Final Report (V 1.0) to
Mount Barker Council
Regional Sports Hub
Part 2 Business Strategy

Endorsed by Council 1 April 2019

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1 Background

This Report is Part 2 of the Regional Sports Hub (RSH) Business Strategy and Governance – Management Model for the Mount Barker District Council (Council) in preparation for the Stage1 construction of the precinct. The three parts are:

1. Governance and Operating Model (See DOC/18/104944)
2. Business Strategy and
3. Business Plan

This Report should be read in conjunction with the Mount Barker Regional Sports Hub Part 1 Governance and Operating Model.

The Part 1 Governance and Operating Model was completed in mid-September 2018 and is currently being assessed by Council Senior Management. Recommendations were made for a governance structure which included the appointment of an Independent skills-based Board under section 41 of the Local Government Act to have responsibility for the strategic, financial and governance aspects of the site and to be accountable to Council.

There are also supporting governance structures for this Board which are recommended in Stage 1 as well as recommendations for Council to approve a range of Principles (related to sports surfaces, buildings and ancillary surfaces and spaces amongst other things) which will be applied to the discussions and negotiations for the use of the RSH facilities with each of the user groups by the RSH Independent Board.

This Business Strategy is a draft document for the new RSH Independent Board for their review (or amendment) and subsequent recommendation to Council for endorsement to drive the community and commercial outcomes the Regional Sports Hub promises.

2 Regional Sports Hub Strategic Context

The Strategic Context for the RSH has been well documented in the Mount Barker Regional Sports Hub Business Case (See DOC/18/104944) developed by Council in December 2017.

Strong alignment with the Mount Barker 2035 District Strategic Plan, particularly the delivery of the Objective 1 - Community Well-being and the high priority to “Significantly advance the establishment of new sport and recreation facilities and aquatic centre”. The strategies of promoting and supporting recreation and sport and providing facilities and spaces that encourage physical activity are prominent and support the RSH development.

Under Objective 2 – Economic Prosperity there are also a range of strategies and indicators which support the RSH and as expected, the Mount Barker District Council Development Plan details the approvals mechanisms for the RSH. The Regional Sports Hub Business Case 2017 presents a strong case supported by sports facilities supply and demand data, community consultation, the benefits of sport and recreation and first cut financials.
At a higher level of Government, the SA Strategic Plan 2011 and the Federal Government’s National Sport and Active Recreation Framework are both supportive of the sporting and active recreation infrastructure the RSH will provide to the Mount Barker community.
3 Business Strategy

3.1 Overview – positioning the RSH in Leisure, Recreation and Sports in Mount Barker

The Mount Barker Regional Sports Hub (RSH) Business Strategy recognises the challenges and opportunities to ensure a significant Council asset is established and delivered to the community in the short term. In the longer term, the Business Strategy provides a basis for how the RSH may be managed and governed in a way that provides an optimal level of access and useability, and a framework to keep the facilities inclusive, interesting, vibrant and safe for the community. The RSH is integral to regional living as it provides essential facilities to support both sporting and recreational pursuits - often the glue which binds the community together and enhances regional lifestyles.

In all documentation to date, the RSH has been clearly defined as being of regional significance and able to cater for not only the needs of sport; but also act as a key recreation and leisure destination for the broader community. Indeed it promises to be a premier entertainment venue in the Hills region.

This principle along with many others in relation to optimal use and access outside of structured sporting use, is identified in the governance report from which this document follows. These principles identify the precinct as being able to cater for both active and passive, and structured and unstructured sport and recreation.

This concept is explained diagrammatically in Figure 1 on the following page and highlights the precinct should have the ability to cater for all levels of sport, recreation and leisure to include:

- **Leisure and Recreation**: This is the building block of all sport, leisure and lifestyle opportunities for any community and the precinct should be accessible outside of structured sporting events for leisure and recreation. Its design and management should therefore include space which is always freely accessible and controlled by the Council and its Independent Board appointed to oversee the management of the precinct.

- **Foundation**: This assumes clubs, schools and to an extent the Council, will provide and support opportunities for children to learn and develop the fundamental skills for sport such as throwing, kicking, running and catching. Access to the site and its facilities for such use should therefore be encouraged and children given the opportunity to use its facilities to develop their core sporting and physical activity skills and abilities with carers, parents or their teachers.

- **Participation**: Refers to using the precinct for localised sport and events and will largely be the responsibility of clubs and the various State Sporting Organisations who will programme such uses. This will fall within the licences and management agreements noting the principles highlighted in the governance strategy of identifying the carrying capacity and expected usage by sports.

- **Performance**: Assumes a higher level of participation normally associated with district or state level competitions and given the design of the precinct, it is anticipated that this level will be catered for and in some instances paid entry managed and administered by individual sports and their respective governing bodies.
- **Excellence**: Often referred to as ‘Elite’ levels of the sport development continuum, refers to the highest level of performance and is normally classified as ‘professional sport’. Aspects of the precinct could be used for such activities including exhibition games and potential state or national titles and events with appropriate programming, management and relevant facilities and infrastructure. This aspect may also consider other commercial opportunities such as events, concerts or festivals outside of sport.

Figure 1 – Precinct to cater for all levels of sport, recreation and leisure
3.2 Business Strategy Framework and Outcomes sought

The 5-year Business Strategy for the RSH could be (too) simply defined as:

"Determining how the RSH is going to be the most successful it can be in the period ahead". More broadly, it will determine how the entity/precinct as a whole will support and enhance its social, sporting and economic value to the *User Groups, various other occasional users and, of course, the wider community who will have access to the RSH.

The Business Strategy must answer the question, “How do we structure the overall business, so that all of its parts create more value together than they each would individually and the community and commercial benefits of the RSH are maximized?”. Corporations can do this by building strong internal competencies, by sharing technologies and resources between business units, by raising capital cost-effectively, by developing and nurturing a strong corporate brand and developing its people, and so on.

That is a challenge that the Independent Board and Management, the User Groups themselves (and the Council ultimately) face. The User Groups of the RSH for the most part operate in isolation of each other even though they share a common primary aim of increasing participation rates in sport. They invariably derive mutual and shared benefit across all sports as those who do participate in any one sport are also likely to participate in one or a number of other sports. The User Groups will typically have discrete and very different goals, aspirations, participant numbers, physical requirements/assets, facility maintenance requirements, general resources, income generating capacities etc.

Whether User Groups will be thinking first and foremost about maximising value for their own sport or the collective RSH users whom they hold licenses/leases alongside is a question to be answered in time. The needs of the community (rate payers and public) in relation to usage rights also have to be layered on top of this together with the requirements for transparency in relation to the optimal use of Council capital and operating funds into the future.

The RSH therefore, will operate in a complex planning and operating environment.

As such, the Independent Board and Management will require a robust Business Strategy (supported by a 4-year Business Plan to be developed in Stage 3 of this Project) which will be structured to:

- **Provide a Vision** for the RSH which describes the future focus of the RSH which properly reflects Community needs and issues
- **Be clear and aspirational about what the RSH will achieve in its Mission statement**
- **Align the Values by which the Independent Board, Management and User Groups will operate with those of the owner of the facilities (Council).**
- **Define the key areas (Strategic Pillars) where the rationale for the focus of the RSH is clear and where success is critical.**
- **Develop the Strategic Goals which define the key areas of success under each pillar.**
- **Highlight the high-level Strategic Indicators of success.**
- **Document Initiatives and Actions which have Milestones and Measures attached and which will describe how the Plan will be implemented.**

* User Groups refers to the various State Sporting Organisations (SSO’s) or their Regional Associations
** This will be documented in the 4-year Business Plan to be developed in Stage 3 of this Project
The Business Strategy will:

- **Be framed by realistic assumptions** which are agreed by all stakeholders (these Assumptions are detailed in Appendix 1.)
- Be clear about the **extent and level of services the RSH will provide** and ensure that the **principles of equity, transparency and best value** are paramount.
- Identify **Council’s, User Groups’ and Community objectives for the RSH facilities** for at least five years forward and to ensure that members of the public are involved.
- Address the **short, medium and long-term challenges/constraints of the RSH** particularly through the two proposed stages of development
- Provide a **high-level cost benefit analysis of Community and Commercial opportunities** for the Independent Board to consider
- **Position the precinct to maximise the commercial income streams and community potential** for Council and User Groups (including Club income generation) that it has now and into the future with the express aim to **minimise ratepayer funded capital contributions**
- Be **cognisant of allied developments** and complementary business activities in close proximity and seek out the opportunities to **leverage for all parties** from these developments
- **Align with relevant state and national priorities and policies** (economic, social, environmental) and seek opportunities to **maximise State and Federal funding for future RSH developments**
- Identify and **plan for demographic characteristics and future changes**
3.3 **Structure of Business Strategy**

The Business Strategy has a contemporary structure as follows:

- **Vision** – What is the future Focus (the WHY?)
- **Mission** – What will the RSH achieve?
- **Values** – What are the behaviours which guide our work?
- **Strategic Pillars** - the rationale for the focus of the RSH
- **Strategic Goals** - the key areas of success
- **High Level Strategic Indicators** – how well we are doing
- **Initiatives/Actions** - the way we will achieve our goals
- **Milestones and Measures** - our results

The last two highlighted sections above will be documented in detail in the 4-year Business Plan to be developed in Stage 3 of this Project.
4 The Draft Business Strategy

4.1 **Vision** – What is the future focus – the “Why”?

“Redefining a new lifestyle and sporting experience in South Australia, the Regional Sports Hub will be a prime destination for sports and community recreation in the Adelaide Hills promoting social and community well-being”.

4.2 **Mission** – What will the RSH achieve?

The Regional Sports Hub will:

- be the preferred playing grounds and sports spectator and entertainment experience in Mount Barker and the greater Adelaide Hills/Mount Barker Region complementing the existing local sporting facilities
- be accessible to all
- provide best value services to the community and all stakeholders
- increase participation in sport, recreation and community events and associated activities and in doing so, enhance community health and well-being
- operate as a sustainable not-for-profit enterprise (but with a commercial focus), be affordable to users and aim to minimise ratepayer funded capital and recurrent contributions

4.3 **Values** - What are the behaviours that guide our work?

The Independent Board and Management of the Regional Sports Hub will be:

- **Accessible** – We are ready to listen to ideas and concerns of individuals, groups and stakeholders and respond with straightforward answers
- **Committed** – We will work hard to deliver a premium precinct in Mount Barker and support building a healthy and resilient community
- **Involved** – Our decision-making processes and pricing models are transparent and open to community scrutiny. We want individuals and communities to be involved
- **Fair** – For all people visiting and accessing the Regional Sports Hub, we want to make this venue inclusive and a rich community experience
- **Resourceful** – We aim to make the most of the Regional Sports Hub as a community asset and a strength and build on its resources by attracting investment from outside the district
- **Long-term thinkers** – We will consider all the consequences of our decisions and ensure they reflect the Regional Sports Hub Business Strategy and the Council Strategic Plan. We need to act for now and the future. We will have regard to the long term and cumulative effects of our decisions.
4.4 **Strategic Pillars**

The Strategic Pillars represent the four key elements of the Strategy. They are not prioritised in order of importance as all are critical.

They provide the rationale for the focus of the RSH and where it needs to excel. They assist the organisation in defining what it does and the results which are sought in the short medium and long term. Each Strategic Pillar is supported by Strategic Goals, High level Strategic Indicators, *Initiatives, Actions, Milestones and Measures against which the performance and achievement of the RSH will be measured.

*The specific Actions, Milestones and Measures will be detailed in the Stage 3, 4-year Business Plan which is still to be developed.

**4.4.1 Strategic Pillar – A Premier Entertainment Venue**

A precinct that creates new and needed recreation, sports and community facilities, attracts and expands commercial and government partnerships to complement our business and builds a proud community spirit.

The RSH will, over time, become the premier regional outdoor entertainment precinct in the rapidly growing Hills region of South Australia. It will be attractive as a leisure and recreation hub, will be renowned as a unique user experience for the community. It will leverage commercial opportunities and provide high level facilities for all levels of sport including elite sporting events. Branding and promotion of the precinct will unify the district through purposeful communication to support the Vision and the ongoing development of the precinct.

**4.4.2 Strategic Pillar – Community Access, Participation and Well-being**

A precinct which encourages inclusion and promotes participation to create a healthy safe and vibrant community.

Critical to the success of the RSH will be equitable and affordable access for user groups and the community. The RSH will be an inclusive and preferred precinct, it will increase participation in sports and recreation activities and in doing so enhance community health and well-being.

**4.4.3 Strategic Pillar – Asset Optimisation**

A precinct which has a sustainable business model, one which will develop commercial operating systems within a government framework and will optimise facility usage.

The RSH will adopt the principle of “best value” for the community. As a community asset owned by Council and operating on a not for profit basis, the RSH will optimise usage of the facilities through maximising equitable hire revenue and other commercial opportunities. It will minimise costs through the adoption of best practice sports surfaces and building principles. It will efficiently and fairly facilitate Club income generation opportunities at the RSH, be cognisant of minimizing maintenance costs and ensure replacement costs for infrastructure are factored into our financial plans.
4.4.4 Strategic Pillar – Leading Governance Practice

A precinct which meets best practice governance, compliance and regulatory obligations, applies ethical and accountable decision making and creates a unified and safe culture with user groups and the community.

The RSH will operate with an optimal Governance Structure which will be systematically reviewed along with processes and decision-making approaches to ensure we adopt best practice. It will work effectively as a Board and Management structure with full accountability to Council and the Community for performance and with a strong safety culture ingrained in everything it does. The Governance Structure will be transparent in its application of policies and processes and have the capability / capacity to successfully achieve the vision for the RSH with the user group as partners.
5 Strategic Goals – what are the key areas of success?

The Strategic Goals of the RSH are to advance the goal of sustainability in business practice for the RSH, but is extended beyond “profitability” to include social and environmental issues which betters the lives of people in the Mount Barker Community and beyond.

5.1 Strategic Pillar – A Premier Entertainment Venue - Goals

1. Create and deliver a unique user experience for the user groups and the community
2. Have a clear and concise narrative for the precinct including a Brand Strategy and market widely to the community and beyond
3. Develop an ongoing events calendar for the precinct and leverage other commercial partnerships associated with the RSH
4. Drive relationship development with other levels of Government to identify joint funding opportunities
5. Apply agreed environmental management principles

5.2 Strategic Pillar – Community Access, Participation and Well-Being - Goals

1. Access to the RSH is affordable and equitable for both the Community and the User groups.
2. Participation rates in User Group sports grow.
3. Allied commercial and recreational interests to utilise the ancillary surfaces and spaces within the RSH increases.
4. Community based events and sporting competitions at the RSH encourages social interaction and drives better health in the Community.
5. The quality open spaces of the RSH are well utilised by the Community linking with the integrated trail network improving liveability and enhancing well-being.

5.3 Strategic Pillar – Asset Optimisation - Goals

1. Maintain a sustainable business model to reduce impact on Council rates to ratepayers.
2. Maximise equitable hire revenue and commercial income streams from the RSH whilst minimising maintenance costs.
3. Apply agreed service standards and principles for sports surfaces, buildings and ancillary spaces in lease/license arrangements to minimise costs.
4. Optimise User revenue generation opportunities at the RSH to encourage usage by User Groups.
5. Ensure replacement costs for infrastructure are built into long range financial plans.

5.4 Strategic Pillar – Leading Governance Practice - Goals

1. Independent Skills-based Board, RSH User Group Sub-Committee appointed under Local Government Act Section 41 and supporting Precinct Coordination and Management personnel appointed
2. Contemporary Board and Management structure assessment processes to monitor Board and Sub-Committee performance against the RSH Charter.
3. Independent Board and User Groups develop community spirit and a quality working relationship.
### Strategic Goals and High-Level Strategic Indicators

<table>
<thead>
<tr>
<th>Strategic Pillar</th>
<th>Strategic Goals</th>
<th>High Level Strategic Indicators</th>
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</table>
| **A Premier Entertainment Venue** | 1. Create and deliver a unique user experience for the user groups and the Community | • User Group feedback indicates 80% satisfaction levels in the user experience and level of facility provided by the RSH.  
• Community satisfaction indicator %ages (pride, participation and activity) with the RSH are positive and rise year on year. |
| | 2. Have a clear and concise narrative for the precinct including a Brand Strategy and market widely to the community and beyond | • The Brand Strategy and its subsequent implementation have resulted in high levels of visibility within the Community.  
• The RSH precinct is recognised as a premier entertainment venue in SA and beyond and enhances the region as an attraction destination. |
| | 3. Develop an ongoing events calendar for the precinct and leverage other commercial partnerships associated with the RSH. | • User Groups and Community satisfaction with events calendar and the opportunities provided are measured as positive.  
• The Independent Board has leveraged external commercial partnerships reducing RSH Council costs by 10% over 4 years  
• Joint developments within/adjacent to the precinct leverage each other providing measurable economic prosperity. |
| | 4. Drive relationship development with other levels of Government to identify joint funding opportunities. | • Joint funding opportunities with State and Federal Governments have resulted in at least 50% of capital costs for future stages funded by external grants.  
• public and private economic development opportunities are attracted to the RSH precinct. |
| | 5. Apply agreed environmental management principles. | • An Environmental Management System is developed and implemented.  
• Improvement in health of environments as measured through a range of indicators of eco-system health |
### Strategic Pillar

**Community Access, Participation and Well-Being**

A precinct which encourages inclusion and promotes participation to create a healthy safe and vibrant community.

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<th>Strategic Goals</th>
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| 1. Access to the RSH is affordable and equitable for both the Community and the User groups | • User Group feedback indicates 80% or above satisfaction in relation to affordability and equity within the precinct.  
• Community satisfaction trend indicators (affordability and equity) with the RSH are measured as positive and improving. |
| 2. Participation rates in User Group sports grow                                  | • User Groups report that participation rates with their individual sports have met and are exceeding expectations.  
• User Groups grow the number of competitions in their various sports thus further increasing participation. |
| 3. Allied commercial and recreational interests to utilise the ancillary surfaces and spaces within the RSH increases | • Usage of ancillary surfaces and spaces generates profitable revenue and contributes to further reducing RSH costs.  
• The RSH ancillary space facilities are measurably in demand and expected booking % rates are met or exceeded. |
| 4. Community based events and sporting competitions at the RSH encourages social interaction and drives better health in the Community | • Community event participation and volunteer numbers meet or exceed expectations.  
• Sporting competitions and numbers of participants are increasing.  
• Improvements in existing public health indicator/metrics are measured and attributable to RSH activity |
| 5. The quality open spaces of the RSH are well utilised by the Community linking with the integrated trail network improving safety, liveability and enhancing well-being | • Community satisfaction levels for the enhancement of liveability, safety and well-being are high and rising year on year and attributable to RSH activity. |
### Strategic Pillar

**Asset Optimisation**

A precinct which has a sustainable business model, one which will develop commercial operating systems within a government framework and will optimise facility usage.

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<th>Strategic Goals</th>
<th>High Level Strategic Indicators</th>
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| 1. Maintain and enhance a sustainable business model based on “best value” to reduce impact on Council rates to ratepayers | • RSH 4-year Business Plan capital and operating budget targets are met or exceeded  
• Community satisfaction indicators (impact of RSH infrastructure build and operating costs) with the RSH are positive. |
| 2. Maximise equitable hire revenue and commercial income streams from the RSH whilst minimising maintenance costs | • User Group satisfaction indicators (equitable hire charges) with the RSH are positive.  
• Commercial income streams from RSH operations meet or exceed budget expectations.  
• Maintenance costs are within budget settings. |
| 3. Apply agreed service standards and principles for sports surfaces, buildings and ancillary spaces in lease/license arrangements | • User Groups’ satisfaction with principles applied to lease/license arrangements for buildings, sports surfaces and ancillary spaces are satisfactory.  
• Community groups’ satisfaction with principles applied to ancillary spaces are satisfactory. |
| 4. Optimise Club revenue generation opportunities at the RSH to encourage usage by User Groups | • Satisfaction levels of User Groups or individual clubs regarding income generating arrangements (gate takings etc) are measured as high and encourage additional usage. |
| 5. Ensure replacement costs for infrastructure are built into long range financial plans | • Asset Management and Maintenance Plans developed and implemented  
• Replacement costs for various sports surfaces are understood and “sinking funds” are established to cover the additional capital cost of replacement when useful asset life is reached. |
## Strategic Pillar

### Leading Governance Practice

A precinct which meets best practice governance, compliance and regulatory obligations, applies ethical and accountable decision making and creates a unified and safe culture with user groups and the community.

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| 1. Independent skills-based Board, RSH User Group Sub-Committee appointed under Local Government Act Section 41 and supporting Precinct Coordination and Management personnel appointed | • Council to develop a Terms of Reference/Charter to include membership, functions, powers, reporting and accountability for the Independent Board.  
• Independent Board in place at least 12 months before the Stage 1 opening and at latest by mid-2019.  
• RSH User Group Sub-Committee appointed to support the work of the Independent Board.  
• Precinct Coordination/Management structure in place as soon as practicable to ensure implementation of tasks undertaken. |
| 2. Contemporary Board and Management structure assessment processes to monitor Board and Sub-Committee performance against the RSH Charter | • Board and User Group Sub-Committee performance is assessed as satisfactory in meeting governance, compliance, policy development and regulatory obligations.  
• Board and User Group Sub-Committee performance is assessed as satisfactory in meeting Board and Management corporate reporting processes to Council.  
• Board and User Group Sub-Committee performance is assessed as satisfactory in achieving Program and Project delivery within a well-managed financial system.  
• Board and User Group Sub-Committee performance is assessed as satisfactory in conducting business in a financially and sustainable way. |
| 3. Independent Board and User Groups develop a unified culture and a quality working relationship | • Mutual satisfaction levels of Independent Board and User Groups is assessed as high based on quality working relationships. |
7 What Level of Services will the RSH provide?

As stated in the positioning of the RSH section of this strategy, it is expected that the precinct will cater for a number of active, passive, structured and unstructured uses.

It should also consider opportunities to enhance both the experience of its users, the broader community and of course be as viable as possible with social outcomes balanced with commercial opportunities and events which would complement its overall intent and use. The level of services provided at the RSH therefore include:

- **Public Open Space**: Space which is always freely accessible and used for passive and unstructured uses. Where individuals and groups wish to use this space on a regular occurrence, this should be deemed in the same light as a structured use and formal agreements (permits, licenses, hire agreements etc.) entered into and managed accordingly.

- **Community Facilities**: relates to broader uses of built infrastructure outside of sporting groups use. This may include the hiring of meeting rooms and space within the identified building footprints for a number of recreational and community uses on an as needs basis.

- **Structured Sport**: Space will be provided primarily for the use of structured sport including training and competitions. Outside of this use, space will become available to the broader community for unstructured use and should the need arise, formalised bookings for other activities.

- **Events**: Where possible, practical and feasible, the RSH should cater for events and activities that add to the overall vibrancy of the town and region. In turn, these will positively contribute to the economic value through increased local and regional tourism and secondary spend of visitors.

- **Commercial Alignment**: The precinct should consider opportunities to align with commercial operators that may contribute to its overall purpose. This may include local businesses that would benefit from servicing the RSH users such as coaching clinics, specialised businesses and allied health services which would positively add to the overall purpose of the RSH as well as their own businesses.

- **Partnership alignment**: As well as opportunities for commercial partnerships, is the need to consider alignment with both existing and potential neighbouring uses such as the Golf Course, anticipated indoor recreation and aquatic centre, and any development of land to the west of the site for leisure or recreation.
8 What are the Objectives of Key Stakeholders?

<table>
<thead>
<tr>
<th>Key Objectives</th>
<th>Individual Sporting Groups/Clubs</th>
<th>State Sporting Organisations or Association</th>
<th>Community, Social and Recreational</th>
<th>Council/Independent Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The potential for increased income generation opportunities through various means such as gate takings, canteen, food and beverage profits at home Club, Association, Premier Regional sporting fixtures or Social and/or Recreational events and activities, sponsorship, advertising and grants to peak sporting bodies.</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>2. To meet the basic need for high quality amenities and sporting surfaces to replace and supplement the current facilities and to cater for increased numbers of participants, particularly in female sports participation.</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>3. The provision of a premier sporting venue with unisex amenity and playing surfaces that are of a Premier Regional standard for use in both home and away fixtures and in regional finals series fixtures.</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>4. The provision of a premier regional sporting venue with unisex amenity and playing surfaces that accommodate elite standard sport in regional, state and national level competition.</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>5. The opportunity to grow membership, supporter, player and volunteer participation rates through all grades in their Club.</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
</tbody>
</table>
## Key Objectives

<table>
<thead>
<tr>
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<th>State Sporting Organisations or Association</th>
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<th>Council/Independent Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td>The opportunity to <strong>grow participation rates</strong> in their sport.</td>
<td>🌟</td>
<td>🌟</td>
<td>🌟</td>
</tr>
<tr>
<td>7.</td>
<td>The provision of a community facility with unisex amenity that <strong>assists and promotes the health and social well-being of the community</strong> through social, leisure and recreational events and activities of both a formal and informal or casual nature.</td>
<td></td>
<td>🌟</td>
<td>🌟</td>
</tr>
<tr>
<td>8.</td>
<td>The provision of a facility that encourages and supports individuals, local organisations and community groups in their <strong>endeavours to participate in healthy activity and a thriving sporting, arts and cultural scene.</strong></td>
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<tr>
<td>9.</td>
<td>The provision of a space for the community <strong>to gather both formally and informally</strong> and to increase the conversation points within community for people to come together and <strong>engage, participate or just be part of an audience experiencing an event, activity or game.</strong></td>
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<tr>
<td>10.</td>
<td>The development of a Council owned facility that will <strong>encourage both active and passive participation in sport and recreation within the precinct and enhance the intergenerational health and social well-being of the community.</strong></td>
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<tr>
<td>11.</td>
<td>A new sporting and recreational infrastructure that <strong>harnesses the capacity of inter-governmental and multi-stakeholder partnerships</strong> and meets the future population growth needs of the community.</td>
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</tr>
<tr>
<td>Key Objectives</td>
<td>Individual Sporting Groups/Clubs</td>
<td>State Sporting Organisations or Association</td>
<td>Community, Social and Recreational</td>
<td>Council/Independent Board</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>12. Ensure the RSH becomes a premier entertainment destination in the Hills region with tourism opportunities and activities that attracts visitors to the district.</td>
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<td></td>
<td>!star!</td>
<td>!star!</td>
</tr>
<tr>
<td>13. To have a positive economic impact on the community in the creation of new jobs through construction to operation of the facilities, regional investment and economic development and in ongoing sports, recreational and commercial opportunities generated by the facilities.</td>
<td></td>
<td></td>
<td>!star!</td>
<td>!star!</td>
</tr>
<tr>
<td>14. To encourage and support the recent growth in female sports participation, particularly in field sports, and to meet the overall demand for sports and recreational facilities in the district.</td>
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<td>!star!</td>
<td>!star!</td>
</tr>
<tr>
<td>15. To ensure the affordability of the RSH for the Council in terms of its capacity to finance the capital and ongoing operating and maintenance costs of the facilities (with the support of external funding partners and commercial enterprises to subsidise ongoing costs).</td>
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<td>!star!</td>
</tr>
<tr>
<td>16. To optimise the use of the facility, maximise the revenue generating opportunities through hire fees for sports playing surfaces, amenities and other open space areas (multi-purpose use of spaces) and effectively manage maintenance costs, capital replacement costs and remediation costs. In simple terms to run a sustainable business model.</td>
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</tbody>
</table>
What are the Challenges and Constraints?

There are numerous challenges and constraints pertaining to the development of the RSH, most significant of these are the pressure for Council funding of the construction costs and ongoing maintenance costs relative to the need for funding the other priorities of Council. The specific challenges and constraints include, but are not limited to, the following:

- The governance requirements of the Local Government Act 1999 and more specifically, Section 41 of the Act under which the Independent Board will be convened.
- The National Competition Policy which requires competitive neutrality principles of Council activities.
- Site zoning and development approval conditions for future expansion of the site.
- Land management Agreement obligations.
- Federal and State funding obligations and timelines.
- Size of site and competing expectations of how much can be achieved on the current site, particularly for commercial use areas of the site and noting the Land Management Agreement.
- The development application will require approval for significant tree removal and covering a portion of the tributary creek line in the NW corner via a pipe.
- The costs of Stage 1 are still uncertain (as the project is still to go to tender). Council have already made some contingency arrangements for possible items for deferral given that a decision on how much Council will spend on Stage 1 is still to be made (LTFP provision is $8 million).
- Council will be required to borrow its contribution to the capital build of the RSH, and thus, will need to consider allocating some or all of the financing costs of this loan to the operating costs of the facility. These costs could be reduced by:
  - Recognizing a proportion of population growth rate in the Council zone.
  - Calculation as to the amount of capital funded by a nominal “special rate”.
  - Calculation as to the amount of capital Council can fund from existing cash savings.
- The availability of further Council funding for the construction of future stages of the project subject to warrant and other funding priorities of Council.
- The absence of off-site car parking in the streets surrounding the site.
- The timing of construction for the future stages of the development are unknown at this stage and this will be based on the availability and priority of this project relative to the other priorities of Council.
• Stage 1 of the proposed development only provides for 1 x football / cricket oval, 2 x soccer pitches and the respective amenities to these playing surfaces. Based on the available facilities in the short term, the RSH will have limited capacity for revenue raising until all Stages of development have been completed at an unknown time in the future, but most likely, in at least 5 years’ time.

• There has been no planning nor funding allocated to the preparation of the site for aesthetic appeal in those areas which will remain undeveloped for a number of years from the present time.

• The availability of other external sources of funding for the development of the further stages is not known at present.

It will be important in future planning activities to identify the actual level of risk associated with each of these constraints and to have risk mitigation strategies in place should any of the more significant constraints eventuate and have a negative impact on the facility and, in turn, on Council resources and reputation. This is an important piece of work to be done in the near future, once the new Council’s intentions for the RSH are clear and the expected financial commitment from Council for the Stage 1 build is made.
10 High Level Cost Benefit Analysis

The following cost-benefit analysis is a high-level identification of the general items that can be classified as costs or benefits to the community for the successful completion and implementation of this facility. While it contains reference to some financial and economic data, the monetised contribution of a number of benefits to the community has not been specifically costed as this is beyond the scope of this report. The positive employment and output data provided below is taken from the document on “Mount Barker District Council Economic Impact Models” prepared by ID Consultants (2014-15)*.

The costs involved in the development of the RSH include the following:

- Approximately $20 million in overall construction costs to complete Stage 1.
- Approximately $8.0 million of Council funding is required in order to derive grant funding of $12.0 million.
- Injury costs from participation in physical activities.
- Deferral of other council initiatives/works
- Environmental impacts and disruption during the construction phase.
- Operating maintenance, cleaning, security, marketing and administration costs.

The benefits derived from the development of the RSH include the following:

<table>
<thead>
<tr>
<th>Mount Barker District Council</th>
<th>Australian Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPEND $m</td>
<td>Economic Output $m</td>
</tr>
<tr>
<td>Benefit during construction - stage 1</td>
<td>20.1</td>
</tr>
<tr>
<td>Benefit once stage 1 operational</td>
<td>0.7</td>
</tr>
</tbody>
</table>

1. Economic modelling from Informed Decision(.id economy) for Mount Barker District Council

- $12.0 million of funding from external sources will be granted to council as an investment in their capital infrastructure for sports, leisure and recreation facilities.
- Increased tourism income to the Mount Barker area.
- Visitor spending directly at the RSH and indirectly within the Mount Barker area.
- Health cost savings to community as a result of increased activity, health and well-being.
- Development of community infrastructure.
- Enhancement of community building, engagement, inclusion and cohesion.
- Travel cost savings.
- Volunteering at sporting and community events and activities. (The monetary value of volunteering has been estimated to be $27.45 per hour in 2011 which is the most recent costing

- Increased participation numbers in all events and activities.
- Increased amenity quality and comfort which will attract more participants.
- The facilities will meet demographic growth (and increasing participation rates in sports and recreation) demands for greater provision of infrastructure.
11 What are the relevant State and National priorities and policies which the Independent Board must be cognisant of?

The relevant State and National priorities and policies relating to the RSH include but are not limited to the following:

1. Delivery of the RSH is a key project that is envisaged within the Mount Barker 2035 District Strategic Plan and is strongly aligned with delivery of the “Community Well-being” Objective, supports the “Economic Prosperity” Objective and aligns with the Mount Barker District Council Development Plan.

2. The RSH project will increase the community’s access to sporting facilities and encourage walking and cycling to the hub by connecting the site to the Mount Barker linear trail, thereby supporting one of the State Government’s seven strategic priorities: Safe Communities, healthy neighbourhood, as identified in the SA Strategic Plan, 2011.

3. The RSH supports the Federal Government’s National Sport and Active Recreation Framework which requires all governments to play their part to progress priorities under the Framework in line with its principles. It also meets the Federal Government’s expectations of local government.

4. The demand and potential demand for sporting facilities within the RSH are consistent with the results of the District Council of Mount Barker Open Space, Recreation and Public Realm Strategy – Background Report March 2013.

5. The ongoing funding required to sustain the RSH is based on Asset full-life cost modelling with the following assumptions:
   a. Useful lives of assets benchmarked against:
      i. Mount Barker District Council Asset Accounting Policy August 2012
      ii. Football NSW Synthetic Fields – A guide to synthetic surfaces for football
      iii. Government of WA, Department of Local Government, Sport and Cultural Industries, Life Cycle Cost, chapter 10
      iv. AFL Preferred Facility Guidelines for State, Regional and Local Facilities, August 2012
      vi. Tennis Australia National Tennis Facility Planning and Development Guide 2013
      vii. Finance costs for Council’s financial contribution to stage 1 of the project have been calculated based on the Local Government Finance Authority (LGFA) 20 year debenture rates:
         1. using grant funding contributions to the project during construction (including any interest on grants paid in advance [not modelled]);
         2. using Council’s cash flow and cash advance debentures (CADs) during construction (works in progress [WIP] stage);
12 High Level Risk Analysis

The RSH presents a significant opportunity for the Council to provide new, regional standard, sporting facilities for its growing community and in so doing contribute to positive economic and community well-being outcomes. In committing to the implementation of the project, the Independent Board of the RSH will need to manage a wide range of strategic and operational risks by aligning itself with and in the application of the Council Project Management Framework and Risk Management Framework.

At a strategic level it is necessary to manage the following high-level risk areas which, without risk management controls and ongoing management/ review, could significantly restrict effective ongoing management and operations of Stage 1 of the RSH:

12.1 On-going Management of Operations high level risks

The following high-level risk areas relate to the effective ongoing management and operations of Stage 1 of the RSH:

<table>
<thead>
<tr>
<th>Strategic Risk Areas</th>
<th>Risk Management Controls</th>
</tr>
</thead>
</table>
| Affordability – lack of funding for the capital costs associated with Stage 2 of the project (Stage 2 is deferred for a lengthy period of time): | Detailed scoping and assessment of the project to determine the Council’s ability to finance capital costs requires: Business Case assessment of the need, cost benefit including:  
  • Grant funding – government and peak sporting bodies.  
  • Separate rates and Growth in rates.  
  • Hire Fees (user pays contribution).  
  • Lease fees (regular income).  
  • Service Club support.  
  • Sponsorship support.  
  • Long Term Financial Planning Prudential Review. |
| Affordability – funding the ongoing operating and maintenance costs of Stage 1 of the RSH: | Detailed scoping and assessment of the project to determine the Council’s ability to finance ongoing operating costs requires: Business Case assessment of the need, cost benefit including:  
  • Separate rates and Growth in rates.  
  • Hire Fees (user pays contribution).  
  • Lease fees (regular income).  
  • Service Club support.  
  • Sponsorship support.  
  • Long Term Financial Planning Prudential Review. |
<table>
<thead>
<tr>
<th>Strategic Risk Areas</th>
<th>Risk Management Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing maintenance fees become unaffordable for RSH User Groups.</td>
<td>Regular financial reporting from User Groups on operational performance in using the RSH. Business case to Council for additional ongoing subsidies to User Groups.</td>
</tr>
<tr>
<td>Lack of revenue generating opportunities realized for RSH User Groups and Board.</td>
<td>Regular financial reporting from User Groups on actual and forecast revenue generating activities from RSH. Business case to Council for additional ongoing subsidies to User Groups.</td>
</tr>
<tr>
<td>Commercial properties and infrastructure not developed.</td>
<td>Ensure business case and cost benefit analysis of commercial infrastructure is completed.</td>
</tr>
<tr>
<td>One of the State Sporting Organisations terminates agreement with RSH.</td>
<td>Regular reporting and communication between SSOs and the Coordination Committee of Board. Ensure equitable access and use is provided to other User Groups for long term sustainability.</td>
</tr>
<tr>
<td>Playing surfaces are over-utilised and need replacement sooner than expected.</td>
<td>Monitor and regularly report on usage statistics for all playing surfaces. Incorporate higher usage rates into hire / lease arrangements with User Groups.</td>
</tr>
<tr>
<td>Community expectations of the RSH are not met.</td>
<td>Regular liaison with all key stakeholders is established and feedback sought at regular intervals.</td>
</tr>
<tr>
<td>Springs Road upgrade is not constructed.</td>
<td>Project scheduling and forward planning including:</td>
</tr>
<tr>
<td></td>
<td>• Council decision points.</td>
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<tr>
<td></td>
<td>• Funding partner milestones/deadlines.</td>
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<tr>
<td></td>
<td>• Contracts to include contingency time (where possible).</td>
</tr>
<tr>
<td></td>
<td>• Concurrent activity where possible.</td>
</tr>
<tr>
<td>Catastrophe at Major Community Event</td>
<td>Engage with all emergency services to ensure coordinated and planned approach to managing a catastrophe is researched and rehearsed at regular intervals.</td>
</tr>
<tr>
<td>Participation rates in Sport have a significant decline.</td>
<td>Monitor and regularly report on participation rates for all sports, leisure, and recreation activities and events.</td>
</tr>
<tr>
<td>Laratinga Linear Trail network not extended to connect with the RSH precinct in time for completion of Stage 1 works.</td>
<td>Ensure business case and cost benefit analysis of Laratinga Linear Trail is completed.</td>
</tr>
</tbody>
</table>
13 What commercial income streams and community potential (including Club income generation) are there?

**Individual Sporting / Recreation Club Level**

Potential income generation opportunities include the following:

- Gate takings for Club sporting fixtures and events.
- Sub-lease of playing surfaces for trainings, coaching sessions, or other activities.
- Canteen, food and beverage profits at all Club sporting fixtures and events.
- Other facility revenue income – to be determined.
- Sponsorship advertising signage and/or scoreboards.

**SSO / Association Level**

Potential income generation opportunities include the following:

- Gate takings for Association or SSO / NSO sporting fixtures and events.
- Sub-lease of playing surfaces for trainings, coaching sessions, or other activities.
- Canteen, food and beverage profits at Association or State Sporting Organisation sporting fixtures and events.
- Other facility revenue income – to be determined.
- Sponsorship advertising signage and/or scoreboards.
- State and Federal grants to peak sporting bodies.

**Council / Independent Board Level**

Potential income generation opportunities include the following:

- Office rent.
- Facility hire fees for sports playing surfaces, amenities and other open space areas (multi-purpose use of spaces) including apportionment of maintenance costs, capital replacement costs and remediation costs.
- Gate takings for Club, Association or SSO / NSO sporting fixtures and events that are not in conflict with the state sporting organisations that comprise the current PPG.
- Facility advertising fees / sponsorship advertising / naming rights.
- Facility revenue income – e.g., produce markets, trade shows and exhibitions and/or temporary caravan / camping / tourist accommodation facility.
- Hiring fees for other facility use – e.g. major community and/or sporting events.
- Commercial development site leases – e.g. fitness centre, allied health consulting rooms for lease, retirement/aged care, retail / shopping leases
- Commercial and/or residential land for sale (portion of site) – proceeds to offset capital construction costs.
- State and Federal grants to the community.
14 What are the demographic characteristics of the region which should be identified and planned for by the Board?

The Population of Mount Barker is forecast to grow by 64% over the next 20 years from a current population at the 2016 census of 33,810 to 55,416 by 2036.

As one of the fastest growth areas in the country, the planning and management of facilities and infrastructure to support this is vital. The RSH will be the key sporting and recreational destination for the town and the region, and growth means the precinct needs to be managed in a manner that reflects both existing and emerging populations. Key aspects of delivery will therefore need to consider:

- Carrying capacities of sports facilities
- Balancing community access with structured sporting use
- Ensuring facilities are accessible both physically and psychologically
- Ensuring services are affordable and in line with users’ ability to pay (either directly or through Council rates)
- Adopting a management approach that uses the RSH as a community asset and developing proactive community programmes and events. This will require physical human resources and a partnering approach with SSO’s and RSH user groups, e.g. targeted programming for specific population groups and age cohorts.

Council has undertaken a number of strategies that relate to the future provision of sport and recreation and all point to the need for additional space for structured sport and recreation in line with the projected growth of the community.

Information extracted from Council’s Recreation Needs Analysis undertaken in 2012 highlights a number of gaps in sports facility provision to include:

- 6-9 ovals (Australian Rules Football/Cricket)
- 6-7 playing fields (soccer) if the future population size is 50,000-55,000 (depending on the level of access to school ovals and fields)
- Hockey pitch (synthetic water based which will be constructed at Anembo Park in first half of 2019).
- 1 athletics track if the future population size is 50,000-55,000
- 1 gymnasium hall (in addition to existing 3 court facility – Court 3 at AHRC is does not meet standards and will require upgrade).
- 15-20 tennis courts if the future population size is 50,000-55,000 (depending on the level of access to school courts)
- 2-3 play spaces (adventure, innovative, nature based)
- 1 BMX and 1 skate facility linked to other recreation components
- Upgraded aquatics facility
The RSH therefore presents an opportunity to assist in filling gaps identified for the sports of Cricket/Australian Rules Football, Soccer (Football) and Netball/Tennis. Closer alignment with any proposed indoor venue at or adjacent to the site should also be considered, and obvious synergies with indoor courts considered in the overall development of the precinct.
15 Next Steps

Once the new Council has approved the Part 1 “Governance and Operating Model” and Part 2 “Business Strategy” the final piece of work will be the preparation of the detailed Part 3 “Business Plan” documenting operational objectives, activities and key performance measures for the RSH.

Included in that work will be the preparation of a financial management plan and asset management data, including maintenance and renewal projections in a staged process over 4 years. The High-level Strategic Indicators presented in this Report will be fleshed out to provide more detailed and measurable actions to be undertaken over a 4-year timeframe.

The approvals process is expected to be as per Parts 1 and 2 with significant involvement and feedback from the Project Partners Group (the various State Sporting Organisations involved), The Project Control Group (Council’s key operatives and sponsor of the project) and finally the Council Executive prior to presentation to Council in early to mid-2019.
APPENDICES
Appendix 1 – Assumptions

The Key Assumptions underpinning the development of the RSH were detailed in the document; “Mount Barker Regional Sports Hub, Business Case, as at 5 December, 2017” and further assumptions have surfaced during the various activities and discussions which have taken place during 2018 in preparation for operations.

The Key Assumptions are defined as those elements of the project that are assumed to be true at the time of preparation of this document but are also understood to be subject to change at a future date based on the achievement of project milestones and the continued support of these elements by council and other stakeholders to the project.

Should any of these assumptions change significantly into the future the Board, Management and RSH User Group Committee may need to evaluate the impact of these changes on this high-level Business Strategy and realistically, the 4-year Business Plan which follows.

The Key Assumptions pertaining to the establishment and future operations of the RSH are as follows:

- There is ongoing and widespread community support for the RSH as per previous consultation processes facilitated by Council.
- The facility will be constructible in clearly delineated stages subject to available funding and warrant.
- The RSH will be “future proofed” where possible for future stages, expansion and/or upgrade of the facilities.
- Stage 1 development will necessarily involve the construction of essential infrastructure to establish the site, playing surfaces and essential supporting infrastructure for sport only and the full vision of the site will be realised in future development stages.
- Future Stages of development may include event facilities, commercial facilities and additional spectator facilities.
- The Springs Road upgrade will be funded by the SA Government Department of Transport and Infrastructure through a separate rate and deed as it is a separate project.
- Each sporting code will optimise the use of all facilities for both regular season games and for the finals series, e.g., the HFL grand final will be played at the RSH every year.
- Volunteer requirements / hours are maintained for each code at the RSH.
- Operational and maintenance needs will be contracted out through a competitive process (Council can tender).
• Those portions of the site that are not required for sports facilities can be sold or leased for commercial development (subject to separate DA process) and/or sub-divided and sold (to contribute to capital costs of the RSH) subject to approvals under the Land Management Act and any other approvals required.

• Council will be required to provide ongoing funding of the operations and maintenance of the RSH asset.

• Further funding for the construction of Stage 2 of the project is subject to warrant.

• SACA will contribute to turf maintenance through in-kind contribution of the requisite expertise to create and maintain the centre square turf wicket area for the primary oval.

• SANFL have indicated their intent to establish another local Australian Rules football club located at this site to join the Hills Football League.

• SACA and SANFL have requested for State / Regional staff to be located in dedicated office space at the RSH.

• Council will provide personnel resource to the RSH in the form of a precinct coordinator / manager to ensure the effective coordination and operations of the facility.

• The employment of a Star Club Field Officer will occur through the Office of Recreation, Sport and Racing to support all sports clubs across the district and this position could be integrated with the precinct coordinator / manager role above.

• The playing surfaces and associated amenities are to be developed to a regional / premier standard for each code, including unisex amenity which accommodates both male and female participation.

• Construction of and delivery within the infrastructure is to be staged to meet population and sporting participation growth (Capital and Operating expenditure) and to stagger the cost impact on the local community.

• Funding of the project will be derived from a number of different sources including:
  b. Government grant funding
  c. Peak sporting body funding
  d. Council funding and potential sale of land
  e. User funding
  f. Community funding
  g. Commercial opportunities

• The total cost for construction and delivery of all stages of the RSH project, excluding the cost of the land, in 2017 dollars, is estimated at $38 million with the Stage 1 works estimated in the Business Case (and prior to a procurement) at $20.1 million.

• The Stage 1 scope meets warrant and funding obligations and is within Council’s financial capacity (to be measured by an Independent Prudential Review).
• Stage 1 of the project is proposed to be completed by in the period, 2018 – 2020. The timeframes for Stage 2 of the project and other future stages is yet to be determined.

• Operating revenue will be derived from the user groups of the facilities, events, sponsorship, commercial partnering and the use of the amenities themselves amongst other revenue streams the Board, Management and Council agree including current subsidy.

• The ongoing funding required to sustain the RSH is based on Asset full-life cost modelling and reasonable estimates of operational costs.

• The RSH will be integrated functionally and management wise into the broader precinct.