for facilities that are open longer hours and have a lot of activity options at the one site. This makes opportunities such as indoor pools attractive as their long opening hour's means usage can be made in a wide range of social, training, competition, educational settings.
- ***Different people want different activities.*** Differing population characteristics i.e. age, gender, cultural issues sees the need for facilities to offer potential users a much more varied range of programs and services than previously offered. All year round indoor aquatic facilities also provide the greatest diversity of activities throughout the different seasons impacted by an areas local weather.
- ***Provision of high standards and quality of facilities and services.*** People are looking for high standard, high quality facilities and services to meet their recreation and leisure needs. This has also seen the trend for indoor facilities becoming very popular as they allow activity in safe and secure spaces in all weather and environmental conditions.
- ***Desire for activities to be affordable.*** The development of multi-purpose aquatic leisure centres has enabled the high operating cost activity of aquatics (in many cases) to be cross subsidised by more profitable activity areas such as health and fitness, food and beverage and entertainment areas.
- ***Recognition of strong links between physical activity and health.*** Preventative health care and active lifestyles are very important to many people's aquatic and health and fitness activities are becoming a large part of people's activity choices.
- ***Expectations of equity and access.*** Today's society expects people with special needs to be catered for in public aquatic and leisure facilities. This has seen improved design features to increase accessibility to and within such facilities. Added to this is the growing array of programs and activities offered to people of all different abilities, physical condition and skill levels.

3. Successful Contemporary Aquatic Facility Model

The main aquatic facility trends that can impact on selection of high use activity components are detailed in the following graphic on the next page.

Maximum Aquatic Facility User Attraction Subject to Demographic Profile



4. Aquatic Facility User Market Trends

Traditionally many local authority aquatic leisure facilities were built for specialist or limited market users (i.e. competitive swimmers/high level sport participants).

The majority of aquatic facility market research indicates future complexes must equally cater for four distinct aquatic user markets being:

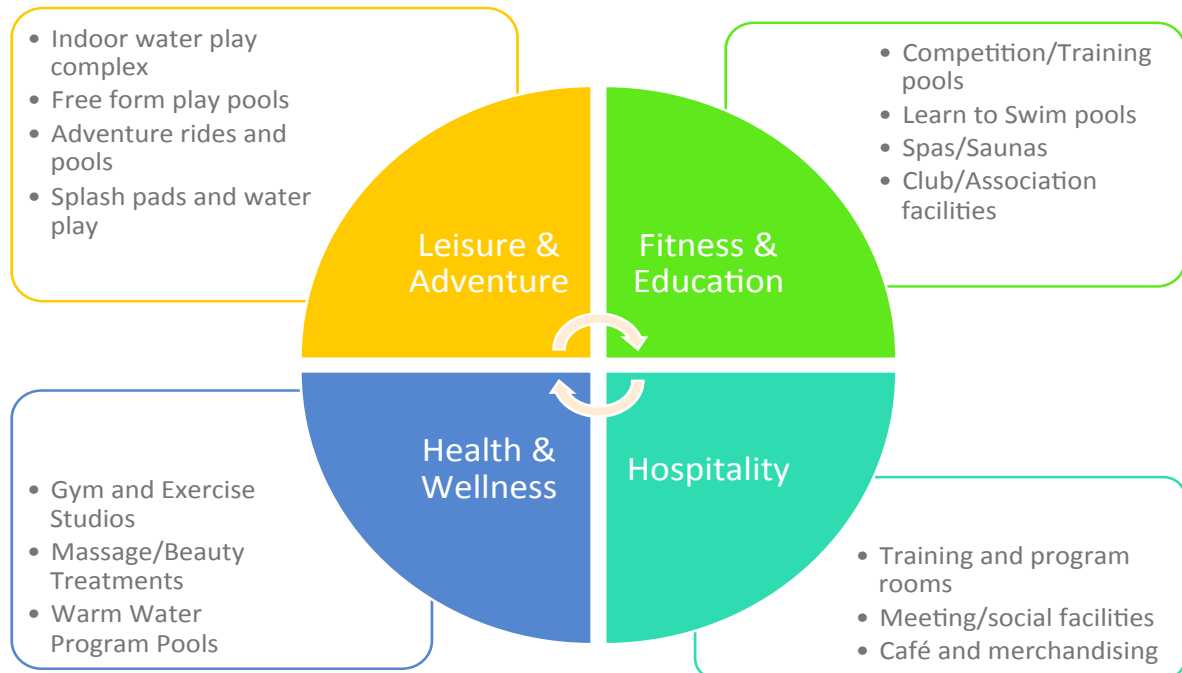
- **Recreation and Leisure Market** - usually made up of families, people coming with friends and groups for fun, relaxation, social activity and low level competition/participation.
- **Competitive/Training/Fitness Market** - usually made up of people predominantly attending facilities alone for structured fitness or competition activities.
- **Education Market** - usually made up of children and adults wishing to increase water safety and survival skills. Includes Learn to swim classes, school and club use and individuals improving their skills and techniques. They require hot water pools and water depths with some straight edges and water access.
- **Health and Therapy Market** - usually made up of children, adults and older adults wanting to relax or exercise in hot water. This market also includes specialist health condition groups such as arthritis, asthma sufferers, etc. They require hot water pools and associated health relaxation areas, i.e. Spa/saunas, etc.

Industry benchmarking indicates that the **recreation and leisure market** will be the largest as it contains people of all ages, ability, types, interest and gender.

The **competitive/ training/fitness market** is a more specialist market as it usually contains younger, fitter and more active people who have made time to train and compete.

In many cases 60% to 70% of facility users come from the **recreation/leisure sector** with only 20% to 30% coming from the competitive/training/fitness markets.

Successful Facilities Key Components to Meet Main User Market



The **health/therapy and education** markets can range from 10% to 20% subject to the age and health profile of the community in which the facility is located.

The most successful centres attract people across all user markets and should be set up to allow people to participate in a range of activities at the one site.

The further addition of health/fitness and wellness facilities, spas and saunas/social areas have been very successful at many aquatic facilities, as they add to the user experience and contribute to people being attracted to attend these facilities more often.

A review of the various successful centres' business indicates that these centres record:

- High visits per square metre.
- High expense recovery ability including capital repayment.
- High operating profits per visit.
- Excellent program range returns and attendances.
- High secondary spend (food/beverage/merchandise) returns.
- Excellent range of attendance types (adult/child ratio).
- Draws users from a large catchment area.
- High revenue returns from commercial activities such as health and fitness and wellness.

To ensure financial viability and high user markets across all age, gender and cultural grouping markets future facility development must be designed with the above business aims in mind. This support usually recommends activity area components that can:

- Provide a mix of shallow leisure/recreation water with programmable water areas.

- Provide high revenue generating complementary service areas such as spas, saunas, and food and beverage services.
- Are located in a high traffic/visitation area.
- Are located as part of other leisure facility component development.
- Located at high use locations close to shopping centres or schools or main transport access.

Traditionally, commercial investment in aquatic facilities has been in specialist pools such as learn-to-swim or as additions to health and fitness clubs.

This has left major aquatic facility development to local government as the major provider.

The high capital cost and limited financial returns have contributed to this situation so it is also essential that commercial high revenue generating activities are linked to high cost aquatic facilities.

3.5 Review of Aquatic Facilities in the Region

As noted in the section above, key components of a successful centre will include 'leisure and adventure', 'fitness & education', 'health & wellness' and 'hospitality'. To help with looking at what facilities are available in the region SGL completed a review of known aquatic and health and fitness facilities.

3.5.1 Aquatic Facilities

Indoor Aquatic facilities located in the region include a privately owned learn to swim centres in Pelaw Main (Pelaw Main Heated Pool) and Rutherford (Just Like Fish Swim School) and local government run facilities at Maitland and Singleton (see details below).

These are in addition to the facilities provided by Council at Kurri Kurri and outdoor facilities at Cessnock and Branxton that are summarised in section 2.4 of this report. All facilities are shown on the figure below.

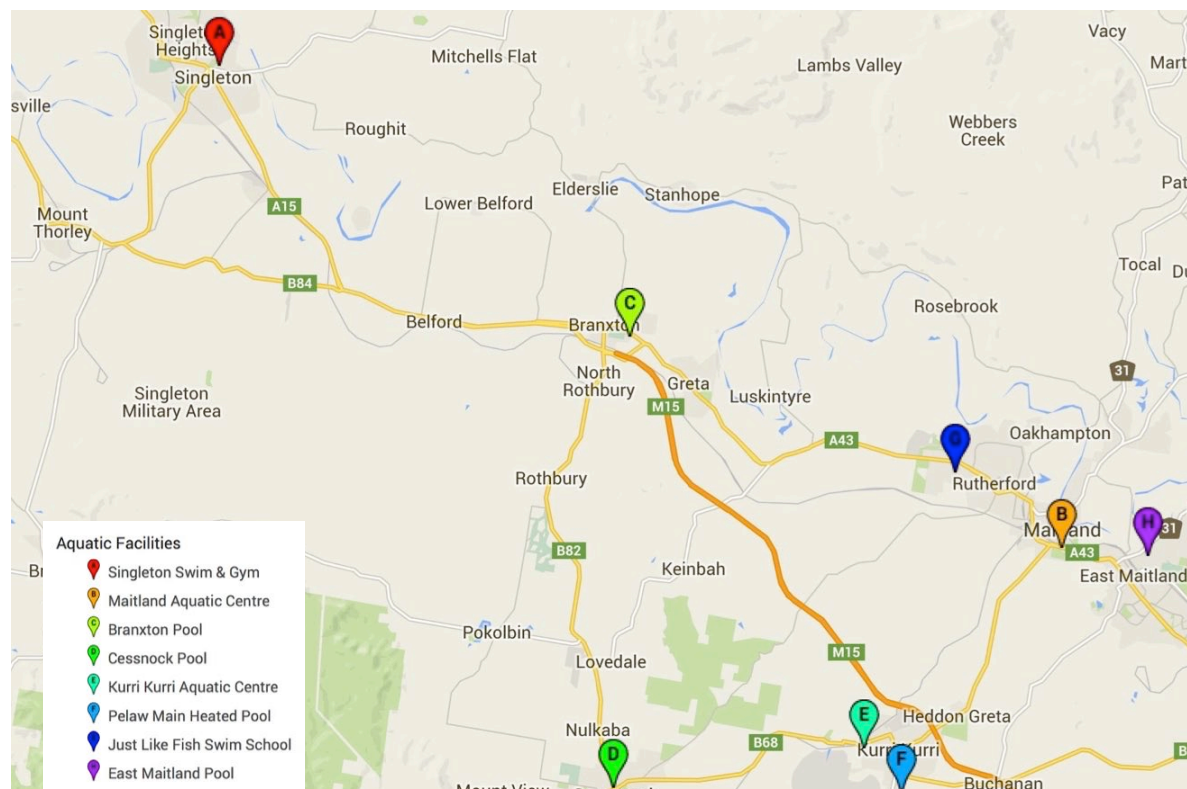


Figure 15 – Existing Aquatic Facilities

1. Maitland

Maitland City Council operates two seasonal outdoor swimming facilities including the Maitland Swimming Centre (opened 1940) and East Maitland Swimming Centre (opened 1977). Council completed an aquatic facility development strategy in 2010 that identified the need for a major indoor aquatic leisure centre in the Maitland City main urban population area as well as maintain East Maitland as a local/district swimming facility.

The Maitland Aquatic Facility Development and Provision Strategy (completed by SGL) noted the strategy needed to plan for a 70,000 plus population and recommended that the Maitland Aquatic Centre be developed into a major new indoor/outdoor aquatic leisure and indoor sports centre servicing city wide needs.

A master plan for the future development of Maitland Aquatic Centre included the scope for the upgrade and maintenance of the existing outdoor 50 metre competition pool and associated spectator facilities, improvements to amenities, and a new indoor 25 metre competition pool.

The master plan was then split into a staged priority plan linked to a funding strategy, with the first stage including the construction of outdoor water play area and updated change and amenities. A new indoor 25 metre pool at a cost of \$7M was stage two and this is now under construction and due to open in 2016/17.

Council is also currently operating an EOI for possible contracted management of the Maitland Council Aquatic Facilities.

2. Singleton

Originally built in 1983, the Singleton Gym and Swim Centre has been extended over time and comprises:

- Outdoor 50 metre pool.
- Outdoor leisure pool.
- Heated indoor 25 metre pool, wading pool, spa, sauna.
- Gym and group fitness room.

A number of improvements are currently being undertaken at the centre at an estimated cost of \$6 million with funding of \$5.7 million allocated from the Hunter Infrastructure and Investment Fund.

The main features of the planned upgrade include:

- Gym expansion (350m²).
- Warm water program pool with leisure water.
- New spa and steam room.
- Creche, entry and administration.
- Other structural and architectural changes.

3.5.2 Health and Fitness Facilities

Health and fitness facilities located in Cessnock and Kurri Kurri have been identified and are shown in the table and map on the next page.

Table 3.9 Health and Fitness Facilities

Name	Address	Notes
Liv for Wellbeing	19 Wine Country Dr, Cessnock NSW 2325	Health Club
Snap Fitness Cessnock	2 North Ave, Cessnock NSW 2325	24 hour gym
Total Fitness	21 Cessnock Street, Cessnock NSW 2325	Group fitness/ programs only
Anytime Fitness Cessnock	205 Wollombi Rd, Cessnock NSW 2325	24 hour gym
Genesis Fitness	265 Vincent St, Cessnock NSW 2325	Full service gym
Body & Mind 2000	134 Wine Country Dr, Nulkaba NSW 2325	Personal trainer
Kurri Kurri Aquatic Centre	Boundary Street, Boundary St, Kurri Kurri, NSW 2327	Small gym area
iGym Kurri Kurri	108 Mitchell Ave, Kurri Kurri NSW 2320	Personal trainers
Anytime Fitness Kurri Kurri	110 Lang Street, Kurri Kurri NSW 2327	24 hour gym
Faith In Training	55 Armidale St, Abermain NSW 2326	Personal trainers

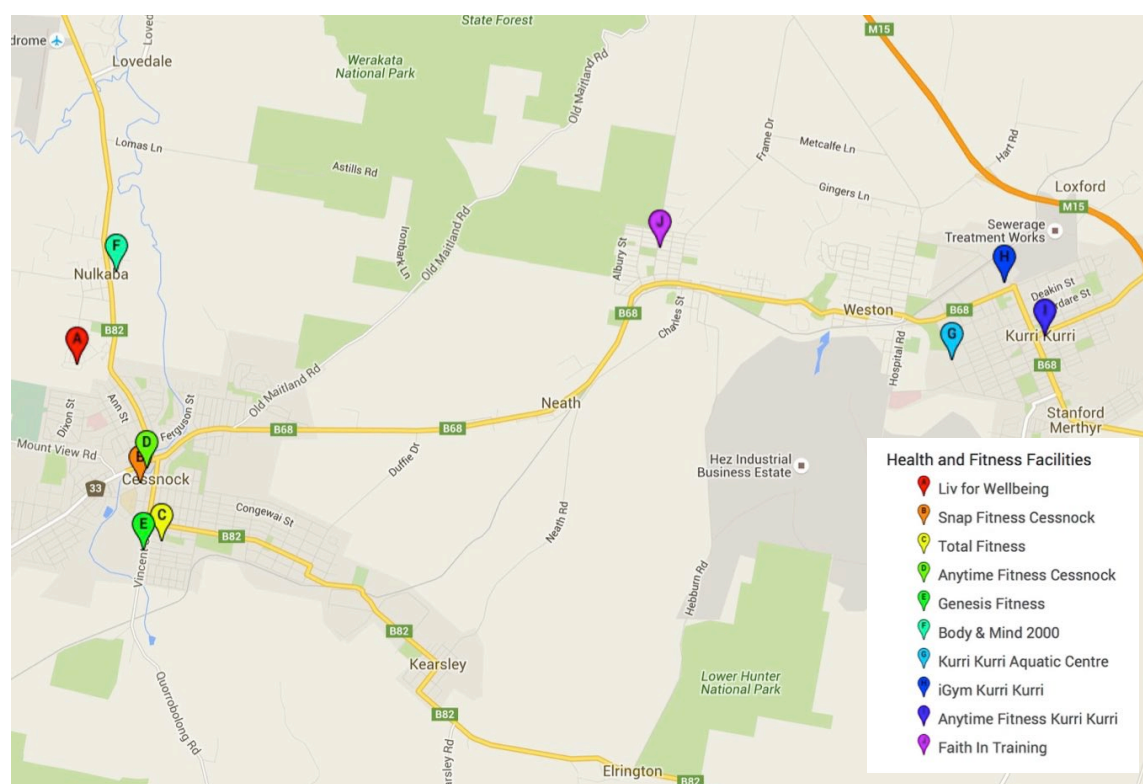


Figure 16 - Health and Fitness Facilities

Of all of the facilities provided there is only one large, 'full service' health and fitness centre located in Cessnock (Genesis Fitness). This facility offers a diverse range of facilities and service in one location including weights/gym, group fitness, personal trainers, cardio, sauna and child care.

There are also three 24 hour gyms, three personal trainers and a number of other niche facilities.

3.6 Key Points and Implications

From the information reviewed above, the following are key points and possible implications for the planning of an aquatic centre.

Future Development and Growth

A number of significant existing and future residential development areas have been identified within the primary catchment area of a potential aquatic centre.

The population of the primary catchment area for a potential aquatic centre could increase to between 28,720 and 40,263 by 2031.

Potential population growth will place pressure on existing facilities. New/upgraded facilities will need to be accessible to new populations.

Demand and Consultation

Community feedback has revealed that the main perceived issues with the existing pool are:

- 'Opening season – not long enough and not year round'.
- 'Parking – lack of parking and unsafe parking for families'.
- 'Heating/ Indoor Pool – not heated, cold, no indoor pool, no hydrotherapy or spa pool'.
- 'Age and condition – old, run down, tired'.

Community feedback and consultation with key users has identified demand as follows:

- Major redevelopment by way of a new aquatic centre or extensive upgrades to the existing facilities, for example:
 - Year round aquatic facilities/ centre (e.g. indoor heated 51metre pool with boom, outdoor 25 metre heated pool, hydrotherapy pool, spa, sauna, children's recreation area, leisure water, gym, kiosk, picnic and bbq facilities, adequate car parking).
 - Upgrade or improvements to existing facilities (e.g. cover over the 50 metre pool, year round heating, new 25 metre indoor pool, hydrotherapy pool, grassed areas, major amenities upgrade, leisure/ recreation water components).

Aquatic Leisure Facility Trends

Industry trends identify activity area components that can:

- Provide a mix of shallow leisure/recreation water with programmable water areas.
- Provide high revenue generating complementary service areas such as spas, saunas, and food and beverage services.
- Are located in a high traffic/visitation area.
- Are located as part of other leisure facility component development.
- Located at high use locations close to shopping centres or schools or main transport access.

Existing Supply of Facilities

Of existing aquatic facilities, the most relevant impact/interrelationships will be related to KKAFC and any proposed centre in Cessnock.

Of the existing health and fitness facilities, there is only one 'full service' facility located in Cessnock.



4 Facility Development Options

4.1 Introduction

This section summarises the studies key findings to date and uses these findings to assist in completing comparison and analysis of the three facility options reflecting the low, medium and high levels of embellishment.

This section also includes the facility option component confirmation process, SGL then uses the indicative areas of each option to help complete a future facility site review. This has been completed using SGL's proven successful aquatic leisure centre site selection criteria to help identify the best site to develop any proposed new aquatic facility (once Councils priority facility option is determined).

Graphite Architects have then used the component briefs and developed recommended site schematic plans for the three facility options and Townsend Turner Quantity Surveyors have then developed indicative capital cost plans.

4.2 Key Findings Summary

The following is a summary of key study findings which now inform the three concepts and associated design and business assumptions.

1. Demographics

- Cessnock has population growth of approximately 1.5% per annum.
- Compared to the Regional NSW average, Cessnock has a higher proportion of people aged in all service age categories from 0 to 49 and a higher proportion of households with children
 - Traditionally, younger people are higher users of aquatic facilities. There may be high demand for leisure water/ adventure water and learn-to-swim opportunities given high proportions of children and young people.
 - The 10-19 year old cohort will seek access to leisure and social activities as well as opportunities for skill development and aquatic training activities
- The largest change in 'service age group' between 2006 and 2011 was 'empty nesters'
 - This will continue as the largest 'service age group' (35-49) gradually ages and increases the proportion of service age groups over 50
 - An aging population will likely have a demand for access to heated pool for warm water therapy or aquatic programs
- Unemployment rates have increased since 2011 and key employment sectors include Accommodation and Food Services, Retail Trade, Manufacturing and Health Care & Social Assistance.

2. Planning

- In regional planning for the Lower Hunter, Cessnock has been identified as a regional and/or strategic centre
- The project area and surrounding regional population has a large number of urban release and future residential areas

- An aquatic centre in Cessnock has been identified in the 2013-2017 Delivery Program as a major capital works priority and recommended components have been recommended and supported by Council through the Aquatic Needs Analysis (2014).

3. Current Aquatic Facility Operations

- The performance of the Cessnock Pool continues to decline and is well behind a number of industry benchmarks.
- Visitation is highly dependent on group/carnivals and weather conditions. This results in fluctuations on a seasonal basis
 - This is likely to be because facilities and services have not been able to keep pace with contemporary demands.
- Although limited in some facility areas, KKAFC performs significantly better than Cessnock Pool and provides some insight as to the opportunity for developing an aquatic centre in Cessnock. It also needs to be considered that KKAFC and any proposed facility in Cessnock will need to be complimentary as far as possible rather than directly competing with each other.

4. Future Development and Growth

- A number of significant existing and future residential development areas have been identified within the primary catchment area of a potential aquatic centre.
- The population of the primary catchment area for a potential aquatic centre could increase to between 28,720 and 40,263.
 - Potential population growth will place pressure on existing facilities. New/upgraded facilities will need to be accessible to new populations

5. Demand and Consultation

- Community feedback has revealed that the main perceived issues with the existing pool are:
 - 'Opening season – not long enough and not year round'
 - 'Parking – lack of parking and unsafe parking for families'
 - 'Heating/ Indoor Pool – not heated, cold, no indoor pool, no hydrotherapy or spa pool'
 - 'Age and condition – old, run down, tired'
- Community feedback and consultation with key users has identified demand as follows:
 - Major redevelopment by way of a new aquatic centre or extensive upgrades to the existing facilities, for example:
 - Year round aquatic facilities/ centre (e.g. indoor heated 51 metre pool with boom, outdoor 25 metre heated pool, hydrotherapy pool, spa, sauna, children's recreation area, leisure water, gym, kiosk, picnic and BBQ facilities, adequate car parking)
 - Upgrade or improvements to existing facilities (e.g. cover over the 50 metre pool, year round heating, new 25 metre indoor pool, hydrotherapy pool, grassed areas, major amenities upgrade, leisure/ recreation water components)

6. Aquatic Leisure Facility Trends

- Industry trends identify activity area components that can:
 - Provide a mix of shallow leisure/recreation water with programmable water areas.
 - Provide high revenue generating complementary service areas such as spas, saunas, and food and beverage services.
 - Are located in a high traffic/visitation area.
 - Are located as part of other leisure facility component development.

- Located at high use locations close to shopping centres or schools or main transport access.
- Industry trends indicate due to high capital and operating costs of indoor aquatic 50 metre swimming pools that the project area will require a population of more than 100,000 people to provide for a sustainable facility model.

7. Existing Supply of Facilities

- Of existing aquatic facilities, the most relevant impact/interrelationships will be related to KKAFC and any proposed centre in Cessnock.
- Of the existing health and fitness facilities, there is only one 'full service' facility located in Cessnock.

4.3 Facility Options and Component Briefs

As a result of the 2014 *Aquatic Needs Analysis*, a basic scope of facilities/components for a new aquatic centre in Cessnock was identified (see section 4.3.1 below).

However, when council reviewed the final report, a higher level of embellishment was adopted as the preferred option (see section 4.3.3).

As a part of this project, SGL were asked to develop these options into component areas and from these component lists develop a low and high embellishment concept design and operating models.

These two models were then to be compared with a 'medium' level embellishment that was to be developed by SGL based on industry knowledge, successful operating case studies and facilities size matched to likely current and future population catchments and consultation and research findings.

The three concept options that have now been developed include:

- Option 1: 'Low Embellishment' (as per the recommendations of the 2014 Aquatic Needs Analysis).
- Option 2: 'Medium Embellishment' (developed by SGL based on studies findings and successful facility models in similar population areas).
- Option 3: 'High Embellishment' (as adopted by Council in September 2014).

These are summarised in the flowing sections.

4.3.1 Option One: Low Embellishment Components

The Option One – 'Low Embellishment' is based on the recommended option from the 2014 *Aquatic Needs Analysis Report* and incorporates:

- 51 metre x eight (8) lane outdoor pool with access ramp
 - Permanent shaded seating for 400 adjacent to the 50 metre pool to cater for swim carnival. On the infrequent occasions when larger spectator numbers are in attendance, temporary seating can be positioned on the opposite side of the pool
 - The 50 metre pool would be closed in the winter but heated in the shoulder season months.
- Heated indoor 25m x (up to) 8 lane pool (open year round). If capital cost is a constraint the 25m pool could be scaled back to 6 lanes
- Indoor warm water therapy/program pool with separate leisure/water play area (approximately 300m²)
- Café/kiosk/administration/retail area
- Health & fitness/wellness area (approximately 300m² with potential for subsequent expansion to 500m²)

- Swim club meeting room
- Outdoor grassed area with shade and land based play area
- Car park

4.3.2 Option Two: Medium Embellishment Component Brief

Option Two: Medium Embellishment' components have been developed up by SGL and is listed in the table on the following pages.

Table 4.1 Option Two: Medium Embellishment Components

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	AREA SCHEDULES
Indoor Aquatic Facilities	Main indoor competition 25 metre Pool with 10 lanes (25m wide)	<ul style="list-style-type: none"> • Education • Competition • Health and fitness • Events • Training • Programs 	<ul style="list-style-type: none"> • Adjacent to spectator areas. • Deep pool areas located away from shallow water pools. • 25m pool needs to be isolated from other pools during competition use (noise factor). 	<ul style="list-style-type: none"> • Pool – 25m x 25m • Wet Deck – 0.5m around pool edge • Concourse – 3.5m sides, 4.0m ends • Water depth 14m to 2m
	Warm water program pool	<ul style="list-style-type: none"> • Aquatic programs • Water exercise 	<ul style="list-style-type: none"> • Provide new program pool • Pool to be part of pool hall with capacity to be closed off. 	<ul style="list-style-type: none"> • Warm water program pool 15m x 10m (1m to 1.6m deep) • Ramp access (1.5m wide) • Concourse average 3m around pool area
	LTS Pool with free form leisure water area connected	<ul style="list-style-type: none"> • Learn to swim • Water familiarization 	<ul style="list-style-type: none"> • Provide children's activity areas beach entry through to 1m deep. • LTS 600mm to 1m • Toddlers pool access to deeper water restricted by clear vision barrier – can only access deeper water by concourse to beach entry. 	<ul style="list-style-type: none"> • Free form leisure water with beach entry 250m² • LTS Pool 10m x 10m • Toddlers Pool 60m² • Wet deck 0.5m • Concourse average 3m
	Water slide	<ul style="list-style-type: none"> • All customers • Younger people 	<ul style="list-style-type: none"> • Development of a single water slide attractor potential second stage • Internal flume to exit ride • Slide and tower external to the building 	<ul style="list-style-type: none"> • 100m² for flume drop off area in pool hall. • Tower footplate to be designed but say 8m x 10m =80m²
	Spa/Saunas	<ul style="list-style-type: none"> • Older adults • Social • Therapy • Sports recovery • Non-organised leisure 	<ul style="list-style-type: none"> • Provide hot water pool, steam room and dry sauna for social / relaxation and therapy • Capacity for approx. 16 people • Close to change facilities • Zone away from children's areas (planter areas) • Spa saunas close to or linked to warm water program pool. 	<ul style="list-style-type: none"> • Spa – 35m² • Sauna – 20m² dry • Sauna – 20m² steam
	Filtration plant and storage	<ul style="list-style-type: none"> • New filtration plant room for program pool and water slide including storage. 	<ul style="list-style-type: none"> • To service new water space 	<ul style="list-style-type: none"> • Plant room 300m² • Storage room 25m²
Subtotal Indoor Aquatic Hall				

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	AREA SCHEDULES
Outdoor Aquatic Area	Outdoor aquatic play area	<ul style="list-style-type: none"> Leisure activities Social groups Entertainment Infants Families 	<ul style="list-style-type: none"> Develop outdoor aquatic splash pad 	
Outdoor 50m Pool	51m 8 lane pool with moveable boom	<ul style="list-style-type: none"> Swimming Club Leisure activities Social groups Entertainment 		<ul style="list-style-type: none"> Pool – 21m x 51.5m Wet Deck – 0.5m around pool edge Concourse – 3.5m sides, 4.0m ends Water depth 1.4m to 2.0m
Plant	Plant Room			
Subtotal Outdoor Aquatic Area				
Health and Fitness	Gymnasium weights room	<ul style="list-style-type: none"> Health and fitness Therapy Competition / clubs Health and fitness Social groups 	<ul style="list-style-type: none"> Develop new gym/fitness area incorporating weights, cardio equipment and circuit area 	<ul style="list-style-type: none"> Gymnasium area 700m² Office 8m² Assessment office 8m² Accessible amenity 8m² Storage 10m²
	Group Fitness	<ul style="list-style-type: none"> Health and fitness Therapy Competition / clubs Industry training Social group Events/social 	<ul style="list-style-type: none"> Provide multi-use timber floor area suitable for classes and functions. 	<ul style="list-style-type: none"> Program rooms: 1x 200m² group fitness room 1x 150m² group fitness room 1x 100m² dedicated spinning room Storage 40m² Allow for future expansion as part of design.
Subtotal Dry Facilities				
Front House Areas	Foyer / Reception / Merchandising redevelopment	<ul style="list-style-type: none"> All customers 	<ul style="list-style-type: none"> Provide welcoming entry area that allows users to relax and socialise before entering central areas. Introduce electronic member's entry systems to reduce overcrowding at reception. Provide controlled access to aquatic and health and fitness areas. Provide area with foyer for merchandise. 	<ul style="list-style-type: none"> Foyer – 70m² Reception – 30m² Merchandising – 50m² Store – 20m²
	Food and beverage	<ul style="list-style-type: none"> All customers 	<ul style="list-style-type: none"> Provide food and beverage area to improve secondary spend opportunities and provide internal/external access 	<ul style="list-style-type: none"> Dry lounge – 70m² Café serveries – 30m² Kitchen – 40m² Store – 30m² Other – 10m²
	Offices / Administration / Staff Rooms	<ul style="list-style-type: none"> Staff 	<ul style="list-style-type: none"> Provide areas for staff and administration. 	<ul style="list-style-type: none"> Offices x 4 – 70m² Work area – 40m² Storage – 40m² Staff room – 40m² Staff amenities – 20m²
Subtotal Front of House				

ACTIVITY AREA	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	AREA SCHEDULES
Amenities	Main Pool Hall / Change rooms and Amenities	<ul style="list-style-type: none"> Aquatics hall users 	<ul style="list-style-type: none"> Provide modern amenities easily maintained 	<ul style="list-style-type: none"> Male – 100m² Female – 100m² Service areas – 20m²
	School/Event Change Rooms	<ul style="list-style-type: none"> Schools Event Users Swim Club 	<ul style="list-style-type: none"> Provide separate group change areas 1 x male, 1 x female 	<ul style="list-style-type: none"> 2 x Group change – 50m² + 50m² = 100m²
	Program Change Pool	<ul style="list-style-type: none"> Program Pool users 	<ul style="list-style-type: none"> Provide separate change for Program Pool users. 	<ul style="list-style-type: none"> Male Program Pool change – 40m² Female Program Pool change – 40m²
	Dry Change Rooms and Amenities	<ul style="list-style-type: none"> Health and fitness users Meeting room users Café users 	<ul style="list-style-type: none"> Provide modern amenities easily maintained 	<ul style="list-style-type: none"> Male – 60m² Female – 60m² Service areas – 20m²
	Family Change	<ul style="list-style-type: none"> Families People with disabilities Older adults Special needs 	<ul style="list-style-type: none"> Provide range of family/disabled cubicles 	<ul style="list-style-type: none"> 4 cubicles @ 15m²
Other	Outdoor seating areas	<ul style="list-style-type: none"> All customers 	<ul style="list-style-type: none"> Provide outdoor seating areas at the front of the building servicing the kiosk and café. Provide outdoor seating areas adjacent to the waterslide. 	<ul style="list-style-type: none"> Provide an allowance
	General Circulation Allowance	<ul style="list-style-type: none"> All customers 	<ul style="list-style-type: none"> Includes circulation and foyer for dry programing area. 	<ul style="list-style-type: none"> Provide an allowance
Car Parking create new car parking area to suit facility needs – minimum 200 parking bays				

4.3.3 Option Three: High Embellishment Components

The Option Three 'High Embellishment' has been based on Council's resolution in relation to the components to be included as follows:

- 51 metre x ten (10) lane indoor pool with access ramp.
- Heated indoor 25m x (up to) 8 lane pool (open year round).
- Indoor warm water therapy/program pool
- Leisure water/water play area incorporating splash pad.
- Hydrotherapy pool.
- Café/kiosk/administration/retail area
- Health & fitness/wellness area
- Swim club meeting room
- Outdoor grassed area with shade, barbeques and land based play area
- Car park
- Bulk Head
- Spa, sauna and steam room
- Crèche
- Children's play and party room

4.4 Facility Option Site Take Up Areas

Each of the facility option component briefs have been developed into an area schedule to guide design development and to also enable a comparison between each option.

The activity and component areas comparison is presented in the following table on the next page and shows an indicative site development footprint for each option as follows:

- Option One – preliminary site footprint 11,525m²
- Option Two – preliminary site footprint 19,473m²
- Option Three – preliminary site footprint 20,269m²

2	Room / Activity area	description	Area – Option 1	Area – Option 2	Area – Option 3
3					
4	INDOOR AQUATIC HALL				
5	Main indoor competition 25 Metre Pool	8 lane pool	1,200		1,200
6	Main indoor competition 25 Metre Pool	10 lane pool – 25m x 25m, Wet Deck – 0.5m around pool edge, Concourse – 3.5m sides, 4.0m ends, Water depth 1.4m to 2m (34m x 33m)		1,300	
7	Main indoor competition 51 Metre Pool	10 lane pool with bulkhead			2,118
8	Indoor seating area		110	110	335
9	Warm water program pool	Warm water program pool 15m x 10m (1m to 1.6m deep) Ramp access (1.5m wide) Concourse average 3m around pool area (15.5m x 21m) spa 35msq	400	400	400
10	LTS with free form leisure water connected	Learn to Swim		100	100
11		Free form leisure water with beach entry	250	250	250
12		toddlers pool		60	60
13		concourse 3m on all sides	250	250	250
14	Water slide flume	drop off area in pool hall.		100	100
15	Water slide tower	8m x 10m		80	80
16	Sauna (Dry)			20	20
17	Sauna (Steam)			20	20
18	Plant Room		315	315	315
19	Storage		80	80	80
20	Swim Club Meeting Room		40	40	40
21	Sub Total	indoor aquatic hall	2,645	3,125	5,368
22					
23	OUTDOOR AQUATIC AREA				
24	Main outdoor competition 51 Metre Pool	8 lane pool with bulkhead	1,895	1,895	
25	Covered Seating area		225	225	
26	outdoor aquatic area with splash pad	play area for social groups, infants, families		480	480
27	Water Slide Safety Area			1585	1585
28	Creche Outdoor Play Space				160
29	Barbeques/ shade structures and land based play area			2,325	2,325
30	Sub Total	outdoor aquatic area	2,120	6,510	4,550
31					
32	HEALTH AND FITNESS				
33	Gymnasium / weights room			800	800
34	Office, assessment and accessible amenity			34	34
35	Group Fitness - Programme Rooms		300	450	450
36	Storage			40	40
37	Sub Total	health and fitness	300	1,324	1,324
38					
39	FRONT OF HOUSE AREAS				
40	Foyer / Reception / Merchandising:				
41	foyer		70	70	70
42	reception		30	30	30
43	Merchandising		50	50	50
44	Store		20	20	20
45	Food and beverage:				
46	Dry lounge		110	110	110
47	wet lounge		75	75	75
48	Cafe Access Amenity		5	5	5
49	Café serveries		30	30	30
50	Kitchen		40	40	40
51	Store		30	30	30
52	Other		10	10	10
53	Offices / Administration / Staff Rooms:				
54	Offices x 4		70	70	70
55	Work area		40	40	40
56	Storage		40	40	40
57	Staff room		40	40	40
58	Staff amenities		20	20	20
59	First Aid		15	15	15
60	Creche				154
61	Childrens play and party room			50	50
62	Sub Total	front of house areas	695	745	899
63					
64	AMENITIES				
65	Main Pool Hall / Change rooms and Amenities	including accessible amenities	245	245	245
66	School/Event Change Rooms		105	105	105
67	Program Pool Change		85	85	85
68	Dry Change Rooms and Amenities	fitness		140	140
69	Family Change		50	50	50
70	Athletics Amenities			105	105
71	Fitness Amenities		10		
72	Sub Total	Amenities	495	730	730
73					
74	TOTAL (all internal areas excluding circulation)		4,135	5,924	8,321
75	Circulation allowance @ 15%		620	889	1,248
76	TOTAL (all internal areas including circulation)		4,755	6,813	9,569
77	OTHER AREAS				
78	Outdoor cafe seating areas		150	150	150
79	Carpark	approx additional 150 car spaces	4,500		
80		approx additional 200 car spaces		6000	6000
81		approx additional 250 car spaces			
82	Sub Total	Other Areas	4,650	6,150	6,150
83					
84	TOTAL SITE	total of all work areas included in scope	11,525	19,473	20,269

4.5 Future Aquatic Centre Development Site Assessment

This section outlines a site assessment process comparing the area schedules of the three aquatic facility options. This includes developing site criteria, identifying potential sites and assessing sites against the criteria to identified a preferred site.

4.5.1 Facility Site Selection Criteria

The following site selection criteria have been proven by SGL as the most important for the success of high use aquatic, leisure and recreation facilities (based on industry trends):

- Size of site for proposed development and car parking.
- Highly visible site or easily accessible from main roads.
- Suitable Topography to minimise development costs.
- Location to catchment population (most central site to where people live).

There are also 15 secondary site selection criteria that includes:

- Planning/Zoning
- Site Services Availability/Capacity
- Site Accessibility
- Land Ownership
- Cost to Purchase
- Impact on Current Users
- Neighbourhood Effects/Impacts
- Image/compatibility of Site
- Potential of Part Land Sale or Lease
- Commercial Potential of Site
- Future Facility Expansion Capacity
- Indicative Capital Cost of Development
- Place
- People
- Current Visitation levels

To help assess and compare each site we normally use a 0 to 10 point scoring system for each of the primary criterion 1 to 4 and a 0 to 5 point scoring system for each of the secondary criterion 5 to 19 as follows:

Table 4.2 Scoring System Used to Compare Sites

Score Category	Primary Criteria Score Range	Secondary Criteria Score Range
Best meets all criteria	9-10	5
Meets majority of criteria	7-8	4
Meets average number of the criteria	5-6	3
Partially meets criteria	3-4	2
Limited capacity to meet criteria	1-2	1
Does not meet criteria	0	0

The sites are therefore scored out of a possible 115 points.

Primary Selection Criteria (out of 10 points)

1. Size of the Site to Fit the Development

Is the site of sufficient size to enable the efficient development of the required facilities, space for future expansion and also land to cater for car parking.

2. Accessibility to Main Roads and Public Transport

Position of site and access to/from main freeways/roads and public transport.

3. Suitable Topography

The site should be relatively flat, have suitable stable soil conditions and be able to be protected from floods, high water table and not have a previous landfill or fill site history.

4. Location to Catchment Population

Central location to maximise use and how close it caters for the current and projected project area population (Primary and Secondary catchment zones).

Secondary Selection Criteria (Out of 5 points)

5. Planning/Zoning

Capability of site to meet all current and proposed planning requirements.

6. Site Services

Are services available on site or closely located to minimise cost and to ensure facility can be serviced?

- Electrical
- Water
- Gas
- Sewer
- Storm water

7. Site Access

Site Access and Traffic Impacts: Most site visitors (80% to 90%) will come by car so there needs to be adequate site access and provision of appropriate car parking, bus parking and group drop off and pick up.

8. Land Ownership

Land is owned or controlled by Council.

9. Cost to Purchase

Cost to either purchase or create the development on the site can be compared to determine the likely development impost at each site.

10. Impact on Current Users

Will the development impact or displace current site users?

11. Neighbourhood Effects

Identify any negative neighbourhood impacts likely to occur from the development in relation to surrounding neighbourhood i.e. noise, traffic, lighting and amenity.

12. Image/compatibility of Site

Does site image complement the proposed development? (i.e. visual aesthetics/environmental issues).

13. Potential of Part Land Sale or Lease

Does the site have extra area suitable for sale/lease to assist with development/funding opportunities?

14. Commercial Potential of Site

Is the site commercially attractive to other funding parties or commercial investors?

15. Future Facility Expansion Capability

Future Redevelopment and Facility Expansion Opportunities: Does the site have surrounding available land for future facility expansion?

16. Capital Cost of Development

Which site provides the project with the lowest development capital cost?

17. Place

Contributes to the productivity and sustainability of the local area through improved economy, community, diversity, connection and sustainability).

18. People

Contributes to the wide engagement of people together in one place through being walkable, safe, vibrant and welcoming.

19. Current Visitation levels

Current usage levels of the existing site facilities.

4.5.2 Site Locations

The sites identified on the following map have been identified for assessment in consultation with Council. An indicative site plan using an aerial photo of each site follows.

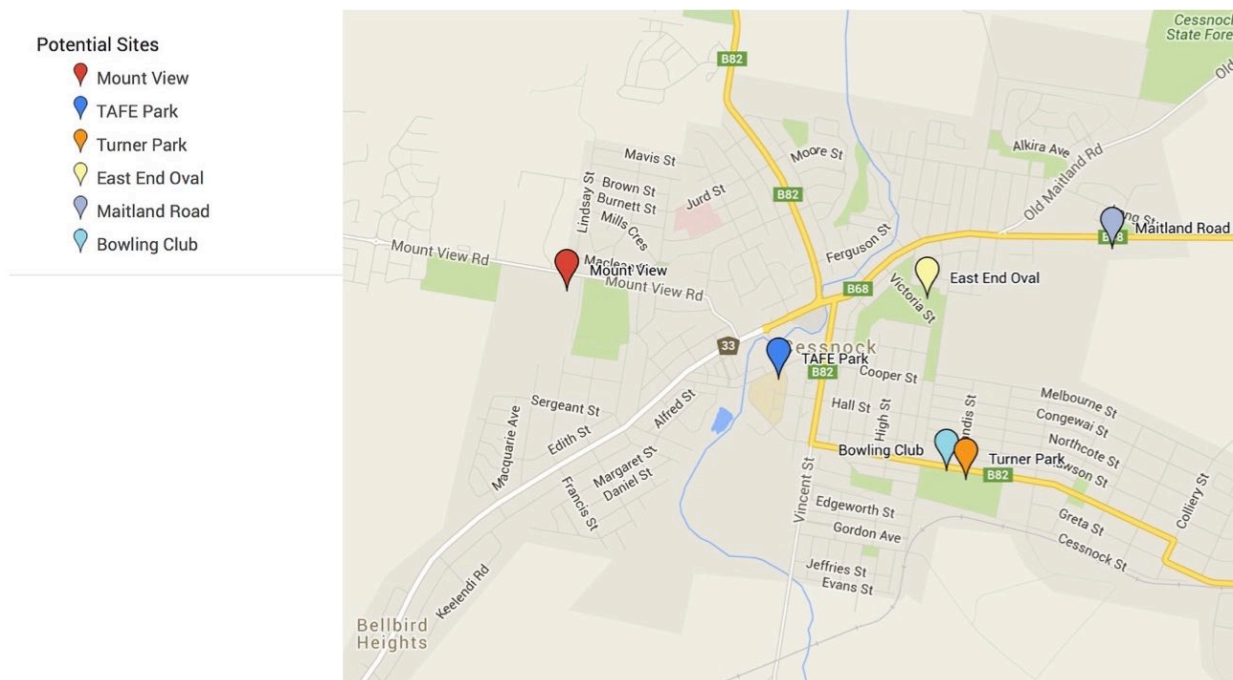


Figure 17 - Site Locations

Mount View



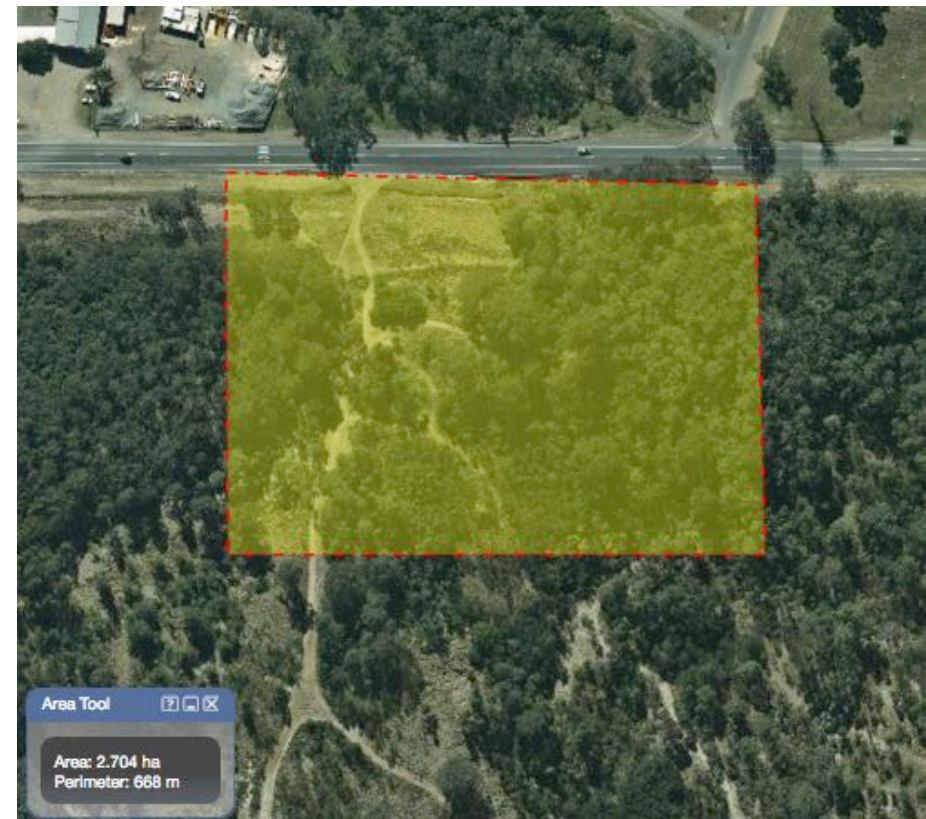
TAFE Park



East End Oval



Maitland Road



Bowling Club



Turner Park



4.5.3 Site Assessment and Comparison Model

The following table provides a summary of the assessment matrix that can be used to compare each site against the 19 site assessment criteria.

CRITERIA	Total Rating Points	Mount View	TAFE Park	East End Oval	Maitland Road	Bowling Club	Turner Park
1. Size of site to fit development	10	10	5	10	10	5	10
2. Accessibility to Main Roads/Public Transport	10	7	9	7	7	9	9
3. Site Topography	10	9	9	9	6	9	9
4. Location to Catchment Population	10	7	9	7	7	9	9
5. Planning/Zoning	5	2	4	5	4	4	5
6. Access to Site Services: Electrical, Water, Gas, Sewer and Storm water	5	4	4	4	2	4	4
7. Site Access and Traffic impacts	5	2	3	3	3	2	4
8. Land ownership controlled by Council	5	2	2	5	2	2	5
9. Cost to purchase	5	2	2	5	2	2	5
10. Impact on Current Users	5	4	3	2	4	4	1
11. Neighbourhood Effects	5	3	4	3	4	4	4
12. Image/ Compatible use of Site	5	3	4	4	3	3	4
13. Potential of Part Land Sale or Lease	5	0	0	0	0	0	0
14. Commercial Potential of Site	5	3	5	3	3	4	4
15. Future Facility Expansion Capability	5	4	1	4	4	0	4
16. Capital Cost of Development	5	3	3	3	1	3	3
17. Place – contribution to the local area	5	3	4	3	2	4	4
18. People - contributes to the wide engagement of people	5	3	4	3	2	4	4
19. Current visitation levels	5	2	4	2	2	3	3
TOTAL SITE SELECTION CRITERIA SCORE	115	73	79	82	68	75	91

The table below summarises key points in relation to each site and identifies sites that should be eliminated from further consideration.

Site	Key Advantages	Key Limitations	Potential Shortlist
Mount View	- Size of the site	- Land not owned by Council - Access and traffic impacts	✗
TAFE Park	- Proximity to CBD - Commercial appeal	- Size of the site - Land not owned by Council	✓
East End Oval	- Site size - Topography	- Commercial potential - Location/site profile - Impact on existing users	✓
Maitland Road	- Size of the site	- Land not owned by Council - Identified mine subsidence issues - Location	✗
Bowling Club	- Commercial potential	- Land not owned by Council - Size of the site (inadequate without additional land)	✗
Turner Park	- Access - Commercial potential - Size of site	- Impact on existing users	✓

This assessment has identified shortlisted sites as TAFE Park, East End Oval and Turner Park. However, it is noted that two major issues exist with TAFE Park which may prohibit further consideration. Based on current analysis, Turner Park has been identified as the preferred site on which to base preliminary designs.

Following the recommendation to identify Turner Park as the preferred site, Council Officers have consulted user groups that would be directly impacted by the proposed Aquatic Facility and will continue to communicate with them throughout the planning and design process. The following is a summary of initial feedback and requirements.

Cessnock Athletics

- Would require provision to offset loss of storage, kiosk and change rooms.
- Opportunity to provide access through to rear of site between school and athletics.
- State multi is getting harder and harder to organise and unlikely to occur often.
- Adequate space would need to be retained for Javelin.
- Prefer public toilets to be separate from athletics amenities.

Hunter Valley Football Association

- No longer interested in relocating administration to Turner Park if being relocated.
- Additional storage is not an immediate concern.
- Open to discussions on suitable alternative locations.
- Potential options include Jeffery Park (Kearsley), or new facilities at Hydro Kurri Kurri.

Cricket Club

- Currently use Turner Park and East End Oval.
- Use to be located out at Mt View Basin but relocated due to lack of supporting facilities.
- Open to options to relocate and will work with Council.
- Options include Mt View Basin, Drain Oval and Jeffery Park.
- Will review East End Oval Masterplan.

4.6 Current Cessnock Pool Site Development Options

As part of the project brief, Council has requested SGL to identify options for the future use of the existing site. Land details relating to the site are shown in the table below.

Table 4.3 Cessnock Pool Land Details

Item	Details	Aerial
Title	Lot 16 DP 48151 Lot 261 DP 666805	
Site area	6907.62m ²	
Zoning	RE1 Public Recreation	
Land Classification	Community land (General Community Use)	
Easements	No	
Acid Sulfate Soils	No	
Mine Subsidence	No	
Flood prone	Yes (99% coverage)	
Heritage	Yes – Cessnock Swimming Pavilion (Local Historical Significance – Heritage I.D. 149)	
Bushfire	No	
Threatened/ Endangered Species	No	
Utilities	Telecommunications, stormwater, sewer, water, electricity, gas	
Other	Opportunity to acquire adjacent residence.	

In considering options for the repurpose or disposal of the existing Cessnock Pool site, there are a number of limiting factors that would need to be managed through design and administrative processes. The main factors being:

- Flooding;
- Impacts to heritage items;
- Land classification; and
- Land use zoning.

In addition to these, factors that limit the site's current ability to function as an aquatic centre also effect certain development options, particularly those more commercial in nature. That is, access, car parking and available development space. Council's CBD Masterplan (2012) also proposes investigating the realignment of Vincent Street and Allandale Road which, if implemented, may impact future development of the site.

Council's Draft *Recreation Needs Analysis Report* has identified the need for additional open space in the CBD of Cessnock and the provision of a 'Civic Park' with TAFE Park nominated as the preferred location. It also notes the CBD Masterplan's recommendation to "deliver a park at the northern gateway opposite the School of Arts to improve the arrival experience to the CBD."

The presence of Local Heritage Item I49 – Cessnock Swimming Pavilion and the area of Lot 16 DP 48151 severely limits opportunities to redevelop this portion of the site. It is recommended that Council consider retaining this land as passive open space to compliment Apex Park and the nominated park opposite the School of Arts in defining the northern gateway to the CBD.

As a guide, the following figures have been derived from the NSW Government's Valuer General and Rawlinson's Australian Construction Handbook 2016 to determine the potential income to be generated through disposal of Lot 261 DP 666805. Should Council resolve to dispose of this land, it is recommended that the funds be directed into offsetting the cost of the new Aquatic Facility.

Table 4.4 Land Details

Property			Area	Proposed Zoning	Estimated Land Value	Estimated Remediation Costs	Estimated Net Land Value
232	Wollombi Road	Cessnock, Lot 261 DP 666805	5572m ²	B4 Mixed Use	\$958,000	\$227,000	\$731,000

4.7 Cessnock Aquatic Centre Design Options

Graphite Architects examined the site review and three facility options and developed concept layout plans for a future Cessnock Aquatic Centre based on:

- Option One: Low embellishment.
- Option Two: Medium embellishment.
- Option Three: High embellishment.

These design options were then costed by Turner and Townsend Quantity Surveyors and a business model was prepared by SGL (as detailed in the first report). The summary of the preliminary performance and feasibility results for each option is shown in the table below.

Table 4.5 Preliminary Feasibility Assessment - Aquatic Centre Options (Report 1)

10 Year Facility Option Operational Models	Projected Visitations 10 Years	Projected Profit/(Loss) 10 Years	Projected Facilities Capital Cost	Average Operating Profit/(Loss) Per Visit
Option 1: Low Embellishment	2,905,021	(\$5,549,881)	\$27,875,413	(\$1.91/visit)
Option 2: Medium Embellishment	4,956,853	(\$3,121,710)	\$39,234,999	(\$0.63/visit)
Option 3: High Embellishment	5,327,287	(\$2,869,341)	\$48,494,766	(\$0.53/visit)

4.7.1 Preferred Options

Based on the projected 10 year results and indicative capital cost SGL recommend that Option 1 which is the poorest performing facility option with lowest use and highest operating cost to Council not be considered further. Council subsequently resolved to focus further design, business model and funding reviews on options 2 and 3.

Therefore, only information related to Option 2 and 3 is presented in the following sections. This includes updated designs, capital costs, business models and funding information. A selection of design plans and perspectives are shown on the following pages for options 2 and 3. A full set of design plans and perspectives have been provided separately.

4.7.2 Option 2 – Medium Embellishment – Design Plans

Option 2 - Site Plan



LEGEND

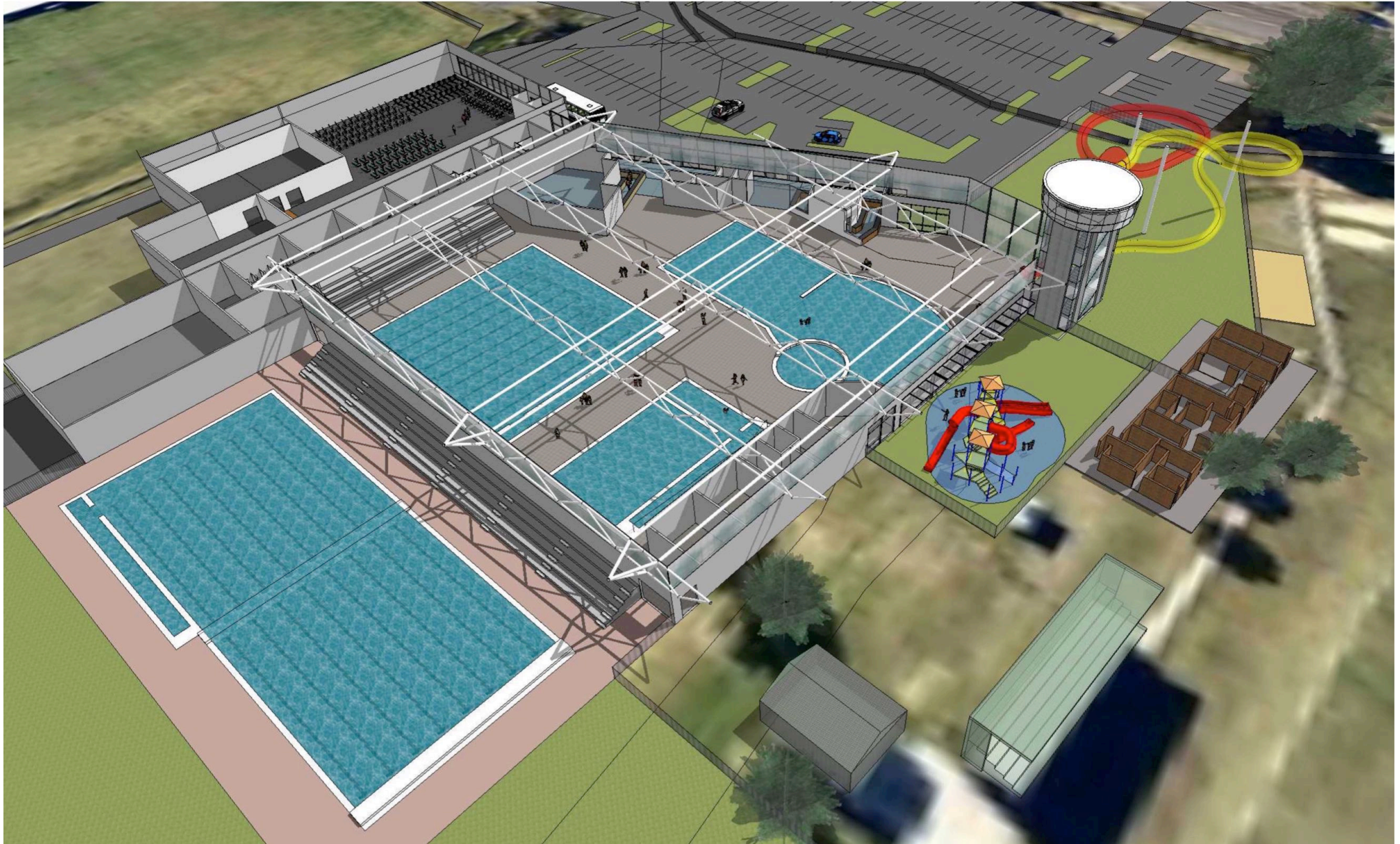
- 01** Aquatic Centre Site (Turner Park)
- 02** Aberdare Road
- 03** Cessnock Tennis Club and courts
- 04** Former bowls greens
- 05** Proposed car parking approx 230 spaces
- 06** Soccer field
- 07** Cessnock Public school
- 08** Cessnock High school
- 09** Cessnock youth centre
- 10** Athletics field
- 11** Railway
- 12** Open stormwater channel & service lane
- 13** Athletics amenities
- 14** Service and group access
- 15** Future upgrades to intersection

Option 2 - Floor Plan



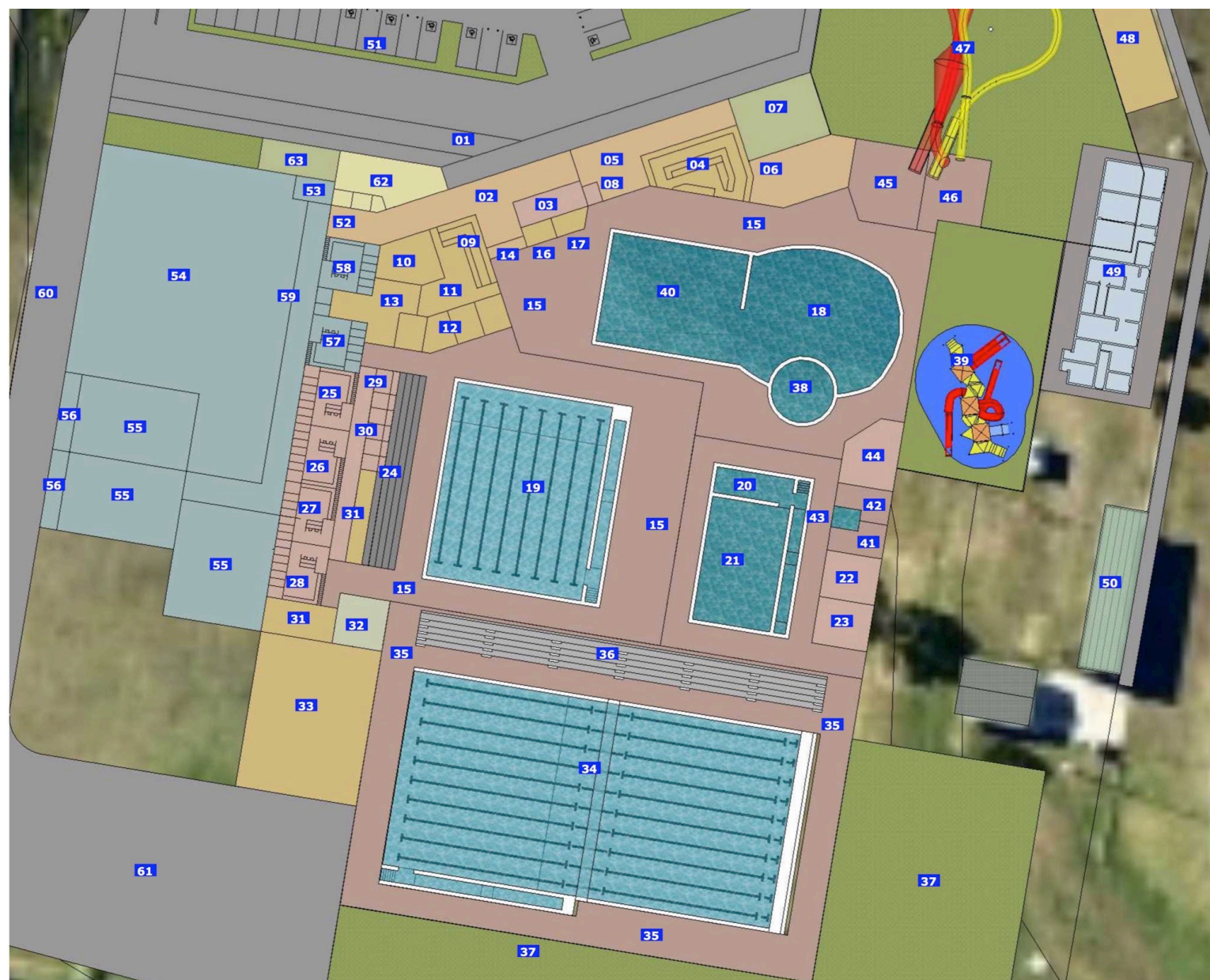
LEGEND

- | | |
|---|--|
| 01 Entry | 45 Slides flume return |
| 02 Foyer | 46 Slides tower |
| 03 Merchandise | 47 Slides safety area |
| 04 Cafe | 48 Splashpad - slides plant |
| 05 Dry Lounge | 49 Athletics amenities + canteen |
| 06 Wet Lounge | 50 exist athletics stand |
| 07 Cafe outdoor | 51 car park |
| 08 Access toilet | 52 Fitness entry |
| 09 Reception | 53 Fitness office |
| 10 Staff / amenities | 54 Cardio |
| 11 Gen office | 55 Group fitness |
| 12 Offices | 56 store room |
| 13 Store | 57 M change |
| 14 Pool entry | 58 F change |
| 15 Concourse | 59 Access change |
| 16 First aid | 60 service access |
| 17 Control room | 61 service area hardstand and alternative group drop off and entry |
| 18 Leisure pool / beach | |
| 19 25m 10 lane pool | |
| 20 Spa | |
| 21 Warm program pool | |
| 22 F change | |
| 23 M change | |
| 24 Tiered seating 110 | |
| 25 M Change | |
| 26 F Change | |
| 27 M group change | |
| 28 F group change | |
| 29 Access change | |
| 30 Family change | |
| 31 Store | |
| 32 Swim club | |
| 33 Pool plant | |
| 34 51m outdoor 8 lane pool | |
| 35 51m pool concourse | |
| 36 Tiered seating 235 storage under for indoor 25m pool | |
| 37 Grass Play / BBQ | |
| 38 Toddler pool | |
| 39 Grass play / splashpad | |
| 40 LTS pool | |
| 41 Sauna (dry) | |
| 42 Sauna (steam) | |
| 43 Plunge | |
| 44 Party room | |



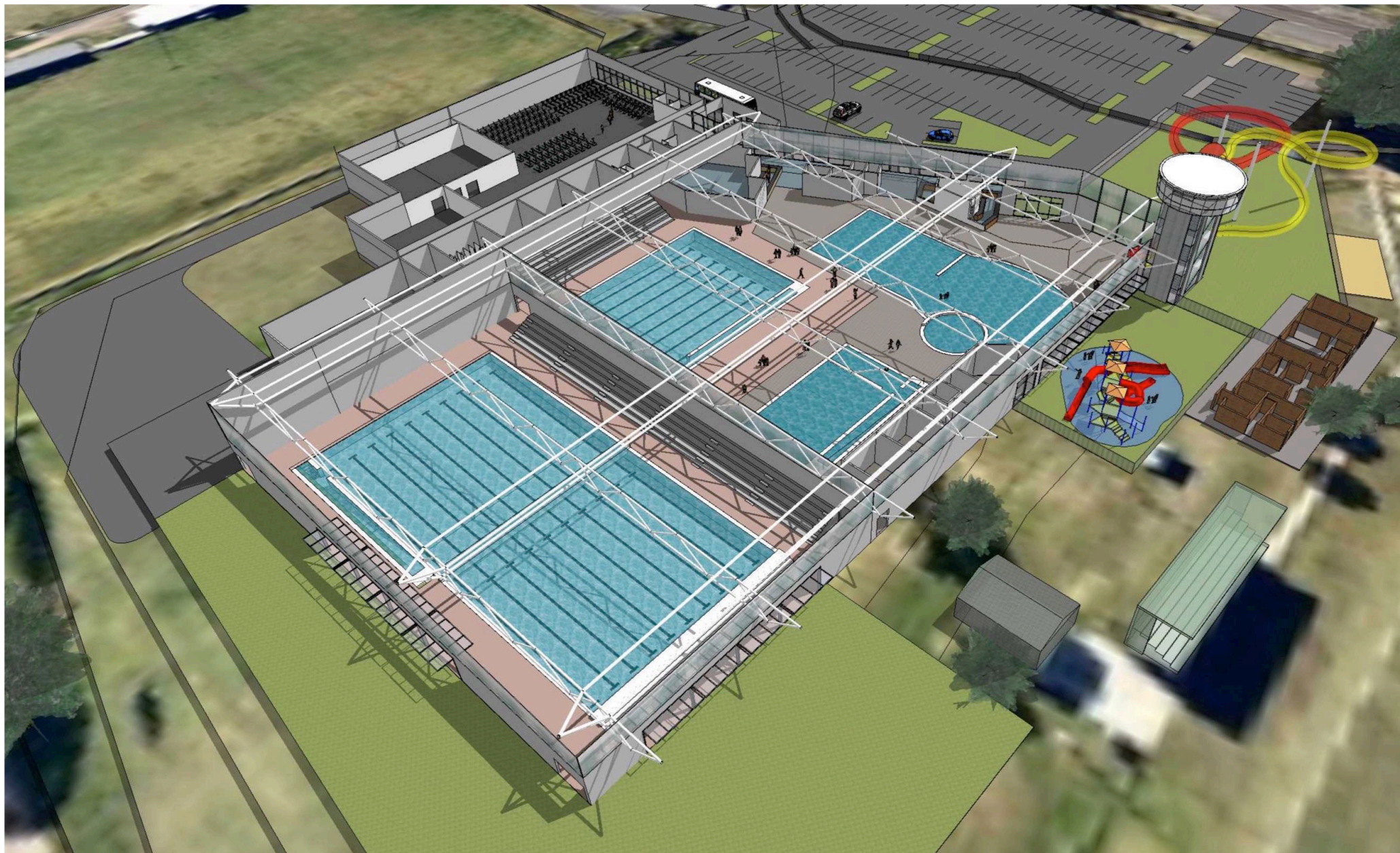
4.7.3 Option 3 – High Embellishment – Design Plans

Option 3 - Floor Plan



LEGEND

01 Entry	46 Slides tower
02 Foyer	47 Slides safety area
03 Merchandise	48 Splashpad plant
04 Cafe	49 Athletics amenities + canteen
05 Dry Lounge	50 exist athletics stand
06 Wet Lounge	51 car park
07 Cafe outdoor	52 Fitness entry
08 Access toilet	53 Fitness office
09 Reception	54 Cardio
10 Staff / amenities	55 Group fitness
11 Gen office	56 store room
12 Offices	57 M change
13 Store	58 F change
14 Pool entry	59 Access change
15 Concourse	60 service access
16 First aid	61 service area hardstand and alternative group drop off and entry
17 Control room	62 creche / short term child minding
18 Leisure pool / beach	63 creche outdoor
19 25m 8 lane pool	
20 Spa	
21 Warm program pool	
22 F change	
23 M change	
24 Tiered seating 110	
25 M Change	
26 F Change	
27 M group change	
28 F group change	
29 Access change	
30 Family change	
31 Store	
32 Swim club	
33 Pool plant	
34 51m indoor 10 lane pool	
35 51m pool concourse	
36 Tiered seating 235 storage under for indoor 25m pool	
37 Grass Play / BBQ	
38 Toddler pool	
39 Grass play / splashpad	
40 LTS pool	
41 Sauna (dry)	
42 Sauna (steam)	
43 Plunge	
44 Party room	
45 Slides flume return	



4.8 Cessnock Aquatic Centre Options Indicative Costs

Turner and Townsend, Quantity Surveyors, have worked with Graphite Architects to develop indicative cost plans as a guide to the likely capital costs of each facility option.

These costs should be regarded as indicative only as Council is at a preliminary development phase and more detailed plans are required to enable more detailed cost plans to be developed.

Where the detail is not developed the Quantity Surveyors (QS) have made allowances based on current building and development rates or listed the item as an exclusion at this stage of planning. Exclusions from the cost plan include

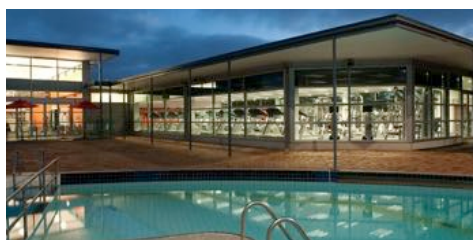
- Goods and Services Tax (GST)
- ESD initiatives beyond compliance with Section J of the BCA
- Removal of asbestos and other hazardous materials
- Latent Conditions
- Adverse soil conditions including rock excavation, replacement of soft spots, testing, removal and replacement of contaminated soil
- Cost Escalation beyond April 2016
- Council internal costs
- Land, legal, finance and marketing costs
- Upgrade, new or replacement of authority services infrastructure to the site
- Diversion of existing inground services infrastructure
- Staging costs
- Relocation / Decanting costs
- Pool equipment incl. blankets, anti-drowning software etc
- Fire sprinklers
- Blinds, Curtains and Drapes
- Public Artwork
- Stormwater detention / retention on site
- Piling or Bored Pier foundations
- Office equipment / active IT and telephone costs
- Loose furniture, fittings & equipment (FF&E)
- Audio Visual requirements

Further to these exclusions, other costs that may be directly or indirectly associated with the project include:

- Relocation and/or modification of sports facilities impacted by the development – estimated by Council at \$500,000.
- Traffic management measures for Aberdare Road to facilitate entry/exit points.
- Construction of a round-a-bout on Aberdare Road and Quarrybylong Street – estimated by Council at \$600,000.

To ensure the cost estimate will be adequate as an indicative guide the QS has allowed a 10% contingency on capital cost projections which ranges from \$3.33M in Option 2 and \$4.05M in Option 3. The detailed breakdown of the cost plan by Turner and Townsend is shown on the following page and full version of the plan is attached as Appendix 1.

Function	area m2	rate \$/m2	Option 2	Option 3
			cost \$	cost \$
Building Works				
Pool Hall - Option 2	2570	\$ 2,400	\$ 6,168,000	
Pool Hall - Option 3	4913	\$ 2,400		\$ 11,791,200
Waterslide tower building	80	\$ 4,000	\$ 320,000	\$ 320,000
Extra over for tiered seating - Option 2	110	\$ 1,000	\$ 110,000	
Extra over for tiered seating - Option 3	335	\$ 1,000		\$ 335,000
Store rooms	80	\$ 1,800	\$ 144,000	\$ 144,000
Sauna / steam (shell only)	40	\$ 1,600	\$ 64,000	\$ 64,000
Plant room	315	\$ 1,800	\$ 567,000	\$ 567,000
Swim club incl offices and stores	40	\$ 2,200	\$ 88,000	\$ 88,000
Storage / office/ assessment/ accessible amenity	34	\$ 2,200	\$ 74,800	\$ 74,800
Group fitness & programme rooms - Option 2 + 3	450	\$ 2,000	\$ 900,000	\$ 900,000
Gym	800	\$ 2,200	\$ 1,760,000	\$ 1,760,000
Gym stores	40	\$ 2,000	\$ 80,000	\$ 80,000
Foyer	80	\$ 2,000	\$ 160,000	\$ 160,000
Reception	30	\$ 2,200	\$ 66,000	\$ 66,000
Admin offices, staff room	190	\$ 2,200	\$ 418,000	\$ 418,000
Dry lounge	110	\$ 2,000	\$ 220,000	\$ 220,000
Café servery, kitchen, stores	70	\$ 2,600	\$ 182,000	\$ 182,000
Café equipment	Allow		\$ 30,000	\$ 30,000
Merchandising / promo store	50	\$ 2,200	\$ 110,000	\$ 110,000
Store rooms	50	\$ 2,000	\$ 100,000	\$ 100,000
Child minding	154	\$ 2,400		\$ 369,600
Childrens playland / party room	50	\$ 2,200	\$ 110,000	\$ 110,000
Café access amenity	5	\$ 3,300	\$ 16,500	\$ 16,500
Staff amenities	20	\$ 3,000	\$ 60,000	\$ 60,000
Wet lounge	75	\$ 2,300	\$ 172,500	\$ 172,500
First Aid	15	\$ 2,500	\$ 37,500	\$ 37,500
Main Amenities	245	\$ 2,700	\$ 661,500	\$ 661,500
School / event change amenities	105	\$ 2,700	\$ 283,500	\$ 283,500
Programme pool Amenities	85	\$ 2,700	\$ 229,500	\$ 229,500
Fitness Centre amenities	140	\$ 2,600	\$ 364,000	\$ 364,000
Athletics amenities building	240	\$ 2,600	\$ 624,000	\$ 624,000
Fitness amenities	10	\$ 2,600		
Family Change and accessible change	50	\$ 2,200	\$ 110,000	\$ 110,000
Circulation - Option 2	929	\$ 2,000	\$ 1,858,000	
Circulation - Option 3	980	\$ 2,000		\$ 1,960,000
Allowance for mechanical plant platform / plant rooms	Allow		\$ 150,000	\$ 150,000
Allowance for entrance canopy	Allow		\$ 100,000	\$ 100,000
Total Building Works			\$ 16,338,800	\$ 22,658,600
Internal Aquatics				
Toddler Pool	Allow		\$ 300,000	\$ 300,000
Learn-To-Swim Pool	Allow		\$ 300,000	\$ 300,000
Freeform Leisure Pool	Allow		\$ 1,125,000	\$ 1,125,000
51m Pool x 10 lane incl ramp entry and moveable boom	Allow			\$ 4,000,000
25m Pool incl ramp entry	Allow		\$ 1,400,000	\$ 1,400,000
Adventure Waterslides [2 no]	Allow		\$ 1,200,000	\$ 1,200,000
Waterslides tower	Allow		\$ 600,000	\$ 600,000
Civil works for slides	Allow		\$ 100,000	\$ 100,000
Warm Water Program Pool incl Spa and Therapy Area with Ramp access	Allow		\$ 1,600,000	\$ 1,600,000
Sauna / Steam Room [2 No]	Allow		\$ 40,000	\$ 40,000
External Aquatics				
51m Pool x 8 lane incl ramp entry and moveable boom	Allow		\$ 3,600,000	
Splashpad and features	Allow		\$ 450,000	\$ 450,000
Preliminaries on Pools	Allow		\$ 1,071,500	\$ 1,111,500
Total Aquatic Works			\$ 11,786,500	\$ 12,226,500
External Works & Services				
Site Preparation	Allow		\$ 97,365	\$ 109,420
Demolition of existing pavilion	Allow		\$ 80,000	\$ 80,000
Earthworks	Allow		\$ 584,190	\$ 656,520
Outdoor Concourse to 51m pool	865	\$ 360	\$ 311,400	
Creche outdoor play	160	\$ 360		\$ 57,600
Shaded tiered seating on concourse	225	\$ 1,800	\$ 405,000	
Outdoor aquatic area with splashpad	480	\$ 300	\$ 144,000	\$ 144,000
BBQ / shade structures and play areas	2325	\$ 60	\$ 139,500	\$ 139,500
Play equipment	Allow			\$ 50,000
Outdoor seating areas	150	\$ 60	\$ 9,000	\$ 9,000
Outdoor future slides area	1585	\$ 30	\$ 47,550	\$ 47,550
Loading and services access hardstand	Allow		\$ 152,000	\$ 152,000
Carpark - Option 2 + 3	7600	\$ 160	\$ 1,216,000	\$ 1,216,000
Connection to existing carpark / roads / site entry	Allow		\$ 100,000	\$ 100,000
External landscaping	Allow		\$ 150,000	\$ 150,000
Allowance for external services	Allow		\$ 1,226,340	\$ 1,743,120
Total External Works & Services			\$ 4,662,345	\$ 4,654,710
Construction Cost			\$ 32,787,645	\$ 39,539,810
Design Contingency	5%		\$ 1,640,000	\$ 1,977,000
Construction Contingency	5%		\$ 1,721,000	\$ 2,075,000
Sub Total			\$ 3,361,000	\$ 4,052,000
Professional Fee Allowance	9%		\$ 3,254,000	\$ 3,924,000
Authority Fees & Charges	Allow		\$ 328,000	\$ 396,000
Contribution to new authority substation	Allow		\$ 150,000	\$ 150,000
Sub Total			\$ 3,732,000	\$ 4,470,000
Total Project Cost			\$ 39,880,645	\$ 48,061,810



5 Business, Funding and Procurement Models

5.1 Introduction

This section of the report looks at developing business and financial modelling for the two preferred facility development options so they can be compared and assessed.

The project brief requires the project team to test the following future aquatic facility provision options:

Table 5.1 Future Cessnock Aquatic Facility Option Review

No	Option
2.	Option Two: Medium Embellishment – Indoor 25m 10 lane, leisure pool, learn to swim pool, spa, waterslides, outdoor 51m x 8 lane pool, outdoor splash pad and health and fitness facilities
3	Option Three: High Embellishment – Indoor 51m 10 lane, indoor 25m 8 lane pool, leisure pool, learn to swim pool, spa/sauna, waterslides, outdoor splash pad and health and fitness facilities

5.2 Cessnock Aquatic Centre Option Assumptions

The following table details operating and business assumptions for Option 2 and Option 3.

Table 5.2 Future Cessnock Aquatic Strategy Options Key Assumptions

Option	Operating Seasons	Business Assumptions
Option 2: Medium Embellishment	Operate Indoor Pools and Health and Fitness all year and outdoor pools for 6 months commencing 2018/19	<ul style="list-style-type: none"> • New commercial management model operating facilities. • Assumes on average 4,800 aquatic visits/week and 4,100 health & fitness visits so combined 8,900 weekly visits in year one and then increasing to see annual visits of 465,000 to 520,000 over 10-year period. • This is an average of 190,000 to 200,000 more visits than Option 1 as more indoor aquatic water areas, new gym and high group fitness and memberships sales/usage • Assumes more staff than Option 1 and Option 3 as more indoor and outdoor water areas to supervise. • Allows for health and fitness centre to operate all year plus significant take up of general memberships.
Option 3: High Embellishment	Operate Indoor Pools and Health and Fitness all year and outdoor splash pad for 6 months commencing 2018/19	<ul style="list-style-type: none"> • New commercial management model operating facilities. • Assumes on average 5,150 aquatic visits/week and 4,500 health & fitness visits so combined 9,650 weekly visits in year one and then increasing to see annual visits of 500,000 to 550,000 over 10-year period. • This is an average of 35,000 to 65,000 more annual visits than Option 2 as more indoor aquatic water area open all year with indoor 51.5m pool (C/W outdoor seasonal 50m pool).

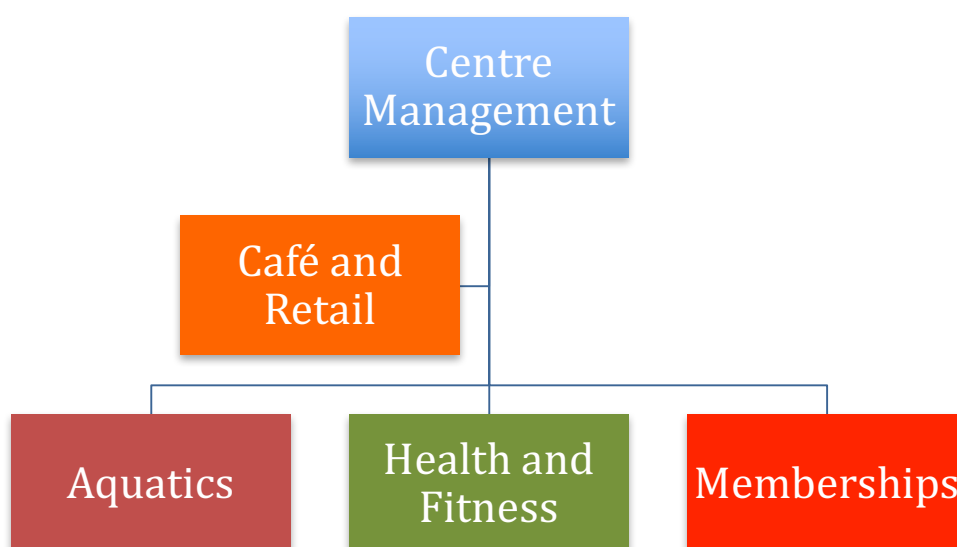
5.3 Future Aquatic Facility Option Financial Models

Detailed 10 year electronic financial models have been developed for each of the facility options. Separate detailed electronic models have been developed and these are available as supporting hard copy information documents.

Key business staffing, usage, fees and charges and management model assumptions for the regional and city indoor aquatic leisure facility options **are listed with each model's performance summary**.

The following detailed global business assumptions have been developed for the new indoor aquatic centre options based on first year of operations being 2018/19:

- Operating hours: Monday to Thursday 6am to 9pm, Fridays 6am to 8pm and weekends 8am to 6pm.
- Operating days: 363 a year (closed for Christmas Day and Good Friday).
- Management and staffing models - The new facility options have been set up under the key business management model areas of:



- **Management and Staffing:** Staffing model set up for each strategy option based on 2017/18 opening year and assumed average NSW LGA award salaries and overhead allowance of 25% on all salaries.
- **Fees and charges** based on average regional population centre charges for 2017/18 year of commencement.
- **Visitation Assumptions** – Industry trends indicate new indoor aquatic and health and fitness facilities can attract between 7 and 9 visits per head of population per annum. Where substantial fun, recreation and family spaces are also provided this can increase to 11/12 visits per head of population per annum. Based on the current LGA area population of just under 55,000 people this could see an annual usage range of 385,000 to 650,000. The future population is expected to grow by an average of 1.5% so by 2025 the area population will be approximately 63,000 people which would see usage rates range from 441,000 to 756,000. SGL modelling has built up visitations by activity and program and has used as a starting point of 465,000 visits/year for Option 2 and 500,000 visitations per year for Option 3.
- **Global financial model Impacts include:**
 - **CPI Increases:** Assumes on average 2.3% years 2 to 10.
 - **Business Growth:** Assumes year 3 is base year at 100% and year 2 is discounted by 2% to 98% of year 3 and year 1 is discounted by 4% to 96% of year 3.

- Business growth year 4 101%, year 5 102%, year 6 103%, year 7 104%, year 8 105%, year 9 105% and year 10 105%
- **Real Price Growth:** Assumes 1.0% price increases from year 2 to year 10.
- **Alternative Expense Adjustment:** Assumes energy costs and maintenance increase by 2.5% annually so slightly higher than annual CPI.
- **Annual Salary Increases:** Allows for annual increases of 1.2% above CPI (to reflect likely EB increases).
- **Expenditure Increases:** Assumes annual expenditure increase of C.P.I as indicated.
- **Salary On Costs:** Assumes annual on costs on all salaries for superannuation, holiday pay/leave loading and sick leave.
- **Salary Increases:** Allows for annual increases through CPI.
- **Pre Opening Expenses:** No pre-opening expenses are included to cover set up costs in 2017/18 but can be added if required.
- **Asset Management and Replacement Allowances:** No allowances for asset management and renewals in the 10 year operating budgets in the models as they are operating models
- **Depreciation or Loan Repayments:**
 - The operational budgets do not have any allowances for annual depreciation or any loan repayments as they are operating models. These are treated in section 5.6 of the report to highlight the likely total cost of development.

5.4 Future Aquatic Facility Option Comparisons

SGL has completed detailed usage and financial operating projections for the two preferred future aquatic facility options. The key 10-year business results have been summarised in the following tables.

5.4.1 Cessnock Aquatic Centre Option Net Contributions by Activity Area

Option 2: Medium Embellishment 10 Year Net Contribution by Activity Area

Contribution by area	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Aquatic Area	(\$602,885)	(\$587,944)	(\$571,479)	(\$565,059)	(\$557,678)	(\$559,059)	(\$549,934)	(\$539,689)	(\$539,113)	(\$526,823)
Gym/Weights	\$15,055	\$31,847	\$49,707	\$61,228	\$73,426	\$86,335	\$99,986	\$114,413	\$129,654	\$145,744
Health and Fitness Programs	\$173,045	\$191,605	\$211,220	\$226,082	\$241,692	\$258,083	\$275,291	\$293,350	\$312,298	\$332,175
Café/Retail	\$125,258	\$140,646	\$150,130	\$159,885	\$170,005	\$173,497	\$184,218	\$195,334	\$199,361	\$211,132
Total contribution by area	(\$289,528)	(\$223,846)	(\$160,422)	(\$117,864)	(\$72,555)	(\$41,144)	\$9,560	\$63,408	\$102,200	\$162,228
Less undistributed management expenses	\$221,864	\$228,695	\$235,744	\$243,018	\$250,525	\$258,271	\$266,265	\$274,516	\$283,030	\$291,819
PROJECTED SURPLUS/(LOSS)	(\$511,392)	(\$452,541)	(\$396,166)	(\$360,882)	(\$323,079)	(\$299,415)	(\$256,705)	(\$211,108)	(\$180,831)	(\$129,591)

Option 3: High Embellishment 10 Year Net Contribution by Activity Area

Contribution by area	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Aquatic Area	(\$594,578)	(\$577,610)	(\$559,002)	(\$550,665)	(\$550,072)	(\$549,635)	(\$538,589)	(\$526,317)	(\$523,602)	(\$509,057)
Gym/Weights	\$7,176	\$23,725	\$41,335	\$52,598	\$62,717	\$75,286	\$88,587	\$102,653	\$117,520	\$133,225
Health and Fitness Programs	\$167,752	\$186,150	\$205,597	\$220,285	\$234,498	\$250,662	\$267,634	\$285,451	\$304,148	\$323,766
Café/Retail	\$167,218	\$184,512	\$195,967	\$207,254	\$218,158	\$223,247	\$235,612	\$248,421	\$254,191	\$267,758
Total contribution by area	(\$252,432)	(\$183,222)	(\$116,102)	(\$70,528)	(\$34,699)	(\$440)	\$53,244	\$110,208	\$152,258	\$215,691
Less undistributed management expenses	\$236,426	\$243,705	\$251,217	\$258,968	\$270,318	\$278,691	\$287,332	\$296,251	\$305,455	\$314,956
PROJECTED SURPLUS/(LOSS)	(\$488,858)	(\$426,927)	(\$367,319)	(\$329,496)	(\$305,017)	(\$279,131)	(\$234,088)	(\$186,042)	(\$153,198)	(\$99,265)

5.4.2 Cessnock Aquatic Centre Options Annual Visits by Activity Areas

Option 2: Medium Embellishment 10 Year Annual Visits by Activity Area

Contribution by area	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Aquatic Area	249,388	254,584	259,779	262,377	264,975	267,573	270,171	272,768	275,366	277,964
Gym/Weights	34,716	35,439	36,162	36,524	36,885	37,247	37,608	37,970	38,332	38,693
Health and Fitness Programs	47,326	48,312	49,298	49,790	50,283	50,776	51,269	51,762	52,255	52,748
General Memberships	134,185	136,980	139,776	141,174	142,572	143,969	145,367	146,765	148,163	149,560
TOTAL ANNUAL VISITS	465,614	475,315	485,015	489,865	494,715	499,565	504,416	509,266	514,116	518,966

Option 3: High Embellishment 10 Year Annual Visits by Activity Area

Contribution by area	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Aquatic Area	267,411	272,982	278,553	281,339	284,125	286,910	289,696	292,481	295,267	298,052
Gym/Weights	34,716	35,439	36,162	36,524	36,885	37,247	37,608	37,970	38,332	38,693
Health and Fitness Programs	47,326	48,312	49,298	49,790	50,283	50,776	51,269	51,762	52,255	52,748
General Memberships	150,958	154,103	157,248	158,820	160,393	161,965	163,538	165,110	166,683	168,255
TOTAL ANNUAL VISITS	500,411	510,836	521,261	526,474	531,686	536,899	542,111	547,324	552,537	557,749

Cessnock Aquatic Centre Facility Options Annual Visits Comparisons

Visits per year by area	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Option 2: Medium Embellishment	465,614	475,315	485,015	489,865	494,715	499,565	504,416	509,266	514,116	518,966
Option 3: High Embellishment	500,411	510,836	521,261	526,474	531,686	536,899	542,111	547,324	552,537	557,749

5.4.3 Cessnock Aquatic Centre Options Annual Membership Sales Targets

Cessnock Aquatic Centre Options Annual Membership Sales

Membership Sales	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Option 2: Medium Embellishment	\$875,468	\$923,405	\$973,561	\$1,015,971	\$1,060,126	\$1,106,092	\$1,153,943	\$1,203,753	\$1,255,599	\$1,309,562
Option 3: High Embellishment	\$875,468	\$923,405	\$973,561	\$1,015,971	\$1,060,126	\$1,106,092	\$1,153,943	\$1,203,753	\$1,255,599	\$1,309,562

5.4.4 Cessnock Aquatic Centre Options Staffing Positions and Salaries

Cessnock Aquatic Centre Options Staffing Allocations (Salaries and On Costs)

Category	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Option 2: Medium Embellishment	\$2,713,167	\$2,819,918	\$2,937,361	\$3,040,305	\$3,146,881	\$3,273,998	\$3,388,732	\$3,507,514	\$3,648,834	\$3,776,701
Option 3: High Embellishment	\$2,665,983	\$2,771,416	\$2,887,507	\$2,988,879	\$3,109,817	\$3,235,826	\$3,349,420	\$3,467,028	\$3,607,141	\$3,733,765

Cessnock Aquatic Centre Options EFT Staffing Allocations

Category	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Option 2: Medium Embellishment	37.4	37.5	37.8	37.9	38.1	38.3	38.4	38.4	38.5	38.5
Option 3: High Embellishment	36.6	36.8	37.0	37.1	37.3	37.6	37.6	37.7	37.9	37.9

5.4.5 Future Cessnock Aquatic Centre Option Business Trend Comparisons

The following table details the projected 10-year usage, operating result, capital cost and profit/(loss) per visit projections for each of the Cessnock Aquatic Centre facility options. To provide some context these are compared to forecast figures if Council were to continue operating the current pool facility.

Table 5.3 Future Cessnock Aquatic Centre Options 10 Yr Business Trends

10 Year Facility Option Operational Models	Projected Visitations 10 Years	Projected Profit/(Loss) 10 Years	Projected Facilities Capital Cost	Average Operating Profit/(Loss) Per Visit
Option 2: Medium Embellishment	4,956,853	(\$3,121,710)	\$39,880,645	(\$0.63/visit)
Option 3: High Embellishment	5,327,287	(\$2,869,341)	\$48,061,810	(\$0.53/visit)
Status Quo: Current Pool ⁶	453,963	(\$4,566,871)	\$9,000,000	(\$10.06/visit)

The business analysis to date indicates over the 10 year review period:

- Option 3 attracts the highest visits at 5.327M which is 371,000 more visits than Option 2. This on average equates to 37,100 more visits a year for Option 3.
- Option 3 has the lowest operating deficit at \$2.868M which is \$252,000 less than Option 2. This on average equates to \$25,200 lower operating deficit a year for Option 3.
- Option 2 has a significantly lower capital cost at \$39.881M compared to Option 3 at \$48.062M. This is an extra capital cost of \$8.181M for Option 3.

5.5 Future Aquatic Facility Options Funding Review

A key requirement in the project brief was to consider the likely funding options and opportunities of proposed facility redevelopment or new facility development. This funding review is based on two likely funding scenarios being the attraction of both Federal and State Government funding.

Funding can be sought through 2016/17 and subject to funding support being obtained, then design and construction could occur from mid 2018 onwards.

To progress any future aquatic facility improvements a detailed funding strategy should be developed that allows Council to make decisions on the final aquatic facility option development so detailed plans and updated business plans can be completed to assist in attraction

To assist in identifying potential funding sources and strategies SGL in association with Council's Finance team have developed a range of possible funding options/opportunities.

5.5.1 Internal Funding Options

The internal Council funding options could include:

- Funding from reserves.
 - Up to \$200,000 currently identified.
- Funding from the sale of the current site (part).
 - Up to \$730,000.
- Section 94 Plan and Voluntary Planning Contributions.

⁶ Based on straight line increase of 2.5% on visitation, income and expenditure and capital renewal of major assets

- This will require updating of the Section 94 plan to identify a nexus and resulting contribution.
- Potential funding of \$67,000 per year.
- Special Rate Variation.
 - An SRV would raise \$341,177 per annum for every 1% rise in rates
 - Subject to extensive community consultation and State Government approval.
- Project loan funding over an agreed timeframe.
 - Council has a strong borrowing capacity available.

5.5.2 External Grant Funding Opportunities

The external grant funding options (need to be included in fund raising strategy actions) could include:

- **Federal Government National Stronger Regions Grant** (scheme has \$1 Billion committed over 5 years and round one and two funding has been announced with approximately \$400M remaining in scheme for rounds 3 and 4). A review of successful applications indicates the scheme has funded 5 major aquatic facility projects. The maximum grant that can be received from this scheme is \$10M and if Council approved development of the regional indoor aquatic leisure facility and due to major project economic and social impacts we would assume for funding modelling purposes that Council could plan to budget to receive \$10M.
- An example of a similar project in a regional area receiving funding from this scheme is the Bendigo Regional Indoor Aquatic and Wellness Centre (City of Greater Bendigo) that received \$4.855M on the \$31M project value.
- **NSW State Government Sports and Cultural Fund Grant** (scheme still being developed but has \$500M committed to the scheme). Assuming in financial modelling and funding strategy \$10M grant allocated to new regional centre.
- **Hunter Infrastructure Investment Fund** the latest round of funding under this program was \$50M with the maximum contribution of \$10M to a single project (total of \$450M allocated to the fund). The aim of the fund is to facilitate projects that enhance the economic capacity and liveability of the Hunter. The next round is likely to be called in June 2016. A number of sport and leisure projects have been funded or are under consideration for funding under this program.
- **Estimated Total External Funding Opportunities:** **\$20.0 million**

5.5.3 Servicing of Loans from New Centre Surplus/Swim Centre Closures

The financial modelling indicates that no option developed could see Council fund any loans from the new facility operating surplus and savings from the seasonal swim centre closure.

5.5.4 Summary of Aquatic Strategy Option Funding Opportunities

The table below provides a summary of a potential funding mix for each aquatic facility option.

Table 5.4 Future CAC Aquatic Strategy Option 10 Year Capital Funding

CAPITAL COMPARISONS	FUNDING	Total Facilities Capital Cost	Potential External Funding Target	Total Cost To Be Funded By Council
Option 2: Embellishment	Medium	\$39.9M	\$20M	Up to \$19.9M
Option 3: Embellishment	High	\$48.1M	\$20M	Up to \$28.1M

The capital funding comparisons indicate:

- If full funding were to be received Option 2 would require the lowest capital funding by Council at \$19.9M.
- If full funding were to be received for Option 3 this option would require capital funding by Council at \$28.1M.

As a preliminary funding model the following has been developed for Council's information and consideration based on internal sources identified above and assuming full external funding is achieved (\$20M).

Table 5.5 Future CAC Aquatic Strategy Option Internal Funding

Internal Funding Options	Option 2	Option 3
Council contribution	\$19,880,646	\$28,061,810
Internal capital (sale of land and contribution from reserves)	\$930,000	\$930,000
Balance (loan amount)	\$18,950,645	\$27,131,810
Loan term	15 Years	15 Years
Interest rate	6.0%	6.0%
Annual Repayment	\$1,918,996	\$2,747,444
Annual contribution from development (S94/VPA's)	\$67,000	\$67,000
Annual amount from Special Rate Variation	\$1,851,996	\$2,680,444
Total Repayments	\$28,784,940	\$41,211,660

Based on these assumptions, this model shows that Option 3 will ultimately cost an additional \$12.427M in capital funding than Option 2. In regard to the SRV funding required this model equates to:

- Option 2 SRV: \$1,851,996 (5.5%) or \$77 per year
- Option 3 SRV: \$2,680,444 (8%) or \$111 per year

5.6 Asset Renewal and Depreciation

The 10 year operating budgets in section 5.4 do not cover the cost of asset renewal or depreciation or any loan funding repayments. These are separated otherwise it is difficult to compare operating performance of different facility components and designs.

Once operating budgets are determined it is critical that Council also identifies the key ongoing costs of asset renewal and depreciation which can be estimated once capital costs for buildings, plant and equipment are estimated. These items are covered in the following section.

5.6.1 Asset Renewal Allowances

There is no set industry standard for asset renewal in the aquatics industry but we do know that most of the facilities are in a high use, high wear and corrosive environment and require ongoing renewals. Normally when one a facility is built it is recommended that a detailed asset management report be developed to guide future asset management requirements and budgets.

This is not possible at this stage as the majority of plant and equipment is not identified or the final building structure, finishes or surfaces determined also.

Recent practices by LGAs that have developed similar facilities is to overlay an estimate percentage of capital cost to be budgeted for to be retained for future renewals. These have ranged from 1.5% of capital to 2.0%.

Based on these pre facility development assumptions this would see the following asset renewal assumptions for each option.

Table 5.6 Future CAC Aquatic Strategy Option Asset Renewal Allowances

Option			Total Capital Cost	Annual Asset Renewal 1.5% of Capital	Annual Asset Renewal 2.0% of Capital
Option 2:	Medium	Embellishment	\$39.9M	\$598,500	\$798,000
Option 3:	High	Embellishment	\$48.1M	\$721,500	\$962,000

The review of potential asset renewal allowances based on a percentage of the capital cost indicates Option 2 would range from \$598,500 to \$798,000. Option 3 asset renewal allowances would range from \$721,500 to \$962,000.

It should also be noted that these allowances build up as with a new facility minimum expenditure on assets is expected in warranty periods. This would therefore see retention of funds for major renewal items as the centre ages.

As previously indicated it is up to each Council how it allows for asset renewal and what funding mechanism it uses to meet these requirements. SGL recommend that as Council has invested in a major community asset that it does complete a detailed asset management plan for the centre and allocates annual renewal funding to meet the plans requirements.

This will keep the centre safe and attractive to use whilst also protecting the large community investment.

5.6.2 Depreciation Allowances

Again each Council will have set formulas and processes to treat depreciation. Industry trends indicate that depreciation of these types of facilities should be broken up into three distinct areas being:

- **Buildings** – Normally depreciated over a 40 year period based on life of the structure.
- **Plant** – Normally depreciated over a 20 year period so replaced twice in the life of the building structure.
- **Equipment** – Normally depreciated over a 10 year period so replaced four times in the life of the building structure.

It is difficult at this early stage of design to determine an exact cost for each of the three areas as we do not have building structure or plant and equipment selected.

As the project moves to detailed design and plant and equipment is determined and more accurate costs are able to be obtained under the three categories then Council should develop up a depreciation schedule and estimate how it is going to allow for depreciation of this significant asset.

5.6.3 Renewal and Depreciation Allowances On Proposed Facility Options

The cost of asset renewal and depreciation will be significantly higher on Option 3 (an additional \$123,000 - \$164,000 per year) than Option 2 due to the extra building and plant areas and more equipment required.

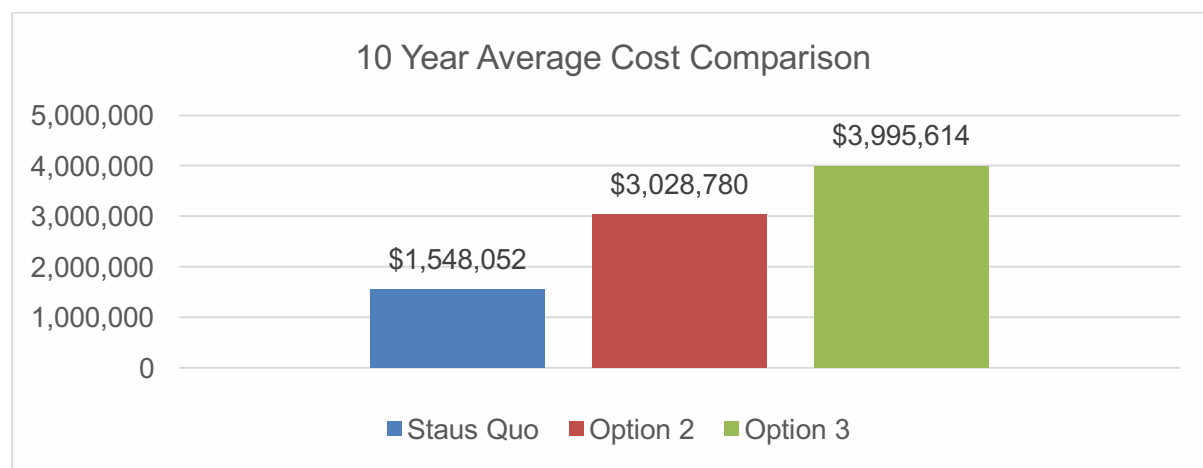
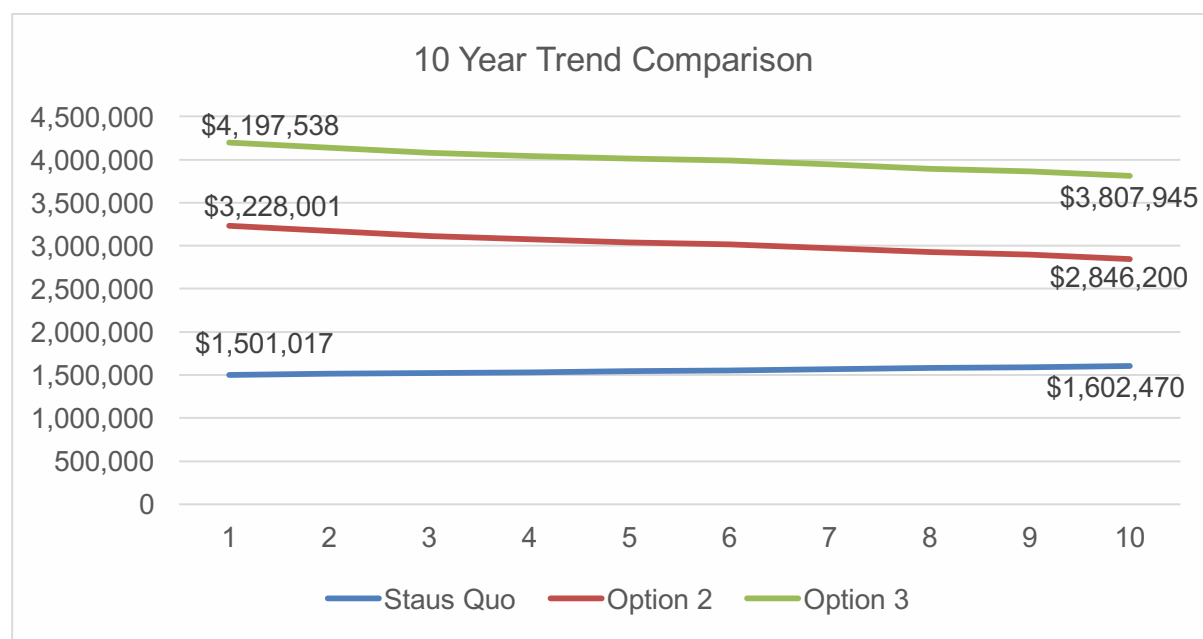
Though the financial modelling indicates Option 3 returns the lowest operating deficit the extra cost of asset renewal and ultimately depreciation allowances on the larger facility impacts on its overall viability.

The extra \$8.2M capital cost and the \$123,000 - \$164,000 a year extra in asset renewal indicates Option two is a more sustainable option for a population the size of the Cessnock LGA.

5.7 Summary of Options and Value

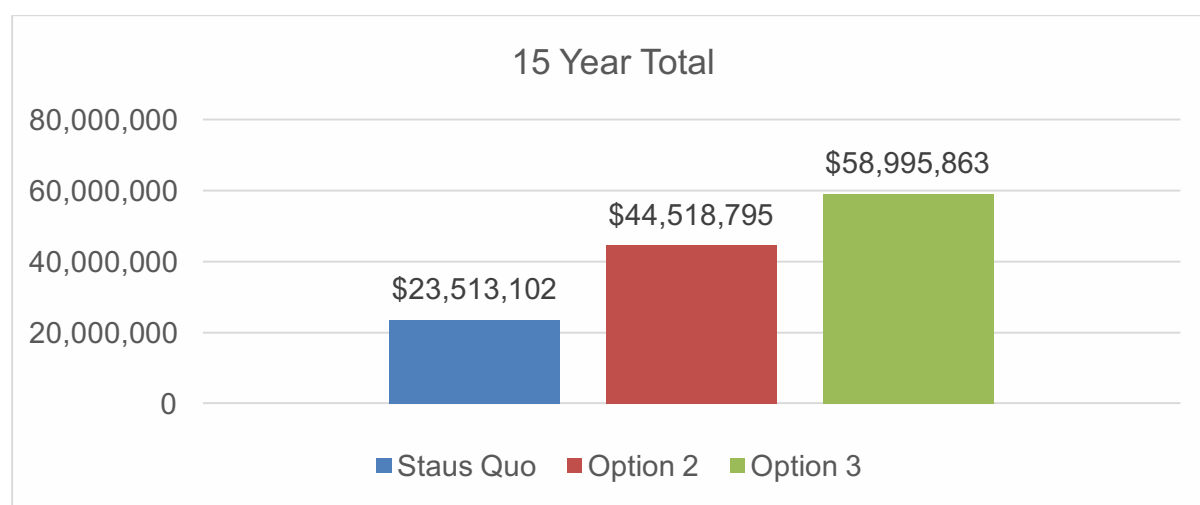
The financial modelling indicates Option 3 returns the lowest operating deficit, however, the extra cost of to asset renewal, loan repayments and depreciation allowances (to be determined) on the larger Option 3 facility impacts on this option's overall viability.

This is demonstrated by the charts below which shows the total cost to Council for each option over 10 years. This includes operational costs, asset renewal allowance (2%) and loan repayments. The first chart shows expenditure trends over 10 years whilst the second chart shows the average cost per year (over 10 years).



These charts show that Option 2 is approximately \$1.5M per annum more than the Status Quo Option, whilst Option 3 is approximately \$1M per annum more than Option 2. Over this period the results for Option 2 and Option 3 improve based on improvement in operational results compared to the Status Quo.

In order to demonstrate the total 'service cost' to Council over the 15 year loan period, the forecast operational results for year 10 have been extended (without indexing [flat line]) for a further five years and added to the renewal allowance and loan costs over the same period. The result of this for each option is shown in the chart below.



This shows that, by the time Council effectively 'owns' the full capital value of the project, Option 2 will cost approximately \$21M more than the Status Quo over 15 years, whilst Option 3 will cost \$14.5M more than Option 2.

In order to compare the relative value of each option over 15 years, the following table was prepared to link the total 'service costs' to the asset value and the number of visitors generated by each option.

Table 5.7 15 Year Service Cost to Capital Comparison

Option	Capital Cost	Total Service Costs	Total Cost to Capital Difference	Cost to Capital Ratio	Approximate Attendance
Status Quo	\$9,000,000	\$23,513,102	(\$14,513,102)	2.6	0.7 million
Option 2	\$39,880,645	\$44,518,795	(\$4,638,150)	1.1	7.54 million
Option 3	\$48,061,810	\$58,995,863	(\$10,934,053)	1.2	8.12 million

This demonstrates that overall Option 2 provides the best overall value. Whilst the Status Quo has the lowest total cost to Council (\$23M), the difference between this and the capital cost is \$14.5M and is over 2.5 times higher than the value of the asset upgrade. Option 2 compares more favorably with the difference between the total 15 year 'service cost' and the asset value (capital cost) being \$4.6M with a ratio of 1.1. By comparison, the total 'service cost' of Option 3 is \$10.9M higher than the asset value with a ratio of 1.2 and serves only 8% more visitors than Option 2.

Based on the comparison above, Council would be required to budget approximately \$14.5M over 15 years more to construct and operate Option 3. Though the financial modelling indicates Option 3 returns the lowest operating deficit the extra cost of asset renewal, loan repayments and depreciation allowances on the larger Option 3 facility impacts on this options overall viability.

5.8 Project Procurement

This section provides a theoretical financial model to implement Option 2 (identified as the most viable by SGL) and outlines the basic procurement process.

5.8.1 Funding Model

The model presented below has been developed on the assumptions and modelling developed previously in this report in relation to operating, financing (loan repayments), renewal costs (2% of

capital), external funding and internal funding. In particular, the assumption that up to \$20M could be sourced from external sources and internal funding including annual SRV funding of \$1,851,996.

Based on this information, the capital funding can be summarised as shown in the table below.

Table 5.8 Capital Funding

Assumption	Amount	Period	Total
Capital funding over 15 years	Internal Funding	one off	\$930,000
	Grant Funding	one off	\$20,000,000
	Development Funding	15 years	\$1,005,000
	SRV Funding	15 years	\$27,779,936
			\$49,714,936

During this period, the operational results of Option 2 will be less than those currently incurred by the operation of the existing Cessnock Pool. However, the asset renewal allowance will be largely unfunded during this period, offset only by the improvement in operational costs. A summary of this is shown below

Table 5.9 Position at Year 15

Assumption	Amount	Period	Total	Comment
Operating Results	Improvement to Status Quo Variable	over 15 years	\$3,342,596	Saving compared to current operations
Renewal Funding	Year 1 to 15	15 years	\$11,964,194	Renewal budget
15 Year Result			(\$8,621,597)	'unfunded renewals'

Whilst the table above shows a shortfall for renewal funding, this is 'theoretical' in the sense that significant expenditure on asset renewal will not be required until later in the life of the asset, starting after 10 years when some equipment will need to be replaced, then increasing after 15 to 20 years when major plant will need renewal and beyond that for structural items.

Given this, if figures are projected beyond year 15, ongoing operational savings and funding from the SRV can be redirected to the renewal budget (asset reserve) to make up the shortfall in renewal funding and allow for the ongoing asset renewal allocation. The result of this is shown in the table below.

Table 5.10 Position at Year 21

Assumption	Amount	Period	Total
Renewal Funding	Shortfall to Year 15		(\$8,621,597)
	Year 16 to 21	6 years	\$4,785,677
	21 year renewal 'gap'		(\$13,407,275)
Less Funding Raised			
Funding year 16 to 21	Operating Improvement	6 years	\$2,276,922
	SRV	6 years	\$11,111,974
	Sub-total		\$13,388,897
	21 Year Result		(\$18,378)

This table shows that, theoretically, at year 21 the total cost of the facility would be fully funded and from that point on approximately \$800,000 per annum would need to be allocated to the asset reserve

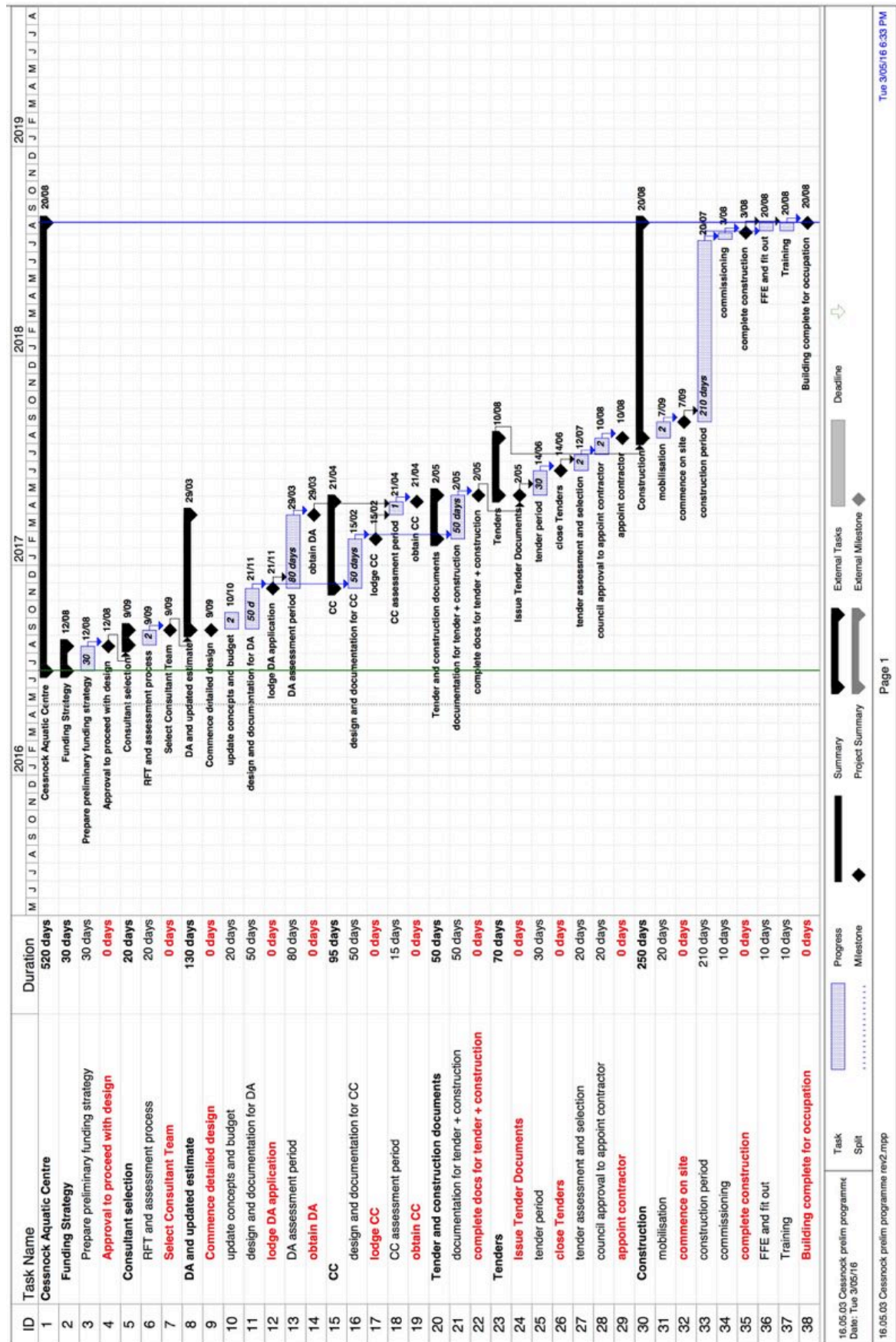
leaving the balance of the operational savings and SRV funding to be allocated to other areas of the Council budget.

5.8.2 Procurement Process

Subject to adequate funding being sourced both internally and externally, the procurement process would involve the following major steps.

- **Procurement Process**
 - Funding
 - Detail and confirm funding strategy
 - Establish financing arrangements for internal funding
 - Seek external funding
 - Design and Development
 - Development Application
 - Construction Certificate
 - Procurement
 - Tender documentation
 - Tender selection
 - Construction
 - Management
 - Determine preferred model
 - Procure resources

An indicative procurement plan and associated timeline is listed on the next page.





6 Summary and Recommendations

This section provides a brief summary of the project and key information developed and identifies a range of recommendations in order to progress the project through the next planning phases.

6.1 Summary

Through the preparation of this report the following points have been reviewed and addressed in regard to planning a new aquatic facility in Cessnock:

- Demographic factors;
- Related state and local planning;
- Current aquatic facility operations;
- Future development and growth;
- Demand and consultation;
- Aquatic leisure facility trends; and
- Existing supply of facilities in the region.

From the resulting key findings, the following planning took place:

- Preparation of component plans for three development options;
- Assessment of potential sites;
 - Turner Park was identified as the preferred site option.
- Preparation of concept designs and capital costs estimates;
 - Preliminary capital costs for Option 2 are estimated at \$39.9M and \$48.1M for Option 3
- Preparation of operating and financial models for forecast operating results;
 - The projected 10 year operating loss for Option 2 is \$3.121M and for Option 3 is \$2.869M.
- Identification of potential funding sources for project capital;
 - Approximately \$20M could be sourced externally with the balance for either option to be funded internally.
- Preparation of predevelopment asset renewal allowances for each option indicates;
 - The projected annual Option 2 asset renewal allowance is estimated at between \$598,000 to \$798,000 and for Option 3 is estimated at \$721,500 to \$962,000.
- Preparation of loan modelling to fund the balance of capital after grants shows that Option 3 will require an additional \$12.427M in loan repayments than Option 2.
- As a proportion of the annual funding available from a 17% special rate variation, Option 2 would consume approximately 32% of the estimated \$5.8M for a 15 year period whilst Option 2 would consume 46%.
- Preparation of an indicative procurement/project delivery process and timeline.

6.2 Project Recommendations

Should Council wish to pursue this project further the following recommendations are suggested. These are based on the findings and analysis of this report.

1. Adopt a Preferred Concept

- a. Conduct community engagement to exhibit the preferred options and seek community feedback and input.
- b. Confirm the location and a preferred development option
 - i. SGL has identified Option 2 as the most feasible option.
- c. Identify and prioritise the project in corporate planning documents.

2. Continue Planning and Secure Funding

- a. Establish a Project Control Group to guide and facilitate further planning and to undertake the task of securing funding for the project.
 - i. Conduct sensitivity analysis on the preferred option to refine the scope of facilities to be provided in order to deliver optimum cost benefit outcomes.
- b. Based on the model presented in this report, further develop and adopt a funding strategy.
- c. Prepare and implement internal budget and financing arrangements as per adopted funding strategy (clearly identify and confirm Council's intended contribution).
- d. Seek external funding
 - i. Set up funding campaigns and strategies to lobby state and federal government representatives and ministers to gain support for the project.
 - ii. Promote the project and seek support from potential project partners including seeking partnership funding commitments where possible.
 - iii. Monitor funding opportunities (from programs listed in this report and other sources) and prepare grant submissions as required.
 - iv. Allocate funding (\$30,000 to \$40,000) to fund resources and reports/documents necessary for secure significant external funding. This may include an economic appraisals/cost benefit analysis, business plan/business case revisions, design adjustments, guidance for application preparation and/or the preparation of other required supporting documents.
- e. Undertake a preliminary development approval process to identify key requirements and/or potential barriers.
- f. Plan for necessary changes and/or relocation of existing facilities at the site.

3. Plan the Procurement Process

- a. Develop a procurement plan – the preparation of a procurement plan will clarify the specific methods to be employed to deliver the project.
- b. Base detailed planning on the progress of funding acquisition – the success of implementing internal and external funding strategies will ultimately determine Council's ability to procure the project and will determine the extent and timing of further detailed work. Ideally, detailed planning would take place once substantial funding is secured.
- c. Detailed design and development approval – a traditional procurement process will require a detailed design and development application to be prepared to enable the project to be approved for development and procured through a typical tender process.
- d. Detailed business and management planning – as further design detail is developed it is advisable that business and management implications are identified and monitored to ensure that operating forecasts are updated and remain relevant and as accurate as possible.

- e. Tender and construction – subject to the acquisition of funds and the identified procurement method, a tender process for acquiring a project builder will need to take place prior to construction being undertaken.
- f. Management acquisition – regardless of the management model selected (internal or external), it is advisable to secure facility management resources as soon as practicable during the delivery phase to provide input into ongoing project and design detail.

Appendix One: Option 2 and 3 Indicative Capital Cost Plan



Indicative Cost Plan

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Cessnock City Council
Cessnock Aquatic Centre

2 May 2016

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Rev	Originator	Approved	Date
0	Jason Flentjar	Craig Nash	2 May 2016
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making the **difference**

1 Introduction

This project comprises of construction of a new indoor aquatic centre for Cessnock. This indicative cost plan has been prepared from feasibility / masterplan information and is intended to assist with the application for grant funding.

The works include an indoor aquatic pool hall with 25m pool, Warm Program pool, spa, Leisure / Toddler and Learn-to-Swim pool, new function room, multipurpose rooms, café and entry, administration and amenities, gym and program rooms and plant. The works externally include the construction of an outdoor splashpad with water features, new carpark, new access road and landscaping.

The cost plan has two options with the main difference being either an indoor or outdoor 51m pool.

2 Summary of Cost

This cost plan is intended to provide an estimated construction cost on masterplan documentation. This cost should always be read with the drawings, information, notes, assumptions and exclusions as outlined elsewhere in this report.

	OPTION 2	OPTION 3
Building Works	16,338,800	22,658,600
Aquatic Works	11,786,500	12,226,500
External Works and Services	4,662,345	4,654,710
CONSTRUCTION TOTAL	32,787,645	39,539,810
Contingencies	3,361,000	4,052,000
Fees & Charges	3,732,000	4,470,000
TOTAL PROJECT COST	39,880,645	48,061,810

A detailed cost breakdown is included in Appendix A.

3 Quantitate analysis

The table below provides additional data analysis

	OPTION 2	OPTION 3
Ground Floor Area	6,988m ²	9,536m ²
Construction Cost per m2 (excluding GST)	\$4,692/m2	\$4,146/m2

4 Information used

The estimate is based on the following information:

Documents & Drawings	Revision
Architectural Drawings received 22/04/2016	
Area Schedule per Graphite Architects received 26/04/2016	

5 Exclusions

- Goods and Services Tax (GST)
- ESD initiatives beyond compliance with Section J of the BCA
- Removal of asbestos and other hazardous materials
- Latent Conditions
- Adverse soil conditions including rock excavation, replacement of soft spots, testing, removal and replacement of contaminated soil
- Cost Escalation beyond April 2016
- Council internal costs
- Land, legal, finance and marketing costs
- Upgrade, new or replacement of authority services infrastructure to the site
- Diversion of existing inground services infrastructure
- Staging costs
- Relocation / Decanting costs
- Pool equipment incl. blankets, anti-drowning software etc
- Fire sprinklers
- Blinds, Curtains and Drapes
- Public Artwork
- Stormwater detention / retention on site
- Piling or Bored Pier foundations
- Office equipment / active IT and telephone costs
- Loose furniture, fittings & equipment (FF&E)
- Audio Visual requirements

Appendix A – Detailed Cost Breakdown

Cessnock Aquatic Leisure Centre

Indicative Cost Plan

QS REF: me23760

Date: 2/05/2016

Function	area m2	rate \$/m2	Option 2 cost \$	Option 3 cost \$
Building Works				
Pool Hall - Option 2	2570	\$ 2,400	\$ 6,168,000	
Pool Hall - Option 3	4913	\$ 2,400		\$ 11,791,200
Waterslide tower building	80	\$ 4,000	\$ 320,000	\$ 320,000
Extra over for tiered seating - Option 2	110	\$ 1,000	\$ 110,000	
Extra over for tiered seating - Option 3	335	\$ 1,000		\$ 335,000
Store rooms	80	\$ 1,800	\$ 144,000	\$ 144,000
Sauna / steam (shell only)	40	\$ 1,600	\$ 64,000	\$ 64,000
Plant room	315	\$ 1,800	\$ 567,000	\$ 567,000
Swim club incl offices and stores	40	\$ 2,200	\$ 88,000	\$ 88,000
Storage / office/ assessment/ accessible amenity	34	\$ 2,200	\$ 74,800	\$ 74,800
Group fitness & programme rooms - Option 2 + 3	450	\$ 2,000	\$ 900,000	\$ 900,000
Gym	800	\$ 2,200	\$ 1,760,000	\$ 1,760,000
Gym stores	40	\$ 2,000	\$ 80,000	\$ 80,000
Foyer	80	\$ 2,000	\$ 160,000	\$ 160,000
Reception	30	\$ 2,200	\$ 66,000	\$ 66,000
Admin offices, staff room	190	\$ 2,200	\$ 418,000	\$ 418,000
Dry lounge	110	\$ 2,000	\$ 220,000	\$ 220,000
Cafe servery, kitchen, stores	70	\$ 2,600	\$ 182,000	\$ 182,000
Cafe equipment	Allow		\$ 30,000	\$ 30,000
Merchandising / promo store	50	\$ 2,200	\$ 110,000	\$ 110,000
Store rooms	50	\$ 2,000	\$ 100,000	\$ 100,000
Child minding	154	\$ 2,400		\$ 369,600
Childrens playland / party room	50	\$ 2,200	\$ 110,000	\$ 110,000
Cafe access amenity	5	\$ 3,300	\$ 16,500	\$ 16,500
Staff amenities	20	\$ 3,000	\$ 60,000	\$ 60,000
Wet lounge	75	\$ 2,300	\$ 172,500	\$ 172,500
First Aid	15	\$ 2,500	\$ 37,500	\$ 37,500
Main Amenities	245	\$ 2,700	\$ 661,500	\$ 661,500
School / event change amenities	105	\$ 2,700	\$ 283,500	\$ 283,500
Programme pool Amenities	85	\$ 2,700	\$ 229,500	\$ 229,500
Fitness Centre amenities	140	\$ 2,600	\$ 364,000	\$ 364,000
Athletics amenities building	240	\$ 2,600	\$ 624,000	\$ 624,000
Fitness amenities	10	\$ 2,600		
Family Change and accessible change	50	\$ 2,200	\$ 110,000	\$ 110,000
Circulation - Option 2	929	\$ 2,000	\$ 1,858,000	
Circulation - Option 3	980	\$ 2,000		\$ 1,960,000
Allowance for mechanical plant platform / plant rooms	Allow		\$ 150,000	\$ 150,000
Allowance for entrance canopy	Allow		\$ 100,000	\$ 100,000
Total Building Works			\$ 16,338,800	\$ 22,658,600
Internal Aquatics				
Toddler Pool	Allow		\$ 300,000	\$ 300,000
Learn-To-Swim Pool	Allow		\$ 300,000	\$ 300,000
Freeform Leisure Pool	Allow		\$ 1,125,000	\$ 1,125,000
51m Pool x 10 lane incl ramp entry and moveable boom	Allow			\$ 4,000,000
25m Pool incl ramp entry	Allow		\$ 1,400,000	\$ 1,400,000
Adventure Waterslides [2 no]	Allow		\$ 1,200,000	\$ 1,200,000
Waterslides tower	Allow		\$ 600,000	\$ 600,000
Civil works for slides	Allow		\$ 100,000	\$ 100,000
Warm Water Program Pool incl Spa and Therapy Area with Ramp access	Allow		\$ 1,600,000	\$ 1,600,000
Sauna / Steam Room [2 No]	Allow		\$ 40,000	\$ 40,000
External Aquatics				
51m Pool x 8 lane incl ramp entry and moveable boom	Allow		\$ 3,600,000	
Splashpad and features	Allow		\$ 450,000	\$ 450,000
Preliminaries on Pools	Allow		\$ 1,071,500	\$ 1,111,500
Total Aquatic Works			\$ 11,786,500	\$ 12,226,500
External Works & Services				
Site Preparation	Allow		\$ 97,365	\$ 109,420
Demolition of existing pavilion	Allow		\$ 80,000	\$ 80,000
Earthworks	Allow		\$ 584,190	\$ 656,520
Outdoor Concourse to 51m pool	865	\$ 360	\$ 311,400	
Creche outdoor play	160	\$ 360		\$ 57,600
Shaded tiered seating on concourse	225	\$ 1,800	\$ 405,000	
Outdoor aquatic area with splashpad	480	\$ 300	\$ 144,000	\$ 144,000
BBQ / shade structures and play areas	2325	\$ 60	\$ 139,500	\$ 139,500
Play equipment	Allow			\$ 50,000
Outdoor seating areas	150	\$ 60	\$ 9,000	\$ 9,000
Outdoor future slides area	1585	\$ 30	\$ 47,550	\$ 47,550
Loading and services access hardstand	Allow		\$ 152,000	\$ 152,000
Carpark - Option 2 + 3	7600	\$ 160	\$ 1,216,000	\$ 1,216,000
Connection to existing carpark / roads / site entry	Allow		\$ 100,000	\$ 100,000
External landscaping	Allow		\$ 150,000	\$ 150,000
Allowance for external services	Allow		\$ 1,226,340	\$ 1,743,120
Total External Works & Services			\$ 4,662,345	\$ 4,654,710
Construction Cost			\$ 32,787,645	\$ 39,539,810
Design Contingency	5%		\$ 1,640,000	\$ 1,977,000
Construction Contingency	5%		\$ 1,721,000	\$ 2,075,000
Sub Total			\$ 3,361,000	\$ 4,052,000
Professional Fee Allowance	9%		\$ 3,254,000	\$ 3,924,000
Authority Fees & Charges	Allow		\$ 328,000	\$ 396,000
Contribution to new authority substation	Allow		\$ 150,000	\$ 150,000
Sub Total			\$ 3,732,000	\$ 4,470,000
Total Project Cost			\$ 39,880,645	\$ 48,061,810

Exclusions:

GST	Cost Escalation beyond April 2016
ESD initiatives beyond compliance with Section J of BCA	Office Equipment costs
Upgrade or provision of authority services infrastructure external to the site	Public Art
Land, legal, marketing and finance costs	Asbestos & other hazardous materials removal
Relocation / Decanting Costs	Council internal costs
Staging Costs	Stormwater detention / retention on site
Adverse soil conditions incl. excavation in rock, contaminated soil, soft spot	Active IT and telephone equipment
Pool equipment incl blankets, anti-drowning software etc	Large water feature equipment to the external splashpad (eg AP500 or the like)
Audio Visual requirements	Diversion / relocation of existing inground services
Blinds, Curtains or Drapes	Loose Furniture, Fittings and Equipment (FF&E)
Piling or Bored Pier foundations	