LAKE MACQUARIE CITY

LAKE MACQUARIE

OPTIONS ANALYSIS REPORT

AQUATIC FACILITIES STRATEGY

MARCH 2022

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TABLE OF CONTENTS

1. STRATEGY PURPOSE

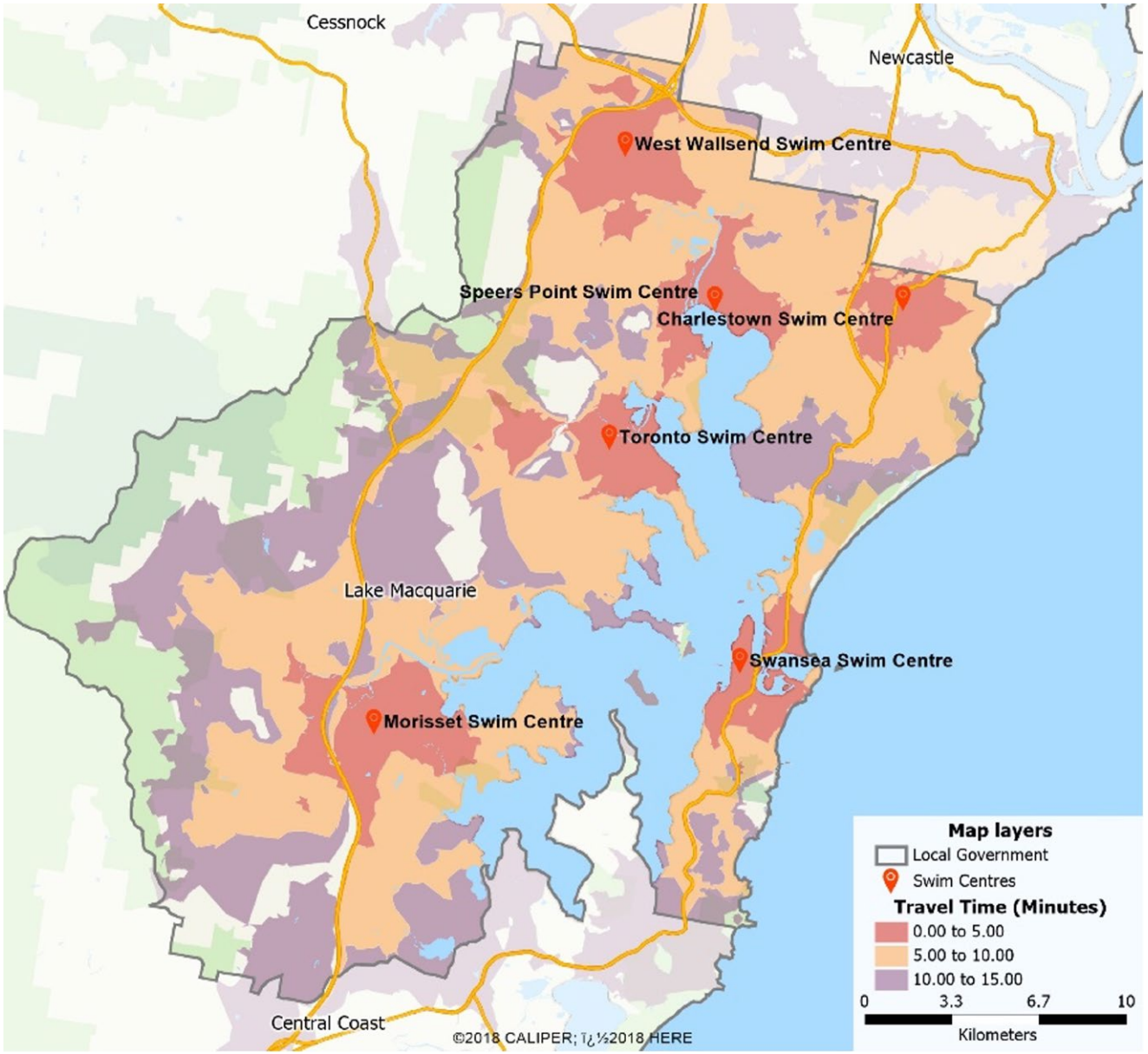
Lake Macquarie City Council currently owns six swim centres, with four managed directly by Council and two managed via contract. The swim centres provide important recreational swimming, lap swimming, aquatic fitness and water safety/ learn-to -swim opportunities for Lake Macquarie residents.

Council's swim centres have a good geographic spread, accessible to the majority of the Lake Macquarie community. However, the current centres are mostly ageing infrastructure, poor for universal accessibility, not meeting the needs of the full potential aquatic user market, not fully meeting the needs of the community and not maximising their potential use and viability.

Council has commissioned a new Aquatic Facilities Strategy to replace its existing Pool Service Delivery Model, which is now outdated and no longer reflects Council and community aspirations and needs.

The purpose of the project is to:

> Deliver an Aquatic Facilities Strategy that provides the strategic direction for the provision, development and management of Council's Swim Centres for the next 20 years



2. RESEARCH & ENGAGEMENT ANALYSIS

Outlined below is a summary of an analysis of the research and engagement undertaken for this Strategy, from the following documents:

VOLUME 1
Background Report

VOLUME 2
Engagement Report – Phase 1

2.1. ACCESSIBILITY

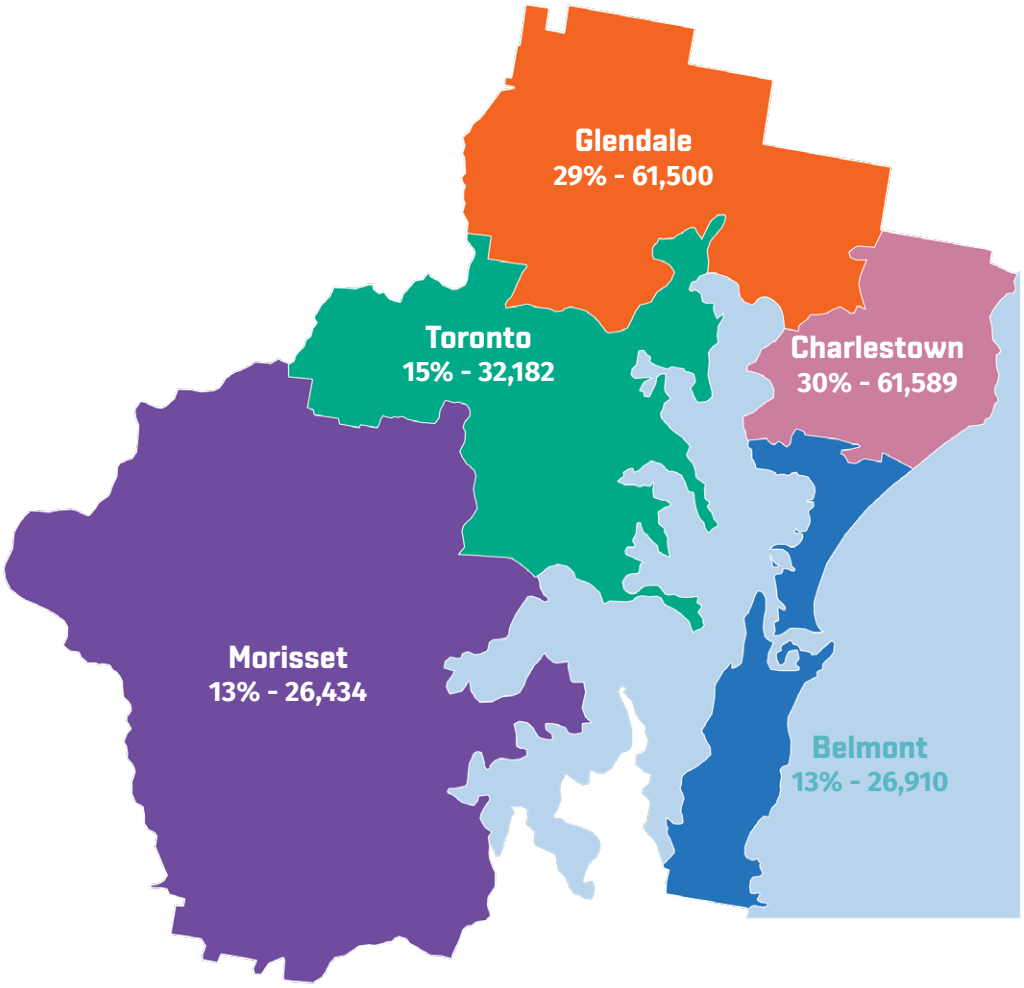
There is a good geographic spread of Lake Macquarie City Council owned swim centres in the City. Almost all residents are within a 15-minute drive time of a swim centre, except for a small section of the community that reside within the western fridge of the Morisset, Toronto and Glendale planning catchments.

Access to year-round warm water pools is supported by eight privately owned facilities located throughout the City, including hydrotherapy pools at the Valentine Hydrotherapy Pools, Coughlans Swim Centre and Atune Health Cardiff.

Hydrotherapy pools differ from other warm water program pools based on their Australian safety standard dictating pool depth, dimensions, accessibility and water temperatures. They are less multi-use than many other warm water pools. Whilst an important facility to communities, as NSW Health is responsible for public community-based and primary health services, the responsibility for providing health related hydrotherapy pools should lie with the State Government.

Part of the demand for aquatic facilities, programs and services from the Lake Macquarie community is serviced by adjoining local government facilities. At the time of this report, Newcastle City Council is also undertaking an analysis into the future of its inland pools. The future direction for Lake Macquarie aquatic centres will need to consider neighbouring provision and service gaps.

It is unknown if the planned Lake Macquarie Sport and Recreation Centre, to be developed by the NSW Government at Morisset, will include pools. Engagement with the state will be critical to explore potential opportunities including co-location of facilities, to achieve the best possible sustainable outcomes for the community.



Population Distribution by Catchment (Estimated Population, 2021, REMPLAN)

2.2. DEMAND ANALYSIS

With increasing population growth estimated of approximately 14% and 30,000 people within the City over the next twenty years, demand for aquatic related facilities, programs and services will also increase. The largest population growth is estimated to be in the Glendale and Morisset planning catchments. This suggests there will be a higher intensity of new demand at both the West Wallsend and Morisset Swim Centres.

The higher proportion of residents aged 30 to 49 years of age, compared to NSW as a whole, suggests there will likely be higher demand for fitness, recreation and education related aquatic facilities, programs and services. Over the next 10+ years, the City's residents will continue to age, suggesting increasing demand for warm water opportunities. Non-Council owned pools such as the Valentine Hydrotherapy Pool, are currently servicing some of the community demand for warm water pools. The higher proportion of Aboriginal and Torres Strait Islander and people born overseas, suggests that future aquatic facilities, programs and services must be adaptive to be accessible to the changing needs of the community. With pockets of lower income and social disadvantage, future programs and service offerings will need to remain price sensitive.

14% (30,000) people
over the next 20 years

increased demand
in fitness, recreation and education related aquatic facilities, programs and services

2.3. PROVISION

The current Council-owned aquatic facility provision rate per resident for the City of 1:35,629 is relatively consistent with the average provision rate of 1:38,767 compared to the Central Coast, Newcastle, Wollongong and Shoalhaven LGA's. Whilst this provision rate is estimated to reduce to 1:39,697 by 2041, the City's rate remains consistent with benchmarked and surrounding LGA's. On this basis and combined with the strong geographic spread of Council-owned swim centres, there is no evidence to suggest a new greenfield Council-owned swim centre is required over the next twenty years within the City.

This position is further supported by the findings of the *Lake Macquarie City Council Swim Centres Demand and Supply Review, 2020* report, undertaken by Xypher Sport + Leisure, that was supported by an Investment Planning Model - Area Analysis and completed by ActiveXchange.

The Hunter and Central Coast Development Corporation and Venues NSW are currently undertaking a business case for the Hunter Park Precinct. Venues NSW has developed a draft Vision for the Hunter Sports and Entertainment Precinct including a proposed concept plan. This Precinct and its future direction will help shape and drive many of the high-level facility decisions across Greater Newcastle and the Hunter Region. The proposed concept plan includes an Aquatic and Leisure Centre. There is an opportunity for Council to facilitate discussions with the NSW Government to encourage the future Hunter Park Precinct to focus on facilities that support aquatic based event and high performance programs and services, including increased lap swimming space, fitness and deep water related facilities.

2.4. ASSET CONDITION

Condition assessments undertaken by Council suggest that there will continue to be the need for ongoing remedial maintenance and revitalisation of existing aquatic facility infrastructure across all of the Council-owned swim centres over the next twenty years. No individual facility component has been identified as catastrophic or end of life.

The replacement of pools generates the largest cost and disruption to trade impact of the full range of facility components across a swim centre. Summarised below are the pool structures that are estimated to require replacement according to Council's most recent condition assessments:

CHARLESTOWN SWIM CENTRE

- Outdoor heated 50m pool
  - Council is currently committed to installing a liner to prolong the life of the 50m pool
- Outdoor heated 25m pool (2038)
- A fibreglass liner is programmed for 23/24 (extend life of pool to 2040)

MORISSET SWIM CENTRE

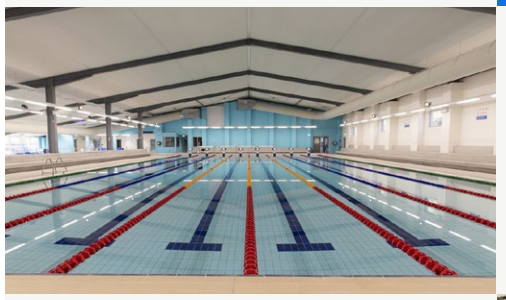
- Outdoor heated 25m pool
- Outdoor learn-to-swim pool
- Toddler pool
- Fiberglass pool liners have been programmed for 29/30, extending the life of the pools to 2046. Plant equipment replacement at 29/30

SPEERS POINT SWIM CENTRE

- Outdoor heated 50m pool
- Outdoor heated 25m pool
- Fiberglass pool liners have been programmed for 25/26, extending the life of the pools to 2042. Plant equipment replacement at 25/26

SWANSEA SWIM CENTRE

- Outdoor heated 50m pool
- Outdoor learn-to-swim pool
- Fiberglass pool liners have been programmed for 22/23, extending the life of the pools to 2039. Plant equipment replacement at 22/23



TORONTO SWIM CENTRE

- Indoor heated 25m pool (2041)
- Indoor heated learn-to-swim pool (2041)

WEST WALLSEND SWIM CENTRE

- Indoor heated 25m pool (2041)

The summary above suggests there is a short term need to address several of the pools to ensure their remaining useful life is extended.
Council has committed to the installation of liners to several outdoor pools and some improvements to multiple plant assets to achieve this objective at the Charlestown, Swansea, Speers Point and Morisset Swim Centres.

2.5. PERFORMANCE

The operating performance of the Council-owned pools over the past six years suggests:

Annual visitation varies across the swim centres, however, are considered at the **low end** for contemporary aquatic facilities.

Whilst it is common for predominant indoor/ outdoor swim centres to result in an operating deficit, the **average operating deficit** per swim centre of $459,158 per annum is considered to be at the **low end** of performance compared to contemporary aquatic facilities.

Similarly, the average **cost per visit** of $6.49 is considered to be at the **low end** of performance compared to contemporary aquatic facilities.

These performances suggest that the current Council-owned swim centres are not fully servicing the potential aquatic facility market and there is likely to be large levels of unmet demand.

2.6. MARKET ATTRACTIVENESS

Contemporary aquatic facilities have evolved over the past ten years and now incorporate the following key user markets:

- Recreation, Leisure and Adventure
- Fitness and Training
- Education
- Therapy

Whilst across the network there is, to some extent, the provision of aquatic facilities that align to each of the key user markets, there is no single Council-owned swim centre that provides the full range and standard of aquatic facilities at the one venue, that would be considered fully contemporary. Contemporary aquatic facilities have and continue to transition towards providing facilities, programs and services that are attractive to all key user groups. The scale and standard of each individual facility component will vary subject to the classification of the venue and the size of its surrounding catchment. The differing gaps in contemporary provision across Council's network of swim centres is likely the major contributor to poor attendance and viability outcomes.

Across all of Council's swim centres the scale and standard of entry, food & beverage and retail options do not support each venue from fully maximising its secondary spend income. Secondary spend offerings are a critical component to attracting users and maximising the financial performance of aquatic facilities.

There are a mix of accessibility options across Council's swim centre pools, with several of these solutions being based around hoist and chair lift options. However, this form of access to swimming pools is increasingly considered a sub-optimal solution in terms of providing dignified opportunities for those people needing assistance into the water. Platform lifts and ramps are considered better options.

The current 50m pool provision across the network does not include either a moveable boom or pop-up swim walls to maximise the programming flexibility of these large water spaces. These solutions would improve the usage and viability of the 50m pools.

Adventure water opportunities are an important offering for the contemporary aquatic centre market. These facilities attract the often-forgotten youth market and are one of the few aquatic assets that can support a return on capital investment. Adventure water opportunities are rapidly evolving. On this basis, it is important aquatic destinations plan areas within their site for adventure water whether the final determination of what type of facility element is known.

Historically, adventure water has included wave pools, however this provision is not desirable in consideration of its high operating costs associated with treatment of large volumes of water and high energy costs and low market attractiveness. Whilst surf parks are expanding in provision and popularity, this unique form of infrastructure sits outside of the scope of this study.

2.7. FUNDING

This Strategy has found that ongoing investment into Council's swim centres will need to continue to address current and future challenges for:

- Management arrangements
- Asset replacement
- Maintenance and remedial works
- Revitalisation

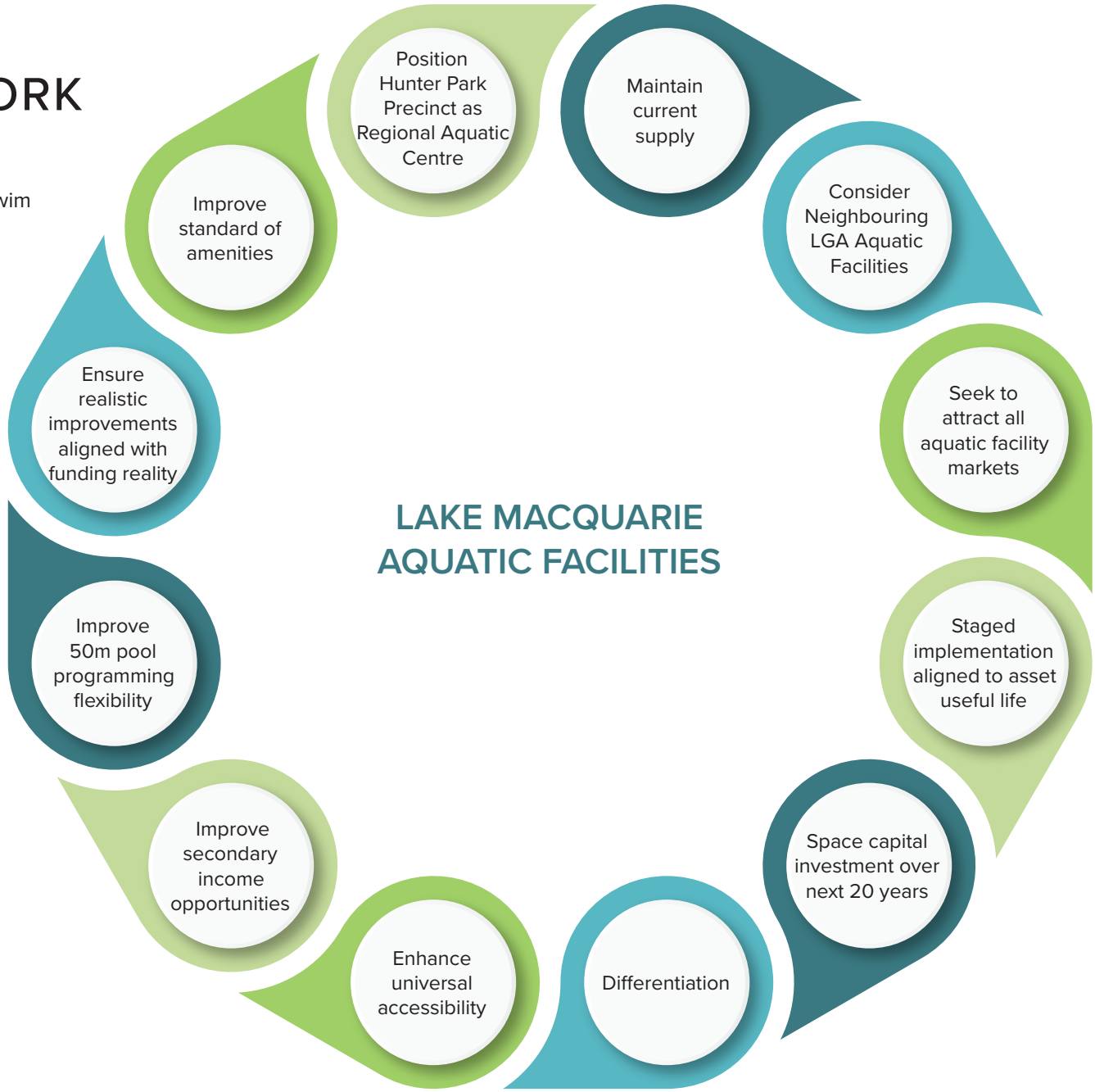
Whilst the evidence suggests Council's network of swim centres need to be improved to be more consistent with contemporary aquatic facility offerings, given the cost associated with the unavoidable above challenges, future improvements will need to consider the likely limited ongoing capital and recurrent capacity of Council.

Council is collecting S7.11 infrastructure contributions funding for the Swansea, Speers Point, Morisset and Charlestown Swim Centres.

3. STRATEGIC FRAMEWORK

3.1. GUIDING PRINCIPLES

In consideration of the analysis of future needs for Council's swim centres, the following Guiding Principles will inform future improvements and investment:



3.2. AQUATIC FACILITY NETWORK HIERARCHY

The future network of Council-owned aquatic centres will be maintained in consideration of:

- Council's provision rate being relatively consistent with other, similar, NSW local government rates
- Strong geographic spread of current Council-owned swim centres
- Consistent with the findings of the Lake Macquarie City Council Swim Centres Demand and Supply Review, 2020.

The Aquatic Facility Network Hierarchy below recommends three classifications:

REGIONAL

- Focus on facilities that support aquatic based event and high performance programs and services, including increased lap swimming space, fitness and deep water related facilities.

CITYWIDE

- Services the entire City catchment and incorporates high quality and high capacity facilities, that support recreation, leisure & adventure, fitness & training; education and therapy activities.

DISTRICT

- Services a cluster of communities/ suburbs from its immediate surrounding catchment, with a mix of local training or social use and inter-club competition.

The following classification of Council's aquatic facilities will guide future investment over the next 20 years:

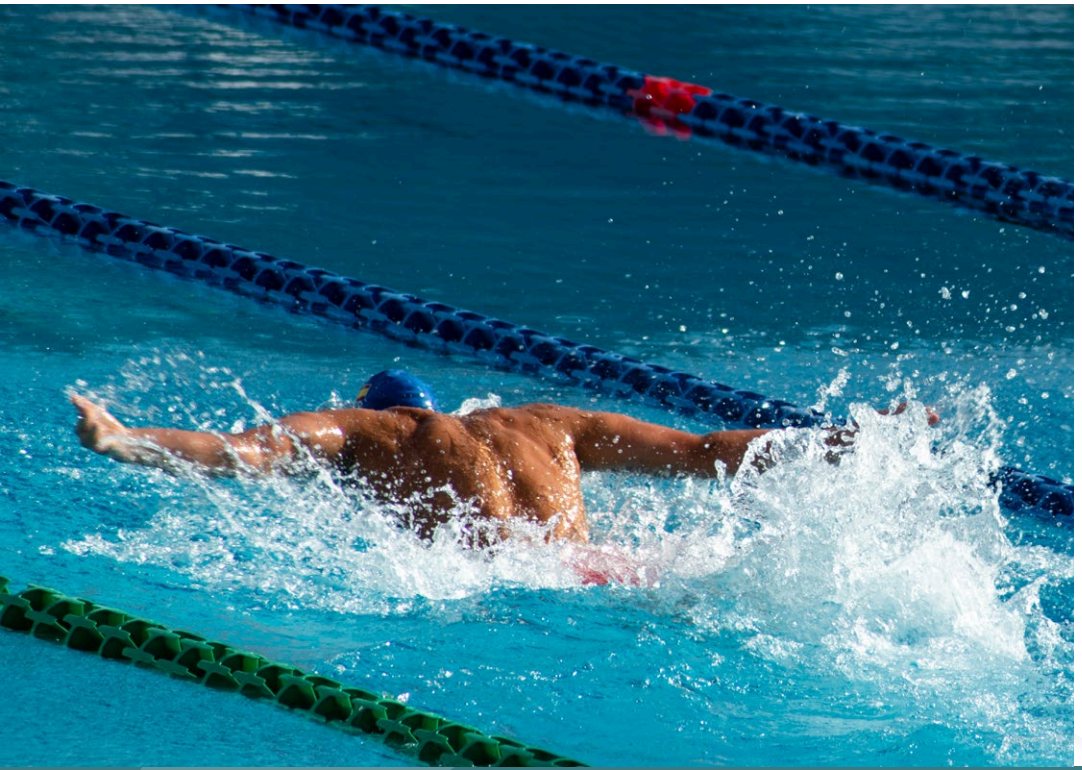
AQUATIC FACILITY	STRATEGIC DIRECTION
REGIONAL	
Hunter Sports Precinct **Subject to NSW Government Support*	The Hunter Region lacks a contemporary, major event and high performance aquatic facility; that could be addressed through the planned aquatic facility at Hunter Park. The inclusion of a regional standard aquatic facility at Hunter Park is consistent with other current and planned major event and high performance facilities at the site. The investment by the NSW Government in major events and high performance aquatic facilities, will support Council to better invest in community aquatic infrastructure. It is recommended the aquatic facilities incorporate deep water opportunities for water polo and diving.
CITYWIDE	
Speers Point Swim Centre	With a large current and future catchment, close proximity to other major sporting infrastructure and relatively central location, Speers Point Swim Centre is well placed to be established as the citywide standard aquatic facility.
DISTRICT	
Charlestown Swim Centre	The district aquatic facilities recognise maintaining the current supply and coverage of the Citys pools, and will be positioned to be modernised over time, however, will avoid unnecessary duplication or competition with the Speers Point Swim Centre.
Swansea Swim Centre	
Morisset Swim Centre	
West Wallsend Swim Centre	
Toronto Swim Centre	

4. INDIVIDUAL FACILITY OPTIONS

Future potential options from 'do-nothing - status quo' through to a full contemporary aquatic facility solution for each swim centre, are summarised and analysed below.

Individual facility improvement timeframes for recommendations are notionally classified as:

- Short Term: 0 – 5 years
- Medium Term: 6 – 10 years
- Long Term: 11 - 20 years
- Retain and Activate: Undertake required asset maintenance works only.



4.1. ASSUMPTIONS

4.1.1. Analysis of Options

An analysis between the recommended facility improvements and status quo is summarised below for each swim centre.

Recommended Facility Improvements

The recommended facility improvements scenario assumes:

- Strong consideration has been given to the difficult funding environment and the need to identify realistic improvements for the future investment into the City's aquatic facilities
- Speers Point Swim Centre as the Citywide facility will be the focus of Council investment over the life of the Strategy
- District Swim Centre investment will be based on:
  - Current facilities being replaced at the end of their projected asset life by the same type of facility
  - Replacement of current facilities will be to a more contemporary version of the previous facility element
  - Council's confirmed pool liner installations and pool plant building works will be undertaken
  - New learn-to-swim pools are proposed for West Wallsend and Swansea Swim Centres

Status Quo

The status quo scenario assumes:

- Current facilities will be replaced at the end of their projected asset life by the same type of facility
- Replacement of current facilities will be to a more contemporary version of the previous facility element
- Council's projected maintenance works to current pool plant assets, confirmed pool liner installations and pool plant building works will be undertaken.

4.1.2. Capital Cost Estimates (20 Investment Period)

Recommended Facility Improvements

The cost estimates for the Recommended Facility Improvements outlined throughout Section 3, are based on Otium Planning Group's knowledge of similar recent developments. The estimates should not be considered a Quantity Surveyor standard estimate. It is recommended that a cost estimate by a qualified Quantity Surveyor be undertaken prior to formal commitment to the proposed future direction works.

The improvements summarised below exclude maintenance tasks and costs that will need to be undertaken in order to ensure the facilities remain safe for use.

Status Quo

The cost estimates for the Status Quo options are a combination of the Plant Asset Management assessment undertaken by Council, with asset replacement based on Otium Planning Group's knowledge of similar recent developments. Where Council's condition assessment estimated the end of life of an asset, asset replacement costs have been incorporated in the cost estimate.

4.1.3. Financial and Economic Assessment

Recommended Facility Improvements

Visitation, Income Expenditure, Operating Result, and Benefits Cost Ratio (BCR) have been prepared by Otium Planning Group using its cutting-edge Facility Operating Model and Benefits Assessment Model. The model forecasts the operating performance of each swim centre over a 20-year period.

Beneftis Cost Ratio

The Benefits Cost Ratio is a ratio representing the benefits of a project or investment compared to its cost. The benefits are calculated on the impact of productivity, human capital uplift, health, criminal & social and jobs benefits. If a project has a BCR greater than 1.0, the project is expected to deliver a positive net present value as a result of the investment.

Modelling for the BCR analysis has taken into account the performance of all facilities, current and proposed new elements. On this basis, the BCR will be higher than projects for fully new developments only.

Status Quo

The 2020/21 Visitations, Operating Revenue, Operating Expenditure, and Operational Performance results were analysed to inform the potential operating performance of Council's swim centres based on retaining the status quo facility mix. The median result over the 20-year period is summarised throughout Section 3. Annual increases to income (1.5%) and expenditure (2.5%) have been applied. The analysis assumes no change to current participation rates.

4.2. SPEERS POINT SWIM CENTRE

FUTURE DIRECTION

Speers Point Swim Centre will be progressively upgraded to align with contemporary aquatic centre offerings and be positioned as the major Council-owned swim centre.

The current 50m pool will be retained and improved via a new fiberglass lining, swim wall and platform lift. However, the 25m pool will be decommissioned once the other full range of pools are developed.

RATIONALE

- Relatively central location within the Local Government Area
- Very strong primary catchment estimated at 105,691 residents
- Synergies with other major sport and recreation facilities in proximity, including Macquarie Field, Lake Macquarie Regional Football Facility and Walter Park
- Primary catchment includes the growing Glendale catchment area
- With low visitation, high operating deficit and high cost per visit, investment over time is required to improve the use and viability of the Centre
- The current facility mix is not attractive to all potential aquatic facility markets
- The proposed future improvements will provide aquatic opportunities for all members of the community, regardless of age, ability or cultural background
- The 25m pool will no longer be required following the provision of 50m, learn-to-swim, program, water play and adventure offerings
- The decommissioning of the 25m pool will provide space to accommodate the recommended new facility provisions
- Health & fitness facilities are consistent with positioning the centre at a citywide standard and will support the maximised use and vitality of the venue
- Timing linked to commissioning of year-round accessible, indoor warm water program pool

4.2.1. Recommended Facility Improvements

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Transition to a year-round operation	Short Term		« Consistent with contemporary major aquatic and leisure centre operations « Maximises return on investment « Timing linked to commissioning of year-round accessible, indoor warm water program pool
Install swim wall to 50m pool	Short Term	$200,000	« Moveable boom provides programming flexibility to support maximised use
Install platform lift to 50m and 25m pools	Short Term	$500,000	« Improved accessibility outcomes will ensure all members of the community can participate in Centre activities « Lowest risk and cost option to improve accessibility to existing pools in a dignified manner for users
Indoor warm water program pool « 20m x 10m « Moveable floor with depth ranging from 0mm to 1.5m « Ramp entry	Short Term	$2,500,000	« Higher proportion of residents aged 30 to 49 years seeking aqua fitness opportunities « Over the next 10+ years, the City's residents will continue to age increasing the demand for year round warm water options « Supports full community accessibility outcomes « Moveable floor maximises programming flexibility
Replace current splash pad water play « 300m2	Medium Term	$1,000,000	« Higher proportion of residents aged 30 to 49 years suggests families with young children « Supports extending visit durations to support increased secondary spend revenue « Contemporising of current splash pad required to maximise attractiveness

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Adventure water zone such as adventure slides or water zipline course « 625m2 « Option A – water zipline course or similar « Option B – adventure slides	Medium Term	$2,000,000	« Higher proportion of residents aged 30 to 49 years suggests families with youth aged children « Provides one of the few water infrastructure elements that can provide a return on capital investment « Supports the Centre being attractive to people of all ages
Redevelop changerooms and amenities « 250m2 « Include Changing Places amenity	Long Term	$1,877,576	« In accordance with Asset Management Plan « Supports full community accessibility outcomes « As city-wide pool, the network should have at least one Changing Places opportunity for the community « Contemporising amenities supports maximised use pre and post workdays
Redevelop entry to include new foyer, café, administration and retail areas « 300m2 « Explore options to interface with surrounding parklands	Medium Term	$1,000,000	« Current facility offerings do not support maximised secondary spend revenue generation « Incorporation of a servery out to the adjacent parklands will support increased revenue generation
Develop new health & fitness/ wellness centre « Multiple flexible spaces « 1,500m2	Medium Term	$4,500,000	« Higher proportion of residents aged 30 to 49 years seeking fitness opportunities « Strong management synergies with aquatic facilities to maximise economies of scale savings « Footprint has opportunity to provide a return on capital investment « Consistent with vision for the Centre to be Council's city-wide standard pool
Develop new indoor learn-to-swim pool « 16m x 12.5m « 0.9m depth « Platform lift « 200m2	Long Term	$2,500,000	« Higher proportion of residents aged 30 to 49 years suggests families with young children seeking learn-to-swim lessons « Social obligation of Council to support water safety outcomes for its community « Separating LTS from the Warm Water Program Pool will ensure concurrent use of the Centre by a diversity of age groups and abilities « Supports full community accessibility outcomes
50m pool	Retain and Activate	N/A	« Estimated remaining life of pool outside of the planning horizon for this study
Decommission 25m pool	Long Term	$250,000	« The proposed future facility offerings at the centre service the full potential aquatic facility needs « The current 25m pool has constrained usage due to its design and depth offerings
Redevelop grandstand	Short Term	$200,000	« In accordance with Asset Management Plan « Consistent with positioning the Centre as Council's city-wide pool and supporting school and club carnival events « Current grandstand is ageing and will likely be in need of replacement in the long term

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Parking and Access « 300 car parks, including « Universal provision « Safe drop off/ pick up area for vehicles and buses « Separated service vehicle entry « 4 bus parking bays « 4,500m2	Short Term	$550,000	
Fibreglass pool liner replacement to 50m and learn-to-swim pool; and replace plant room	Short Term	$1,800,000	« Extend pool life to 2042
Kiosk Upgrade	Short Term	$200,000	« In accordance with Asset Management Plan
Plant Room Components	Short Term	$46,100	« In accordance with Asset Management Plan
Plant Room Components	Long Term	$183,900	« In accordance with Asset Management Plan
Other Structures	Long Term	$200,000	« In accordance with Asset Management Plan
Total Estimated Site Area, including circulation and retention of greenspace	« **1.8 hectares (current site approximately 2.4 hectares)**		

The site layout impact of the Centre based on the recommended improvements is shown in the map below:

Since the capture of this aerial image, Council has formalized and expanded car parking opportunities at the Speers Point site.

The site layout area above, excludes areas for car parking and access arrangements.

4.2.2. Comparative Analysis of Options

The options analysed for the Speers Point Swim Centre are:

- **Recommended Facility Improvements**
- **Status Quo (noting capital replacement will be required at end of asset life).**

CAPITAL COST (OVER 20 YEARS)	VISITATION (20Y MEDIAN)	INCOME (20Y MEDIAN)	EXPENDITURE (20Y MEDIAN)	OPERATING RESULT (20Y MEDIAN)	BENEFITS COST RATIO (BCR) (7% DISCOUNT RATE)
RECOMMENDED FACILITY IMPROVEMENTS					
$19,507,576	557,235	$6,097,378	$5,071,506	+$1,025,872	2.54
STATUS QUO					
$4,507,576	55,415	$333,231	$814,414	-$481,183	N/A

The recommended Speers Point Swim Centre future direction will provide Lake Macquarie residents with a fully contemporary aquatic and leisure centre, providing year round wet and dry facilities. The diversity in facilities caters to all members of the community. The recommended option will improve the visitation to the Centre from approximately 55,000 annual visits to in excess of 550,000 when compared to maintaining the status quo. The increased capital investment of $15m over the status quo will result in an improved annual operating result of $1.5m, achieving a surplus of over $1m per year, as opposed to an annual deficit of $481,000.

4.3. CHARLESTOWN SWIM CENTRE

FUTURE DIRECTION

The Centre will progressively be upgraded at a district facility standard, with improvements timed to align with asset useful life projections and staging of capital investment over a 20 year period.

The current 50m pool will be retained and improved via a new fiberglass lining, swim wall and platform lift. The remainder of assets will be replaced to a contemporary version at their end of asset life. Council's projected maintenance works to current pool plant assets will also be undertaken.

RATIONALE

- Very strong primary catchment estimated at 159, 979 residents support retention and improvement of facilities to contemporary standards over time.
- Impact of the planned aquatic centre at the Hunter Sports Precinct and current provision of other aquatic facilities within its catchment suggest a District only standard facility is required.
- Not expanding the number of pools provided will ensure there is not unnecessary or wasted investment at the Centre in consideration of the role the Hunter Sports Precinct aquatic centre will play in future.
- Replacement of assets at their end of life will prevent a loss of aquatic related opportunities currently experienced by the community
- The proposed future improvements will expand aquatic opportunities for more members of the community.

4.3.1. Recommended Facility Improvements

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Install platform lift to 50m and 25m pools	Short Term	$500,000	« Improved accessibility outcomes will ensure all members of the community can participate in Centre activities « Lowest risk and cost option to improve accessibility to existing pools in a dignified manner for users
Install swim wall to 50m pool	Short Term	$200,000	« Swim wall provides programming flexibility to support maximised use
Fibreglass pool liner replacement	Short Term	$400,000	« Extend pool life to 2040
Replace current splash pad water play « 150m2	Medium Term	$750,000	« Higher proportion of residents aged 30 to 49 years suggests families with young children « Supports extending visit durations to support increased secondary spend revenue « Contemporising of current splash pad required to maximise attractiveness
Redevelop changerooms and amenities « 200m2	Long Term	$2,324,618	« Supports full community accessibility outcomes « Contemporising amenities supports maximised use pre and post workdays
Redevelop entry to include new foyer, café, administration and retail areas « 225m2	Long Term	$750,000	« Current facility offerings do not support maximised secondary spend revenue generation
Redevelop grandstand to contemporary standard « 200 seats « 150m2	Long Term	$1,250,000	« Supports retention of Centre as a destination for school and club carnival events « Current grandstand is ageing and will likely be in need of replacement in the long term
50m pool	Retain and Activate	N/A	« Estimated remaining life of pool outside of the planning horizon for this study
Outdoor heated 25m pool	Retain and Activate		« Estimated remaining useful life beyond the horizon of this study
Indoor LTS pool	Retain and Activate		« Estimated remaining useful life beyond the horizon of this study
Parking and Access « 200 car parks, including universal provision « Safe drop off/ pick up area for vehicles and buses « Separated service vehicle entry « 2 bus parking bays « 3,500m2	Long Term	$375,000	
« 50 & 25 Plant Room Replacement	Long Term	$1,386,516	« In accordance with Asset Management Plan
« Staff Office Upgrade	Short Term	$100,000	« In accordance with Asset Management Plan
« Swim Club Storage Shed Replacement	Long Term	$24,434	« In accordance with Asset Management Plan
« Plant room components	Short Term	$72,860	« In accordance with Asset Management Plan
« Plant room components	Medium Term	$592,450	« In accordance with Asset Management Plan
« Other Structures	Long Term	$200,000	« In accordance with Asset Management Plan
Total Estimated Site Area, including circulation and retention of greenspace	« **1.1 hectares (current site approximately 1.13 hectares**		

The site layout impact of the Centre based on the recommended improvements is shown in the map below:

4.3.2. Comparative Analysis of Options

The options analysed for the Charlestown Swim Centre are:

- **Recommended Facility Improvements; and**
- **Status Quo (noting capital replacement will be required at end of asset life).**

CAPITAL COST (OVER 20 YEARS)	VISITATION (20Y MEDIAN)	INCOME (20Y MEDIAN)	EXPENDITURE (20Y MEDIAN)	OPERATING RESULT (20Y MEDIAN)	BENEFITS COST RATIO (BCR) (7% DISCOUNT RATE)
RECOMMENDED FACILITY IMPROVEMENTS					
$8,925,878	164,410	$1,604,591	$1,969,022	-$364,431	2.25
STATUS QUO					
$5,100,878	138,055	$909,126	$1,777,435	-$868,309	N/A

The recommended Charlestown Swim Centre future direction will provide improved use of the 50m pool through a program swim wall, reconfigured car parking and accessible platform lifts for residents within its surrounding catchment. The recommended option will improve the visitation to the Centre by approximately 19% or 26,000 annual visits when compared to maintaining the status quo. The increased capital investment of $3.8M over the status quo will result in an improved annual operating result of almost $504,000 per year, achieving a deficit of $364,000 per year, as opposed to an annual deficit of $868,000 per year.

Maintaining the Centre at a district standard will prevent unnecessary duplication of facilities, programs and services with the proposed Hunter Sports Precinct aquatic centre.

4.4. MORISSET SWIM CENTRE

FUTURE DIRECTION

The Centre will progressively be upgraded at a district facility standard, with improvements timed to align with asset useful life projections and staging of capital investment over a 20 year period.

The current 25m pool will be improved via a new fiberglass lining and platform lift. The remainder of assets will be replaced to a contemporary version at their end of asset life. Council's projected maintenance works to current pool plant assets will also be undertaken.

RATIONALE

- Whilst the primary catchment is small compared to several other of Council's swim centres, estimated at 23,274 residents, the Morisset catchment area is expected to be one of the city's major growth localities
- Increasing demand for aquatic facilities will occur as population growth is realised
- Location services the southern corridor of the city
- Given the size of the catchment a district standard aquatic facility is adequate to service demand
- Replacement of assets at their end of life will prevent a loss of aquatic related opportunities currently experienced by the community
- The proposed future improvements will expand aquatic opportunities for more members of the community.

4.4.1. Recommended Facility Improvements

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Work with NSW Government to ensure the planned Lake Macquarie Sport and Recreation Centre does not incorporate aquatic facilities that may create unnecessary duplication of facilities and competition with the Morisset Swim Centre.			
Install platform lift to 25m pool	Short Term	$250,000	« Improved accessibility outcomes will ensure all members of the community can participate in Centre activities « Lowest risk and cost option to improve accessibility to existing pools in a dignified manner for users
Redevelop toddler pool into splash pad water play « 150m2	Medium Term	$750,000	« Higher proportion of residents aged 30 to 49 years suggests families with young children « Supports extending visit durations to support increased secondary spend revenue « Contemporising of current toddler pool required to maximise attractiveness
25m Plant Room Replacement & Fibreglass line 50 & LTS Pools	Medium Term	$1,700,000	« Extend pool life to 2046
Redevelop changerooms and amenities « 200m2	Long Term	$1,059,489	« Supports full community accessibility outcomes « Contemporising amenities supports maximised use pre and post workdays
Redevelop entry to include new foyer, café, administration and retail areas « 225m2	Long Term	$750,000	« Current facility offerings do not support maximised secondary spend revenue generation

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Outdoor heated 25m pool	Retain and Activate		« Estimated remaining useful life beyond the horizon of this study
Heated Program Pool	Retain and Activate		« Estimated remaining useful life beyond the horizon of this stud
Parking and Access « 200 car parks, including universal provision « Safe drop off/ pick up area for vehicles and buses « Separated service vehicle entry « 2 bus parking bays « 3,500m2	Long Term	$375,000	
Kiosk and Storeroom Refurbishment	Medium Term	$150,000	« In accordance with Asset Management Plan
Plant room components	Short Term	$201,050	« In accordance with Asset Management Plan
Other Structures	Long Term	$200,000	« In accordance with Asset Management Plan
Total Estimated Site Area, including circulation and retention of greenspace	« **0.8 hectares (current site approximately 0.98 hectares)**		

The site layout impact of the Centre based on the recommended improvements is shown in the map below:

4.4.2. Comparative Analysis of Options

The options analysed for the Morisset Swim Centre are:

- **Recommended Facility Improvements; and**
- **Status Quo (noting capital replacement will be required at end of asset life).**

CAPITAL COST (OVER 20 YEARS)	VISITATION (20Y MEDIAN)	INCOME (20Y MEDIAN)	EXPENDITURE (20Y MEDIAN)	OPERATING RESULT (20Y MEDIAN)	BENEFITS COST RATIO (BCR) (7% DISCOUNT RATE)
RECOMMENDED FACILITY IMPROVEMENTS					
$5,435,539	56,650	$674,762	$824,728	-$149,966	1.1
STATUS QUO					
$3,460,539	48,906	$269,731	$723,426	-$453,695	N/A

The recommended Morisset Swim Centre future direction will provide increased recreational aquatic benefits through the new splash pad, accessible platform lift, and new café and retail areas for residents within its surrounding catchment. The recommended option will improve the visitation to the Centre by approximately 16% or almost 8,000 annual visits when compared to maintaining the status quo. The increased capital investment of $1.975m over the status quo will result in an improvedannual operating result of $303,000 per year, achieving a deficit of $150,000 peryear, as opposed to an annual deficit of $453,000 per year.

4.5. SWANSEA SWIM CENTRE

FUTURE DIRECTION

The Centre will progressively be upgraded at a district facility standard, with improvements timed to align with asset useful life projections and staging of capital investment over a 20 year period.

A new learn-to-swim pool will be developed. Parking and access arrangements will be improved. The current 50m pool will be improved via a new fiberglass lining, swim wall and platform lift.

The remainder of assets will be replaced to a contemporary version at their end of asset life. Council's projected maintenance works to current pool plant assets will also be undertaken.

RATIONALE

- Whilst the primary catchment is small compared to several other of Council's swim centres, estimated at 37,108 residents, the Swansea Swim Centre services the eastern catchment of the city
- The new learn-to-swim pool is recommended as the areas surrounding the Centre is currently underserviced for child aquatic education opportunities
- Given the size of the catchment a district standard aquatic facility is adequate to service demand
- Replacement of assets at their end of life will prevent a loss of aquatic related opportunities currently experienced by the community
- The proposed future improvements will expand aquatic opportunities for more members of the community.

4.5.1. Recommended Facility Improvements

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Install platform lift to 50m pool	Short Term	$250,000	« Improved accessibility outcomes will ensure all members of the community can participate in Centre activities « Lowest risk and cost option to improve accessibility to existing pools in a dignified manner for users
Install swim wall to 50m pool	Short Term	$200,000	« Swim wall provides programming flexibility to support maximised use
Replace current splash pad	Medium Term	$750,000	« Higher proportion of residents aged 30 to 49 years suggests families with young children « Supports extending visit durations to support increased secondary spend revenue « Contemporising of current toddler pool required to maximise attractiveness
Redevelop changerooms and amenities « 200m2	Long Term	$1,756,875	« Supports full community accessibility outcomes « Contemporising amenities supports maximised use pre and post workdays
Redevelop entry to include new foyer, café, administration and retail areas « 225m2	Long Term	$750,000	« Current facility offerings do not support maximised secondary spend revenue generation
50m Plant Room & Fibreglass Liner	Short Term	$1,420,000	« Extend pool life to 2039
Develop new indoor learn-to-swim pool « 12m x 12.5m « 0.9m depth « Ramp « 150m2	Long Term	$2,500,000	« Higher proportion of residents aged 30 to 49 years suggests families with young children seeking learn-to-swim lessons « Social obligation of Council to support water safety outcomes for its community « Separating LTS from the Warm Water Program Pool will ensure concurrent use of the Centre by a diversity of age groups and abilities « Supports full community accessibility outcomes « Supports current program pool increasing access for adult use
Outdoor heated 50m pool	Retain and Activate		« Estimated remaining useful life beyond the horizon of this study
Heated Program Pool	Retain and Activate		« Estimated remaining useful life beyond the horizon of this stud
Parking and Access « 200 car parks, including universal provision « Safe drop off/ pick up area for vehicles and buses « Separated service vehicle entry « 2 bus parking bays « 3,500m2	Short Term	$375,000	
« Grandstand Replacement	Long Term	$1,200,511	« In accordance with Asset Management Plan
« Plant room components	Long Term	$238,230	« In accordance with Asset Management Plan
« Other Structures	Long Term	$200,000	« In accordance with Asset Management Plan
Total Estimated Site Area, including circulation and retention of greenspace	« **1.0 hectares (current site approximately 0.57 hectares)** « **Smart design, adjacent uses partnerships and multilevel development, to be considered to accommodate recommended future footprint**		

The site layout impact of the Centre based on the recommended improvements is shown in the map below:

4.5.2. Comparative Analysis of Options

The options analysed for the Swansea Swim Centre are:

- **Recommended Facility Improvements; and**
- **Status Quo (noting capital replacement will be required at end of asset life).**

CAPITAL COST (OVER 20 YEARS)	VISITATION (20Y MEDIAN)	INCOME (20Y MEDIAN)	EXPENDITURE (20Y MEDIAN)	OPERATING RESULT (20Y MEDIAN)	BENEFITS COST RATIO (BCR) (7% DISCOUNT RATE)
RECOMMENDED FACILITY IMPROVEMENTS					
$9,640,616	79,794	$919,515	$1,071,992	-$152,477	0.96
STATUS QUO					
$4,815,616	55,547	$351,842	$894,089	-$542,247	N/A

The recommended Swansea Swim Centre will provide a year round swim centre providing a new indoor learn to swim centre, car parking and accessible opportunities for residents within its surrounding catchment. The recommended option will improve the visitation to the Centre by approximately 47% or 24,000 annual visits when compared to maintaining the status quo. The increased capital investment of $4.8m over the status quo will result in an improved annual operating result of almost $390,000 per year, achieving a deficit of $152,000 per year, as opposed to an annual deficit of $542,000 per year.

4.6. TORONTO SWIM CENTRE

FUTURE DIRECTION

The Centre will progressively be upgraded at a district facility standard, with improvements timed to align with asset useful life projections and staging of capital investment over a 20 year period. The Centre will continue to provide year-round indoor aquatic opportunities to the community.

Assets will be replaced to a contemporary version at their end of asset life. Council's projected maintenance works to current pool plant assets will also be undertaken.

RATIONALE

- Important provider of year-round indoor aquatic facilities, programs and services to the community. Major redevelopment undertaken 2019
- Whilst the primary catchment is small compared to several other of Council's swim centres, estimated at 36,634 residents, the Toronto Swim Centre services the central-western catchment of the city
- Given the size of the catchment a district standard aquatic facility is adequate to service demand
- Replacement of assets at their end of life will prevent a loss of aquatic related opportunities currently experienced by the community

4.6.1. Recommended Facility Improvements

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
25m pool 8 lane pool	Retain and Activate	N/A	« Estimated remaining useful life beyond the horizon of this study
15m LTS pool	Retain and Activate	N/A	« Estimated remaining useful life beyond the horizon of this study
Plant room components	Short Term	$74,100	« In accordance with Asset Management Plan
Plant room components	Medium Term	$479,650	« In accordance with Asset Management Plan
Plant room components	Long Term	$435,000	« In accordance with Asset Management Plan
Other Structures	Long Term	$100,000	« In accordance with Asset Management Plan

4.6.2. Comparative Analysis of Options

At the time of preparing this report, base operating data was not available to inform future projections.

CAPITAL COST (OVER 20 YEARS)	VISITATION (20Y MEDIAN)	INCOME (20Y MEDIAN)	EXPENDITURE (20Y MEDIAN)	OPERATING RESULT (20Y MEDIAN)	BENEFITS COST RATIO (BCR) (7% DISCOUNT RATE)
RECOMMENDED FACILITY IMPROVEMENTS					
$1,088,750					
STATUS QUO					
$1,088,750					N/A

The recommended Toronto Swim Centre future direction and $1.1M investment will protect and enhance aquatic opportunities for residents within its surrounding catchment.

4.7. WEST WALLSEND SWIM CENTRE

FUTURE DIRECTION

The Centre will progressively be upgraded at a district facility standard, with improvements timed to align with asset useful life projections and staging of capital investment over a 20 year period. The Centre will continue to provide year-round indoor aquatic opportunities to the community.

A new learn-to-swim pool will be developed.

Assets will be replaced to a contemporary version at their end of asset life. Council's projected maintenance works to current pool plant assets will also be undertaken.

RATIONALE

- Important provider of year-round indoor aquatic facilities, programs and services to the community.
- Major upgrade undertaken in 2016.
- Whilst the primary catchment is small compared to several other of Council's swim centres, estimated at 33,145 residents, the West Wallsend Swim Centre services the central-western catchment of the city
- Given the size of the catchment a district standard aquatic facility is adequate to service demand.
- Replacement of assets at their end of life will prevent a loss of aquatic related opportunities currently experienced by the community.
- The proposed future improvements will expand aquatic opportunities for more members of the community.
- The new learn-to-swim pool is recommended as the areas surrounding the Centre is currently underserviced for child aquatic education opportunities.
- Major expansion not proposed in consideration of aquatic facility provision in close neighbouring local government areas.

4.7.1. Recommended Facility Improvements

FACILITY IMPROVEMENT	TIMING	COST ESTIMATE	RATIONALE
Install platform lift to 25m pool	Short Term	$250,000	« Improved accessibility outcomes will ensure all members of the community can participate in Centre activities « Lowest risk and cost option to improve accessibility to existing pools in a dignified manner for users
Develop new indoor learn-to-swim pool « 12m x 12.5m « 0.9m depth « Ramp « 150m2	Short Term	$2,500,000	« Higher proportion of residents aged 30 to 49 years suggests families with young children seeking learn-to-swim lessons « Social obligation of Council to support water safety outcomes for its community « Separating LTS from the Warm Water Program Pool will ensure concurrent use of the Centre by a diversity of age groups and abilities « Supports full community accessibility outcomes « Supports current program pool increasing access for adult use
Heated 25m indoor pool	Retain and Activate		« Estimated remaining useful life beyond the horizon of this stud
Plant room components	Short Term	$28,850	« In accordance with Asset Management Plan
Plant room components	Medium Term	$120,900	« In accordance with Asset Management Plan
Plant room components	Long Term	$367,200	« In accordance with Asset Management Plan
Other Structures	Long Term	$100,000	« In accordance with Asset Management Plan
Total Estimated Site Area, including circulation and retention of greenspace	« **0.44 hectares (current site approximately 0.48 hectares)**		

The site layout impact of the Centre based on the recommended improvements is shown in the map below:

4.7.2. Comparative Analysis of Options

The options analysed for the West Wallsend Swim Centre are:

- **Recommended Facility Improvements; and**
- **Status Quo (noting capital replacement will be required at end of asset life).**

CAPITAL COST (OVER 20 YEARS)	VISITATION (20Y MEDIAN)	INCOME (20Y MEDIAN)	EXPENDITURE (20Y MEDIAN)	OPERATING RESULT (20Y MEDIAN)	BENEFITS COST RATIO (BCR) (7% DISCOUNT RATE)
RECOMMENDED FACILITY IMPROVEMENTS					
$3,366,950	101,428	$1,149,169	$1,481,144	-$331,975	3.77
STATUS QUO					
$616,950	57,697	$612,493	$1,322,944	-$710,451	N/A

The recommended West Wallsend Swim Centre future direction will provide a new indoor learn to swim centre and accessible lift to the 25m pool for residents within its surrounding catchment. The recommended option will improve the visitation to the Centre by approximately 76% or almost 44,000 annual visits when compared to maintaining the status quo. The increased capital investment of $2.8m over the status quo will result in an improved annual operating result of $378,000 per year, achieving a deficit of $332,000 per year, as opposed to an annual deficit of $710,000 per year.

5. WARRANTIES AND DISCLAIMERS

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

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

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

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

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