



AGENDA APPENDIX
Council Meeting
Wednesday 16 April 2014

AGENDA ITEM FOR SEPARATE DISTRIBUTION TO COUNCILLORS AND EXECUTIVE LEADERSHIP TEAM DUE TO DOCUMENT SIZE.

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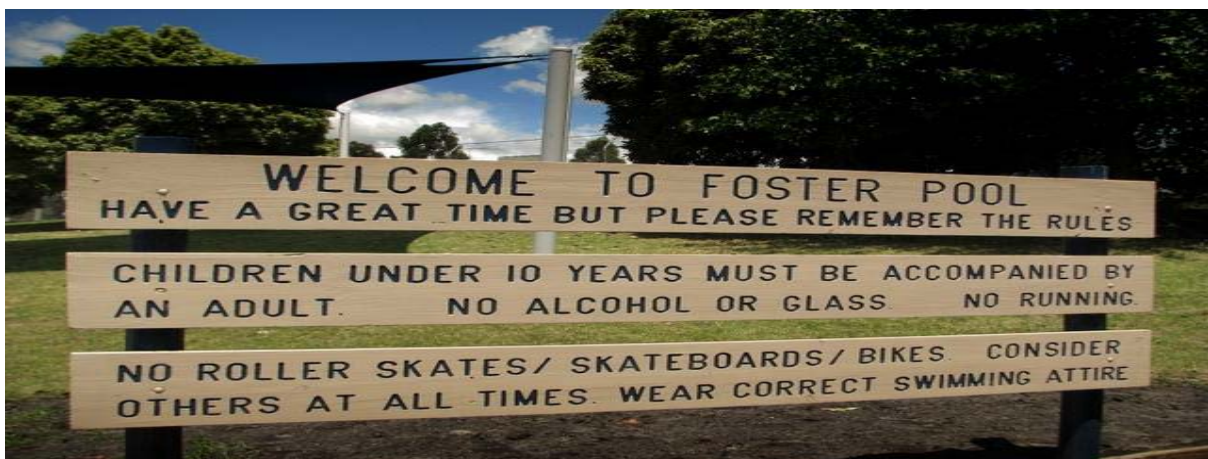
E.1 FOSTER SWIMMING POOL REVIEW RESULTS

Appendix 1 – Foster Pool Review March 2014



Foster Pool Review

March 2014



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EXECUTIVE SUMMARY

This review is focussed on the performance of the Foster Pool during the 2011/12 and 2012/13 season.

The review identifies that;

- The Foster Pool has historically operated within budget parameters until the 2012/13 year and implementing decreases in service level will assist in containing escalating costs.
- It could be expected in the future that attendance to the Foster Pool could be as low as 5,000 in a poor weather season and up to 10,000 in a good season;
- There are options available that can either reduce the cost of providing the service and/or increase attendance to the Pool;
- The long term cost to maintain and operate the Foster Pool is anticipated to average approximately \$100,000 per year at the current service level;
- Based on this figure the cost per user subsidy would be expected to range between \$10 per person in a good season to \$20 per person in a poor season; and
- The total cost to demolish the Foster Pool and return to a green field site would be approximately \$200,000.

BACKGROUND

At the 2 October 2002 meeting Council resolved to take over as Committee of Management of the Foster Outdoor Pool as requested by the Department of Natural Resources and Environment. Council then appointed the existing pool subcommittee members to a Council Section 86 Committee and became financially committed to the ongoing upkeep of the pool.

With the adoption of the Strategic Direction for Aquatic Facilities in South Gippsland in February 2012 Council endorsed a series of trigger points as indicators of when the continued operation of an outdoor pool needs to be reconsidered.

Activating any of the following trigger points will identify the need to consider the future operation of a facility.

- *The facility operator is not able to achieve compliance with public safety; water quality or OH&S requirements within the proposed maintenance and capital works budget allocations;*
- *Legislative changes which require additional investment beyond current projections;*
- *Breakdown of pool filtration, pool shell or critical infrastructure;*
- *Failure to operate within the identified annual operations budget; and/or,*
- *Drop in attendances by 20% for two consecutive seasons based on average attendances from 2005/06 through to 2010/11.*

Once a facility activates one or more of these trigger points Council will allocate resources towards a detailed review of the facility (in consultation with the community and Committee of Management) and make a recommendation to the Council with regard to its future viability, which may include closure of the facility.

Following the 2012/13 season the Foster Pool has activated two of these triggers.

The average attendance from 2005/06 through to 2010/11 at Foster Pool is 9,062. To remain above the trigger point level the attendance target was 7250.

The 2012/13 operational budget for the Foster Pool was \$75,000. At the completion of the financial year the operating cost to Council for the pool was over budget by \$8,500.

The YMCA was contracted in 2011 for a period of three years for the management and operation of the Foster Swimming Pool. Prior to this the pool was managed by the Foster Pool Section 86 Committee with pool staff supplied via an employment agency.

FOSTER POOL ATTENDANCE AND EXPENDITURE

Foster Pool Actual Cost					
	Income	Operations	Maintenance	Attendance	Cost per user
2005/06	\$ 23,336	\$ 39,000	\$ 7,200	10,271	\$ 4.50
2006/07	\$ 20,719	\$ 45,395	\$ 23,445	7,461	\$ 9.23
2007/08	\$ 36,108	\$ 52,202	\$ 13,896	8,873	\$ 7.45
2008/09	\$ 14,565	\$ 55,700	\$ 6,950	11,000	\$ 5.70
2009/10	\$ 30,496	\$ 57,510	\$ 30,156	12,764	\$ 6.87
2010/11	\$ 8,498	\$ 65,302	\$ 32,729	4,000	\$ 24.51
2011/12	\$ 17,262	\$ 67,798	\$ 24,421	5,871	\$ 15.71
2012/13	\$ 17,716	\$ 83,493	\$ 54,623	6,147	\$ 22.46
2013/14	\$ 16,796*	N/A	N/A	6,103	

* Income to March 2014

Even with minimal maintenance and capital expenditure it is anticipated that the long term annual total operational cost to Council for the Foster Pool will average approximately \$100,000 per year.

BENCHMARKING

Attendance, expenditure and subsidy per visit at outdoor pools for the 2012/13 season were benchmarked across Gippsland, with the exception of Bass Coast and Wellington as accurate figures were not available. Two pools from Buloke shire were also included as they have a similar population to Foster.

These figures see the subsidy per visit sitting between \$3.62 and \$20.99. The Foster Outdoor Pool had the fifth lowest attendances, while recording the second highest subsidy per visit. This figure is impacted by higher than normal maintenance during this season.

	Expenditure	Net performance	Subsidy per visit	Attendances
EAST GIPPSLAND				
Bairnsdale Outdoor Pool	\$ 189,770	\$ 151,617	\$ 16.80	9,026
Orbost Outdoor Pool	\$ 143,585	\$ 97,786	\$ 11.34	8,622
LATROBE				
Moe Outdoor Pool	\$ 106,759	\$ 67,912	\$ 7.19	9,442
Traralgon Outdoor Pool	\$ 109,597	\$ 56,251	\$ 3.62	15,560
Yallourn North Outdoor Pool	\$ 72,963	\$ 53,263	\$ 11.98	4,446
BAW BAW				
Drouin Outdoor Pool	Not available	Not available	Not available	11,422
Trafalgar Outdoor Pool	Not available	Not available	Not available	10,273
Neerim South Outdoor Pool	Not available	Not available	Not available	4,460
Thorpedale Outdoor Pool	Not available	Not available	Not available	1,576
SOUTH GIPPSLAND				
Foster Outdoor Pool	\$ 138,116	\$ 120,586	\$ 19.62	6,147
Toora Outdoor Pool	\$ 263,363	\$ 215,363	\$ 9.05	23,785
Poowong Outdoor Pool	\$ 84,634	\$ 58,128	\$ 6.85	8,484
Mirboo North Outdoor Pool	\$ 172,259	\$ 121,424	\$ 7.51	16,165
Korumburra Outdoor Pool	\$ 113,121	\$ 75,629	\$ 4.43	17,073
BULOKE				
Donald Outdoor Pool	\$ 84,086	\$ 84,086	\$ 7.37	11,408
Charlton Outdoor Pool	\$ 97,063	\$ 97,063	\$ 20.99	4,624

Expenditure includes operational, capital and maintenance.

It should be noted that Toora and Foster had particularly high levels of maintenance in 2012/13 which have impacted the expenses and subsidy per visit figures.

Programs

A range of different programs were conducted at the pools that were benchmarked with the majority of them offering school swimming, swim lessons (quite often Vic Swim), pool inflatable's and various events held during the pool season. Several of the pools also offered early morning swimming.

Buloke Shire has a pool hire agreement process in place where the local community can access the pool out of opening hours as long as they have a qualified person / volunteer on site and meet the terms of the hire agreement. This system is widely used, particularly in Donald and Birchip where they organise early morning swimming, swim squad and school swimming. Donald has a voluntary lifeguard system in place where the pool committee and swim club have organised several people to be lifeguard qualified and these people are called on for early morning swimming sessions to keep the cost of entry down for participants. Buloke Shire Council does not charge any fees for use of their pools, either during our out of pool opening hours.

Hours of operation / season length

All Council's benchmarked have a cold weather policy in place which restricts the operating hours or closes the pool on cooler days, based on the weather forecast the previous evening. These temperatures range from 23 to 28 between different Council's.

Loddon Shire is trialling a new system where the hours that the pool is not open due to cooler weather are banked up to be used on hot days.

Latrobe City is the only Council that has guaranteed opening hours regardless of the temperature, these hours are 3pm to 5pm each day.

There was a significant variance in the range of operating hours, but all pools opened for at least two hours in the afternoon on weekdays (after school) with longer hours on weekends and school holidays (ranging from three hours per day to eight hours per day). The majority of Council's had different opening hours at different pools with reduced hours at pools in their smaller towns.

There were five pools with a similar population base to Foster. Of these Foster has the longest opening hours (11am to 7pm). Each of the other pools benchmarked have reduced weekday hours during the school term. Implementing reduced weekday hours at Foster Pool during the school term would be a positive step to reduce operational expenditure.

Pool	Peak Weekday	Peak Weekend	Non-Peak Weekday	Non-Peak Weekend
Heyfield	11am to 7pm	11am to 7pm	3pm to 7pm	11am to 7pm
Rosedale	11am to 7pm	11am to 7pm	3pm to 7pm	11am to 7pm
Yallourn North	12am to 7pm	12am to 7pm	3pm to 7pm	12am to 7pm
Donald	2pm to 7pm	2pm to 7pm	3pm to 7pm	2pm to 7pm
Charlton	2pm to 7pm	2pm to 7pm	3pm to 7pm	2pm to 7pm
Foster	11am – 7 pm	11am – 7 pm	11am – 7 pm	11am – 7 pm

Pool	Season Open	Season Close
Heyfield	1 December	Labour Day
Rosedale	1 December	Labour Day
Yallourn North	9 November	Labour Day
Donald	16 November	Labour Day
Charlton	16 November	Labour Day
Foster	1 December	Labour Day

Attendance / weather

Pool	Population	2010/11	
		Attendance	Days over 30
Heyfield	1,937	2,456	12
Rosedale	1,600	876	12
Yallourn North	1,493	3,181	12
Donald	1,693	4,671	33
Charlton	1,288	1,990	33
Foster	1,678	4,000	7
Pool	Population	2011/12	
		Attendance	Days over 30
Heyfield	1,937		14
Rosedale	1,600		18
Yallourn North	1,493	3,429	18
Donald	1,693	9,217	48
Charlton	1,288	4,977	48
Foster	1,678	5,871	11
Pool	Population	2012/13	
		Attendance	Days over 30
Heyfield	1,937		23
Rosedale	1,600		36
Yallourn North	1,493	4,426	36
Donald	1,693	11,408	70
Charlton	1,288	4,977	70
Foster	1,678	6,147	24

The 2010/11 season was a particularly cold season while the 2012/13 season was quite a hot season with all pools, with the exception of Heyfield, experiencing more than twice as many hot days as the 2010/11 season. These weather trends, along with increasing attendances in each of these years, demonstrate that temperature is a key factor in people attending an outdoor pool.

Foster has consistently had the lowest number of days over 30 of all of these towns.

This indicates that the attendances at the Foster pool are above average (for the towns benchmarked) and that the attendance figures achieved in 2010/11 are indicative of a poor weather season.

REVIEW OF TRIGGER POINT ACTIVATION

The review of Foster Pool is being undertaken following the activation of two trigger points adopted by Council in the Strategic Direction for Aquatic Facilities in South Gippsland February 2012.

Failure to operate within the identified annual operations budget

Council makes a financial allocation for each pool as part of the annual budget process. The budgeted amount is based on agreed contract amounts and / or historical expenditure with annual incremental increases.

In the 2012/13 financial year the operation budget (excluding maintenance or capital works) was \$75,000. According to financial information provided by the YMCA the net cost for the Foster Pool was \$83,493 more than 10% over the budget projection.

Income received was significantly down on the YMCA tender projections and only increased by \$454 on the previous season with 276 additional visits.

While income and attendance experienced only minor increases in the 2012/13, expenditure increased over 15% to over \$101,000. Staff expenditure increased \$8,500, pool chemicals increased \$2,200 and water increased \$2,400 on previous year's expenditure. Other expenditure remained the same or decreased on the previous year.

Nearest available Bureau of Meteorology data identifies that the number of days over 30 degrees increased from 11 days in 2010/11 to 24 days in 2012/13. This increase in the number of "Hot" days supports the escalation in staffing expenditure at the pool, although the corresponding increases in attendance and income did not occur.

The Committee of Management indicate that at no stage when they were responsible for management of the budget did the pool exceed budget by any significant amount. In most years a small surplus was achieved that allowed reinvestment in equipment and improvements to the pool.

The YMCA is responsible for active management of the budget to achieve targets. It is acknowledged it can be difficult to effectively manage the pool budget when utility expenditure is often not known until the season is complete, thus limiting opportunities to reduce expenditure or increase income during the pool season.

After reviewing the factors surrounding the activation of the budget trigger point it is concluded that the Foster Pool has historically operated within budget and implementing decreases in service level will assist in containing escalating costs..

Drop in attendances by 20% for two consecutive seasons based on average attendances from 2005/06 through to 2010/11

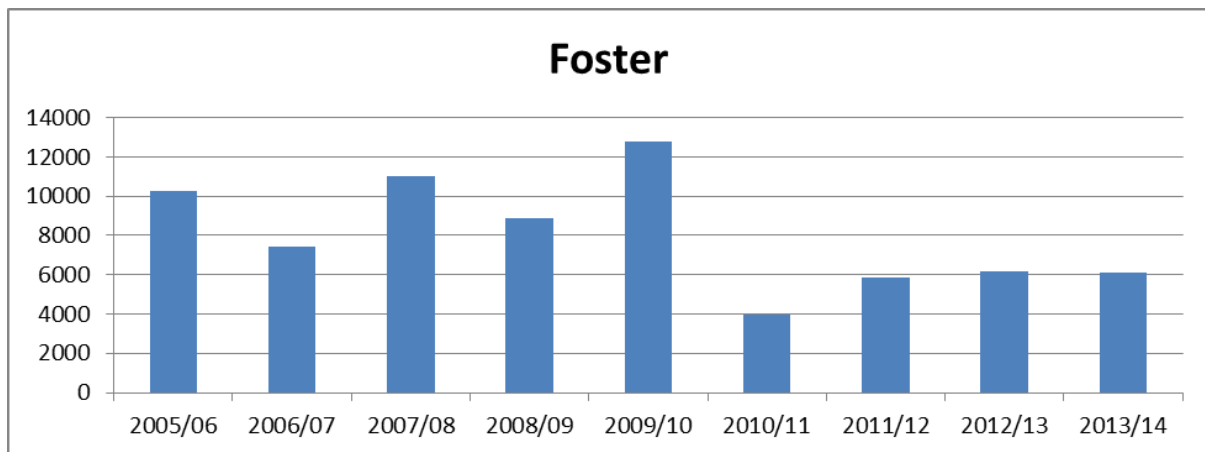
The average attendance from 2005/06 through to 2010/11 at Foster Pool is 9,062.

To remain above the trigger point level the attendance target is 7250.

2011/12 attendance was 5,870

2012/13 attendance was 6,147

2013/14 attendance was 6,103



Attendance to the Foster Pool increased by less than 5% in the 2012/13 season.

At the other South Gippsland Outdoor Pools attendance increased by 8%, 30%, 28% and 55% respectively.

The weather during the 2012/13 was significantly better for outdoor pools than the previous season.

The location of Foster Pool presents challenges that do not have as significant an impact at the other South Gippsland Pools. Due to its proximity to the coast locals and visitors have easier access to the beach than other areas of the municipality. Also there can be major differences in the ambient temperature at Foster compare to areas further from the coast. During the 2013/14 summer it was observed on a number of occasions that the temperature in Foster was 8 -10 degrees less than Leongatha.

While these factors may have greater influence on Foster attendance it does not fully explain why attendance did not increase in line with increases at other venues.

The Committee of Management have indicated their concern that pool attendances have not been recorded accurately, particularly the number of members visiting the pool.

From benchmarking data from equivalent size towns and historical data it could be expected in the future that attendance could be as low as 5,000 in a poor weather season and up to 10,000 in a good season.

COST REDUCTION OPTIONS

There are a number of things that Council could consider to reduce the operational cost of the Foster outdoor pool, these include:-

Reduce operating hours

Benchmarking indicates that the Foster outdoor pool currently has very long operating hours, when compared with other towns with similar population bases, and also when compared to Mirboo North, Poowong and Korumburra outdoor pools.

Council could consider reducing the operating hours for the pool on weekdays during school term to 3pm to 6pm, and 12pm to 6pm on weekends and school holidays. This would bring the hours of operation in line with Poowong.

Reducing the existing hours could provide significant cost savings to Council due to savings in the cost of staffing the facility.

Reduce season length

Starting the pool season on December 20th instead of 1 December, in line with the beginning of school holidays, could provide operational and energy savings for Council of up to 20%.

The impact on the community of this change to season length would be lessened by the reduced opportunities to swim during the month due to the number of cold days in December, and the cold water temperature during this month.

Increase cold weather policy

Council could consider increasing the cold weather policy for the pool, although it is recommended that if this action be taken that this would apply to all of Council's unheated outdoor pools, not just Foster.

Reduce pool supervision

Guidelines for Safe Pool Operations allow for reducing supervision to one lifeguard in low patronage situations. A range of additional risk mitigation measures must be implemented in these situations. The benefits of reduced staff costs do not justify the increased risk to patrons and staff.

INCREASE ATTENDANCE OPTIONS

More community events

According to YMCA staff the pool at Foster held five 'fun days' during the 2013/14 season and a 'music by the pool' event. They also have a small inflatable that they put into the pool on demand.

Increasing the number of community events held at the pool, and advertising them well in the area, is likely to increase the number of people that visit the pool. It would be important for these additional events to be predominantly organised by the pool committee, rather than the YMCA so that there was not an additional cost to Council for organising additional events.

Out of hours use of pool

Buloke Shire Council has a system in place where the community can use the pool out of pool hours as long as they have a qualified person on site at all times. They have a user hire agreement form that all groups sign prior to being able to use the pool and provide access to the pool out of hours at no cost.

Taking away the cost to groups for this access has increased out of hours use significantly at all of their seven outdoor pools and provides greater access to the community at no additional cost to Council.

The Donald Pool Committee has a voluntary lifeguard system in place which supports out of hours use of the pool in their community. The Pool Committee work with the Donald Swim Club to manage this process and Council has assisted in obtaining grant funding to train the voluntary lifeguards. This allows the town to have early morning swimming six mornings a week. Other towns within Buloke shire are looking to introduce a similar system to increase their ability to access the pool.

Introducing a process such as this for the Foster pool in line with a reduction in operating hours, would provide Council with cost savings whilst allowing community use of the pool out of opening hours which will increase the usage.

POOL CLOSURE

With the net cost per user for Foster pool expected to range between \$10 per person in a good season to \$20 per person in a poor season, the value for money for this expenditure needs to be considered.

Permanently closing the Foster Pool will result in significant cost savings to Council. In operational costs (excluding maintenance) alone savings would be \$1,410,794 over 15 years.

The pool is located on Crown Land with Council as Committee of Management. If Council wished to dissolve itself of this responsibility it would require negotiation with the relevant state government land managers. It would be expected that prior to relinquishing Councils responsibilities the State would require the site to be returned to green field condition.

Demolition and site work costs to return the pool to a green field site have been estimated by a quantity surveyor at \$170,000 excluding GST.

With project management and contingency the total cost would be \$200,000 excluding GST.