

His Worship the Mayor
Councillors
CITY OF MARION



**NOTICE OF
SPECIAL GENERAL COUNCIL MEETING**

Notice is hereby given pursuant to the provisions under Section 83 of the Local Government Act 1999 that a General Council meeting will be held:

Tuesday 8 March 2016

Commencing at 6.00 p.m.

In the Council Chamber

Council Administration Centre

245 Sturt Road, Sturt

A copy of the Agenda for the City of Marion meeting is attached in accordance with Section 83 of the Act.

A handwritten signature in black ink, appearing to read "Adrian Skull", is positioned above the printed name and title.

Adrian Skull
CHIEF EXECUTIVE OFFICER
4 March 2016

**CITY OF MARION
SPECIAL GENERAL COUNCIL AGENDA
FOR MEETING TO BE HELD ON
TUESDAY 8 MARCH 2016
COMMENCING AT 6.00PM**



1. OPEN MEETING

2. KAURNA ACKNOWLEDGEMENT

We acknowledge the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3. DISCLOSURE

All persons in attendance are advised that the audio of this General Council meeting will be recorded and will be made available on the City of Marion website.

4. ELECTED MEMBER'S DECLARATION OF INTEREST (if any)

5. COMMITTEE RECOMMENDATIONS

Confirmation of the Minutes for the Special Finance and Audit Committee Meeting held on 22 February 2016
SGC080316R013

6. CORPORATE REPORTS FOR DECISION

Edwardstown Sports and Community Centre
SGC080316R0211

7. MEETING CLOSURE

Council shall conclude on or before 9.30pm unless there is a specific motion adopted at the meeting to continue beyond that time.

**CITY OF MARION
GENERAL COUNCIL MEETING
8 MARCH 2016**

Originating Officer: Kate McKenzie, Manager Corporate Governance
General Manager: Vincent Mifsud, General Manager Corporate Services
Subject: Finance and Audit Committee - Confirmation of Minutes of Meeting held on 22 February 2016
Report Reference: GC080316R01

DISCUSSION:

The purpose of this report is to facilitate the receiving and noting of the minutes from the 22 February 2016 Special Finance and Audit Committee meeting. A summary of the items considered are noted below.

7.1 Edwardstown Soldiers Memorial Recreation Ground - Section 48 Prudential Report

The Committee noted the project and the intent to develop the Edwardstown Oval site to create a new precinct that will provide a broad range of recreational, economic and social benefits to the local community.

As part of the project development, when the capital costs of a project exceeds \$4m, a report that addresses the prudential issues of the project must be developed in accordance with Section 48 of the Local Government Act 1999. The Section 48 report must be completed as part of the submission process for grant funding under the National Stronger Regions Fund.

The Committee reviewed and provided comment on the prudential Section 48 report seeking some further analysis and clarification on the following:

- Economic Development
- Community consultation
- The proposed governance model
- Financial management and the impact on ratios
- On going asset management and responsibilities
- Project Mangement
- Project Risk Register

RECOMMENDATIONS

DUE DATES

That Council:

- | | |
|--|-------------------|
| <ol style="list-style-type: none">1. Receive and note the minutes of the Special Finance and Audit Committee meeting of 22 February 2016 (Appendix 1). | March 2016 |
|--|-------------------|

**MINUTES OF THE SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
HELD AT THE ADMINISTRATION CENTRE
245 STURT ROAD, STURT
ON MONDAY 22 FEBRUARY 2016**



PRESENT

Mr Greg Connor (Chair), Mr Lew Owens, Ms Kathryn Presser, Councillor Tim Gard.

In Attendance

| | |
|-------------------|-------------------------------------|
| Mr Adrian Skull | Chief Executive Officer |
| Mr Vincent Mifsud | General Manager, Corporate Services |
| Ms Abby Dickson | General Manager, City Development |
| Ms Kate McKenzie | Manager, Corporate Governance |
| Mr John Valentine | Manager, Strategic Projects |
| Mr Ray Barnwell | Manager, Finance |
| Mr Neil McNish | Manager, Economic Development |
| Ms Emma Cavaggion | KPMG |
| Mr Jared Lawrence | KPMG |

1. OPEN MEETING

The meeting commenced at 3.02 pm.

2. KAURNA ACKNOWLEDGEMENT

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3. MEMBERS DECLARATION OF INTEREST

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting. No interests were declared.

4. CONFIRMATION OF MINUTES

Nil

5. BUSINESS ARISING

Nil

6. ELECTED MEMBER REPORT

Nil

7. REPORTS

Matters for Discussion

**7.1 Edwardstown Soldiers Memorial Recreation Ground - Section 48 Prudential Report
Reference No: SFAC2202161R.1**

The General Manager, City Development provided an overview of the project, highlighting that Council regards sporting infrastructure and facilities for the City of Marion as a high priority. The Committee noted the aim of the project was to develop the Edwardstown Oval site to create a new precinct that will provide a broad range of recreational, economic and social benefits to the local community.

The Edwardstown Oval redevelopment has been identified as one of Council's top four adopted priorities for sporting and community facilities. In September 2015, the Council resolved to progress the project to develop and prepare concept plans and a comprehensive submission for the National Stronger Regions Funds (NSRF).

As part of the project development, when the capital costs of a project exceeds \$4m, a report that addresses the prudential issues of the project must be developed in accordance with Section 48 of the Local Government Act 1999. The requirements of a Section 48 report are set out on page 61 of the agenda.

The key areas of feedback sought from the Finance and Audit Committee relate to:

- Financial viability and sustainability of the project
- The risk register
- Governance model and management framework.

The Manager, Strategic Projects provided the Committee with a presentation that highlighted the design concepts and an overview of how the facility would operate and be managed. It was noted the project has been developed in a tight timeframe. The Manager, Strategic Projects advised that some elements have been developed 'below the line' which means they can be added or taken off, depending on how the project progresses and the construction tender outcomes.

The Committee queried where this project was prioritised against Council's other priority sporting projects, as Council will need to examine and consider the incremental impact on the financials as these projects further evolve. The Manager Strategic Projects advised that this project was the first to progress to this stage during this term of Council, and had been driven by the timing of the funding application which is due to be lodged by 15 March 2016. It was also raised that a submission for the indoor multicourt facility proposed at Mitchell Park will also be prepared for the mid year applications to the next round of the NSRF.

The Committee cautioned that depending upon how the project will be funded (i.e. through borrowings or reserves), Council needs to consider its debt servicing ratio and the implications on other projects. The \$8m proposal includes a \$4m capital contribution from Council funds in addition to \$4m project funding being sought through the NSRF. Council will also be required to fund additional on going maintenance and renewal costs. This may present a challenge to Council if it does not want to increase rates and other major projects require similar funding. Council's increased funding requirements are highlighted on page 102 of the agenda papers. If the project progresses, consideration should be given to how it will be resourced.

Economic Development

The Committee noted that expected economic development of the local area and the impact on businesses was one of the issues to be addressed under Section 48 and suggested that this could be further developed within the report.

The Manager, Economic Development advised that the economic impact analysis had been completed at a local level, focusing on impact to businesses based on assumptions of visitations. It was noted that analysis can be difficult as it does not take into account individual businesses as such, but rather how the facility could create further economic benefit to the general location through additional visitation and spending in the area. It was agreed that further clarity can be provided to this section of the report.

Action – enhance the economic development information within the Section 48 report regarding the impact on local business.

Consultation

The Committee noted that the primary consultation had occurred with the Edwardstown Oval Committee who represented the clubs at the site and some local residents, including representation from the RSL. It was also noted that good stakeholder consultation had occurred, but as the timeframes to develop the submission had been tight, the general public had not been involved in a broader consultation at this point. Some consultation had occurred in 2012 when the original sports hub master plan was developed. This received a positive response from the community. The difference between this proposal and the master plan proposal from 2012 is the size of the building, which was much larger in 2012. Feedback received at that time was the site was looking tired and in need of upgrading.

It was noted that if Council supports the application at the special meeting of Council scheduled for the 8 March 2016, further consultation with the community should occur. The Committee suggested there seems to be a number of key issues that may affect residents, such as increased noise, traffic management and visitation.

Action – Acknowledge within the report that consultation with the general public and particularly local residents will occur as the project progresses.

3.35 pm - Jared Lawrence and Emma Cavaggon from KPMG entered the meeting.

The Committee noted that KPMG had been engaged to develop two elements of the report being the governance model and the financial forecast.

Governance Model

KPMG reviewed what the City of Marion was already doing at a local level and reviewed other facilities such as Club Marion, Cove Sports, Marion Leisure and Fitness, the Marion Outdoor Pool and the Living Kurna Cultural Centre to see how they were being managed. Guidance was also sought from the Office of Recreation and Sport Management Guidelines and the Local Government Association.

From this research, KPMG recommended that a skills based board be developed with focus on sport and recreation, community capacity building, asset management, financial and risk management. It was noted that representation could come from sporting clubs and residents should they have the right skills. The model also proposed a full time manager, funded by the Council for an initial two year period to drive growth, attraction and community development. The skills based board would be responsible for the revenue collection of the site, and proportionate allocations of revenue would be made to clubs after overhead and maintenance costs were covered.

The Committee queried if this model had been successful at other locations as it could be suggested that this model could create financial sustainability issues for the clubs.

It was noted the current model is not working and requires change. The proposed management model is based on a model tested and currently operating successfully in New Zealand.

The Committee noted the following points regarding the management model:

- Ensure the volunteers do not feel a level removed from the operations of the clubs. Volunteers feel valued when involved in the clubs and can see the benefits of their hard work. It is important the management model does not impact on the ability to attract volunteers, which is critical for the on-going operations.
- Strategic planning and marketing skills are required for the Management Committee.
- Further work needs to be completed regarding how and who selects the Management Committee.
- Clubs could feel a loss of autonomy.
- Careful consideration should be given regarding the constitution and the status of the Committee. Council needs to ensure the Committee is accountable to Council and the constitution does not preclude this from occurring.

The Committee commented that how skills based parties would be appointed to the new management board and who would make the appointments were not discussed in the document. Clarification is also required as to who would set up the business and resident advisory committees and how volunteers would be protected.

Action

- **Greater clarity required regarding the nature of the entity to be created (re single management structure) and its relationship to the City of Marion.**
- **Description / outline required how governance arrangements would be resourced (ie Council paid manager), process for attracting and appointing skills based board and their appointment and how status / nature of the board would provide protection for volunteers.**

Financial Management

The Committee noted the financial summary on pages 101 and 102 of the agenda and the assumption that Council will fund its \$4m contribution for the project through borrowings. The Committee requested that the report is clear regarding the total capital expenditure for the project being \$8m with \$4m provided by the City of Marion and \$4m sought from the Federal Government through the NSRF. It also suggested that further consideration be given to assessing the best method of funding from the Council; via debt, cash or a mixture of both.

The Committee requested that the LTFP analysis also include details of the key financial Ratios before and after the proposed project.

Action

- **Amend the financial summary to clarify funding and display the total capital expenditure of \$8m.**
- **Include all key financial Ratios in the LTFP analysis.**
- **Assess the best method of funding Council's contribution**

The Committee noted the following key points:

- The increase in depreciation is not substantial. It was highlighted that the depreciation has been calculated based on the total \$8m project cost
- If the grant is successful, \$4m will be reflected as capital revenue
- There will be a \$2.4m write down due to the current buildings being demolished
- It is proposed that Council fund a full time manager for the transition period of two years and then the management fee will cover this cost after the transition period when the position will also reduce to a part time manager .

- Revenue has been forecast at 10% growth for the first 3 years based on an uplift of visitor numbers and then at CPI from year 4 onwards.
- The project budget has been established at \$8m. The Section 48 report should be clear regarding what elements will be excluded should the project exceed budget. It was noted the project would be referred back to Council for further decisions should major budget implications develop during the project.

The modeling of the management fee was discussed. The Committee noted that revenue obtained above the operating costs of the Management Committee would be redistributed to the clubs on a proportionate basis. It was noted this is a different approach to what is currently operating, as each club currently pays its own operational costs such as utilities. The Committee noted an appropriate review over the clubs' financial viability should occur. The Committee also suggested that the report should provide further clarity and definition regarding what is deemed revenue.

Action: Provide further clarity and definition regarding what is deemed revenue within the report.

Asset Management

The Committee noted the following regarding asset management:

- That the velodrome is the only velodrome in South Australia to the standards used by professional cyclists. It requires resurfacing and new barriers will be installed as part of the project. The Committee queried the life span of the velodrome and it was confirmed that the surface would last between 20 – 25 years.
- Lights are currently being installed and would not require further upgrade as part of the project.
- The site contains no known asbestos and no known contamination. Preliminary testing has occurred and any fill on the site is local to the area.
- It is proposed that the cricket nets located on Towers Terrace and Raglan Avenue will be relocated to the main site. This creates a potential to dispose of the land where the cricket nets currently are, if its use is no longer required. It was noted that a water bore is located at this site.
- Renewable energy is not included within the design due to the budget limitation but the building has been designed to facilitate the installation of solar panels at a later stage.
- The play equipment is out of scope as the playspace has recently been completed in the south western corner of the site.

Project Management

The Committee noted the project management plan as outlined on page 147 of the agenda. The Manager, Strategic Projects raised that this structure has been used on the past two major projects at the City of Marion. The Project Control Group that has executive representation and officers involved in managing the project will meet monthly to focus on timing, quality, financial analysis and risk management.

It was noted that management is currently exploring using an internal resource that has appropriate skills, experience and qualifications to manage/superintend the project which will save approximately \$300k. It will also reduce double handling and establish a more thorough understanding of the project issues.

The Committee queried the lessons learned from other projects, noting that management stated that early intervention regarding risks and issues management was critical.

4.19 pm Ms Presser left the meeting

4.21 pm Ms Presser returned to the meeting

Risk Register

The risk register was noted by the Committee as a sound risk management approach and the Committee made the following observations:

- Risk E02 relating to the success of the NSRF application remained a high risk after controls, due to the unknown likelihood of successfully securing the grant funding.
- Risk E017 relating to tender prices not exceeding cost estimates had the same inherent and residual risk rating. It is proposed that further work may need to occur on the controls to reduce the residual risk.
- The risk treatment plans should be managed and regularly monitored to ensure treatments are implemented.

It was noted that a number of inherent risks were assessed as medium risks and after controls, the residual risk was low.

The Manager, Strategic Projects highlighted that projects are always inherently risky due to the costs and complexities. The high risk relating to this project relates to the ability to secure the grant funding through the NSRF.

The Committee queried the likelihood of the grant application succeeding. It was noted that two rounds of funding had occurred so far with 1 in 5 applications being funded. The vast majority of successful applications occurred outside of capital cities. Council should be notified of the success by June or July 2016.

Summary

In summary, the Committee noted it is important for Council to consider the overall impact when discussing projects. It was requested that when projects are considered, the Long Term Financial Plan is presented in 2 formats, with the project included and with the project excluded. This is to provide good comparative data for sound financial decision making. As multiple projects develop, it is critical for Council to understand the financial position to ensure that the projects are delivered within the Council financial ratios and parameters.

It was noted that page 53 of the agenda provided the Long Term Financial Plan but the above comments can be included within the report.

To address the points highlighted within the recommendations the Committee noted:

1. The project supports strategic objectives and this is well documented.
2. The project complies with the Development Plan as it is a redevelopment of an existing site. The buildings will require development approval prior to progressing. The Committee requested that further clarity is provided in the summary on page 3 of the Section 48 Report in regards to this.
3. The economic impacts are addressed.
4. Greater community consultation is required and could be achieved through further meetings with the residents and local businesses.

5. The project risks are well documented and have been assessed. It is critical that the treatment plans are regularly monitored.
6. The financial viability of the project hinges on the grant funding. If the grant funding is unsuccessful Council will need to determine if and how the project will be funded. This may challenge Council's current position of low rates rises if the project progresses. Further work is also required around the management fee structure to ensure the passion of the clubs is not lost.
7. The financial sustainability targets can be met for this project but Council needs to consider the impact of other projects on these targets and ensure that decision making is not made in isolation of other priorities.

8. CONFIDENTIAL ITEMS

Nil

9. ANY OTHER BUSINESS

The Committee agreed to further investigate the opportunity of producing electronic agendas for the Finance and Audit Committee.

10. MEETING CLOSURE

The meeting was declared closed at 4.42pm.

11. NEXT MEETING

The next meeting of the Finance and Audit Committee is scheduled to be held on:

Time: 8 March 2016

Date: 2.00pm – 5.00pm

Venue: Chamber, Administration Building, 245 Sturt Road, Sturt.

.....
CHAIRPERSON

/ /

**CITY OF MARION
SPECIAL COUNCIL MEETING
8 March 2016**

Originating Officer: John Valentine, Manager Strategic Projects

General Manager: Abby Dickson, General Manager City Development

Subject: Edwardstown Oval – Section 48 Report and funding commitment for National Stronger Regions Fund Application

Report Reference: SGC080316R02

REPORT OBJECTIVES:

The purpose of this report is for Council to:

- consider the Section 48 Prudential Report for the upgrading of Edwardstown Soldiers Memorial Ground (locally known as Edwardstown Oval) (Appendix 1);
- approve capital and operating funding commitments outlined in that report;
- approve the submission of a bid to the National Stronger Regions Fund (NSRF) Round 3.

EXECUTIVE SUMMARY

In accordance with Section 48 of the Local Government Act Council is required to obtain and consider a report when considering a project with a capital cost of greater than \$4 million.

Section 48 requires Council to consider a specific range of matters in relation to the project, those matters being:

- Relationship between the project and relevant strategic management plans
- Objectives of the Development Plan in the area
- Expected contribution of the project to economic development
- Level of consultation with the local community
- Business Needs Analysis Project's intention to produce revenue, revenue projections and potential financial risks
- Recurrent and whole-of-life costs and financial viability
- Risks associated with the Project and Mitigation Strategies
- Most appropriate mechanisms / arrangements for carrying out the project

All of the above matters have been considered in the attached Section 48 Report (refer Appendix 1).

The Section 48 report demonstrates that the Edwardstown Soldier's Memorial Ground Project is consistent with Council's strategic management plans and will contribute to the local and regional economy.

As part of the Section 48 process an independent assessment was prepared on the financial modelling for the project. Council's Long Term Financial Plan (LTFP) has been reviewed in light of the capital and operating costs of the project. The LTFP demonstrates that Council has the funding capacity to contribute \$4 million to the project and to maintain and depreciate the facility.

RECOMMENDATIONS (6)

DUE DATES

That Council:

- | | |
|---|----------------------------|
| <ol style="list-style-type: none"> 1. Consider the advice and feedback received from the Finance and Audit Committee on the draft Section 48 Prudential Report | <p>8 March 2016</p> |
| <ol style="list-style-type: none"> 2. Adopt the Section 48 Prudential Report as amended including the KPMG Report on the Proposed Governance and Management Model and Financial Forecast and the Hardy Milazzo Design Concept | <p>8 March 2016</p> |
| <ol style="list-style-type: none"> 3. Authorise Council staff to finalise and submit a bid to the National Stronger Regions Fund (NSRF) Round 3 seeking \$4 million in Federal capital funding matching a \$4 million capital funding commitment by the City of Marion. | <p>8 March 2016</p> |
| <ol style="list-style-type: none"> 4. Endorse the capital funding commitment of up to \$4 million for the redevelopment of Edwardstown Oval subject to the successful application for funding to the National Stronger Regions Fund | <p>8 March 2016</p> |
| <ol style="list-style-type: none"> 5. Endorse the increased on-going operating, maintenance and renewal funding (i.e. Cash) requirement as identified in the Section 48 Prudential Report and note the impact to the City of Marion's adopted Long Term Financial Plan (LTFP) resulting from the additional funding requirement identified in the Section 48 report is forecast to be in the order of \$6.119 million over the 10 year term of the LTFP. | <p>8 March 2016</p> |
| <ol style="list-style-type: none"> 6. Commit to undertaking the redevelopment of Edwardstown Oval if funding is received from the National Stronger Regions Fund | <p>8 March 2016</p> |

BACKGROUND

At the Council Meeting of 22 September 2015 (GC220915R02) Council resolved the following:

1. Council endorsed the Edwardstown Oval Architectural Brief for the development of a costed concept plan and authorised the calling of a select tender to engage architectural, civil engineering, services engineering, landscape architecture and cost management services.
2. Council endorsed the costed concept plan being developed on the basis of recommended building and various ground improvements to a financial target of \$7 - \$8 million.
3. Council endorsed the roles and responsibilities documented for the various parties associated with the project.
4. Council approved funding of up to \$135,000 for the necessary additional staff resources and specialist consultants required to develop a concept plan and a comprehensive National Stronger Regions Fund (NSRF) submission. That this funding will be sourced from the Asset Sustainability Reserve – Community Facilities Partnership Program.
5. Council noted that the Chief Executive Officer will review resourcing required to develop the concept plan and the lodgement of the NSRF application and will allocate resources, inclusive of new resources, as required.
6. Council supported an urgent full review of the management structure at this site.

At the Council Meeting of 8 December 2016 (GC081215R06) Council resolved the following;

1. Council noted receipt of the Edwardstown Oval Background Report on the state of the existing facilities and their suitability for inclusion in an upgraded complex.
2. Council considered report GC081215R06 and endorsed option 2 (demolishes all existing club buildings and erect new buildings) as the preferred concept to be further developed to form the basis of a Section 48 report and, subsequently, for the bid to the National Stronger Regions Fund.
3. Council noted progress in consultation with stakeholders in the development of the proposal and the development of a single management structure for the site.
4. Council noted that a separate report, as required under Section 48 of the Local Government Act, will be brought to Council for consideration describing, amongst other matters, the whole of life costs associated with the project

In April 2015 Council endorsed investigations being undertaken with peak sporting bodies, relevant clubs, funding bodies and agencies to seek partnering opportunities for the development of plans and potential funding solutions for the following sports infrastructure:

- Options for new soccer pitches and a BMX track in the South
- Indoor multipurpose Stadium 4-8 Court (SA regional standard)
- Edwardstown Oval Masterplan
- Mitchell Park Sports and Community Club building upgrade – (GC140415R02)

Following Council's resolution of September 22 2015, which endorsed the brief, a target budget, a resourcing strategy for the project and a review of the site management structure the following actions have occurred.

- Additional project management support has been engaged;
- A design team led by Hardy Milazzo Architects was engaged.
- An independent Cost Consultant, Chris Sales Consulting was engaged

- Anne Petch of Funding Partnerships Australia was engaged to assist in preparing the funding submission to the NSRF.
- An Internal Reference Group was established and has operated through the bid development process.
- Consultation has taken place with the following external bodies;
 - Edwardstown Oval Committee of Management (including local resident members, RSL and club representatives);
 - Edwardstown Bowling Club;
 - Edwardstown Football Club;
 - South Road Cricket Club;
 - South Coast Cycling;
 - Edwardstown Oval Community Hall Management Subcommittee;
 - Cycling SA;
 - Workskill;
 - Skinny Lattes Women's Cycling Group
 - ERBA
 - The Office for Recreation and Sport
 - Tafe SA
 - Regional Development Australia – Greater Adelaide Region
 - Junction Australia
 - Independent Institute IIFP (Registered Training Organisation)

Following Council's consideration of three alternative design concepts on December 8 the preferred (all new) design concept has been developed with input from stakeholders, and within the budget target set by Council. The design concept has been costed by Chris Sales Consulting as detailed below:-

| | |
|---|---------------------------|
| Building Works and Services January 2016 | |
| Building Works | \$4,107,600 |
| External Works | \$2,135,809 |
| Design Contingency | \$420,515 |
| Building Works sub total | \$6,663,924 |
| Construction Contingency | \$450,076 |
| Professional Fees | \$641,000 |
| Escalation to June 2018 | \$236,000 |
| Total | <u>\$7,991,000</u> |

The design concept and costing and the single management structure adopted for the redeveloped site formed the background for the engagement of KPMG to prepare a report on the Proposed Governance and Management Model undertaken in February.

NATIONAL STRONGER REGIONS FUND

- The NSRF programme commenced in 2015 and provides funding of \$1 billion over 5 years to fund priority infrastructure in regional communities.
- Grants must be between \$20,000 and \$10 million.

- Local government and incorporated not-for-profit organisations are eligible to apply.
- Grant funding must be matched in cash on at least a dollar for dollar basis.
- All partner funding must be confirmed.
- NSRF funding will be provided for capital projects which involve the construction of new infrastructure, or the upgrade or an extension of existing infrastructure.
- The project must deliver an economic benefit to the region beyond the period of construction. Projects should support disadvantaged regions or areas of disadvantage within a region.
- The NSRF funded component of the project must be completed on or before 31 December 2019.

Round Three of the NSRF opened for applications on Friday 15 January 2016 and closes 5pm on Tuesday 15 March 2016.

DISCUSSION:

Finance and Audit Committee

A draft Section 48 Prudential Management Report (SFAC220216R7.1) was prepared and considered by the Finance and Audit Committee at a Special Meeting held on 22 February 2016 (Minutes attached as Appendix 2), and their feedback and advice was sought in regards to the Report. The Committee raised a number of recommended actions to amend the draft Section 48 Prudential Report. These have been addressed in the final Report attached in Appendix 1 and are highlighted for ease of reference. The feedback received is, summarised as follows:-

- Enhance the economic development information within the Section 48 report regarding the impact on local business.
- Acknowledge within the report that consultation with the general public and particularly local residents will occur as the project progresses.
- Greater clarity required regarding the nature of the entity to be created (re single management structure) and its relationship to the City of Marion.
- Description / outline required how governance arrangements would be resourced (ie Council paid manager), process for attracting and appointing skills based board and their appointment and how status / nature of the board would provide protection for volunteers.
- Amend the financial summary to clarify funding and display the total capital expenditure of \$8m.
- Include all key financial Ratios in the LTFFP analysis.
- Assess the best method of funding Council's Contribution
- Provide further clarity and definition regarding what is deemed revenue within the report.

In conclusion the Committee found:

1. The project supports strategic objectives and this is well documented.
2. The project complies with the Development Plan as it is a redevelopment of an existing site. The buildings will require development approval prior to progressing. The Committee requested that further clarity is provided in the Summary on page 3 of the Section 48 Report, in regards to this.
3. The economic impacts are addressed.
4. Greater community consultation is required and could be achieved through further meetings with the residents and local businesses.
5. The project risks are well documented and have been assessed. It is critical that the treatment plans are regularly monitored.
6. The financial viability of the project hinges on the grant funding. If the grant funding is unsuccessful Council will need to determine if and how the project will be funded. This

may challenge Councils current position of low rates rises if the project progresses. Further work is also required around the management fee structure to ensure the passion of the clubs is not lost.

7. The financial sustainability targets can be met for this project but Council needs to consider the impact of other projects on these targets and ensure that decision making is not made in isolation of other priorities.

Capital Budget Target

As part of the motion considered at the 8 September 2015 Council meeting reference was made to a financial target for the overall project.

The project has been scoped and designed with full regard to the Council's budget target of \$7-8 million.

This financial target has been based on experience with several Federal and State government funding applications and the probability of securing funds for a project of this nature.

The current estimate of \$7,991,000 on completion in June 2018 is within that target however depending on tender market conditions the anticipated project cost range (excluding GST) is \$7.6m - \$8.4m.

Given the cost range, delivery of the project within Council's \$8 million target may require certain non-essential elements (ie. some grounds improvements) to be excluded. A favourable tendering result from construction contractors may enable all grounds improvements to be included within the \$8 million project budget.

Sources of funding

For this project to go ahead it is dependent on a successful application for grant funding of \$4 million through the Federal Government's NSRF, with funding sources detailed in the following table:

| Source of Funds | Amount |
|--------------------|------------------|
| City of Marion | 4,000,000 |
| Federal Government | 4,000,000 |
| Total | 8,000,000 |

Whilst a provision has been included to borrow the City of Marion's \$4m contribution, it should be noted that Council has sufficient funds set aside to contribute to this project in its reserve fund for the Community Facilities Partnership Program (CFPP). Whilst utilising these CFPP funds could save Council up to \$0.952m in interest, which would also be in line with Council's Treasury Management policy, this would significantly deplete available funding in the CFPP which was established to facilitate partnership opportunities on a city-wide basis. The use of funding from the CFPP needs to be considered in the context of Council's other unfunded priorities and the ongoing funding required for asset renewal of Council's existing buildings and facilities. Accordingly, Council will need to give further consideration in assessing the best method of funding its \$4 million contribution and whether that should be via debt, cash or a mixture of both.

Financial Implications and Viability of the Project

The Federal Government's NSRF represents an opportunity to potentially secure 50% funding (\$4 million) towards the redevelopment of the Edwardstown Oval.

Council have sought additional contributions from stakeholder groups and the State Government through the Office for Recreation and Sport and TAFE SA. Due to the limitations of club operating budgets and the inability for any State Government contributions to be considered and approved through the State Government budget cycle these have not been forthcoming to date. These contributions will continue to be sought up to and after the NSRF bid is lodged.

This project will require (as stipulated by the NSRF) a 50% contribution at a minimum, meaning, a contribution from Council of up to \$4 million. Should additional contributions be forthcoming from stakeholder or other parties subsequent to the bid being submitted they will contribute to additional works to enhance the value to particular sports and activities and enhancements to site works and landscaping.

Section 5 of the Section 48 Report discusses the economic impact and Sections 8 and 9 discuss the revenue projections, potential financial risks, recurrent and whole of life costs, as well as the financial viability of the Project.

KPMG were engaged to develop a governance management model and financial forecasts. KPMG's modelling is deliberately conservative in relation to visitation and growth numbers and therefore revenue projections for the ongoing operation of the new facilities.

Council would be required to set aside in its LTFP, on average, an additional \$611,902 in funding (i.e. cash) per annum for the first 10 years to cover the increased cost of loan funding, as well as operational, maintenance and capital renewal costs. From year 11 the borrowings relating to this project would be fully repaid, reducing the additional required funding to approximately \$98,000 per annum.

The Whole of Life funding (ie. cash) impact of the Project has been assessed and it has been determined that Council has the funding capacity within its current adopted LTFP to fund its \$4 million capital contribution plus associated ongoing increases in operating, maintenance, renewal and borrowing costs required for the project. This can be achieved without the need for any additional increases in council rates, other than those already provided for in the LTFP.

This Project meets the financial framework parameters adopted by Council (GC190116R11) where "Council will only approve new Major Projects where it has the identified funding capacity to do so". Further to this, with the exception of the Debt Servicing Ratio in the first three years of the project, this project does not adversely affect any of Council's other key financial indicators.

NSRF Bid

NSRF bid documentation is currently well advanced. This work will continue up to 11 March 2016 in order to refine documentation to the best possible standard to compete with what is likely to be in excess of \$1 billion worth of projects submitted from around the country.

Bid documentation has been developed with guidance from Regional Development Australia – Adelaide Metropolitan. It is targeted at meeting the scoring requirements of the NSRF Round 3.

ANALYSIS:

Consultation

The consultation to date has continued to demonstrate that there is a high level of community support for an upgraded facility operating under a single management structure.

Letters of support have been forthcoming from stakeholder groups including:

- State Branch RSL
- Cycling SA
- South Road Cricket Club
- Edwardstown Bowling Club
- IIFP (Registered Training Organisation)

Further have been promised and are awaited.

Policy Implications

The redevelopment of the Edwardstown Oval will contribute to all of aspirations with Council's Strategic Plan and will particularly progress goals related to social connectedness, active and healthy lifestyles, developing neighbourhoods that are activated, attractive and safe, and empowering communities to work in partnership with Council.

CONCLUSION:

The project has been advanced to the point that it is ready to be submitted for a NSRF Round 3 bid.

Council's commitment to capital funding of up to \$4 million to match funding sought from the Commonwealth through its NSRF is essential for the project to be considered.

Council's review and approval of the Section 48 Prudential Report ensures the City of Marion meets its prudential management obligations and responsibilities under the Local government Act in respect of committing this expenditure.

The Section 48 Report demonstrates that the City of Marion has the capacity to deliver the Edwardstown Soldiers Memorial Recreation Ground project and has the capacity and resources to maintain the facility in the future.

Risks for the project have been identified and strategies to mitigate, or minimise, those risks have been developed.

The whole of life funding (ie. cash) impact of the Project has been assessed and it has been determined that Council has the funding capacity within its current adopted LTFP to fund its \$4 million capital contribution plus associated ongoing increases in operating, maintenance, renewal and borrowing costs required for the project. This can be achieved without the need for any additional increases in council rates, other than those already provided for in the LTFP.



Creating a Community Precinct for Edwardstown and Surrounds

Section 48 Prudential Report

FEBRUARY 2016

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1. Summary

The following report has been prepared in accordance with Section 48 of the *Local Government Act 1999* (the 'Act') which requires Council to consider a report addressing a number of prudential issues before engaging in a project where the expected capital cost of the project is likely to exceed \$4 million over the ensuing 5 years (refer to Attachment 1 for full details of Section 48).

The City of Marion is intending to upgrade the Edwardstown Oval Soldiers' Memorial Recreation Ground (Edwardstown Oval) site to create a new community precinct (the Project). The intention of the Project is to develop a precinct that will be a model project for inner city suburban living in South Australia, delivering broad economic and social benefits to the region.

The total project is estimated to cost up to \$8 million, with Council proposing to contribute \$4 million of its own capital resources to the upgrade and seeking an additional \$4 million from the Federal Government through a bid to Round 3 of the National Stronger Regions Fund (NSRF). Council's bid must be submitted by 15 March 2016.

The upgrade has not yet received Development Approval under the Marion Council Development Plan. It is noted that proposed works are located in the Residential Zone that permits ongoing use of the site for its current and projected use. The site will be affected by three DPAs which are pending. All DPAs reinforce the site's continuing value as open space with facilities for active recreation.

The Project will also advance the economic development of the City of Marion area and provide wider economic impacts for the economy, delivering tangible economic benefits to the community.

The Project has been the subject of extensive consultation and communication consistent with the City of Marion Community Consultation Policy, this process has also provided the community with the opportunity to influence the form of the Project.

Loan funded capital of \$4 million for the Edwardstown Oval Project and a provision for the increase in operations, maintenance, renewal and borrowing costs will be incorporated into the City of Marion Long Term Financial Plan (LTFP) once the project is approved. This will total an average of \$611,902 in funding (ie. cash) per annum, reducing to \$98,000 after 10 years when the proposed borrowings have been repaid in full.

The currently adopted LTFP shows that Council has the funding (ie. cash) capacity to undertake the Project, without the need for any additional increases in council rates other than those already provided for in the LTFP.

The City of Marion has identified and mitigated risks associated with the Project, a Risk Management Plan has been established and maintenance of a risk register is recommended to ensure the Project is delivered to achieve Council's objectives.

The City of Marion has also identified appropriate arrangements for the procurement and delivery of the Project consistent with Council's Policy.

The City of Marion will adopt a new governance and management model for the upgraded facility which will ensure that the facility is well maintained and that Edwardstown Oval usage and visitation rates can grow.

The City of Marion has considered and addressed the prudential issues associated with the upgrade of Edwardstown Oval.

This report addresses these prudential issues in detail relating to the proposed Council contribution of \$4 million of capital expenditure to this capital project as well as the required ongoing contribution of operational, maintenance and renewal expenditure to its ongoing operation.

2. Background

2.1 Context

The City of Marion provides a diverse range of sport and recreation facilities that collectively aim to support an active and connected community.

With the large number of sport and recreation facilities spread across the city there is a need to strategically plan for improvements and develop directions that will ensure facilities can appropriately respond to community needs in the future.

In reviewing its sporting infrastructure Council is considering options for the future provision of facilities across the city. Council's review has focused on identifying the highest sporting infrastructure needs of the community.

In 2012 the City of Marion commenced a process to redesign a spread of sport and community hubs across the city that would ideally cater for the community's needs for generations to come. As part of this process an original master plan was prepared for the Edwardstown Oval in 2012 -13.

The master planning process is aimed at redesigning the four major sports and community precincts across the city. However there was no budget allocated to the four sports master plans beyond concept phase and fully funding the four master plans was beyond Council's financial capacity. In reviewing the master plans and sporting infrastructure Council focused on identifying the highest needs of the community with an intention of prioritising projects and developing deliverable concepts that could potentially be achieved in the short to medium term.

Subsequently in 2015 Council considered options for Sports Infrastructure and resolved the following:

April 14 2015

Sports Infrastructure (Reference No: GC140415R02)

1. Endorsed investigations being undertaken with peak sporting bodies, relevant clubs, funding bodies and agencies to seek partnering opportunities for the development of plans and potential funding solutions for the following sports infrastructure:

- *Options for new soccer pitches and a BMX track in the South*
- *Indoor multipurpose Stadium 4-8 Court (SA regional standard)*
- *Edwardstown Oval Masterplan*
- *Mitchell Park Sports and Community Club building upgrade*

2. Note that consultation plans will be brought to Council for consideration after initial investigations are undertaken with peak sporting bodies, relevant clubs and agencies.

3. That potential funding opportunities relevant to the above sports infrastructure be actively pursued as they arise.

2.2 Council commitment

Council has prioritised the upgrade of Edwardstown Oval as a project that is considered to be closely aligned to the vision, mission, goals and strategies identified within Council's Strategic Plan Towards 2040. The project will enable Council to deliver a range of enhanced services and provide additional facilities for the community. Furthermore, the Project supports or advances various regional, state and national priorities and targets.

To advance the project Council committed to the following resolutions:

September 8 2015

Edwardstown Oval Redevelopment Funding Opportunity (Ref No: GC080915M08)

1. *Council endorses lodging a funding application to Round 3 of the Federal Government's National Stronger Regions Fund in support of the Edwardstown Oval redevelopment.*

September 22 2015

Edwardstown Oval - National Stronger Regions Fund (Report Reference: GC220915R02)

1. *Endorse the Edwardstown Oval Architectural Brief for the development of a costed concept plan and authorise the calling of a select tender to engage architectural, civil engineering, services engineering, landscape architecture and cost management services.*
2. *Endorse the costed concept plan being developed on the basis of recommended building and various ground improvements to a financial target of \$7 - \$8 million.*
3. *Endorse the roles and responsibilities (Attachment 3) documented for the various parties associated with the project.*
4. *Approve funding of up to \$135,000 for the necessary additional staff resources and specialist consultants required to develop a concept plan and a comprehensive NSRF submission. That this funding will be sourced from the Asset Sustainability Reserve – Community Facilities Partnership Program.*
5. *Note that the Chief Executive Officer will review resourcing required to develop the concept plan and the lodgement of the NSRF application and will allocate resources, inclusive of new resources, as required.*
6. *That the council supports an urgent full review of the management structure at this site.*

December 8 2015

Edwardstown Oval – Design Options for National Stronger Regions Fund Application (Report Reference: GC081215R06)

1. *Note receipt of the Edwardstown Oval Background Report on the state of the existing facilities and their suitability for inclusion in an upgraded complex.*
2. *Consider report GC081215R06 and endorse option 2 (demolishes all existing club buildings and erects new buildings) as the preferred concept to be further developed to form the basis of a Section 48 report and, subsequently, for the bid to the National Stronger Regions Fund.*
3. *Note progress in consultation with stakeholders in the development of the proposal and the development of a single management structure for the site.*
4. *Note that a separate report, as required under Section 48 of the Local Government Act, will be brought to Council for consideration describing, amongst other matters, the whole of life costs associated with the project.*

2.3 Site details

The Edwardstown Oval is located in the Northern Area of the City of Marion (north of Oaklands Road/Daws Road) in the Woodlands Ward.

The Edwardstown Oval, is Community Land which currently accommodates the following sports facilities:

- lawn bowling club including clubroom and greens;
- football club including clubroom and winter use of oval;
- cricket club with summer use of oval; and
- cycling club including summer use of velodrome.

In addition it includes:

- a community hall;
- informal recreation spaces;
- a memorial garden that is the site for an annual Anzac Day service and Youth Vigil;
- tennis courts, shelter and children's play equipment; and
- lighting.

2.4 Scope of Project

The project involves the creation of a multi-functional community, function and sports complex on the site.

Following Council's resolution of 22 September 2015, the project scope comprises the removal of all existing buildings on the site and the development of a new two storey building in the north west corner of the site to cater for the needs of clubs that utilise the site, and additional amenities that will foster community identity and involvement, employment and business development.

The building includes:

- A shared multipurpose clubroom/bar to cater for the needs of the community and the clubs that overlooks the main oval, bowling greens and retain the view of Mt Lofty
- A multipurpose community hall/meeting/function space
- Two new change rooms connected to two amenities rooms with toilets and showers
- Public male/female/accessible toilets (male 10sqm, female 10sqm, disabled 5sqm*)
- Kitchen to meet the needs of clubs and the community
- Shared office area
- Umpires room including toilet and showers
- Utility/cleaners' room
- Football club gym and massage/first aid/doctors' room
- Cold store
- Storage
- Design elements that will recognize the history of the site and include the WW1 honour board
- External verandah area linking to bowling green

Additional amenities that will foster community identity and involvement, employment and business development include:

- Adding a space for a small commercial café suitably designed and operated to expand hours of operation potentially over a seven day a week by site users including existing sporting club members, guests and members of the public.
- Bookable digitally enabled community meeting facilities.
- Incorporating ground level multi use space short or long term lease by compatible small businesses such as cycle repairers, cycle storage and hire, private gym, personal trainers, allied health providers.

- Configuring external areas to allow for community enterprises and events such as outdoor cinema, farmers market.
- Servicing the site with public wifi and digital device charging.

The site retains long term capability for local football (AFL), cricket, lawn bowls, velodrome cycling competition and training as well as informal recreation and memorial functions. Proposed landscaping will enhance the site's use for year round informal recreation and its connection and contribution to the local streetscapes.

Site planning integrates with the recently completed playground and community courts upgrade in the south west corner of the site.

Site planning includes:

- A redesign of the memorial gardens in the north eastern corner of the site to enhance its value for informal recreation while retaining its suitability for memorial events
- New cricket nets on the main site
- Upgrading the velodrome
- Improved lighting to areas intended for night use, such as night training for football, twilight bowls, and security of informal uses and access to clubrooms and community facilities (taking note that improvements to oval lighting are currently in train)
- A redesign of car park and traffic management to:
 - to minimize vehicle manoeuvres within the site
 - provide additional car parking
 - provide entry points to cater for anticipated peak traffic flows

The building and landscape concepts will also contain design elements that will recognize the cultural heritage of the site and includes the WWI honour board.

2.5 Vision and Objectives

Activation of the physical improvements described above will enable the Edwardstown Oval to become a vibrant hub that has quality infrastructure for community sport and recreation which will provide economic and social benefit to a well-connected and inclusive community.

Specifically the project will transform the site and addresses the following issues:

- Ageing community sporting infrastructure
- Poor quality public realm
- Underutilised cycling infrastructure
- A focus on male-orientated sports
- Sports clubs with a Saturday focus and including some having experienced declining membership in recent times
- Need to capitalise on the key intra metropolitan passenger rail, road transport and cycling networks

It serves an established community that exhibits

- Changing demographics with increased diversity
- Limited access to open space
- Low level of digital uptake in community.
- Increasing unemployment as the effects of the decline in manufacturing are felt
- Ageing population at risk of social isolation

The change will comprise the following physical improvements

- Reconstructed amenities that reflect the new purpose and identity
- Upgrade of velodrome to service southern greater Adelaide

These physical improvements will support

- 7 day a week place activation through expanded cycling program, accredited training programs, community events and existing sports and recreation
- Mitigation of unemployment by creating community based return to work programs
- Creating a model for inner suburban living that supports well-being and employment

The outcomes the resulting community precinct will support are

- Urban regeneration and community revitalisation
- Generation of tourism and visitor expenditure
- Development of a major regional cycling destination for southern greater Adelaide
- Quality precinct supports urban regeneration of surrounding neighbourhoods
- Community connections
- Community pride and sense of place
- Ageing in place

Single Management Structure

The Project also requires the establishment of a sustainable management structure with shared core administration services that will activate the site, and support clubs and community groups to nurture and grow their activities and participation.

This will be achieved through the establishment of a skills-based Committee of Management including skills covering sports and recreation, board management and governance, commercial and business development, marketing, community development, asset management, and financial management.

The Committee of Management governance arrangements will be consistent with the governance principles for sports, published by the South Australian Government's Office for Recreation and Sport.

Representation of sporting club interests is proposed to be by way of an advisory group. Similarly, residents' views would be put forward via a residents' advisory group.

A new head lease agreement is proposed to be executed between the City of Marion and the Committee of Management. The head lease would be a modernised lease document, consistent with the City of Marion's Land and Property standard lease templates and revised Leasing Policy (currently in progress). Similar to the current arrangements, sub-licence arrangements would be put in place between the Committee of Management and the individual sporting clubs, modernised and updated to reflect licence conditions.

Finance and Audit Committee action requested after consideration of report on February 22 2016

- Greater clarity required regarding the nature of the entity to be created (re single management structure) and its relationship to the City of Marion.
- Description / outline required how governance arrangements would be resourced (ie Council paid manager), process for attracting and appointing skills based board and their appointment and how status / nature of the board would provide protection for volunteers.

Response below

The existing Committee of Management is constituted as an incorporated not-for-profit association and the proposed new constitution does not alter this status. It is not anticipated this will change, however legal advice will be sought as to whether an alternative legal framework is required to better protect the interests of all parties under the new arrangements. The Committee of Management is and will remain a "community organisation" as defined by the Volunteers Protection Act and as a consequence volunteers operate under the protections of that Act.

The objectives of the Committee of Management shall be as follows:

- o To maintain and improve the Precinct for the recreation and enjoyment of sporting and recreational clubs, and the local community; and,
- o To supervise use of the Precinct by sporting and recreational clubs, and the local community; and,
- o To manage all facilities and grounds within the Precinct; and,
- o To do all things incidental to such purposes.

The head lease will include a schedule of responsibilities and liabilities of Council and the Committee of Management as well as a series of strategic objectives aimed at maximising use of the facility for community benefit. The proposed distribution of these responsibilities is outlined in Attachment 4.

It is anticipated that a range of operational responsibilities and liabilities will be delegated by the Committee to the tenant clubs within the terms and conditions of the individual sub-licences as appropriate to the individual clubs' operations.

The transition to the new management arrangements has commenced with the development of a new draft constitution in collaboration with the existing Committee of Management. The new Committee of Management will need to be established approximately 6 months prior to the opening of the new facility so as to commence its strategic plan and prepare for operations. The new committee would therefore commence during the construction of the project. The two year Council funded manager will be the resource for calling expressions of interest for skills based candidates to the new Committee of Management and will establish the procedures for Council to review and appoint candidates to the new committee.

It is anticipated that the development of the new head lease and sub-licences will commence immediately once full project funding is confirmed. This will also trigger discussions with the Committee of Management on the timetable for transition, including establishment of the new board at an Annual General Meeting of the Committee of Management.

It is proposed that to realise the potential of the upgraded Edwardstown Oval that the facility will need to employ a full-time manager (at a minimum for a two-year transition period). A key focus for this position will be to foster growth in use of the facility. It is proposed that the City of Marion will subsidise the salary costs associated with this management position (proposed to be Level 8 equivalent and potentially seconded from the City of Marion in the first instance). This level of subsidy will be 100% for the two year transition period. This has been factored into the proposed amendments to Council's Long Term Financial Plan.

2.6 Site History

The site has significant cultural heritage which contributes towards a sense of place and local identity. At a public meeting held on 14 June 1920 a discussion was held about acquiring a parcel of vacant land to develop an area for the community to use. An outcome of this meeting was formation of a committee of interested persons who were responsible for the setting up of Edwardstown Oval. The first tenants were the Ascot Park Tennis Club and they were shortly followed by the Mid-Southern Football Association.

The Recreation Ground was bequeathed to Council in 1944 by a group of community members who purchased the land in 1920 to provide a recreation resource for soldiers returning from World War 1. The land ownership was transferred to Council on the condition that the land remains as a Recreation Ground that is accessible to the public. The RSL (Returned and Services League) has a strong historical connection to the Recreation Ground as a result.

Today the Edwardstown Oval is located on land owned by the City of Marion, closely surrounded by residences and bordered by Raglan Avenue, East Terrace, Wood Street and Robert Street, South Plympton. Raglan Avenue, between South Road and Marion Road, is a secondary suburban road with considerable traffic flow which is used as an east-west traffic thoroughfare and Towers Terrace and Robert Street serve north-south traffic. The ground is 500 metres from the Adelaide-Seaford railway line and the Woodlands Train Station. Castle Plaza Shopping Centre is the closest, major commercial centre and is adjacent the site for the Castle Plaza Development Precinct, a proposed major commercial and residential project.

The Progress Association has been responsible for Edwardstown Oval management since the early 1950's and currently that management group is known as the Edwardstown Oval Committee of Management Inc.

The Edwardstown Oval Committee of Management Inc. is the licensee for the complex. The Committee comprises members of the user groups who hold sub licenses, representatives of the Community Hall subcommittee, ratepayers, local residents and the local RSL.

The Committee meets bi-monthly and the main business items relate to overseeing and maintenance of the Grounds, financial responsibility and liaison with Marion Council. It does generate income but all income is used to cover running costs and contribute to maintaining some of the facilities at the complex. Council currently only charges the Committee minimal rent for the facilities as part of the license agreement.

2.7 Club histories

2.7.1 The South Road Cricket Club

South Road Cricket Club was formed as a social club in 1933, and continued as such until the 1940-41 season when it entered the Mid Southern Association. The home ground was originally situated in the locality called South Road Estate, now known as Panther Park, and hence the name of the club was derived.

In the 1941-42 season the club joined the Adelaide Association as a result of World War II causing the Mid Southern Association to go into recess. After only half of a season the Adelaide Association was forced into recess for the very same reason. In the 1942-43 season the club was affiliated with the Adelaide and Suburban Cricket Association and still maintains a strong association with that body to this day.

In 1977 the club became an incorporated body, and henceforth, was entitled 'South Road Cricket Club Incorporated'.

The club has used Edwardstown Oval since 1942. It currently has 70 members and fields 4 senior teams.

2.7.2 Edwardstown Football Club

The Edwardstown Football Club was established in 1919 in response to a local resident being perturbed about the young men who walked the streets and the desire to offer these men some activity to engage in. The club's first home ground was a paddock at the rear of the Avoca Hotel and their first affiliation was with the Mid Southern Football Association and included teams from clubs such as Happy Valley, Reynella, Clarendon, Mitcham, Blackwood, Sturt and Brighton. A move followed to land on R aglan Avenue where the club is still located today as a tenant of the Edwardstown Recreation Ground. Since those early days the club has continued to fulfill a community role in providing a sporting and social venue for its members. Most recently competing in the Southern Football League, it will move to the SA amateur Football League for the 2016 season.

The Club has enjoyed strong membership over the years and with this has come success on the field ranking the Edwardstown Football Club as one of the most successful community football clubs in SA. It currently offers both senior and junior teams.

The club currently has 150 members and fields 2 or 3 senior teams and 9 junior teams.

The main clubroom facility is managed by the football club and it serves as a sporting and social base for a number of community sporting groups as it comprises a licensed bar, function room, change rooms, toilets and administration office.

2.7.3 Edwardstown Bowling Club

The club was established through the efforts of Harold Chandler in 1960. Mr Chandler called a public meeting in the Edwardstown Football clubrooms on 21 July 1959 to garner interest to "realise the need for an outdoor bowling green on the Edwardstown Oval". Following a number of meetings to formulate a Club and appoint a committee, the Club held its first AGM as an official body in June 1960. The Club was opened in October 1961 with eight rinks and a clubroom having being established in a remarkably short space of time.

The next major activity occurred in August 1979 when the club reached an agreement with the RSL to support the acquisition of land that had been known as "the Rose Garden." In March 1981 the Edwardstown RSL Memorial Green was opened.

The club reached its membership peak when it totaled around 300 members in late 1990's but since that period membership has steadily declined to around 100 and no longer does the club offer any ladies bowls teams. The club is addressing the membership decline and is currently working on strategies to increase the number of teams in particular, for women.

2.7.4 South Coast Cycling Club

The club is an amateur cycling club that offers competitive cycling events throughout the year although its major season is between October and March. The club caters for all ages with the majority of its membership being adults with males outnumbering females. Whilst its membership remains static with around 98 members the club has enjoyed a recent increase but is always keen to attract new members.

The current cycling facility (outdoor track) is one of only 2 outdoor velodromes in the state and so is very popular as a training and competition venue for a number of cycling clubs and a triathlon club.

Very little has been done to upgrade the surface with the last replacement of the surface occurring in the mid 1980's.

The velodrome is also used by other groups with cycling programs such as triathlon groups, the SA Sports Institute and other Cycling SA affiliated groups.

2.7.5 Edwardstown RSL

The Edwardstown RSL Sub-Branch was formed by World War One veterans and meetings were held in a hired room in the Edwardstown Institute. Later clubrooms were established at Messines Avenue; Edwardstown on land provided by Geo Bone Timber Company and remained there until the mid-1990s. The RSL then became a tenant of the Active Elders Association in a City of Marion leased premise in Charles Street, Ascot Park until 2003. In 2003 the RSL relocated premises.

In recent years it has been the practice to hold a youth vigil and ANZAC Day dawn service in the Edwardstown Memorial Garden followed by a community breakfast hosted by the Edwardstown Bowling Club.

The RSL was instrumental in raising funds for the construction of the Memorial Gates in 1959 and has maintained contributions and involvement with the complex. The RSL still has a representative on the management committee.

2.8 Existing Facilities



2.8.1 Facilities Overview

The Edwardstown Oval site is located in South Plympton on the corner of Raglan Avenue and East Terrace. The site is 4.013 hectares in size and does not have any realistic potential for expansion given it is surrounded by residential housing.

The Edwardstown Oval is a significant sports ground that is already a hub for a number of sports including Australian rules football, cricket, cycling and associated sports (triathlon) and lawn bowls. In relation to sport the Recreation Ground includes a main oval, a cycle velodrome around the oval and three lawn bowls greens. Two cricket nets are located opposite Edwardstown Oval (off site) on the corner of Raglan Avenue and Robert Street.

The community also use Edwardstown Oval for walking dogs, exercise and play with a playground and two community tennis courts located on the site. The RSL utilise Memorial Park for an Anzac Day dawn service each year and are part of the management committee. In addition, a community hall provides an indoor space for community activity including dance and exercise activities. The oval and bowling greens are floodlit for night time use. The oval lighting is only satisfactory for training purposes.

Public toilets allow informal use of the grounds by the user groups and the community.

The oval, clubrooms and community hall can be hired by other community/ social/ business/ sporting/ religious groups for functions and sporting events. There is no onsite caretaker so maintenance and security are the responsibility of the user groups and the Committee of Management. Whilst the RSL is involved as a member of the Committee of Management there is no longer an Edwardstown RSL Sub-Branch in existence although the RSL does conduct ANZAC Day Dawn Services at the Memorial Gardens annually.

All of the built facilities are in need of modernising which is supported through the recent condition audits undertaken for Council by Maloney Field Services in 2015. This indicated the buildings have condition ratings of 3-4 on the Asset condition scale - substantial maintenance and restoration required. Without intervention the buildings will soon reach the end of their useful lives.

2.8.2 External facilities

The existing site consists of:

- three large buildings (lawn bowls club, football club and community hall)
- lawn bowling greens
- RSL memorial garden
- an Australian rules football oval with cricket pitch
- outdoor cycle velodrome track
- an existing playground and
- a playspace with two tennis courts
- car parking
- cricket nets (across Robert St)

The quality of the embankment around the bicycle track is poor and hinders passive surveillance of the site and creates various other "Crime Prevention through Environmental Design" (CPTED) issues. It limits access and disconnects the memorial and play spaces with the rest of the site. It also creates limited access which leads to site elements being disconnected from each other, and the rest of the site, plus and a myriad of further DDA compliance, vandalism and CPTED issues.

The Memorial Garden features memorial gates which are to be retained in the redevelopment. Also featured are memorial rose gardens. The existing rose garden layout does not facilitate full or efficient use of the area. This could be reconfigured and the valued rose plants relocated to new beds in the area, recognising and maintaining the historical significance. There is existing capacity for a congregation space for Anzac Day Services. Potential exists for expanded community uses for events and for family use with an additional shelter.

The western embankment affords good views to the hills, oval, velodrome and cricket pitch as well as the potential for an additional elevated view to the lawn bowls greens.

Car parking is split across the site which affects the flow of traffic when coupled with the positioning of the buildings and the location of the entrance point.

The new play space, has recently been completed in the south western corner of the site.

An upgrade of oval and velodrome lighting has been funded through a State Government grant. This is currently being implemented.

The cycle track surface is beginning to crack and needs urgent improvement to enhance the value of the track for cyclists. There is a circular path around the velodrome which is in need of improvement with the provision of dog bag dispensers, disabled access, rest stops, and new paving.

The oval would benefit from improvement of the pitch quality. Drainage conditions also need to be reviewed.

The existing viewing area adjacent the cycling finish line is in need of an upgrade. There is potential to reduce the total area, whilst maintaining seating and the congregating area. The condition of the existing trees in this area needs to be reviewed, as well as the retaining wall.

Existing landscaping is of poor quality and amenity, offers little or no facilities and should be modified or replaced around the site, as it limits access in certain areas. Boundary fencing could also be removed to facilitate better pedestrian and cycle access to the site.

2.8.3 Existing Building Condition

The three existing buildings are aged, relatively dilapidated and have numerous DDA compliance issues.

Each of the existing buildings on the site have design and function limitations, including poor connections to each other, poor accessibility and out-dated the function space, storage, kitchen, office space and toilets. Toilet amenities are replicated in all three buildings.

There is opportunity to salvage some furniture and fittings of the existing buildings in the redevelopment.

The lawn bowls club is generally in better condition with the centre green needing some attention. There is limited access around the greens, with potential to improve connections to the rest of the site. The walls on both Raglan Avenue and between the greens and the Memorial Garden need some attention.

The football clubrooms are in a state of disrepair, and the spaces could be more efficiently used, and views further improved. Both the ground and first floors are in urgent need of attention.

The Community Hall provides limited benefit in its current state. The building could be demolished and uses transferred to the new facility. A survey of the existing conditions of the building services concluded that there is no major plant or equipment identified worth retention.

2.9 The Project Scope

The project includes the construction of a new building to replace all three existing buildings adjacent the oval and bowling greens with the following spaces and areas.

| Function/ Space | Concept m ² | Level |
|----------------------------|---------------------------|-------|
| Shared Clubroom/ Bar | 175 | 1 |
| Multipurpose Function | 175 | 1 |
| Bowling Club Bar | 82 | G |
| Lobby G/ 1st | 33/42 | G/1 |
| Change Rooms 1 | 50 | G |
| WC 1 | 16 | G |
| Change Rooms 2 | 50 | G |
| WC 2 | 14 | G |
| WC Public | 38 | G/1 |
| Kitchen/ Satellite kitchen | 13/9 | G/1 |
| Shared office | 28 | 1 |
| Umpires Room | 11 | G |
| Cleaner's Room | 3 | 1 |
| Gymnasium | 24 | G |
| Massage/ Recovery/ 1st Aid | 6 | G |
| Cold Store | 5 | G |
| Storage | 33 | G/1 |
| Shared Community Space | 92 | G |
| Cafe | 63 | G |
| Outdoor space (deck) | 164 | 1 |
| Bowling Club store | 56 | G |
| Total net area | 1018 | G |
| Circulation/ Massing (20%) | 204 | G/1 |
| External area | 164 | G |
| Total Area | 1386m² | |

External works to be included are as follows:

- The existing oval will be retained
- The surrounding velodrome will be resurfaced and upgraded with increased safety features on external and internal perimeters
- Pedestrian access around oval will be upgraded and widened
- The existing bowling greens will be retained in their current configuration
- The existing playground and outdoor courts (recently upgraded) will be retained
- The Memorial Garden and memorial features will be retained and upgraded and reconfigured for a greater range of community events
- The cricket nets will be relocated to a location adjacent new building
- The car park will be upgraded and reconfigured to include areas occupied by footprint of demolished football club and community hall
- Secure storage for track bikes will be provided adjacent to car parking and the cycling start/finish line

Community Facilities Design

The project concept plans have been designed by a multidisciplinary team led by Hardy Milazzo, a local Adelaide architectural practice. The team includes Civil and Services Engineers, Landscape architects, Traffic Planners and Building surveyors.

The project design will meet the following standards:

- The building design is to meet Green Building Council of Australia's 5 Green Star Rating (or equivalent)
- All design elements are required to be in accordance with all relevant legislation, codes and standards (including Building Code of Australia, Occupational Health Safety and Welfare Act and Disability Discrimination Act)
- Ecologically Sustainable Development principles relating to accessibility, water sensitive urban design, energy efficiency, and environmental sustainability
- Strong CPTED (Crime Prevention through Environmental Design) initiatives such as clear views between many parts of the ground, and between facility and East Street neighbours (through removal of the fence)

Features of the design are described in the following:

Siting

- **Bowling Green Adjacency**
Siting the new building alongside the bowling greens was seen as necessary for the close relationship between play and the social aspects, particularly for Night Owls which is a good revenue raiser for the club. This was also the driver for the retention of a Bowling Club bar, separate from the upstairs function rooms.
- **Connection with Playing Arenas**
The building position retains connection with the oval and the velodrome and the second storey to provide very good visual connection with these areas.
The second storey pavilion has aspects towards the oval and also toward the bowling greens, so that functions can overlook all sporting codes.
- **Raglan Avenue Aspect**
Orientating the second storey massing as close as possible to the Raglan Avenue boundary also provides maximum exposure of the building, as the 'public face' of the complex.
- **Space for Car Parking**
The building position maximises the area available for car-parking.

Planning

The Ground Floor houses the café (including central kitchen), change rooms and public toilets, the shared community facility (which includes the gymnasium), some storage and the bowling club bar. The first floor houses the function and shared clubs pavilion, the central management office, some storage and amenities.

- **The Café**
The café is at the entrance to the building, as an offshoot space of the lobby. This space has a view to, and a physical connection with, the bowling club bar. Each space can be opened out into the other to provide flexibility for future needs. The lobby also provides access to the upper storey via open stair and lift, plus a corridor through to the shared community space. The café servery also functions as a reception for the centre. The kitchen is a 'central service kitchen' linked to the second storey satellite kitchen/ servery via a dumb-waiter.

- **Change rooms**
Change rooms (including umpires and massage) are accessible from the oval (crossing the loop path) via an external corridor. The café space also accesses the toilets (which can be shut off from the main change rooms for maintenance purposes)
- **Community Shared Space**
This space is arranged as a flexible, insulated indoor open space with access to the carpark and foyer. It has been shown with partial fit-out as a Gym, but this may change over time depending on use patterns and demand. The space is served by a unisex access amenity which can also function as change room. Part of the structure is allocated as bowling club maintenance storage.
- **Bowling Club Bar**
The bowling club bar has access directly to the greens. A storeroom provides storage space for club members, and the bar is served by a joint cool-room with the central service kitchen.
- **Function and Shared Clubs' Pavilion**
Function and shared clubs pavilion presents itself to both the Oval and the bowling greens, with a centrally located satellite kitchen, bar and furniture store. The pavilion is dividable into two equal-sized spaces, both of which are accessed directly off the second floor lobby.
- **Central Management Office**
The central management office is the administrative hub of the Oval facility, with all data linked back to this point. The space overlooks the bowling greens and Raglan Avenue, and is large enough to function as a meeting room also or further divided.
- **Amenities**
Amenities are positioned throughout the facility, with the already-mentioned ground floor provisions, and second floor facilities sized to service the function/ club/ bar spaces.

Building Massing and Aspect

The new building does not have a 'front, back and sides'. The different functions have been orientated towards their various focuses, at the level most relevant to that orientation.

The ground floor café and shared community space are oriented towards the main entry to the site, to assist their functions as 'first point of call/ community hub'. These functions act as gateways to the other building functions.

The bowling club bar is oriented towards the bowling greens, much the same as the current bar. The continuous verandah in front of this bar covers the same length as the existing bar, and extends at its east end into a covered outdoor BBQ area.

The shared clubroom/function room on level 2 has a dual aspect, both towards the oval and towards the bowling greens. This arrangement recognises the multi-functionality of this space. The roof shape accentuates this dual aspect by rising towards the predominant views.

The second level office protrudes to the north above the building line below, forming part of the verandah beneath. The northerly aspect provides good natural light and winter warmth via the large shaded north-facing window to this office space. In combination with the second-floor shared clubroom/function pavilion, this building massing presents an interesting identity for the site to Raglan Avenue, thereby attracting attention to the activities within.

Materials

A simple palette of materials has been chosen for the building.

The ground level is generally a blue glazed brick which is thermally efficient, durable and a suggestion towards the Edwardstown Football Club and Edwardstown Bowling Club colours. Twin-walled polycarbonate has been used at high level in the shared community space, where natural light is needed but views are not as important.

Windows to air-conditioned areas generally are a high-performance glazing within thermally broken aluminium frames, incorporating opening sashes for natural ventilation.

The upper level is clad generally with an insulated panel system which functions as both roof and wall.

The roof to the pavilion structure is a standard profile system, sprung on site to the structural geometry to achieve its shape.

Balustrade and sunshade screens are framed glazed or perforated aluminium screen elements supported by steel structure. Glazing is adopted where views through the screen are important for sport viewing, and enable views from deep inside the pavilion.

Staging

The project will be staged in the following manner, to ensure continuity of the current functions through construction and assist the individual clubs to maintain playing and maintain income streams.

- Demolition of the community hall and football club buildings will only occur after the new building is completed.
- The new building has been positioned so the bowling club dining room can be maintained whilst the majority of the new building is constructed. The bowling club will be able to function out of this space, with some provision made for bar service.
- On completion of the main building, the bowling club can move to the new space.
- The dining room will then be demolished to make way for the shared community space.

External Works packages are individual and generally independent of each other, and as such can occur concurrently or consecutively, depending on project cash flow requirements.

Method of Construction

The new building will need to be constructed using the car park as the primary construction access point, due to limited access being available from the oval or bowling green surfaces.

Some enabling works will be needed, such as fitting out the bowling club dining room suitably for Bowling Club bar functions. As the bar is central to the bowling club operations, this is important to consider. Also, alternative secure storage will be needed for bowling club maintenance functions.

The Project proposal is described in detail in Attachment 2.

Cost

A detailed project estimate has been prepared by independent cost planners Chris Sales Consulting who are based in Adelaide and well versed in the local construction market. A summary is outlined below.

CONCEPT ESTIMATE - SUMMARY

| | |
|--|--------------------|
| Building Works and Services January 2016 | |
| Building Works | \$4,107,600 |
| External Works | \$2,135,809 |
| Design Contingency | \$420,515 |
| Building Works sub total | \$6,663,924 |
| Construction Contingency | \$450,076 |
| Professional Fees | \$641,000 |
| Escalation to June 2018 | \$236,000 |
| Total | \$7,991,000 |

The detailed project estimate is described in Attachment 3.

3. Relationship between the project and relevant strategic management plans

a) the relationship between the project and relevant strategic management plans;

The project will assist in delivering Marion's vision of community wellbeing and will seek to build stronger, resilient and well connected communities, to encourage lifelong learning, active lifestyles, healthier living and to strengthen the local economy.

All spheres of Government in Australia play critical roles in economic and social development and it is important that these are complementary and developed and implemented in a tripartite model with commensurate funding contributions.

| Project Objective | City of Marion Strategic Plan Objectives | LGA SA | State Government Objective | Federal Government National Stronger Regions Fund |
|---|--|---|---|---|
| <p>Social Repurpose an existing public resource to create new economic and healthy living opportunities for a diverse community transitioning from its post war manufacturing origins to an inner metropolitan identity.</p> <p>Cultural Recognise and retain historical attributes of the site including its memorial function and the history of Clubs and other activities at the site since its dedication in 1920.</p> | <p>Liveable By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.</p> <p>Engaged By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.</p> | <p>Public Realm and Urban Design Guidelines High quality public places are vital for creating harmonious, socially inclusive communities. It is increasingly recognised that investing in quality public space generates tangible, fiscal benefits; stimulating growth in the visitor economy, raising property values and increasing income and profit for local businesses. Public realm investment has been shown to boost confidence in an area, reverse the cycle of decline and stimulate inward investment.</p> <p>Successful public realm and spaces are those that remain relevant to people's day-to-day lives. Such success is not only a function of the available</p> | <p>Goal: We are committed to our towns and cities being well designed, generating great experiences and a sense of belonging.</p> <p>Target 1: Urban spaces Increase the use of public spaces by the community (<i>baseline: 2011</i>)</p> <p>Goal: New developments are people friendly, with open spaces and parks connected by public transport and bikeways.</p> <p>Target 2: Cycling Double the number of people cycling in South Australia by 2020 (<i>baseline: 2011</i>)</p> <p>Goal: We spend quality time with our families.</p> <p>Target 13: Work-life balance Improve the quality of life of all</p> | <p>The objective of the NSRF is to fund investment ready projects which support economic growth and sustainability of regions across Australia, particularly disadvantaged regions, by supporting investment in priority infrastructure.</p> <p>The project addresses disadvantage in the region.</p> <p>More stable and viable communities, where people choose to live.</p> |

| Project Objective | City of Marion Strategic Plan Objectives | LGA SA | State Government Objective | Federal Government National Stronger Regions Fund |
|-------------------|---|---|---|---|
| | <p>Connected By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially, and harnesses technology to enable them to access services and facilities.</p> | <p>spaces and facilities but more importantly for people, the connections that those places make with their community, their environment and their history.</p> | <p>South Australians through maintenance of a healthy work-life balance (<i>baseline: 2007</i>)</p> <p>Goal: We want Adelaide to grow up more than out.</p> <p>Target 68: Urban development By 2036, 70% of all new housing in metropolitan Adelaide will be being built in established areas (<i>baseline: 2010</i>)</p> <p>Goal: We are physically active.</p> <p>Target 83: Sport and recreation Increase the proportion of South Australians participating in sport or physical recreation at least once per week to 50% by 2020 (<i>baseline: 2011-12</i>)</p> <p>Goal: People in our community support and care for each other, especially in times of need.</p> <p>Target 23: Social participation Increase the proportion of South Australians participating in social, community and economic activities by 2020 (<i>baseline: 2011</i>)</p> <p>Goal: We value and support our volunteers and carers.</p> <p>Target 24: Volunteering Maintain a high level of formal and</p> | |

| Project Objective | City of Marion Strategic Plan Objectives | LGA SA | State Government Objective | Federal Government National Stronger Regions Fund |
|---|---|--|--|--|
| | | | informal volunteering in South Australia at 70% participation rate or higher (baseline: 2006) | |
| <p>Economic</p> <p>Greatly increase activation and use of the site particularly by the regional cycling community to create business and employment opportunities for citizens</p> <ul style="list-style-type: none"> • Increased Visitation • Increased cycling activity • Creation of ongoing jobs and opportunities for small business to service the site • Facilities for Corporate events and functions • Training facilities to host programs in Hospitality and Community Services • Onsite public access to digital network | <p>Prosperous</p> <p>By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports sustainable business precincts while providing access to education and skills development.</p> <p>Innovative</p> <p>By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.</p> | <p>Investment Attraction</p> <p>Local Government business and investment attraction activities will be relevant depending on the structure of the local economy and may include engaging with international markets such as China, India and South-East Asia.</p> <p>Tourism</p> <p>Tourism, as a service export, has the capacity to deliver new expenditure and create new jobs and will be a key engine of growth in a serviced-based economy.</p> <p>Innovation and Entrepreneurship</p> <p>Recognising that the key to economic growth is innovation and entrepreneurship, Local Government can facilitate an environment that supports local creativity and grow home-based businesses through policy and program support.</p> <p>Local Infrastructure</p> <p>High quality public realm</p> | <p>Goal: All South Australians have job opportunities.</p> <p>Target 47: Jobs</p> <p>Increase employment by 2% each year from 2010 to 2016 (baseline: 2010)</p> <p>Target 49: Unemployment</p> <p>Maintain equal or lower than the Australian average through to 2020 (baseline: 2004)</p> <p>Economic Priority 5 – SA: a growing destination choice for international and domestic travellers</p> <p>SATC’s Destination Action Plans</p> <p>Target 57: Broadband access</p> <p>The proportion of South Australian premises with access to broadband services delivered by fibre technology meets the national average by 2020 (baseline: 2011)</p> | <p>Improved level of economic activity in the region</p> <p>Increased productivity in the region</p> <p>Increased employment and a more skilled workforce in region</p> <p>Increased capacity and improved capability of region to deliver major projects</p> <p>Increases investment and builds partnerships in the region</p> <p>Secure and manage investment funding</p> <p>Improved partnerships between local, state and the private sector</p> |

| Project Objective | City of Marion Strategic Plan Objectives | LGA SA | State Government Objective | Federal Government National Stronger Regions Fund |
|---|--|--|--|--|
| | | amenity and place making attract high value businesses and knowledge workers and stimulate private investment | | |
| <p>Environmental</p> <p>Improving quality, usage and sustainability of scarce open space and associated built facilities for a wide range of activities, programs and services</p> | <p>Biophilic</p> <p>By 2040 our city will be deeply connected with nature to enhance people's lives while minimising the impact on the climate, and protecting the natural environment.</p> | <p>A strong relationship between quality of life and access to public open space and the natural environment is playing an increasingly critical role in the community's health and wellbeing. The way cities, towns and neighbourhoods are planned and designed impacts on people's opportunity to walk, cycle and use public transport; to access healthy food; to recreate; and to participate in community life.</p> | <p>Goal: We adapt to the long term physical changes that climate change presents.</p> <p>Target 62: Climate change adaptation Develop regional climate change adaptation plans in all State Government regions by 2016 (baseline: 2011)</p> <p>Target 2: Cycling Double the number of people cycling in South Australia by 2020 (baseline: 2011)</p> <p>Goal: We reduce our reliance on cars in the metropolitan area, by walking, cycling and increasing use of public transport.</p> | <p>Supporting investment in priority infrastructure.</p> <p>More stable and viable communities, where people choose to live.</p> |

4. Objectives of the Development Plan in the area

b) the objectives of the Development Plan in the area where the project is to occur;

Edwardstown Oval, along with Council's other 3 major recreation/community complexes, has historically been located within the Residential Zone. Although these facilities have been located on their respective sites for a considerable period of time the current objectives of the Residential Zone do not appropriately support the historical/existing use of these facilities.

Council is about to undertake a Development Plan Amendment (DPA) seeking the rezoning of a number of the larger facilities to Community Zone/Recreation Policy Area. This zone and policy area more appropriately supports the forms of development envisaged for the facilities in question, in particular Edwardstown Oval.

A DPA seeking the rezoning of the nearby former 'Hills Industries' site from Industrial to 'Mixed Use' is nearing completion. The main objective of the DPA is the creation of 'a vibrant transit focused activity centre servicing the retail, employment, community services and housing needs of the community within the surrounding district, integrated with a highly accessible public transport network.' The DPA proposes an expansion to the existing Castle Plaza Shopping Centre and potential for medium to high density residential development with buildings of 4 storeys or greater and minimum net densities of 67 dwellings per hectare.

Council has recently commenced a Housing Diversity DPA which seeks, amongst other proposals, an increase in residential densities in areas within 800 metres of designated transit corridors (in line with the directions of the State Government's 'The 30-Year Plan for Greater Adelaide'). Edwardstown Oval is approximately 400 metres to the west of the Adelaide to Seaford rail line, surrounded by residential development with the potential to be redeveloped at higher densities.

It is anticipated that with an increase in population in the surrounding area will come increased demand for recreational and community facilities. This demand would be covered in part by the upgrade/redevelopment of Edwardstown Oval.



5. Expected contribution of the project to economic development

- c) *the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;*

About the City of Marion

The City of Marion is one of the state's larger metropolitan councils covering an area of about 55 km sq, and is located 10 km south of Adelaide stretching from the Glenelg tramline in Glandore to the coastal suburb of Hallett Cove.

The population of about 85,000 residents is showing healthy growth, due in part to overseas migration which welcomes newcomers from countries such as the United Kingdom, India, China, the Philippines, the eastern countries of Africa and many others.

The area features a diversity of housing, topography and cultures and has a significant industrial sector. Marion is home to the Living Kaurna Cultural Centre, the Marion Cultural Centre and Westfield Marion Shopping Centre, Tonsley, Cove Civic Centre and Oaklands Wetlands.

Economic Context

The City of Marion has a diverse economic base that is primarily centred around the Edwardstown industrial area, Science Park, Clovelly Park including the Tonsley redevelopment. Retail also plays an important role in the commercial life of the city with three major shopping centres at Hallett Cove, Castle Plaza (Edwardstown) and Westfield Marion which is the largest in South Australia.

As well as the Westfield development, the Marion Regional Centre is home to the South Australian Aquatic and Leisure Centre, a FINA grade swimming complex, the Marion Cultural Centre incorporating a theatre, art gallery, restaurant and library, a GP+ Health Centre and a range of other service operations both private and government. In addition, Flinders University and Flinders Medical Centre, both situated adjacent to Science Park, are major employers and have a significant influence on the area.

The City of Marion uses an economic modelling tool called REMPLAN™ created by Compelling Economics Pty Ltd. REMPLAN™ uses Census place of work data and national economic data to create a model of a particular regional economy. A summary of the latest analysis using the 2011 Census shows the top three industry sectors in Marion:

By output:

- Manufacturing – 24.2%
- Financial and insurance services – 14.7%
- Rental, hiring and real estate services – 10.6%

By employment:

- Retail - 22.4%
- Health care and social assistance – 12.5%
- Manufacturing – 10.2%

By value-added:

- Financial and insurance services – 22.9%
- Rental, hiring and real estate services – 15.4%
- Retail – 10.3%

The economic base is dominated in absolute numbers by small businesses, many of which are home-based. The latest Australian Bureau of Statistics (ABS) figures for counts of businesses as at June 2014 show that over 97% of businesses in Marion employ less than 20 people and almost 89% employ less than 5. These same figures show that in the two years proceeding June 2014, the number of businesses operating in Marion had declined by 3.9%. Australian Business Register data indicates that there are some 1,098 GST registered businesses in the Edwardstown area of which 120 are manufacturing businesses and 160 in the construction sector.

The 2011 Census figures show that while Marion's workforce numbers some 39,572, there are only 21,467 jobs available in the City. Almost 82% (32,416) of the workforce travel outside the area for employment. There are now more City of Marion residents who work in the City of Adelaide than in the City of Marion.

The City of Marion forms part of southern Adelaide which includes the adjacent local government areas of Mitcham, Holdfast Bay and Onkaparinga. This region of Adelaide is largely the product of post war growth of manufacturing in Adelaide. At its zenith the region was a hub of motor vehicle manufacturing and ancillary component suppliers as well as household appliances and oil refining. The decline of manufacturing in Australia since 2000 has particularly impacted on this region with the closure of Mitsubishi's automotive manufacturing operations at Lonsdale in 2004 and Tonsley in 2008 being notable markers of this decline.

The region has continued to be substantially impacted by the downturn in manufacturing, particularly automotive manufacturing with jobs in Marion in this sector decreasing by approximately 1,900 or 47% between the 2006 and 2011 Census. The impending complete closure of car manufacturing by Holden, Toyota and Ford by the end of 2017 will only accelerate this trend. In 2011, around 8.6% of Marion residents were still employed in manufacturing. REMPLAN™ estimates that in 2011 the output attributable to the automotive component industry in Marion was some \$515 million. If we assume that half of this output will be lost following the closure of car manufacturing in Australia (allowing for some firms diversifying into other markets), this would result in a loss of some 317 direct jobs, which would increase the current number of unemployed people in Marion by approximately 10%.

The latest unemployment figures from the Department of Employment for September 2015 show that the City of Marion's overall unemployment rate is 6.9% with the Edwardstown area (SA2) standing at 8.1%. This compares to the National figure of 6.2%.

In response to the decline in the manufacturing base of the local economy and the rise of the digital and services sectors the region is in the throes of a major transformation. Recent initiatives have included

- The former Mitsubishi Motors assembly plant at Tonsley, acquired by the State Government, is in the process of being completely redeveloped as an integrated employment, education and residential precinct. A new TAFE facility has been established on the site and Flinders University has moved its School of Computer Science, Engineering and Mathematics into a new 6 storey building opened in February in 2015. This centre also houses the New Venture Institute, the Medical Device Research Institute, Flinders Partners, and the Centre for Nanoscale Science

and Technology. Overall targets for the Tonsley development are some 6,300 jobs, over 3,000 students and up to 1,500 residents.

- Roll-out of the national broadband network which is currently under construction in this part of the Marion area
- Completion of electrification of existing southern passenger rail line and construction of the \$291 million Seaford Rail Extension and establishment of the associated Greenway (bikeway) network
- Duplication of the Southern Expressway from Darlington to Old Noarlunga as part of the north south corridor project through Greater Adelaide
- Identification of key southern locations as future Transit Oriented Developments and major employment centres in *The 30 Year Plan for Greater Adelaide* including Cove Enterprise Centre, Tonsley/Bedford Park, Marion/ Oaklands Park, Noarlunga Centre and Castle Plaza.

(N.B. The Castle Plaza redevelopment is described in a Development Plan Amendment currently under Ministerial consideration. Edwardstown Oval is located within 500m of the proposed new 8.7 hectare mixed use zone which will accommodate a mix of employment generating land uses and medium to high density residential development. Edwardstown Oval will be the primary recreation open space available to the new residential population to be accommodated in the zone, estimated to be in the order of 2000.)

In 2015 construction commenced on the \$620m Darlington Upgrade Project which is the next step in the upgrade of Adelaide's North-South Corridor. The Project is jointly funded by the Australian and State governments. This will deliver an upgrade of approximately 4.3 kilometres of the existing Main South Road. Also proposed is extending the Tonsley Line of the electrified passenger train network and the associated Greenway to Flinders Medical Centre and the main campus of Flinders University, respectively the primary public hospital and higher education institution serving south metropolitan Adelaide.

Analysis of economic impact of proposed development

The economic impact of the Edwardstown Oval redevelopment project has two elements to it:

1. Economic benefits during construction phase based on project expenditure of \$8 million
2. Continuing economic benefits to the area as a result of increased usage of the centre and attraction of visitors

Finance and Audit Committee action requested after consideration of report on February 22 2016

- enhance the economic development information within the Section 48 report regarding the impact on local business.

Response below

Impact on local businesses

The direct impacts on local businesses will generally be positive given the expected additional visitation to the area generated by the expanded Centre. This is estimated at a further 176,000 visits per annum or over 3,500 per week. The economic impact analysis estimates an increase in output (revenue) generated in the local economy of some \$2.1m p.a. Most of this expenditure will be on food and beverage and retail. Businesses in the Castle Plaza area

in particular are likely to benefit from an increase in trade given their close proximity to the Oval.

In line with the City of Marion procurement policy and procedures, tenders for the construction work will be undertaken in an open and transparent manner to ensure fair competition in the market place and to achieve value for money for the ratepayers. The City of Marion will work with successful tenderers to identify opportunities for maximising local content in this construction phase.

Construction Phase

As indicated previously, the City of Marion utilises REMPLAN™, an economic modelling tool which uses ABS data including Census data to create a model of a regional economy including its size and structure. This tool was originally developed by La Trobe University and has now been maintained and further developed by Compelling Economics Pty Ltd. The City of Marion has used a model of the Marion economy to estimate the direct and indirect effects of the Edwardstown Oval construction phase on Marion. The model takes into account the type and scale of construction capability that is present in the city and uses this to assess the potential impact. It has been assumed that the total expenditure of \$8 million comprises \$7 million on actual physical non-residential construction activities and \$1 million on construction services including consultants. It has also been assumed that the construction period is over 12 months.

The full economic impact report is attached as Attachment 4 with the following summarising the analysis.

| Impact Summary | Direct Effect | Industrial Effect | Consumption Effect | Total Effect | Type 1 Multiplier | Type 2 Multiplier |
|--------------------------|---------------|-------------------|--------------------|--------------|-------------------|-------------------|
| Output (\$M) | \$8.000 | \$5.657 | \$1.629 | \$15.286 | 1.707 | 1.911 |
| Employment (Jobs) | 13 | 19 | 7 | 39 | 2.462 | 3.000 |
| Wages and Salaries (\$M) | \$0.984 | \$1.173 | \$0.370 | \$2.526 | 2.192 | 2.568 |
| Value-added (\$M) | \$2.018 | \$2.075 | \$0.944 | \$5.037 | 2.029 | 2.496 |

The direct increase in output of \$8 million would result in an additional 13 direct jobs created and a related increase in wages of \$0.984 million with a boost in value-added of \$2.018 million.

From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to output valued at \$5.657 million, 19 more jobs, \$1.173 million more paid in wages and salaries, and a gain of a further \$2.075 million in terms of value-added.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under the scenario are therefore expected to further boost output by \$1.629 million, employment by 7 jobs, wages and salaries by \$0.370 million, and value-added by \$0.944 million.

The estimated total economic benefits of the 12 month construction phase for the City of Marion are therefore:

- An increase in total output of \$15.286 million
- An increase in total employment of 39 jobs
- An additional \$2.526 million in wages and salaries
- Increased value-added of \$5.037 million

Operational Phase

Following completion, the new Edwardstown Oval precinct will offer a range of new facilities and amenities which will allow for a substantial increase in the number of sporting and other events and activities hosted on the site far beyond those on offer now.

The project will contribute to sustainable economic growth through the additional usage of the precinct facilitated by the project and the attraction of visitors to the area that otherwise would not have come. These visitors will spend money with local businesses, either on site or nearby and thus provide a stimulus for the economy. Given the regional nature of activities on the site, particularly the unique cycling facilities, it is anticipated that the majority of these visitors will be from outside the Marion area and many from outside the Southern Adelaide region. The business plan for Edwardstown Oval has identified a range of activities and events that will be hosted in the precinct and this has been developed through an extensive consultation process with the key stakeholders including the existing clubs, bowling, football, cricket and cycling together with Cycling SA.

In particular Cycling SA has noted the upgraded Velodrome and associated facilities will:

- Enable a significantly greater use of the velodrome which is currently the only operating open air velodrome circuit in the Greater Adelaide metropolitan area.
- Be the only such venue serving Southern Greater Adelaide for the foreseeable future.
- Create a hub for the cycling community.
- Develop cycling beyond training and competition in track events as an ideal facility for skills development and for young children, as well as older people with disabilities to enjoy the activity away from the many hazards of cycling on public roads.
- Support a significantly expanded program of cycling events. These could include:
 - Utilisation of the track for our newly launched Junior Schools Racing Series for both competition and training purposes
 - Running of State Outdoor Track Championships
 - Use of the track for Cycling Australia run programs “She Rides” and “Lets Ride”
- Be alternative competition venue to the Victoria Park Criterium Track, use of which is regularly interrupted for significant periods of the year by the staging major events including the Clipsal 500.
- Be a useful staging venue for the development of potential elite track cyclists, in that the gentler banking and longer circuit at Edwardstown prepares developing track cyclists for the steeper and tighter Olympic standard indoor circuit at the Super drome
- Supports development of more programs for disadvantaged groups including indigenous youth.
- Provide the potential for the cycling community to invest further in the facility as a venue for cycle hire, repair, testing, equipment trials etc.

A base case has been developed which uses the existing visitation for each of the current clubs and activities on the site which estimates that there is currently a total of some 115,000 visits each year to the site as attached as Attachment 5. Following the consultation process

outlined above, a post-development case has been created, again analysing each of the current and new activities that will be hosted in the precinct and supported by the new facilities as attached as Attachment 5. This work forecasts that total visits will increase to 291,000 in each year, an increase of 176,000. This increase is based on the expected take up of the greatly enhanced infrastructure and new activities to be hosted.

The results of this work have been used to estimate the ongoing additional economic impact on the region attributable to the new development using the following assumptions:

- Original estimated increase in visitation: 176,000
- Estimated number from outside city (conservatively 50%): 88,000
- Estimated average expenditure per person per visit: \$15
- Estimated percentage of expenditure on food and beverage: 85%
- Estimated percentage of expenditure on retail: 15%

The new facility will attract users from a wide area and it is expected a figure in the order of 50% will originate from outside of the City of Marion which is a conservative figure. It has been assumed that a significant proportion of spend by visitors will be on food and beverage with a small proportion spent on general retail.

The full economic impact report is attached as Attachment 4 with the following summarising the results.

| Impact Summary | Direct Effect | Industrial Effect | Consumption Effect | Total Effect | Type 1 Multiplier | Type 2 Multiplier |
|--------------------------|---------------|-------------------|--------------------|--------------|-------------------|-------------------|
| Output (\$M) | \$1.320 | \$0.399 | \$0.392 | \$2.111 | 1.302 | 1.599 |
| Employment (Jobs) | 14 | 2 | 1 | 17 | 1.143 | 1.214 |
| Wages and Salaries (\$M) | \$0.416 | \$0.103 | \$0.089 | \$0.608 | 1.246 | 1.460 |
| Value-added (\$M) | \$0.661 | \$0.181 | \$0.227 | \$1.070 | 1.274 | 1.618 |

The expenditure derived by the increased visitation would result in a direct increase in output of \$1.320 million, 14 additional jobs, \$0.4161 million more in wages and salaries and a boost in value-added of \$0.661 million.

From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to output valued at \$0.399 million, 2 more jobs, \$0.103 million more paid in wages and salaries, and a gain of \$0.181 million in terms of value-added.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees.

A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under the scenario are expected to further boost output by \$0.392 million, employment by 1 job, wages and salaries by \$0.089 million, and value-added by \$0.227 million.

The estimated total annual economic benefits of the increase in visitation stimulated by the project for the City of Marion are therefore:

- An increase in total output of \$2.111 million
- An increase in total employment of 17 jobs
- An additional \$0.608 million in wages and salaries
- Increased value-added of \$1.070 million

Cost Benefit Analysis

To assess the ratio of economic benefits to project cost, the following approach has been taken:

- Cost of project is \$8 million
- Benefits of the project are the increased output (revenue) generated annually within the City of Marion through increased visitation taken from the REMPLAN analysis (\$2.111m)
- The net present value (NPV) of the annual economic benefits has been calculated using a 10 year timeframe (although the project will have an expected life far beyond this) and a discount rate of 4.6% being the long term cost of borrowings for the City of Marion

Using these assumptions, the NPV of the economic benefit to the City of Marion is \$17.90 million which results in a cost benefit ratio of 1: 2.24

The upgraded Edwardstown Oval will contribute to economic growth in the region through:

- The creation of 39 jobs, both direct and indirect over the 12 month construction phase
- A further 17 jobs, both direct and indirect supported by the project on an ongoing basis
- A contribution to the economic output of the City of Marion of an additional \$2.111 million per year
- A cost benefit ratio of 1:2.24

6. Level of consultation with the local community

- d) *the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;*

Context

The City of Marion has based the community engagement framework on the International Association of Public Participation's (IAP2) Core Values. The City of Marion received endorsement from the IAP2 when it won their Core Values Awards in 2013.

IAP2 Core Values

1. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
2. Public participation includes the promise that the public's contribution will influence the decision.
3. Public participation promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision makers.
4. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
5. Public participation seeks input from participants in designing how they participate.
6. Public participation provides participants with the information they need to participate in a meaningful way.
7. Public participation communicates to participants how their input affected the decision

The City of Marion's Strategic Plan Towards 2040 ensures that our decisions are transparent and in the best interests of local communities.

'By 2040 our city will - Be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods'

Engagement conducted with community to date

Consultation has taken place in the following forms. A community survey was held in January and February 2013 in association with the development of the Edwardstown Oval Master plan.

Engagement with stakeholder groups occurred through the master planning process and more recently with the development of this project.

These groups comprise:

- Edwardstown Oval Committee of Management (regular meetings)
- Returned & Services League (RSL) (through local representative)
- Edwardstown Community Hall sub-committee (onsite meetings & through committee of management)
- Edwardstown Football Club (onsite meetings & through committee of management)
- South Road Cricket Club (onsite meetings & through committee of management)
- Edwardstown Bowling Club (onsite meeting & through committee of management)
- South Coast Cycle Club (onsite meeting & through committee of management)
- Cycling SA (consultative sessions)
- Office for Recreation and Sport (consultative sessions)

- ERBA (consultative session)
- Tafe SA (consultative sessions)
- Regional Development Australia (consultative sessions)
- South Australian Sports Institute (consultative session)
- IIFP (RTO) (consultative session)
- Workskil Australia (consultative session)
- Skinny Lattés Cycling Group (consultative session)

City of Marion prepared a questionnaire to lead discussions with the clubs, based on general club structure, management and facility issues. Responses to survey and consultation are summarised in Attachment 7.

The top priorities once Edwardstown Oval is improved include a facility that is:

- Multi-purpose to cater for various sports and recreation activities
- Safe, appealing and inviting
- Used by a diversity of people and age groups

Desired improvements to existing infrastructure at Edwardstown Oval include:

- More play equipment needed, to cater to all age groups, with shelter from the sun
- Picnic and/or BBQ areas strongly desired, with more seating
- Club facilities
 - Major upgrade needed (or rebuilding) due to ageing clubrooms
 - Larger, more welcoming clubrooms desired
- Community hall
 - Needs to be upgraded
 - Lack of awareness of what activities are offered
- Carparking
- Velodrome surface and safety
- Lighting improvements
- Playing surfaces improvements
- Upgrade of Memorial Garden
- Improve links to surrounding neighbourhood

Finance and Audit Committee action requested after consideration of report on February 22 2016

- Acknowledge within the report that consultation with the general public and particularly local residents will occur as the project progresses.

Response below

Engagement Activities planned to occur March – June 2016

Engagement activities to date have been with primary stakeholders which have determined key design elements. Outcomes from the engagement activities in 2013 have been used to inform the concept plan and are reflected in this report.

Future engagement activities have been planned post Council endorsement of the funding application to ensure we manage the expectations of broader communities and the activation of broader community occurs with real opportunity to influence an outcome.

Key messages are developed to ensure that the engagement activities are prefaced with the knowledge that the development of the concept plan for a community precinct is subject to funding.

As per the principle we are guided by: *Public participation includes the promise that the public's contribution will influence the decision.* The purpose of our broader community engagement will be to inform the detailed design and in the event of funding being unsuccessful, the engagement outcomes will inform council's decisions to deliver the project by other means.

| Level of Engagement | Purpose | Stakeholder | Technique |
|---------------------|--|---|--|
| Inform | <ul style="list-style-type: none"> • Build support and understanding for the concept design and funding application • Promote engagement outcomes with primary stakeholders to date and how this has informed funding submission • Manage community expectations that development is subject to successful funding application • Build support and understanding for the funding application process | Broader Community and stakeholder organisations | <ul style="list-style-type: none"> • Media release • Web page information • Email and letter to engaged stakeholders • Making Marion webpage |
| Consult | <ul style="list-style-type: none"> • Seek feedback on plan and activate community for future engagement activities • To strengthen level of broader community support for the project and its design • To use the feedback to inform detailed design | Broader Community and stakeholder organisations | <ul style="list-style-type: none"> • Project Flyer • Online comments form/survey • Shopping centre stalls • Registration of interest forms • Stakeholder group face to face meetings |
| Involve | To seek Expression of Interest (EOI) for use of facilities | Community Groups | Stakeholder interviews Sports and recreation stakeholders: <ul style="list-style-type: none"> • Peak bodies • Existing users • Local clubs and organisations • Special needs groups • Potential users • Potential facility managers |
| Inform | <ul style="list-style-type: none"> • Provide updates on the funding application process • To provide details about future engagement opportunities based on outcome of funding application | Broader Community and stakeholder organisations | <ul style="list-style-type: none"> • Community Update/flyer • Media release • Web page information • Email and letter to engaged stakeholders • Making Marion webpage |

7. Business**Needs****Analysis****7.1 Community Needs Analysis****Population Character Considerations**

The northern part of the City of Marion had a population of 27,285 in 2011. This population is projected by Council to increase to 29,140 by 2031, with the potential development of the nearby Castle Plaza being a key contributor to the population growth.

The main characteristics of this population as at 2011 and the potential implications for the Edwardstown Oval are outlined below.

| Topic | Characteristics | Implications |
|---------------------|---|---|
| Age Profile | <ul style="list-style-type: none"> • Similar proportion of 0-4 year olds (5.4%) compared to Greater Adelaide (Greater Adelaide; 6%) • Low proportion of 5-14 year olds (9.3%) compared to Greater Adelaide (11.7%) • Similar proportion 15-19 year olds (5.6%) vs 6.6% Greater Adelaide • High proportion of 25-34 year olds (15.4%) vs 13.4% Greater Adelaide • Similar proportion of 45-64 years groups (24.7% vs 26% Greater Adelaide) • High proportion of older people 65+ years (18.4% vs 15.5% Greater Adelaide) | <ul style="list-style-type: none"> • The need to consider active recreation opportunities (e.g. programs, activities, entertainment) aimed at middle aged and older people • Greater demand for family oriented open space and facilities including play spaces for younger and older children including sport and entertainment for teenagers • Junior sports will remain important |
| Cultural Diversity | <ul style="list-style-type: none"> • 72.3% of residents were born in Australia • 5.4% born in the United Kingdom • 2.3% born in China • 1.9% born in India • In total, 1.2% of residents identify as Aboriginal or Torres Strait Islanders | <ul style="list-style-type: none"> • Need for a wide range of sport and recreation opportunities for a moderately diverse community • Need to consider programs and activities that include linguistically-accessible options |
| Household Structure | <ul style="list-style-type: none"> • Very high proportion of 'lone person' households (37.4% vs 27.6% Greater Adelaide) • Slightly high proportion of couple | <ul style="list-style-type: none"> • High demand for group activities and entertainment options for social interaction and inclusion |

| Topic | Characteristics | Implications |
|-------------------------|---|---|
| | <p>families with no children (40.8% vs 38.7% Greater Adelaide)</p> <ul style="list-style-type: none"> • Lower proportion of couples with children (38% vs 42.6% Greater Adelaide) • Similar proportion of single parent families (18.3% vs 16.9% Greater Adelaide) | <ul style="list-style-type: none"> • Demand for family oriented activities and facilities e.g. play spaces and related infrastructure is likely to remain moderate |
| Household Income | <ul style="list-style-type: none"> • Low income area • 30.1% earn less than \$600 per week • 5.3% earn more than \$3000 per week • 5.5% of the labour force is unemployed vs 5.3% for Greater Adelaide (?) | <ul style="list-style-type: none"> • Affordability could be very important for sports and recreation participation |
| Access to Motor Vehicle | <ul style="list-style-type: none"> • 14.4% across the suburbs in the north do not have access to a motor vehicle (vs 9.6% Greater Adelaide) • 18.8% in Edwardstown do not have access to a motor vehicle | <ul style="list-style-type: none"> • A large proportion of the community may not have the ability to travel to facilities by private vehicle • Potential high demand for use of public or community transport, and walking and cycling as a means of travel |
| Disability | <ul style="list-style-type: none"> • 6.7% of the population has need for assistance with core activities. For residents aged 45+ years, this figure is 12.2% | <ul style="list-style-type: none"> • Disability access is important and could require even greater attention as the population ages |

Note: All data refers to ABS 2011 Census data and Forecast ID data.

7.2 Summary of Community Recreation and Sport Needs Analysis

There is an undersupply of ovals for football and cricket and therefore the preservation and continued use of the existing oval is necessary to continue to meet community requirements. The upgrading of lighting currently in progress will enhance its value for use outside of daylight hours.

While there is an oversupply of lawn bowling facilities in the City of Marion, Edwardstown provides a valuable resource for the community being a three lawn green facility that plays a significant role in the metropolitan and state level competitions. It is a well-managed and self-sufficient club.

The cycling velodrome currently is the only operating open air velodrome in greater Adelaide and therefore has a significant regional role. This is increasingly significant as the cycling community grows and with efforts to increase participation in cycling in accordance to the State Strategic Plan. The upgrading of lighting for the oval currently in progress includes lighting of the velodrome which will also enhance its use in summer outside of daylight hours and in the winter.

The outdoor courts on the site have recently been resurfaced and reconfigured to accommodate recreational tennis, basketball and netball. This complements the adjacent informal play space and general use of the site for informal recreation.

More detailed information regarding community recreation needs in the City of Marion is included as Attachment 8.

7.3 Site Operations

Current governance and management model

The existing governance, management and operations for the overall Edwardstown grounds and sporting clubs as described as follows:

- There is an existing Committee of Management for the Edwardstown Ground, which includes representatives from each of the sporting clubs and the community hall. In addition, there are representatives from the RSL, ratepayers (from the local Edwardstown residents committee) and a Council Liaison representative (Cr Tim Pfeiffer).
- There is a head lease agreement in place between the City of Marion and the Committee of Management (noting the 5+5 year lease agreement which commenced in 2003 has expired and the lease is currently on a rolling monthly basis pending the outcomes of the redevelopment effort). There are sub-licences in place between the Committee of Management and individual clubs.
- The current usage is estimated to be 115,000 individual visits per year including members, spectators, players and events/functions.
- The City of Marion currently maintains the structural aspects of the buildings, with the repairs and maintenance obligations residing with the clubs.
- The City of Marion currently maintains the grounds including grass cutting, annual oval renovations, tree maintenance, irrigation maintenance, playground maintenance, etc. Importantly, the greens maintenance for the Bowling Club is currently managed and funded by the Bowling Club.

- The sporting clubs manage their own affairs. The primary clubs are the Edwardstown Bowling Club and the Edwardstown Football Club in relation to numbers, access to club room facilities and operating their own bars. It was advised that the cricket club does not utilise the club room facilities.
- The Edwardstown Bowling Club operates their own bar, staffed by volunteers and patronised by Bowling Club members, from which they generate income which is re-invested back into the Bowling Club. Similarly, the Edwardstown Football Club operates their own bar in the football clubrooms, staffed by volunteers and patronised by Football Club members, from which they generate income, which is re-invested back into the Football Club.

Consultation with Clubs and existing Management Committee

On 5 November 2015 Council representatives, staff and representatives of the existing clubs and the management committee meet to discuss options for the ongoing management of the site. This included the consideration of a new constitution leading to a Single Management Structure. The management committee have agreed to adopt a new constitution. The description below outlines the proposed governance, management and operations arrangements that would sit with a new constitution.

Future governance and management model

The proposed governance, management and operations arrangements for the redeveloped Edwardstown Soldiers Memorial Recreation Ground, include:

- Establishment of a skills-based Committee of Management which includes skills covering sports and recreation, commercial and business development, marketing, community development, asset management, board management and governance, financial management. The Committee of Management governance arrangements will be consistent with the governance principles for sports, published by the South Australian Government's Office for Recreation and Sport.
- The Committee of Management should include Council representation (one or more Councillors) to ensure that the City of Marion's interests, as asset owner, are appropriately represented (however, the Council member should not be the Chairperson or have voting rights). In addition, relevant City of Marion Administration representatives should be invited as observers.
Representation of sporting club interests should be by way of an advisory group. Similarly, residents' views could be put forward via a residents' advisory group.
- A new head lease agreement should be executed between the City of Marion and the Committee of Management. The head lease will be a modernised lease document, consistent with the City of Marion's Land and Property standard lease templates and revised Leasing Policy (currently in progress).
Similar to the current arrangements, sub-licence arrangements should be put in place between the Committee of Management and the individual sporting clubs, modernised and updated to reflect licence conditions.
- Rent under the head lease should be based on a commercial rental valuation discounted to reflect the community value provided by the facility (e.g. 90% discount or more), consistent with the City of Marion's Land and Property rental framework. This is the methodology which has been applied in the past, however will need to be reviewed in line with the City of Marion's revised

leasing policy and discount criteria (review currently in progress).

- The head lease agreement will be the principal instrument between the City of Marion and the Committee of Management. It should include key performance indicators and targets relating to the strategic and growth objectives that the City of Marion requires the Committee of Management to aspire to achieve. It should reference the need to develop a strategic plan.
- The City of Marion's operations in relation to the Edwardstown Ground will continue to include maintenance activities: grass cutting, annual oval renovations, tree maintenance, irrigation maintenance, playground maintenance, etc. bowling greens maintenance will continue to be managed and funded by the Bowling Club based on the technical nature of maintaining lawn bowls greens to the required standards.
- All capital renewal and maintenance obligations (and associated expenditures) will reside with the City of Marion. The rationale for this recommendation is that the City of Marion is the asset owner, and it provides full clarity in relation to obligations, and helps the City of Marion to maintain its investment in the facility. This also removes previous uncertainty and addresses historical underspend by clubs on maintenance activities due to their limited financial capacity.
- The City of Marion will be responsible for all building-related insurances. The Committee of Management will be responsible for relevant public liability insurances. The individual clubs should hold insurances relating to their members activities.

The Committee of Management will be responsible for:

- development and implementation of a strategic plan including growth targets
- management of the overall operations of the Edwardstown Ground
- expenditures relating to the overall operations e.g. utilities, cleaning, security, administration
- It is envisaged that to realise the potential of the proposed Edwardstown Ground that the facility will need to employ a full-time manager (at a minimum for a two-year transition period). A key focus for this position will be to foster growth in use of the facility. It is envisaged that the City of Marion will have to subsidise the salary costs associated with this management position (proposed to be Level 8 equivalent and potentially seconded from the City of Marion in the first instance). This level of subsidy will be 100% for the transition period, to be re-assessed in the future. There may be an ongoing requirement for the City of Marion to subsidise the salary of the manager depending on needs and the overall growth and capacity of the Committee of Management and Clubs to pay for this position on an ongoing basis.
- The Committee of Management will charge individual clubs a management fee. This facility will be subsidised by the City of Marion within the two-year transition period up to the amount that clubs are currently paying for services covered by the management fee.
- The re-developed Edwardstown facility will include two bar sites, which are proposed to operate under a single operations model operated by the Committee of management, maintaining the high-level of volunteers who currently work behind the bars. Income from the bar will be distributed to the clubs on a proportionate basis to overall patronage (to be negotiated/determined by the Committee of Management).
- Sporting Clubs will continue to manage their own affairs in the same manner in which they currently do, with the key changes including:

- Representation to the Committee of Management will be via an advisory committee (with the Committee of Management transitioning from a representative committee to skills-based committee)
 - They will enter into a new sub-licence arrangement between the individual club and the Committee of Management
 - Sporting clubs will be required to pay the management and facilities fee to the Committee of Management on the basis of cost re-imbusement for operational expenditures (e.g. utilities) (which will not be materially different from historic expenditures) and a contribution to fund growth.
-
- They will have access to a new, multi-use facility, as opposed to stand alone/separate clubrooms for each sport. This will mean that there is greater opportunity for cross-interaction between the clubs but brings with it additional responsibilities in relation to shared resources, respect, etc. Notably, there will be a step change in access for smaller clubs (e.g. cricket) who have not previously had access to club rooms at the existing Edwardstown Soldiers Memorial Recreation Ground.
 - New clubs attracted to the complex will fall under the same arrangements as all current clubs as detailed above.

7.4 Business Sector Stakeholder Engagement

This occurred through discussions with the Edwardstown Business Association ERBA. ERBA is an inner southern Adelaide business association aiming to foster and promote business through networking, shared knowledge, ideas and resources, and strategic precinct development. It currently has 150 members, many of whom are trading in the South Road Corridor.

The discussions confirmed that a strategy that focuses on drawing visitors to the area for a specific range of activities would be beneficial for local business. Therefore the strategy of building on the unique amenity the site provides for the growing cycling community fulfils this aim.

The incorporation of a modern function centre will also draw corporate users and could be included as a venue for regular ERBA workshops and events.

Discussions were also held with representatives of Workskil who operate return to work programs on behalf of the Federal Government. They recognised the opportunities the function centre would provide as a training venue and also opportunities for the site and sporting clubs to be further developed through “Work for the Dole” programs.

7.5 Consultation with Registered Training Organisations (RTO)

Consultation has taken place with Tafe SA and a private RTO. Both showed interest in using an upgraded facility for training in food service and hospitality. Additional opportunities also exist in other areas such as community services, personal fitness and recreation and sport. These discussions are ongoing.

8. Project's intention to produce revenue, revenue projections and potential financial risks

- e) *if the project is intended to produce revenue, revenue projections and potential financial risks*

Whilst this project is not intended to provide increased revenues to Council, the site currently provides annual revenues in the form of a rental fee of \$295 and a maintenance fee of \$814 giving an annual total of \$1,109.

Based on Council's current Leasing/Licensing policy this is expected to increase to approximately \$2,807. These charges are directly related to the capital value of the site in accordance with Council's current policy on Leasing/Licensing of Council Owned Facilities, rather than being related directly to the project.

With Council's Leasing/Licensing policy currently under review, final rent is proposed to be based on a discounted commercial rate and is not expected to vary significantly from this amount.

Finance and Audit Committee action requested after consideration of report on February 22 2016

- Provide further clarity and definition regarding what is deemed revenue within the report.

Response below

While other increases to revenue are discussed in the KPMG report (attachment 4) these will be collected by the Edwardstown Committee of Management and used to fund the increased cost of managing the facility, with any remaining funds being proportionately distributed to the clubs, on an agreed distribution method based on club patronage.

9. Recurrent and whole-of-life costs and financial viability

- f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;*
- g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the Council;*

For the purpose of establishing whole of life costing for the City of Marion's Edwardstown Soldiers Memorial Recreation Ground redevelopment, the following assumptions have been used:

Redevelopment Capital Costs

High level costs for this project have been prepared by Chris Sale Consulting based off architectural drawings provided by Architect Hardy Milazzo. The overall capital budget required for the project, which is priced at current rates with an allowance for indexation to 2017 dollars, is currently estimated to be \$7.99m, comprising of \$7.35m in construction costs along with design and professional fees of approximately \$0.64m.

Operating, Maintenance and Capital Renewal Costs

Under the current lease agreement, the Lessee is responsible for the majority of the operating and maintenance costs, while Council's responsibilities predominantly relate to structural renewal and replacement of the facility at the end of its useful life (projected at 50 years).

Under the proposed head lease arrangements for the redeveloped grounds, it is proposed that Council will be responsible for capital renewal, maintenance and repairs (including buildings), and grounds (with the exception of the bowling green). The Management Committee will be responsible for operating costs (with the exception of building insurance, responsibility for which will reside with the City of Marion).

Repairs and maintenance costs for the City of Marion have been estimated to be \$122,812 in the first year, indexed annually for inflation thereafter.

Depreciation, and thus a reasonable approximate allowance for capital renewal, is calculated in accordance with Australian Accounting Standards, with the estimated depreciation/renewal cost forecast at \$189,030 per annum.

Corporate overheads - labour

The proposed management structure seeks to install a full-time manager to support the Committee of Management. This position is initially intended to be fully funded by Council for a transition period of two years at a total projected cost of \$243,450 over the two year period.

It is possible that this position would fulfill a similar transition in management models for other sporting clubs within the City of Marion, and as a result the ongoing costs of a manager after the conclusion of the transition period could potentially be shared across other sporting clubs.

Sources of funding

For this project to go ahead it is dependent on a successful application for grant funding of \$4 million through the Federal Government's National Stronger Regions Fund, with funding sources detailed in the following table:

| Source of Funds | Amount |
|--------------------|------------------|
| City of Marion | 4,000,000 |
| Federal Government | 4,000,000 |
| Total | 8,000,000 |

Whilst a provision has been included to borrow the City of Marion's \$4m contribution, it should be noted that Council has sufficient funds set aside to contribute to this project in its reserve fund for the Community Facilities Partnership Program (CFPP). Whilst utilising these CFPP funds could save Council up to \$0.952m in interest, which would also be in line with Council's Treasury Management policy, this would significantly deplete available funding in the CFPP which was established to facilitate partnership opportunities on a city-wide basis. The use of funding from the CFPP needs to be considered in the context of Council's other unfunded priorities and the ongoing funding required for asset renewal of Council's existing buildings and facilities. Accordingly, Council will need to give further consideration in assessing the best method of funding its \$4 million contribution and whether that should be via debt, cash or a mixture of both.

Debt servicing

The cost of servicing the Council's proposed contribution to the project through loan funding is estimated at \$495,175 per annum, based on a \$4 million principal plus interest loan at the prevailing interest rate quoted by the Local Government Finance Authority of 4.25% for a 10 year loan term. The total interest on borrowings for the project based on these terms is estimated to be \$951,754.

| Term | Interest Rate | Annual Cash Flow Requirement (Principal & Interest) | Equivalent Council Rate Percentage | Total Interest over 10 year loan term | Average Interest per annum |
|----------|---------------|---|------------------------------------|---------------------------------------|----------------------------|
| 10 Years | 4.25% | 495,175 | 0.73% | 951,754 | 95,175 |

Council currently has a relatively low level of debt and once the 2015/16 borrowing program is completed Council's debt servicing ratio is projected to be 3.6% against a Council target of up to 5.0%. If Council were to loan fund its contribution to the project, an extra \$4.0m in borrowings would see the debt servicing ratio increase to 5.6% in 2017/18, which is slightly above Council's target range of up to 5%, however this would drop back into the target range from 2019/20 as demonstrated in the following table:

| Key Financial Indicator Ratios | | | | | | | | | | |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Debt Servicing Ratio | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Adjusted after impact of Project | 5.4% | 5.6% | 5.2% | 5.0% | 4.8% | 4.0% | 3.8% | 3.7% | 2.9% | 2.9% |
| Target | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% |

Finance and Audit Committee action requested after consideration of report on February 22 2016

- Include all key financial Ratios in the LTFP analysis.

Response below

Finance and Audit Committee action requested after consideration of report on February 22 2016

- Amend the financial summary to clarify funding and display the total capital expenditure of \$8m.

Response below

Whole of life costing

The whole of life cost based upon an assumed total life of 50 years is shown in current dollars in the following table:

| Whole of Life Costs (50 years) | | | |
|--------------------------------|-------------------|-------------------|-------------------------------------|
| | Current Cost | Projected Cost | Increased Funding Requirement - CoM |
| Total Capital Cost | 0 | 8,000,000 | 4,000,000 |
| Less grant funds | 0 | (4,000,000) | |
| Operations | 0 | 574,750 | 574,750 |
| Maintenance | 3,470,950 | 6,140,600 | 2,669,650 |
| Depreciation/Renewal | 8,084,700 | 9,451,500 | 1,366,800 |
| Corporate Overheads | 0 | 243,450 | 243,450 |
| Interest (10 years at 4.25%) | 0 | 951,754 | 951,754 |
| TOTAL | 11,555,650 | 21,362,054 | 9,806,404 |

Financial Viability

Council would be required to set aside in its Long Term Financial Plan (LTFP), on average, an additional \$611,902 in funding (i.e. cash) per annum for the first 10 years to cover the increased cost of loan funding, as well as operational, maintenance and capital renewal costs. From year 11 the borrowings relating to this project would be fully repaid, reducing the additional required funding to approximately \$98,000 per annum.

The Whole of Life funding (ie. cash) impact of the Project has been assessed and it has been determined that Council has the funding capacity within its current adopted LTFP to fund its \$4 million capital contribution plus associated ongoing increases in operating, maintenance, renewal and borrowing costs required for the project. This can be achieved without the need for any additional increases in council rates, other than those already provided for in the LTFP.

This Project meets the financial framework parameters adopted by Council (GC190116R11) where "Council will only approve new Major Projects where it has the identified funding capacity to do so". Further to this, with the exception of the Debt Servicing Ratio discussed previously, this project does not adversely affect any of Council's other key financial indicators.

| Key Financial Indicator Ratios | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Operating Surplus Ratio (Avg over 5 years) | | | | | | | | | | |
| Adopted LTFP | 9% | 10% | 12% | 13% | 14% | 14% | 15% | 17% | 18% | 19% |
| Adjusted after impact of Project | 9% | 10% | 11% | 13% | 13% | 14% | 15% | 16% | 17% | 18% |
| Target | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% |
| Net Financial Liabilities | | | | | | | | | | |
| Adopted LTFP | 14% | 6% | -2% | -10% | -18% | -27% | -35% | -45% | -58% | -74% |
| Adjusted after impact of Project | 19% | 11% | 3% | -4% | -12% | -21% | -29% | -39% | -52% | -68% |
| Target | 0-50% | 0-50% | 0-50% | 0-50% | 0-50% | 0-50% | 0-50% | 0-50% | 0-50% | 0-50% |
| Debt Servicing Ratio | | | | | | | | | | |
| Adopted LTFP | 4.7% | 4.9% | 4.5% | 4.3% | 4.2% | 3.4% | 3.3% | 3.2% | 2.4% | 2.3% |
| Adjusted after impact of Project | 5.4% | 5.6% | 5.2% | 5.0% | 4.8% | 4.0% | 3.8% | 3.7% | 2.9% | 2.9% |
| Target | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% | 0-5% |

The “Operating Surplus” and “Net Financial Liabilities” ratios are both forecast to not meet their set target range. This is primarily as a result of substantial gross operational savings of \$3.2m being achieved in 2015/16 which has had a significant positive impact on Council’s operating surplus and cash positions exceeding target. Any future operating savings identified will result in these ratios being further exceeded.

Whilst Council’s Debt Servicing Ratio slightly exceeds target in the 3 years up to 2018/19, it is projected to fall back into the target range for the final 7 years of the LTFP.

An independent review was carried out by KPMG on the proposed governance and management model including 10 year financial forecasts and is attached to this report (Attachment 4).

The following table demonstrates that this project can be undertaken within Council’s adopted Long Term Financial Plan (LTFP) without the need for any additional increases in council rates other than those already provided for in the LTFP:-

| | Current (\$) | Year 1 (\$) | Year 2 (\$) | Year 3 (\$) | Year 4 (\$) | Year 5 (\$) | Year 6 (\$) | Year 7 (\$) | Year 8 (\$) | Year 9 (\$) | Year 10 (\$) | Total 10 year forecast (\$) |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|
| Rent for premises | 295 | 207 | 255 | 203 | 253 | 303 | 354 | 306 | 359 | 212 | 267 | 3,018 |
| Maintenance fee | 814 | | | | | | | | | | | |
| Total Revenue | 1,109 | 2,807 | 2,855 | 2,903 | 2,953 | 3,003 | 3,054 | 3,106 | 3,159 | 3,212 | 3,267 | 30,318 |
| Total Repairs & Maintenance | (67,752) | (122,812) | (125,077) | (127,384) | (129,735) | (132,129) | (134,567) | (137,051) | (139,580) | (142,157) | (144,782) | (1,335,274) |
| Total Overheads | (3,887) | (132,015) | (134,621) | (11,889) | (12,091) | (12,297) | (12,506) | (12,718) | (12,935) | (13,154) | (13,378) | (867,604) |
| Interest repayments on Marion contribution (\$4m) | - | (166,545) | (152,430) | (137,708) | (122,355) | (106,341) | (89,640) | (72,222) | (54,055) | (36,109) | (16,348) | (951,754) |
| Total Operating Expenditure | (71,639) | (421,372) | (412,128) | (276,982) | (264,180) | (250,767) | (236,713) | (221,991) | (206,571) | (190,420) | (173,508) | (2,654,631) |
| Total Operating Surplus/(Deficit) | (70,530) | (418,565) | (409,273) | (274,079) | (261,228) | (247,764) | (233,659) | (218,885) | (203,412) | (187,208) | (170,241) | (2,624,314) |
| Principal repayments on Marion contribution (\$4m) | - | (328,630) | (342,746) | (357,467) | (372,821) | (388,834) | (405,535) | (422,953) | (441,120) | (460,067) | (479,827) | (4,000,000) |
| Net Surplus/(Deficit) | (70,530) | (747,195) | (752,018) | (631,546) | (634,049) | (636,598) | (639,194) | (641,839) | (644,532) | (647,275) | (650,069) | (6,624,314) |
| Depreciation/Renewal* | (161,694) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (1,890,305) |
| Net Surplus/(Deficit) | (232,224) | (936,225) | (941,049) | (820,576) | (823,079) | (825,628) | (828,225) | (830,869) | (833,562) | (836,305) | (839,099) | (8,514,619) |

| | Year 1 (\$) | Year 2 (\$) | Year 3 (\$) | Year 4 (\$) | Year 5 (\$) | Year 6 (\$) | Year 7 (\$) | Year 8 (\$) | Year 9 (\$) | Year 10 (\$) | Total 10 year forecast (\$) |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|
| Current CoM funding provided | (233,488) | (234,775) | (236,084) | (237,417) | (238,773) | (240,153) | (241,558) | (242,988) | (244,443) | (245,924) | (2,395,603) |
| Forecasted CoM funding required | (936,225) | (941,049) | (820,576) | (823,079) | (825,628) | (828,225) | (830,869) | (833,562) | (836,305) | (839,099) | (8,514,619) |
| Increase in CoM funding required (A) | (702,737) | (706,274) | (584,492) | (585,662) | (586,855) | (588,071) | (589,311) | (590,574) | (591,862) | (593,175) | (6,119,015) |

| | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| Funding Surplus/(Deficit) per adopted LTFP 2015/16 - 2024/25 | 2,927,211 | 2,452,225 | 2,107,382 | 1,612,974 | 2,137,028 | 4,291,627 | 2,706,343 | 6,342,568 | 10,480,702 | 13,975,792 | 49,033,853 |
| Funding Surplus/(Deficit) per adopted LTFP 2015/16 - 2024/25 adjusted for increased funding requirements (A) | 2,224,474 | 1,745,951 | 1,522,890 | 1,027,311 | 1,550,173 | 3,703,555 | 2,117,032 | 5,751,993 | 9,888,840 | 13,382,617 | 42,914,838 |

Financial risks to Council include:

The potential financial risks associated with the project include:

Higher capital expenditure during the construction phase, resulting in increased depreciation/renewal and interest costs. Capital cost estimates are preliminary and the risk of an increase in construction costs will be borne by Council. This risk in particular will need to be mitigated through the implementation of an appropriate procurement strategy.

The head lease holder failing to meet their contractual obligations. This could adversely impact on the operating income and expenditure of the facilities. This risk can be mitigated through the review of the existing management model, in addition to the opportunity to increase revenue through the increased use and hire of new spaces created through the redevelopment.

Potential disruption to club activities and revenue streams during the redevelopment phase. This can be mitigated through supporting the clubs with temporary facilities and accommodation to ensure operations and activities continue with minimal disruption.

Increase in interest rates beyond projected levels. The effect of a movement of +/-0.5% in the interest rate on borrowings of \$4.0m is demonstrated in the following table:

| Movement in Interest Rate | Increase/(Decrease) in total Interest Expense | Increase/(Decrease) in average Annual Interest Expense |
|---------------------------|---|--|
| +0.5% | 119,618 | 11,962 |
| -0.5% | (118,036) | (11,804) |

A movement in interest rates of +0.5% (\$119,618 over the term of a 10 year loan) can be comfortably funded within Council's adopted LTFP.

Failure to secure sufficient grant funding for the project leaving a shortfall for Council to fund. Should Council wish to proceed with the project, this would require an extra \$4.0m in capital funding which, if loan funded, would see interest expenses increased by approximately \$951,754 and require an extra \$495,175 in annual funding over 10 years.

Proposed management model not successfully implemented or fails shortly after implementation. This could result in greater than projected ongoing management costs to the City of Marion, which could be between approximately \$120,000 per annum (the cost of keeping on the manager) and up to \$196,000 per annum (the projected cost to the Management Committee of running the facility). This is over and above the contribution already projected to be provided by Council. This can be mitigated by thorough community consultation and recruitment of committee members with the requisite skills to strengthen and support good leadership and decision making practices thus ensuring sound and effective governance.

10. Risks associated with the Project and Mitigation Strategies

- h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the Chief Executive Officer and to the Council);*

A comprehensive and detailed assessment of risks associated with the Project has been undertaken together with the development of mitigation strategies to treat identified risks (see Attachment 9) in line with the City of Marion Risk Management Framework.

Risks were identified in the context of the key project objectives (service delivery and financial framework), Council's constructive culture, Council's 'Think Safe Live Well' safety objectives, the budget review and reporting processes.

Risk is potentially created by any uncertainty that could impact Council's ability to achieve its vision, strategies, objectives and actions including project specific outcomes.

Categories of risk associated with the project include:

- People/Work Health and Safety
- Social/Cultural
- Financial Sustainability including Asset Management
- Environmental & Natural Resource Management
- Business Continuity and Organisational
- Reputation and Public Administration
- Execution, Delivery & Process Management
- Legal & Regulatory Compliance
- Contracts & Procurement
- Fraud & Security
- Stakeholder Relations.

The risk assessment demonstrates that the project's inherent risks are within expected limits of a project of this scale. The City of Marion has outlined appropriate mitigation strategies to lower the inherent risks.

Where possible, risks will be transferred to third parties, eg under a guaranteed maximum price contract the contracting builder will bear the risk of unexpected cost over-runs.

Contractual arrangements between the City of Marion and the consultants and contractors will appropriately mitigate construction risks whilst communication strategies will keep good relations with the local community and other stakeholders.

Risks were then assessed and analysed on the basis of residual risk (including controls). Through appropriate mitigation strategies no risks on a residual basis were rated as high or extreme.

Further risk identification and assessment processes will be undertaken in line with the stages of the project in consultation with consultants, contractors, staff and other relevant stakeholders. The Project Management Plan (see Attachment 10) is complimented by a Risk Register. This register focuses on the operational risks associated with the delivery of the project and mitigation strategies.

The ongoing management of the project will include the review and regular updating of the risk register and appropriate changes will be incorporated to reflect the various project stages.



11. Most appropriate mechanisms / arrangements for carrying out the project

- i) *the most appropriate mechanisms or arrangements for carrying out the project.*

The City of Marion has the proven capability to run and manage significant projects as can be demonstrated by the on time and on budget outcomes of previous projects, namely the City Services, Cove Civic and Oaklands Wetlands Development, which were projects where internal resources and the engagement of specialist consultancy services were required.

Procurement Framework

The City of Marion operates to its published Procurement Policy adopted by Council 27 November 2007 reference GC271107R04. Subsidiary procedures comprise

- City of Marion Procurement Procedure
- City of Marion Tender Evaluation Procedure
- City of Marion Contract Administration Procedure
- City of Marion Use of Purchase Orders Procedure

Procurements to date

To date City of Marion have procured the following consultancy services for this project in accordance with established policies and procedures:

- Architectural Design Services – Concept, awarded to Hardy Milazzo Architects leading a multi-disciplinary team comprising of:
 - Structure and Civil Engineers – CPR
 - Services Engineering – BCA
 - Landscape Architecture – WAX
 - Traffic Engineering - GTA
- Cost consultancy services – concept, awarded to Chris Sale Consulting
- Environmental Investigation Services – soils, awarded to Mud Environmental

Subject to satisfactory performance and meeting selection criteria, the current specialist consultants maybe approached as one of a panel of selected tenderers proposals to assist later stages of the project, however the City of Marion retains the intellectual property associated with the deliverables of these contracts and therefore has no residual obligations to their continuation.

Project implementation procurements

Following City of Marion commitment to the project including the securing of required federal funding the following major procurements will be required:

- Design Development, Documentation and Contract Administration Consultancy
- Cost Management Services
- Construction services
- Furniture Fittings and Equipment Procurement

Design Development, Documentation and Contract Management Consultancy Services

The City of Marion capabilities for the provision of the management and design services for the project have been considered and will require external design services, provided as specialist tasks outside of the core business of Council and the workload allocation of existing staff.

On this basis, it is proposed to seek all services for the management and design of the project from a specialist consultant team lead by an architect as primary consultant engaged for the project services only.

Under existing policies unless the consultant is already engaged by Council for the project, the required consultants would be sought on the basis of tenders from a minimum of 3 selected consultants, determined by the Manager Contracts.

Single select quotations would apply only at the approval of the Manager Contracts for specialist services only where the market does not have sufficient competition to permit competitive tendering and where the consultancy value is relatively low.

Consultancy tenders will be called based on the following:

- Minimum 3 week tender period.
- Tender document based on AS4915 General Conditions of Consultancy Agreement.
- Schedule of consultancy services.
- Programme.
- Returnable schedules covering the Price Offer, Hourly Rates Offer, Corporate Capability, Personnel, Insurances and Certifications.

Cost Management Services

These independent services will be procured under similar arrangements to the primary consultant services.

Construction Services

Due to the project key objectives, it would be proposed to use a Traditional Method of project delivery comprising the following key elements:

- **Description** - The “traditional” method of project delivery is called Fixed Lump Sum whereby the design is fully documented and tendered, where tenderers provide a Fixed Lump Sum price for the scope of works, only to be varied during the course of construction by client changes, documentation errors or omissions.
- **Form of Contract** – The Australian Standard General Conditions of Construction Contract, both AS2124 and AS4000, can be used for this form of delivery.
- **Project Team** - The consultant project team, designers, certifier and cost planner, would all be engaged direct to the Principal for the duration of the design, construction and defects liability period phases.
- **Project Manager** - The internal project manager would undertake the role of Superintendent for administration of the construction contract for the Principal.
- **Project Budget** - The project budget would require the allocation of construction contingency to provide for unforeseen costs during construction.
- **Benefits** - This option provides for full control over every aspect of the design, in both design and construction implementation.
- **Risks** - Delivery risks are typical and well understood, including scope management, latent conditions, design errors or statutory requirements change. The risk profile will require normal provisions for Contingency Funds within the project budget.

Construction Tender

The proposed Traditional Contract tender will be a two stage process as follows:

Stage 1 Tender – expressions of interest.

The first stage will publicly call an “expression of interest” tender based on criteria suitable for the project and will establish a select tender field of a minimum of 3 and maximum of 6 tenderers. The Edwardstown Oval tender will be for a period of 4 weeks and will be made

available to prospective tenderers via the Tenders SA website and advertised on the Local Government tender section of the Advertiser Newspaper.

Tender documents will specifically include;

- Project description
- Project indicative value
- Timeline
- Returnable schedules, including corporate details, financial history, previous experience, key personnel, corporate insurances, industry certifications, accreditations and corporate management systems

Stage 2 Tender – Construction Tender

The second stage will issue the construction tender to the select tender field for a period of 4 weeks and tender documents will specifically include:

- Tender conditions and form of contract.
- Design documentation.
- Design performance specifications.
- Site information.
- Key milestone dates.
- Returnable schedules including price, component prices, contract clarifications, previous experience, key personnel, management systems, programme, technical data submissions and alternatives.

Furniture Fittings and Equipment (FF&E) procurement

The procurement of supply and installation of these items where not procured through the main tender will occur through normal Council procedures for low value procurements.

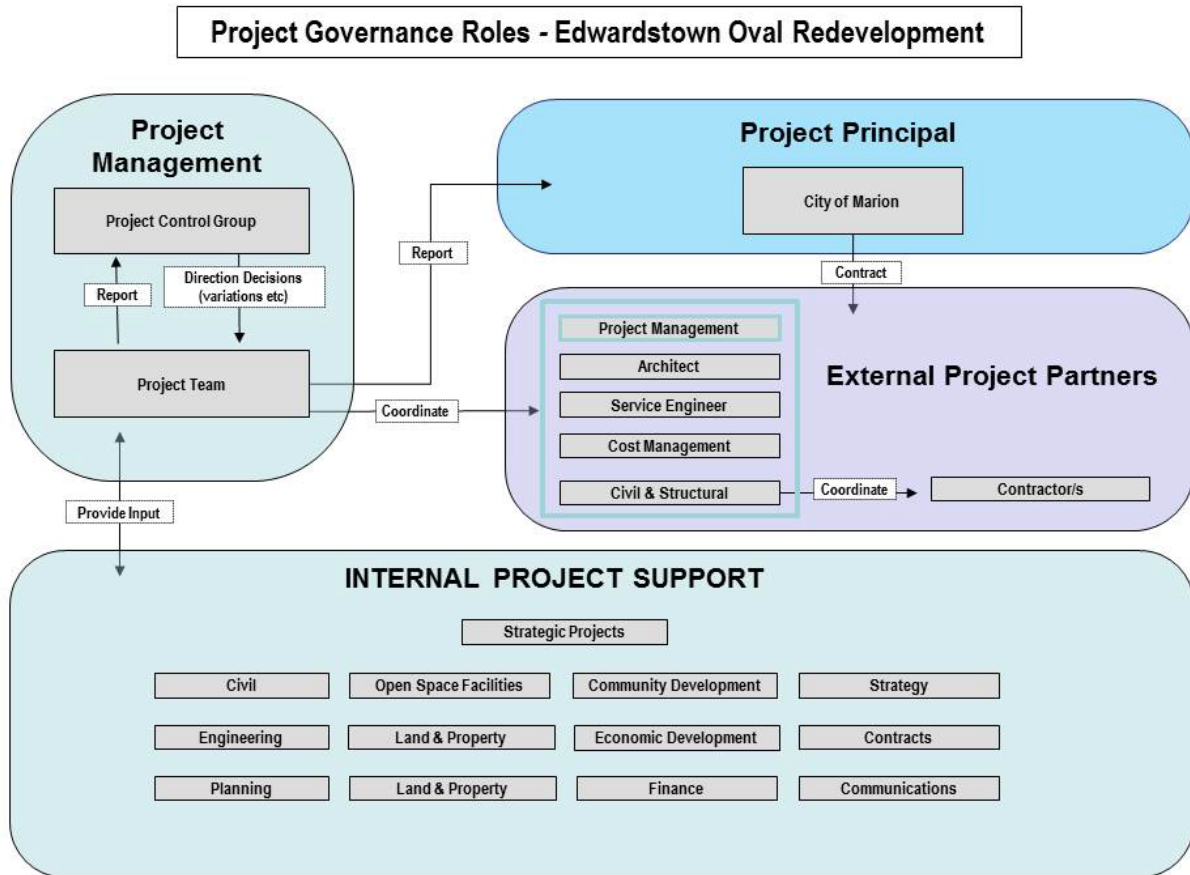
Reporting Structure

Council has an established reporting framework for capital projects of \$4 million. These include:

- Monthly management report from Finance Manager to Council
- Monthly Strategic Projects reporting from Manager, Strategic Projects to Project Control Group
- Fortnightly reporting from Manager, Strategic Projects to General Manager City Development

Regular reports will be provided to Council providing updates on the progress of the project. Council reports will be required on key decisions, including final designs, appointment of principal contractors and entering of contractual arrangements.

The project governance and reporting are illustrated below:



Post Completion Review

A review will be undertaken twelve months after the date of occupation, to assess the redevelopment's degree of "fit for purpose" – ie. Does the facility meet Council's project objectives?

12. Conclusion

This report demonstrates that the project is financially viable and Council has the capacity to deliver the project and maintain the infrastructure in the future.

The redevelopment of Edwardstown Oval will support the ongoing provision of services to the community by improving the operating effectiveness and efficiency of the site and address the compounding maintenance issues and provide fit for purpose facilities for the existing users and future community need.

In addition it will boost economic activity in the surrounding area and the City of Marion.

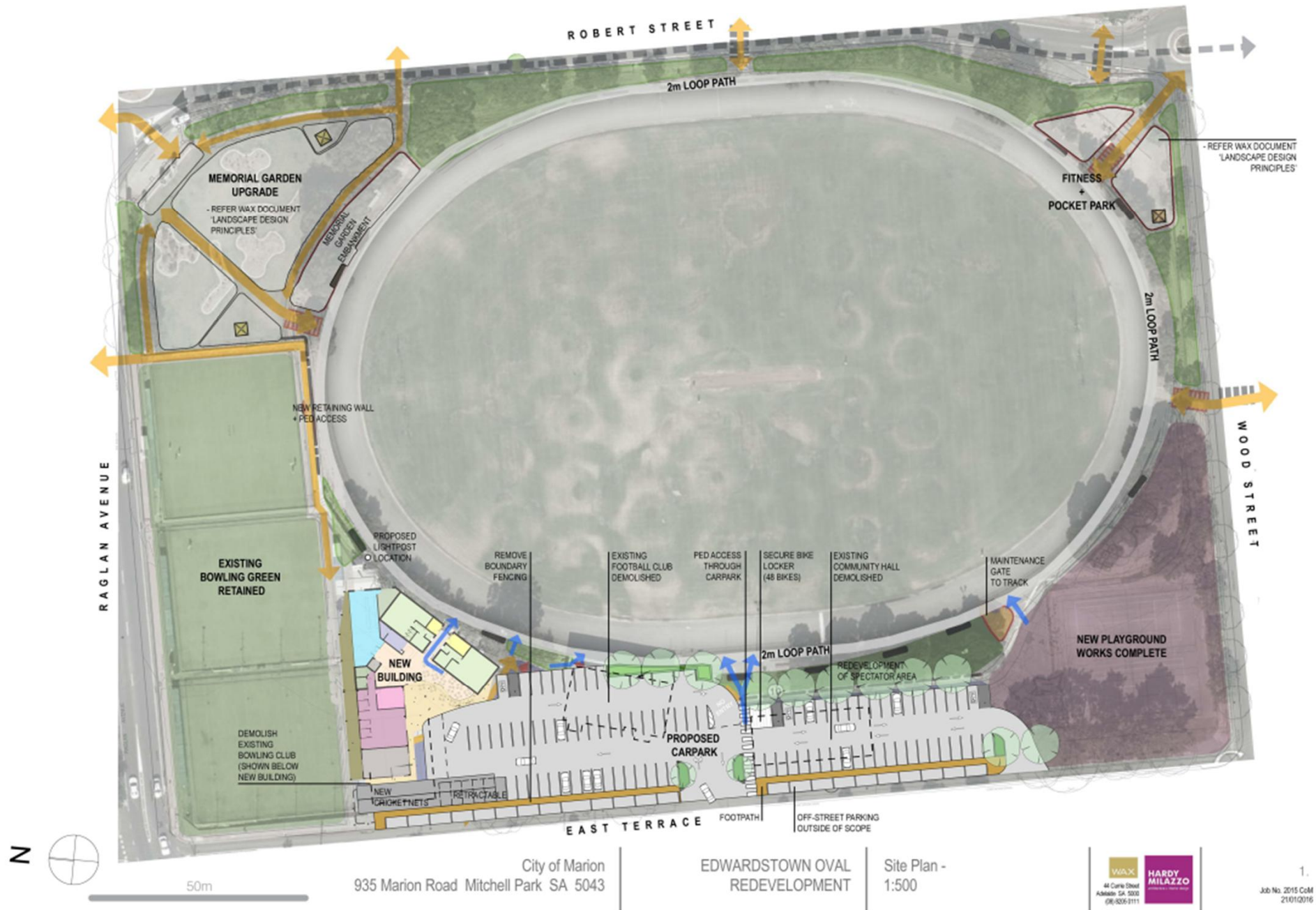
Risks for the project have been identified and strategies to mitigate or minimise those risks have been developed.

Local Government Act

Section 48—Prudential requirements for certain activities

- (1) A Council must obtain and consider a report that addresses the prudential issues set out in subsection (2) before the Council—
 - (a) engages in a commercial project (including through a subsidiary or participation in a joint venture, trust, partnership or other similar body) where the expected recurrent or capital expenditure of the project exceeds an amount set by the Council for the purposes of this Section; or
 - (b) engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—
 - (i) where the expected expenditure of the Council over the ensuing five years is likely to exceed 20 per cent of the Council's average annual operating expenses over the previous five financial years (as shown in the Council's financial statements); or
 - (ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4 000 000.
- (2) The following are prudential issues for the purposes of subsection (1):
 - (a) the relationship between the project and relevant strategic management plans;
 - (b) the objectives of the Development Plan in the area where the project is to occur;
 - (c) the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;
 - (d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
 - (e) if the project is intended to produce revenue, revenue projections and potential financial risks;
 - (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
 - (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the Council;
 - (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the Council);
 - (i) the most appropriate mechanisms or arrangements for carrying out the project.
- (3) A report is not required under subsection (1) in relation to—
 - (a) road construction or maintenance; or
 - (b) drainage works.
- (4) A report under subsection (1) must be prepared by a person whom the Council reasonably believes to be qualified to address the prudential issues set out in subsection (2).
- (5) A report under subsection (1) must be available for public inspection at the principal office of the Council once the Council has made a decision on the relevant project (and may be available at an earlier time unless the Council orders that the report be kept confidential until that time).
- (6) However, a Council may take steps to prevent the disclosure of specific information in order to protect its commercial value or to avoid disclosing the financial affairs of a person (other than the Council).
- (7) The provisions of this Section extend to subsidiaries as if a subsidiary were a Council subject to any modifications, exclusions or additions prescribed by the regulations.





City of Marion
935 Marion Road Mitchell Park SA 5043

EDWARDSTOWN OVAL
REDEVELOPMENT

Site Plan -
1:500



1.
Job No. 2015 CoM
21/01/2016



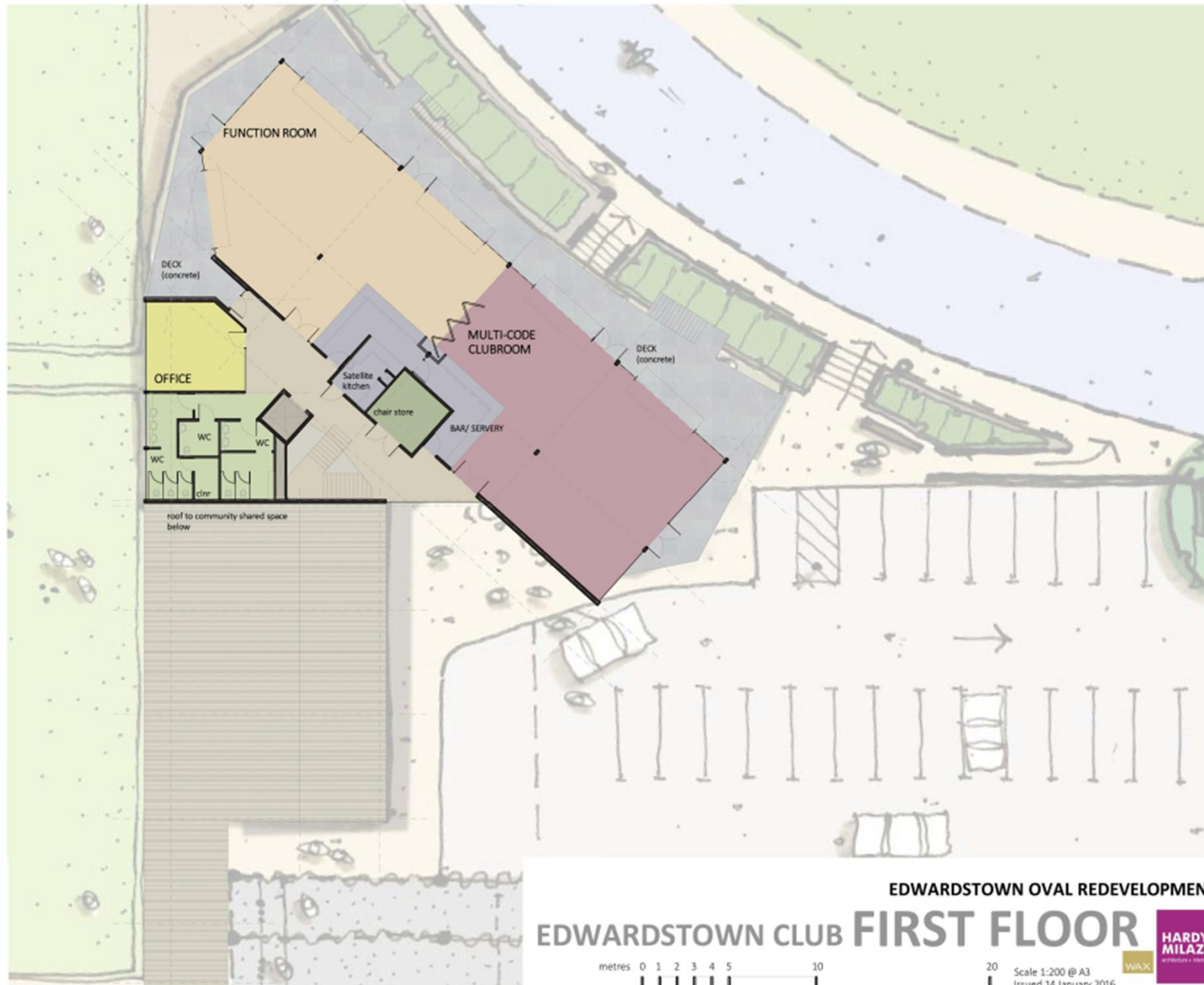
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EDWARDSTOWN OVAL REDEVELOPMENT 6833-1
EDWARDSTOWN CLUB GROUND FLOOR



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metres 0 1 2 3 4 5 10 20 Scale 1:200 @ A3
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north elevation



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EDWARDSTOWN CLUB ELEVATIONS

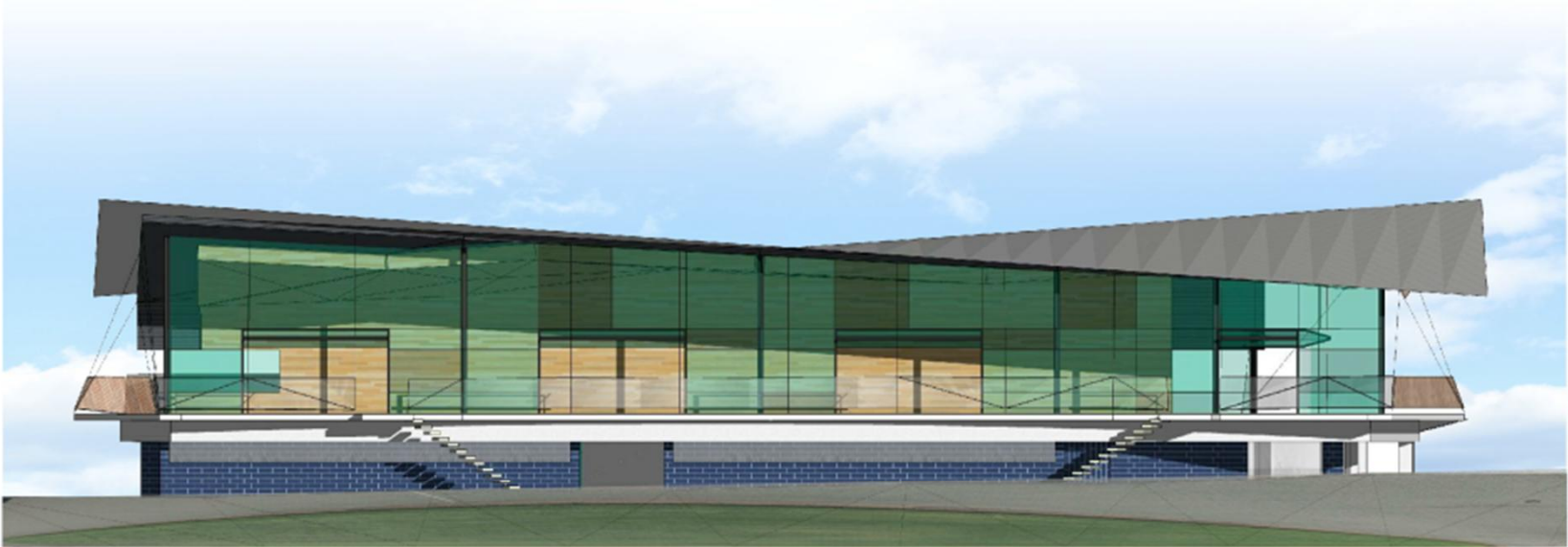


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east elevation



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south elevation



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EDWARDSTOWN CLUB ELEVATIONS

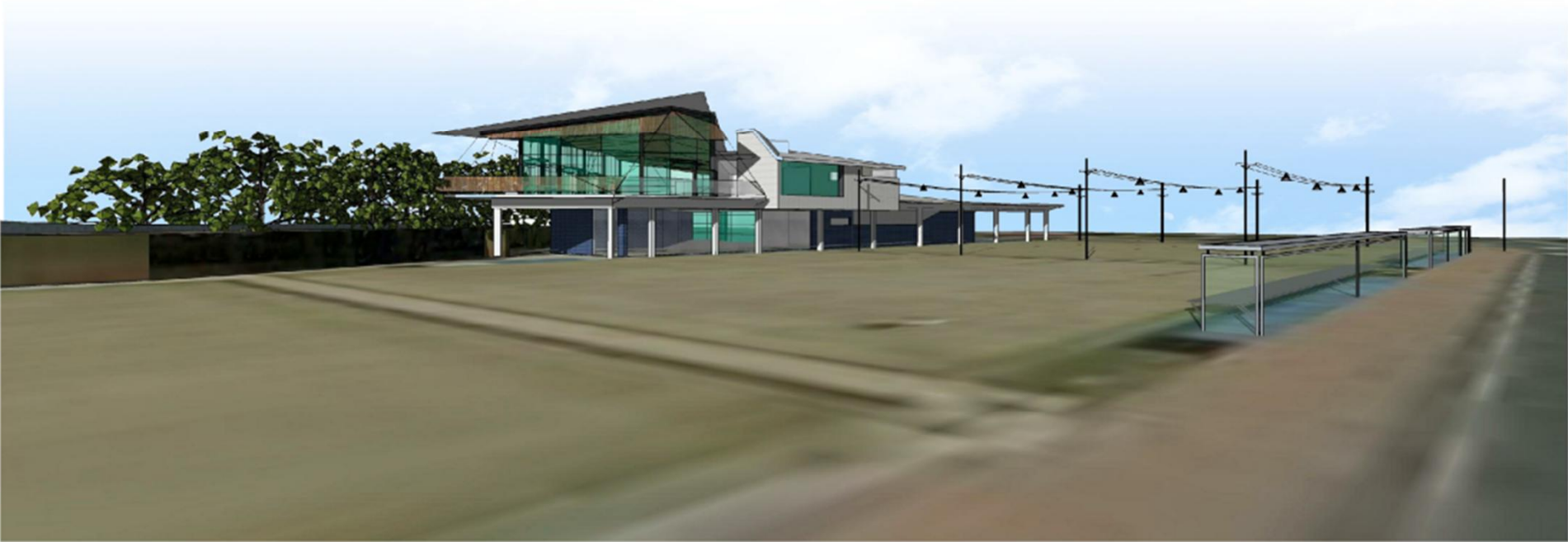


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view from Raglan Avenue (looking West)



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view from carpark



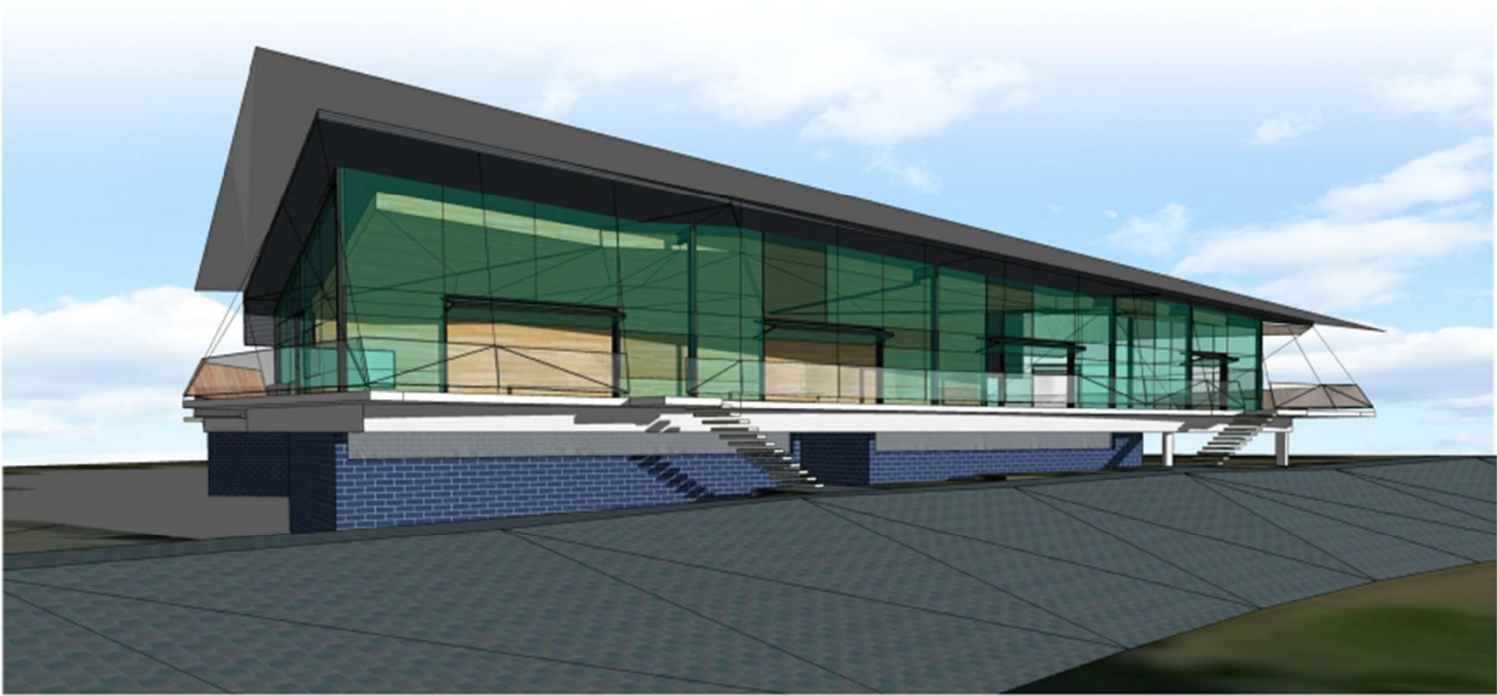
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view from oval



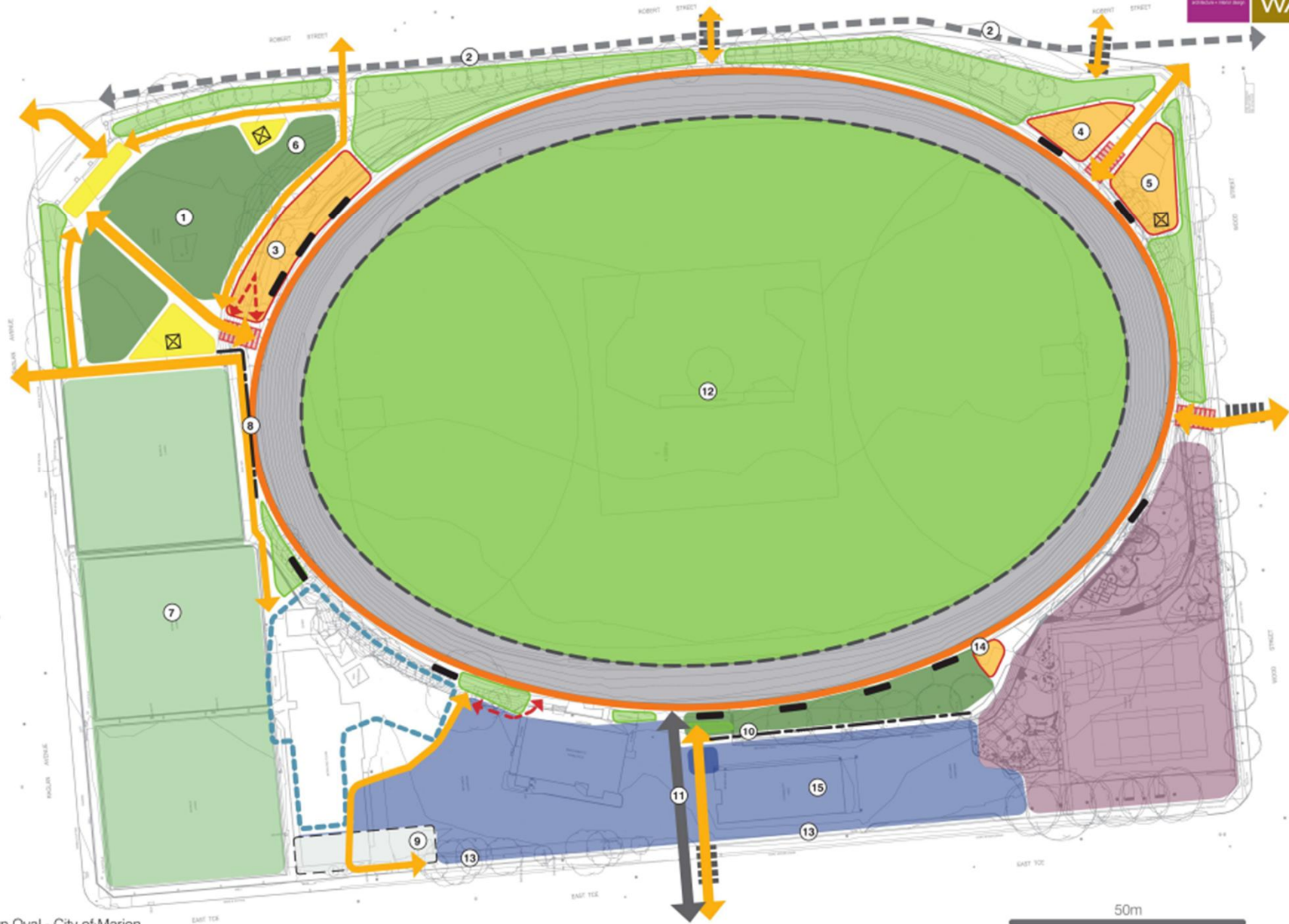
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EDWARDSTOWN OVAL REDEVELOPMENT 6833-1
 EDWARDSTOWN CLUB PERSPECTIVES





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KEY:

-  OVAL
-  ACTIVITY AREAS (refer to notes)
-  VELODROME TRACK (Review need to resurface, lighting at 20 m intervals, boundary fencing)
-  CLUB ROOMS (indicative footprint including verandah)
-  POTENTIAL CAR PARKING (refer to traffic engineer's recommendations & concept plan)
-  BIKE PARKING (see note 10)
-  EXISTING PLAYSPACE (recently completed)
-  PAVING AREAS (congregation space)
-  NEW LANDSCAPE AREAS (consisting of low lying amenity plants and clear stem trees up 2.5 m)
-  NEW LAWNS AND PICNIC AREAS
-  EXISTING BOWLING GREENS (see note 8)
-  NEW CRICKET NETS
-  FOOTPATH UPGRADE
-  SERVICE VEHICLE ACCESS
-  LOOP PATH CONNECTION (2 m path providing continuous access)
-  PRIMARY PATH CONNECTIONS (2.0 m)
-  SECONDARY PATHS (1.5 m)
-  ACCESS RAMP
-  POTENTIAL PEDESTRIAN CROSSINGS
-  STEPPED ACCESS (development of existing steps at 3.0 m width)
-  SHELTERS WITH SEATING (based on 3x3 m)
-  SEATING AREAS (indicative)
-  RUNOFF AREAS (1.0 m duck board)
-  NEW RETAINING WALLS

NOTES:

1. Upgrade of Memorial Garden to improve open space function, amenity and recreation opportunities while maintaining significance of the ANZAC memorial. Maintain and repair entry walls to garden.
2. Upgrade footpath along Roberts Road to maintain pedestrian connection.
3. Memorial Garden embankment with steps and ramp access, lawn, bike racks, landscape areas and seating walls. Potential for RSL insignia and other commemoration to be developed as part of embankment and seating wall design.
4. Fitness park with equipment, seating and step access to oval and rest of the community precinct (future works).
5. Pocket park to provide local open space opportunities with seating, shelter, bike racks and improved landscaping. Potential for small scale junior play equipment (future works).
6. Landscape area with informal play opportunities.
7. Existing bowling greens to be retained (need to review future requirements in relation to the development of the precinct).
8. New retaining wall and pedestrian access to Bowling Club. Redevelopment of embankment to increase access and maintain a footpath link to top of embankment. Potential to design retaining wall to provide opportunities for signage, shade structures or green walls. Develop ball stop fencing to top of wall.
9. Potential location for cricket nets [2] with a total footprint of 30 m X 7 m with retractable netting to allow multi-use parking spaces.
10. Redevelopment of spectator area to increase function, including new seating, lawn areas potential replacement of existing trees, bike racks (shelter considered as part of future works).
11. Development of pedestrian access through car park into precinct (explore potential to achieve compliant access. Maintain large vehicle access onto the oval.
12. Maintain oval dimension with 3m run out areas (including cycle track runoff). Develop lighting (100LUX) based on 6 poles.
13. Review boundary fencing to car park. Removed from all other locations.
14. Maintenance gate (3m wide) to provide access to track.
15. Proposed car park with 87 parking space, 4 disabled space, 6 share spaces (cricket nets - refer item 9) and 19 on street spaces.



WAR MEMORIAL GARDEN

1. Retain and refurbish existing entrance gates
2. Lawn and embankment with informal seating for community events
3. Potential for RSL insignia and other commemoration to be developed as part of embankment and seating wall design.
4. Flag poles - shared use for RSL and sports groups
5. 3m wide steps and wheelchair accessible ramp access to velodrome, oval and wider of the community precinct
6. Bike racks
7. Shelters with seating (based on 3x3 m) potential location for drinking fountain (future works)
8. New landscape with informal play opportunities
9. New pedestrian access points to the War Memorial Garden
10. New retaining wall. Redevelopment of embankment to increase access and maintain a footpath link to top of embankment. Potential to design retaining wall to provide opportunities for signage, shade structures/or green walls. (Develop ball stop fencing to top of wall).
11. Improved landscape treatments to Bowling Club entrance as part of club rooms redevelopment.





ACTIVITY AREA 4 & 5 (FUTURE WORKS)

1. Clear entrance way into the precinct
2. 3m wide steps to velodrome, oval and rest of the community precinct
3. Bike racks
4. Shelters with seating (based on 3 x 3m) potential location for picnic tables and drinking fountain
5. Fitness park with equipment - designed to allow circuit style exercise
6. Pocket park to provide local open space opportunities. Potential for small scale junior play equipment.
7. Retention of existing trees where appropriate

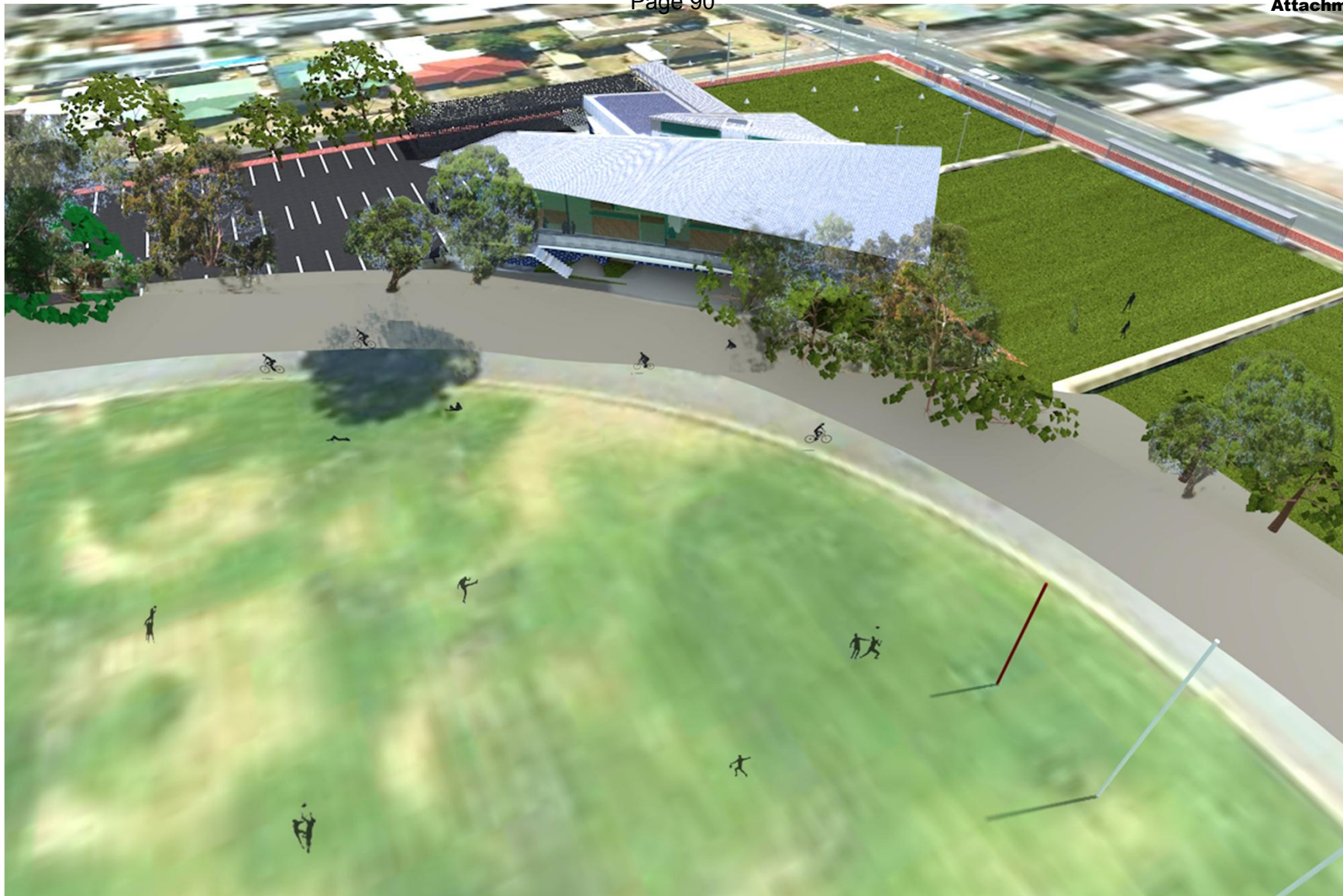


CAR PARK AND CLUBROOM ACCESS

1. Existing bowling greens
2. Bowling club entrance area with new landscaping
3. Proposed club rooms (refer to architects detail)
4. Club room verandah with access to loop park and surrounding open spaces
5. Main entrance plaza and breakout space for clubrooms
6. New step and ramp access with landscaping
7. Main entrance to oval and loop path with 'at grade' access and large vehicle access
8. Lawns and picnic areas to provide community open space and viewing adjacent to the track, oval and playspace.

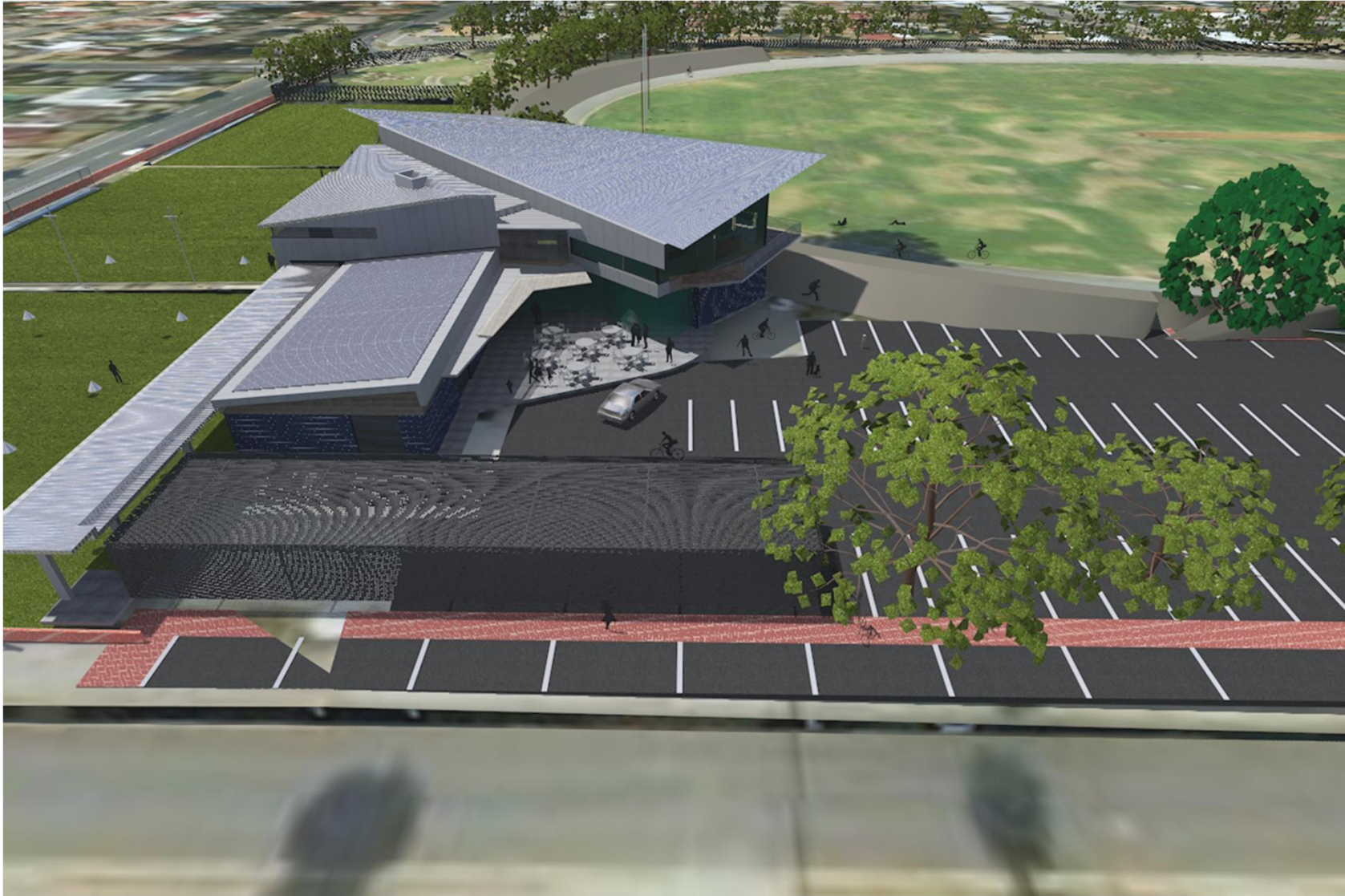
9. Shelter with seating (Based on 3 x 3m)
10. Existing playspace and community courts
11. New car park entrance
12. Pedestrian access with continuous footpath crossing
13. Secure bike locker (space for 48 bikes)
14. Main car park entrance with one way loop access to clubrooms entrance
15. Cricket nets with retractable nets to allow shared space for parking (consider paving surface material that enhances multi-use function)
16. 'Drop and go' plaza to increase access to the clubrooms
17. Viewing area for bowling green





Edwardstown Oval Redevelopment Concept Design
Stakeholders Forum 4 February 2016

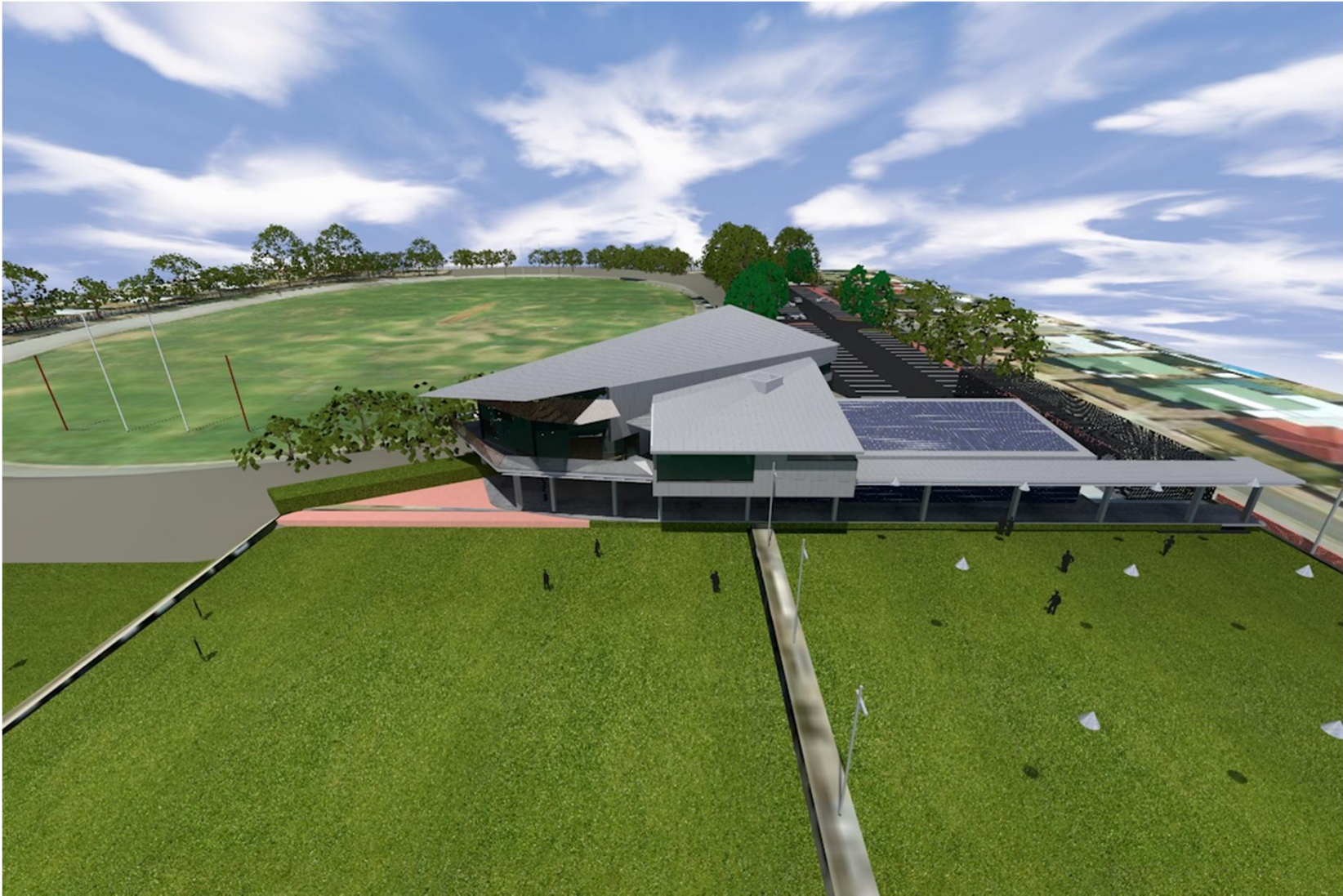




Edwardstown Oval Redevelopment Concept Design

Stakeholders Forum 4 February 2016





Edwardstown Oval Redevelopment Concept Design

Stakeholders Forum 4 February 2016

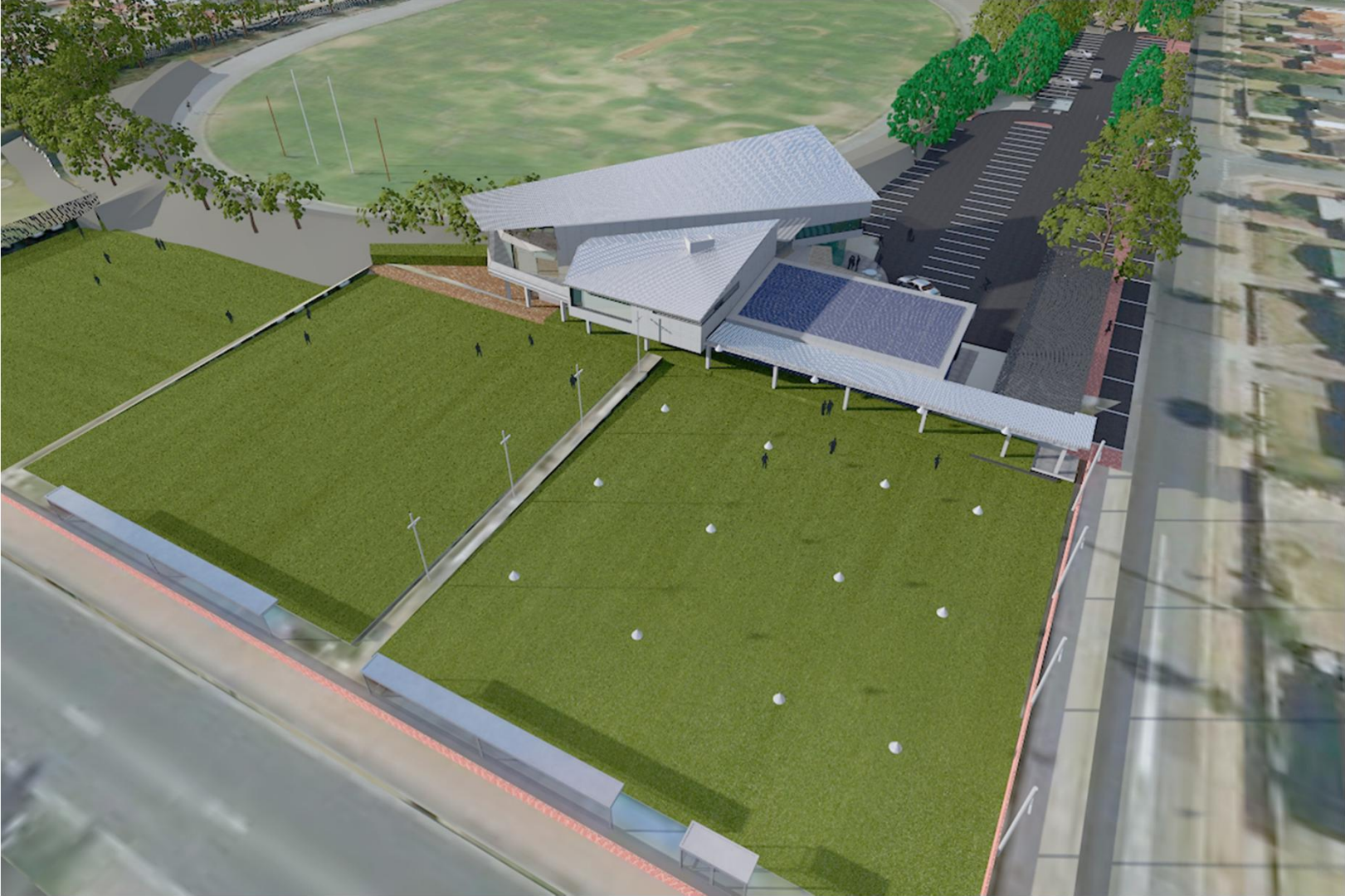




Edwardstown Oval Redevelopment Concept Design

Stakeholders Forum 4 February 2016





Edwardstown Oval Redevelopment Concept Design

Stakeholders Forum 4 February 2016





Edwardstown Oval Redevelopment Concept Design

Stakeholders Forum 4 February 2016





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Edwardstown Oval Redevelopment Concept Design

Stakeholders Forum 4 February 2016





Edwardstown Oval Redevelopment Concept Design

Stakeholders Forum 4 February 2016



City of Marion
Edwardstown Oval
Redevelopment
Concept Estimate
Hardy Milazzo

Date:
16/02/2016



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| Project Information | | | | | |
|---------------------|---------------------|--------------------|--|-------------|----------|
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|------------------|------|------------------|--------|----------|
| Rev No | Date | Revision Details | Author | Verifier |
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PROJECT GROUP CONTACTS

| | |
|---------------------------|---------------------------------------|
| Project: | Edwardstown Oval Redevelopment |
| Client: | City of Marion |
| Architect: | Hardy Milazzo |
| Services Engineer: | BCA |
| Cost Manager: | CSC |

1.0 EXECUTIVE SUMMARY

This Concept Estimate has been prepared from the architectural drawings (as listed). A full schedule of information used in the preparation of this report is attached under Section 6.

The estimate has been priced at current rates with an allowance for escalation to June 2018.

This Concept Estimate has been based on cost per m2 for the functional areas which needs to be refined when design developed.

2.0 CONCEPT ESTIMATE - DETAILED SUMMARY

| | |
|--|------------------------|
| Building Works and Services | Option 2 Jan 16 |
| • Building Works | \$4,107,600 |
| • External Works | \$2,135,809 |
| • Design Contingency | \$420,515 |
| • Building Works sub total | \$6,663,924 |
| • Construction Contingency | \$450,076 |
| • Professional Fees | \$641,000 |
| • Escalation to June 2018 | \$236,000 |
| • Total | \$7,991,000 |
| Anticipated Project Cost Range (excluding GST) | \$7.6m - \$8.4m |
| | |
| Optional External Works (excluding GST) | |
| • Development of Shared Path along Roberts Road | \$136,650 |
| • Shelter to Spectator Area | \$62,114 |
| • Fitness Park and Pocket Park | \$256,299 |
| • Playspace | \$93,170 |
| • Replace Bowling Greens with Synthetic Greens | \$236,882 |
| • Additional Professional fees for optional external works | \$71,000 |

3.0 SCOPE OF PROJECT

The scope of this project includes Option 2 for demolition of all three community, football and bowls buildings and new build of all three in one combined building. Associated external works to the remaining site area including memorial garden, car park, pathways, velodrome track, oval and bowling greens.

This project is based on the following floor areas (excluding decking):

| | Current Area |
|------------------------------------|--------------|
| FECA (fully enclosed covered area) | 1,137 m2 |
| UCA (unenclosed covered area) | 77 m2 |
| Total area GFA (Gross floor area) | 1,214 m2 |

4.0 INCLUSIONS IN THE ESTIMATE

The cost plan includes the following:

- Builder's preliminaries and associated overheads.
- Contingencies (design and construction).
- Professional fees
- SAPN Augmentation Allowance
- Escalation to June 2018
- Fire water storage tanks and pumps allowance

5.0 EXCLUSIONS FROM THE ESTIMATE

The following items and allowances have been excluded from the estimate which should be considered when assessing overall Project Cost:

- GST
- Escalation beyond June 2018
- Relocation costs
- Temporary accommodation
- Asbestos Removal
- Removal of contaminated materials
- Site build up
- Upgrade to scoreboard
- Play equipment to Memorial Gardens
- Cricket equipment
- Handrail to low side of pedestrian access path
- Works to the oval including turf, stormwater and electrical lighting
- Wheel-stops to car park spaces
- Gym equipment
- Staging
- Finance and holding costs
- Acceleration costs
- Decanting
- Professional Fees for Project Manager
- Active IT equipment, PABX Systems, Televisions sets, Intercom Systems

6.0 INFORMATION USED IN PREPARING THIS ESTIMATE

The following documents have been used in the preparation of this Concept Estimate:

- Wax design – Landscape design principles Site plan drawing dated 10 November 2015
- Wax design – Landscape design principles Key and Notes drawing dated 10 November 2015
- Wax design – Draft detailed design drawing War Memorial garden dated 10 November 2015
- Wax design – Draft detailed design drawing Activity areas 4 % 5 dated 10 November 2015
- CPR existing conditions Structural and Civil report dated 11 November 2015
- Hardy Milazzo – Ground Floor plan 28 received 14 January 2016
- Hardy Milazzo – First Floor plan 28 received 14 January 2016
- Hardy Milazzo – Velodrome Spectator Area Indicative shelter + Storage - section received 14 January 2016
- Hardy Milazzo – Car Park Opt 2 – Site Plan received 14 January 2016
- Concept Report

7.0 COSTING

Our Concept Estimate is based upon a traditional lump sum contract and assumes the work will be tendered amongst suitable contractors.

The prevailing market is "competitive to very competitive" and is expected to remain so for the next 6-12 months.



cutting through complexity

KPMG ENTERPRISE

City of Marion

Edwardstown Soldiers Memorial Recreation Ground

Proposed governance and
management model and
financial forecasts

24 February 2016





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Inherent Limitations

This report has been prepared as outlined in the Scope section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed. The findings in this report are based on a qualitative study and the reported results reflect a perception of the City of Marion but only to the extent of the information provided by the City of Marion nominated management and personnel. No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Marion's management and personnel consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report. KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form. The findings in this report have been formed on the above basis.

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1.0 Executive Summary

Objective and scope

The City of Marion engaged KPMG to prepare a paper including the following:

- The preferred management model for the re-developed Edwardstown Soldiers Memorial Recreation Ground (commentary on the City of Marion's preferred management model for Edwardstown is based on direction from City of Marion stakeholders); and
- Financial forecasts over a 10-year period.

Synopsis of the report for the governance and management model and financial forecasts for the re-developed Edwardstown site

The City of Marion is proposing to re-develop the Edwardstown Soldiers Memorial Recreation Ground. The concept design is for an \$8 million project and includes demolition of the existing, separate clubroom buildings and construction of a modern, multi-use facility.

The proposed funding for the project will include a \$4 million contribution from the City of Marion, subject to the outcome of a funding submission for a further \$4 million to the National Stronger Regions Fund. Marion's contribution will most likely be funded from increased borrowings by the Council.

The Edwardstown Soldiers Memorial Recreation Ground is currently used by the Edwardstown Bowling Club, the Edwardstown Football Club, the South Road Cricket Club and the South Coast Cycling Club. In addition, the Edwardstown Ground includes a community hall facility.

The key objective of the re-development is to foster economic growth through increased visitation, attraction of new organisations using the facility and community development.

Current governance and management model

The existing governance, management and operations for the overall Edwardstown grounds and sporting clubs can be characterised as follows:

- There is an existing Committee of Management for the Edwardstown Ground, which includes representatives from each of the sporting clubs and the community hall. In addition, there are representatives from the RSL, ratepayers (from the local Edwardstown residents committee) and a Council Liaison representative (Cr Tim Pfeiffer).
- There is a head lease agreement in place between the City of Marion and the Committee of Management (noting the 5+5 year lease agreement which commenced in 2003 has expired and the lease is currently on a rolling monthly basis pending the outcomes of the redevelopment effort). There are sub-licences in place between the Committee of Management and individual clubs.
- The current usage is estimated to be 115,000 individual visits per year including members, spectators, players and events/functions.
- The City of Marion currently maintains the structural aspects of the buildings, with the repairs and maintenance obligations residing with the clubs.



- The City of Marion currently maintains the grounds including grass cutting, annual oval renovations, tree maintenance, irrigation maintenance, playground maintenance, etc. Importantly, the greens maintenance for the Bowling Club is currently managed and funded by the Bowling Club.
- The sporting clubs manage their own affairs. The primary clubs are the Edwardstown Bowling Club and the Edwardstown Football Club in relation to numbers, access to club room facilities and operating their own bars. It was advised that the cricket club does not utilise the club room facilities.
- The Edwardstown Bowling Club operates their own bar, staffed by volunteers and patronaged by Bowling Club members, from which they generate income which is re-invested back into the Bowling Club. Similarly, the Edwardstown Football Club operates their own bar in the football clubrooms, staffed by volunteers and patronaged by Football Club members, from which they generate income, which is re-invested back into the Football Club.

Future governance and management model

The proposed governance, management and operations arrangements for the re-developed Edwardstown Soldiers Memorial Recreation Ground, include:

- Establishment of a skills-based Committee of Management which includes skills covering sports and recreation, commercial and business development, marketing, community development, asset management, financial management. The Committee of Management governance arrangements will be consistent with the governance principles for sports, published by the South Australian Government's Office for Recreation and Sport.
- The Committee of Management should include Council representation (one or more Councillors in a liaison role with no voting rights) to ensure that the City of Marion's interests, as asset owner, are appropriately represented (however, the Council member should not be the Chairperson). In addition, relevant City of Marion Administration representatives should be invited as observers.
- Representation of sporting club interests should be by way of an advisory group. Similarly, residents' views could be put forward via a residents' advisory group.
- A new head lease agreement should be executed between the City of Marion and the Committee of Management. The head lease will be a modernised lease document, consistent with the City of Marion's Land and Property standard lease templates and revised Leasing Policy (currently in progress). Similar to the current arrangements, sub-licence arrangements should be put in place between the Committee of Management and the individual sporting clubs, modernised and updated to reflect licence conditions.
- Rent under the head lease should be based on a commercial rental valuation discounted to reflect the community value provided by the facility (e.g. 90% discount or more), consistent with the City of Marion's Land and Property rental framework. This is the methodology which has been applied in the past, however will need to be reviewed in line with the City of Marion's revised leasing policy and discount criteria (review currently in progress).
- The head lease agreement will be the principal instrument between the City of Marion and the Committee of Management. It should include key performance indicators and targets relating to the strategic and growth objectives that the City of Marion requires the Committee of Management to aspire to achieve. It should reference the need to develop a strategic plan and the application of sound governance principles and practices.
- The City of Marion's operations in relation to the Edwardstown Ground will continue to include maintenance activities: grass cutting, annual oval renovations, tree maintenance, irrigation maintenance, playground



maintenance, etc. Bowling greens maintenance will continue to be managed and funded by the Bowling Club based on the technical nature of maintaining lawn bowls greens to the required standards.

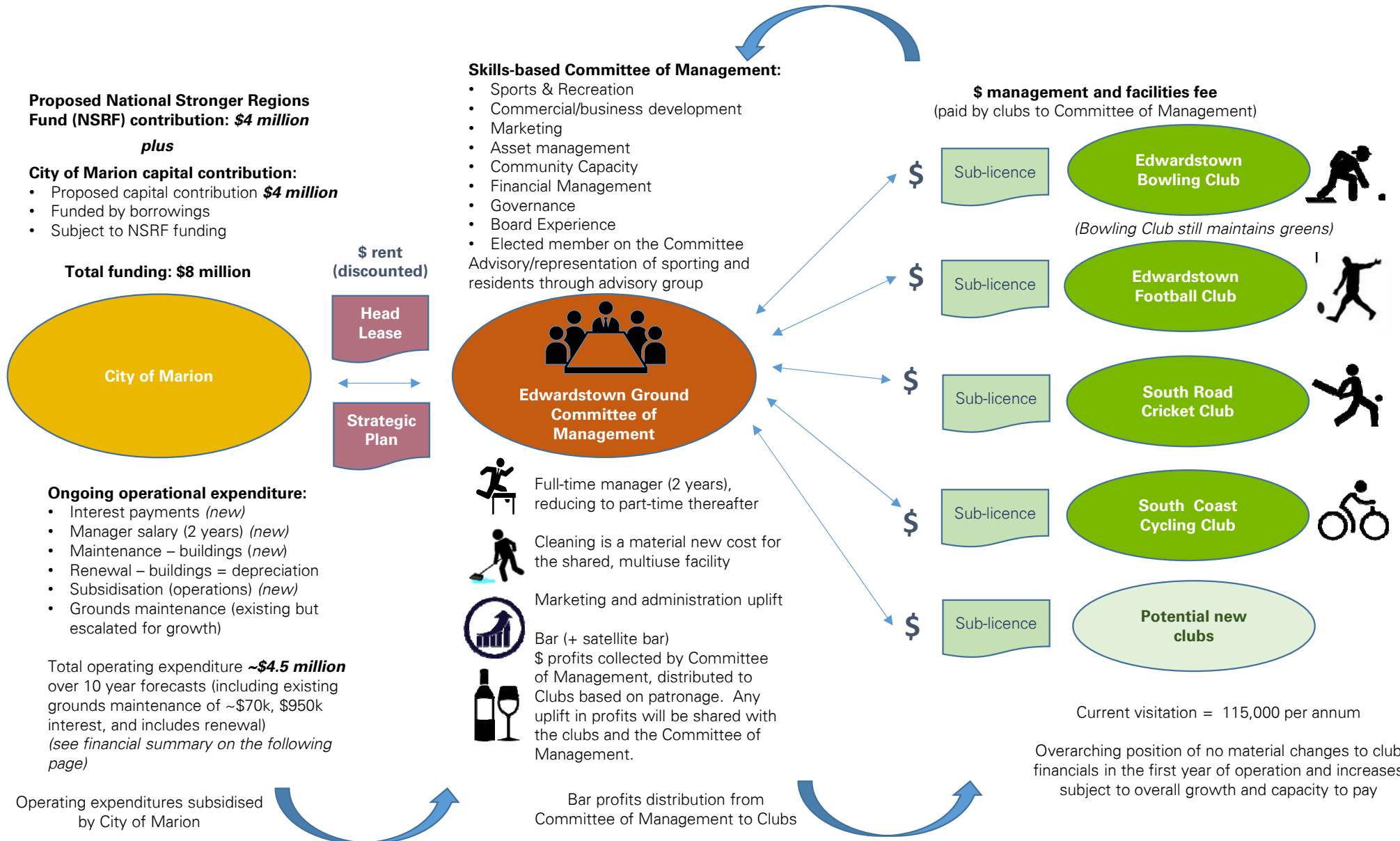
- All capital renewal and maintenance obligations (and associated expenditures) will reside with the City of Marion. The rationale for this recommendation is that the City of Marion is the asset owner, and it provides full clarity in relation to obligations, and helps the City of Marion to maintain its investment in the facility. This also removes previous uncertainty and addresses historical underspend by clubs on maintenance activities due to their limited financial capacity.
- The City of Marion will be responsible for all building-related insurances. The Committee of Management will be responsible for relevant public liability insurances. The individual clubs should hold insurances relating to their members activities.
- The Committee of Management will be responsible for:
 - development and implementation of a strategic plan including growth targets
 - management of the overall operations of the Edwardstown Ground
 - expenditures relating to the overall operations e.g. utilities, cleaning, security, administration
- It is envisaged that to realise the potential of the proposed Edwardstown Ground that the facility will need to employ a full-time manager (at a minimum for a two-year transition period). A key focus for this position will be to foster growth in use of the facility. It is envisaged that the City of Marion will have to subsidise the salary costs associated with this management position (proposed to be Level 8 equivalent and potentially seconded from the City of

Marion in the first instance). This level of subsidy will be 100% for the transition period, to be re-assessed in the future. There may be an ongoing requirement for the City of Marion to subsidise the salary of the manager depending on needs and the overall growth and capacity of the Committee of Management and Clubs to pay for this position on an ongoing basis.

- The Committee of Management will charge individual clubs a management fee. This facility will be subsidised by the City of Marion within the two-year transition period up to the amount that clubs are currently paying for services covered by the management fee.
- The re-developed Edwardstown facility will include two bar sites, which are proposed to operate under a single operations model operated by the Committee of Management, maintaining the high-level of volunteers who currently work behind the bars. Income from the bar will be distributed to the clubs on a proportionate basis to overall patronage (to be negotiated/determined by the Committee of Management).
- Sporting Clubs will continue to manage their own affairs in the same manner in which they currently do, with the key changes including:
 - Representation to the Committee of Management will be via an advisory committee (with the Committee of Management transitioning from a representative committee to skills-based committee)
 - They will enter into a new sub-licence arrangement between the individual club and the Committee of Management
 - Sporting clubs will be required to pay the management and facilities fee to the Committee of Management on the basis of cost re-imburement for operational expenditures (e.g. utilities) (which will not be materially different from historic expenditures) and a contribution to fund growth.



- They will have access to a new, multi-use facility, as opposed to stand alone/separate clubrooms for each sport. This will mean that there is greater opportunity for cross-interaction between the clubs but brings with it additional responsibilities in relation to shared resources, respect, etc. Notably, there will be a step change in access for smaller clubs (e.g. cricket) who have not previously had access to club rooms at the existing Edwardstown Soldiers Memorial Recreation Ground.
- New clubs attracted to the complex will fall under the same arrangements as all current clubs as detailed above.





Financial Summary – Impact to City of Marion

The table below details the proposed revenue and expenditures to the City of Marion as a result of the Management Model outlined above. The next page shows a difference between actual cost to the City of Marion under the current arrangements, the cost under the proposed Management Model and the difference between the two. See Section 9: Financial Forecasts for a more detailed breakdown.

| | Current (\$) | Year 1 (\$) | Year 2 (\$) | Year 3 (\$) | Year 4 (\$) | Year 5 (\$) | Year 6 (\$) | Year 7 (\$) | Year 8 (\$) | Year 9 (\$) | Year 10 (\$) | Total 10 year forecast (\$) |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|
| Rent for premises | 295 | 2,807 | 2,855 | 2,903 | 2,953 | 3,003 | 3,054 | 3,106 | 3,159 | 3,212 | 3,267 | 30,318 |
| Maintenance fee | 814 | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 1,109 | 2,807 | 2,855 | 2,903 | 2,953 | 3,003 | 3,054 | 3,106 | 3,159 | 3,212 | 3,267 | 30,318 |
| Total Repairs & Maintenance | (67,752) | (122,812) | (125,077) | (127,384) | (129,735) | (132,129) | (134,567) | (137,051) | (139,580) | (142,157) | (144,782) | (1,335,274) |
| Total Overheads | (3,887) | (132,015) | (134,621) | (11,889) | (12,091) | (12,297) | (12,506) | (12,718) | (12,935) | (13,154) | (13,378) | (367,604) |
| Interest payments on Marion contribution (\$4m) | - | (166,545) | (152,430) | (137,708) | (122,355) | (106,341) | (89,640) | (72,222) | (54,055) | (35,109) | (15,348) | (951,754) |
| Total Operating Expenditure | (69,421) | (421,372) | (412,128) | (276,982) | (264,180) | (250,767) | (236,713) | (221,991) | (206,571) | (190,420) | (173,508) | (2,654,631) |
| Total Operating Surplus/(Deficit) | (70,530) | (418,565) | (409,273) | (274,079) | (261,228) | (247,764) | (233,659) | (218,885) | (203,412) | (187,208) | (170,241) | (2,624,314) |
| Principal repayments on Marion contribution (\$4m) | - | (328,630) | (342,746) | (357,467) | (372,821) | (388,834) | (405,535) | (422,953) | (441,120) | (460,067) | (479,827) | (4,000,000) |
| Net Surplus/(Deficit) | (70,530) | (747,195) | (752,018) | (631,546) | (634,049) | (636,598) | (639,194) | (641,839) | (644,532) | (647,275) | (650,069) | (6,624,314) |
| Depreciation/Renewal* | (161,694) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (1,890,305) |
| Net Surplus/(Deficit) | (232,224) | (936,225) | (941,049) | (820,576) | (823,079) | (825,628) | (828,225) | (830,869) | (833,562) | (836,305) | (839,099) | (8,514,619) |

*By demolishing the existing buildings and erecting the new building, City of Marion will be disposing of approximately \$2.4m in written down value of current assets



| | Year 1 (\$) | Year 2 (\$) | Year 3 (\$) | Year 4 (\$) | Year 5 (\$) | Year 6 (\$) | Year 7 (\$) | Year 8 (\$) | Year 9 (\$) | Year 10 (\$) | Total 10 year forecast (\$) |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-----------------------------|
| Current CoM costs | (233,488) | (234,775) | (236,084) | (237,417) | (238,773) | (240,153) | (241,558) | (242,988) | (244,443) | (245,924) | (2,395,603) |
| Forecasted CoM costs | (936,225) | (941,049) | (820,576) | (823,079) | (825,628) | (828,225) | (830,869) | (833,562) | (836,305) | (839,099) | (8,514,619) |
| Increase in CoM costs | (702,737) | (706,274) | (584,492) | (585,662) | (586,855) | (588,071) | (589,311) | (590,574) | (591,862) | (593,175) | (6,119,015) |



2.0 Background

Strategic context

The Council's Strategic Plan: Towards 2040 includes six strategic themes under the overall vision of "Well-being". The strategic themes with the strongest linkage to the proposed redevelopment of the Edwardstown Soldiers Memorial Ground includes being "Liveable" (including healthy lifestyles), "Engaged" (including building strong neighbourhoods) and "Prosperous" (including creating sustainable business precincts).

Under the broader strategic direction set out under the Strategic Plan: Towards 2040, the City of Marion has a strong focus on major sporting facility upgrades across the municipality, as well as creating sporting hubs for City of Marion residents and visitors, including developing facilities which are South Australian state-level standard.

The locations that have been identified to commence planning for the hubs include Edwardstown Soldiers Memorial Recreation Ground as well as Marion Sports and Community Club, Mitchell Park Sports and Community Club and Cove Sports and Community Club.

The City of Marion is committed to achieving improved sporting hubs and facilities to benefit its community and specifically support active and healthy lifestyles. Particular objectives that are relevant to master planning for the Edwardstown Soldiers Memorial Recreation Ground include:

- Increased community participation in sport and active recreation
- A longer term strategic approach to asset management

- The consolidation of ageing and duplicated facilities and improved service infrastructure
- Asset and site renewal to achieve fit-for-purpose facilities that benefit the community
- Enhancements to the environment including landscapes, climate change and energy efficiency.

The National Stronger Regions Fund – Overview

The National Stronger Regions Fund (NSRF) has been established to promote economic development in Australia's regions. The Australian Government is providing \$1 billion over five years, commencing in 2015-16, to fund priority infrastructure in local communities. The first two rounds of the program have now closed.

The City of Marion is planning to make a submission to Round Three of the NSRF. Submissions to Round Three will close on **15 March 2016**.

The objective of the NSRF is to fund investment ready projects which support economic growth and sustainability of regions across Australia, particularly disadvantaged regions, by supporting investment in priority infrastructure.

Key facts in relation to the NSRF include:

- The programme commenced in 2015 and provides funding of \$1 billion over 5 years to fund priority infrastructure in regional communities.
- Grants must be between \$20,000 and \$10 million.



- Local government and incorporated not-for-profit organisations are eligible to apply.
- Grant funding must be matched in cash on at least a dollar for dollar basis. For Round Three, applicants classified as remote and very remote must contribute at least one dollar for every three dollars of NSRF funding sought.
- All partner funding must be confirmed.
- NSRF funding will be provided for capital projects which involve the construction of new infrastructure, or the upgrade or an extension of existing infrastructure.
- The project must deliver an economic benefit to the region beyond the period of construction. Projects should support disadvantaged regions or areas of disadvantage within a region.
- The NSRF funded component of the project must be completed on or before 31 December 2019.

Master Plan Report

The City of Marion commissioned a master plan study for the Edwardstown Soldiers Memorial Recreation Ground, which was delivered to Council in October 2013.

The master plan described the vision for the Edwardstown site as follows:

“An integrated, accessible and high-quality multipurpose sports and community hub that will cater for sports and community activity for generations to come.”

The main objectives set out in the master plan for the Edwardstown Soldiers Memorial Recreation Ground redevelopment are as follows:

- Establish a regional community and sports hub destination with diverse and distinctive facility components.
- Increase the quality, function and integration of the sport and recreation facilities and spaces within the community and sports hub.
- Consolidate and upgrade buildings and infrastructure to create integrated, functional and viable facilities.
- Increase the accessibility and profile of the sports complex to benefit sport and recreation users and the broad community.
- Improve the landscape and recreation value of the complex and its integration with the surrounding area.
- Ensure the design complements broader planning for the City of Marion.

The Master Plan also states “The Edwardstown Soldiers Memorial Recreation Ground is a key facility that already has regional value due to its cycle velodrome and a mix of other sports and activities including football, cricket, lawn bowls and indoor community activities. The Recreation Ground has the potential to be enhanced through the consolidation of buildings and modifications to the design and quality of the facilities, infrastructure and landscape.”

Some features of the Master Plan have been executed or are in progress. These features include:



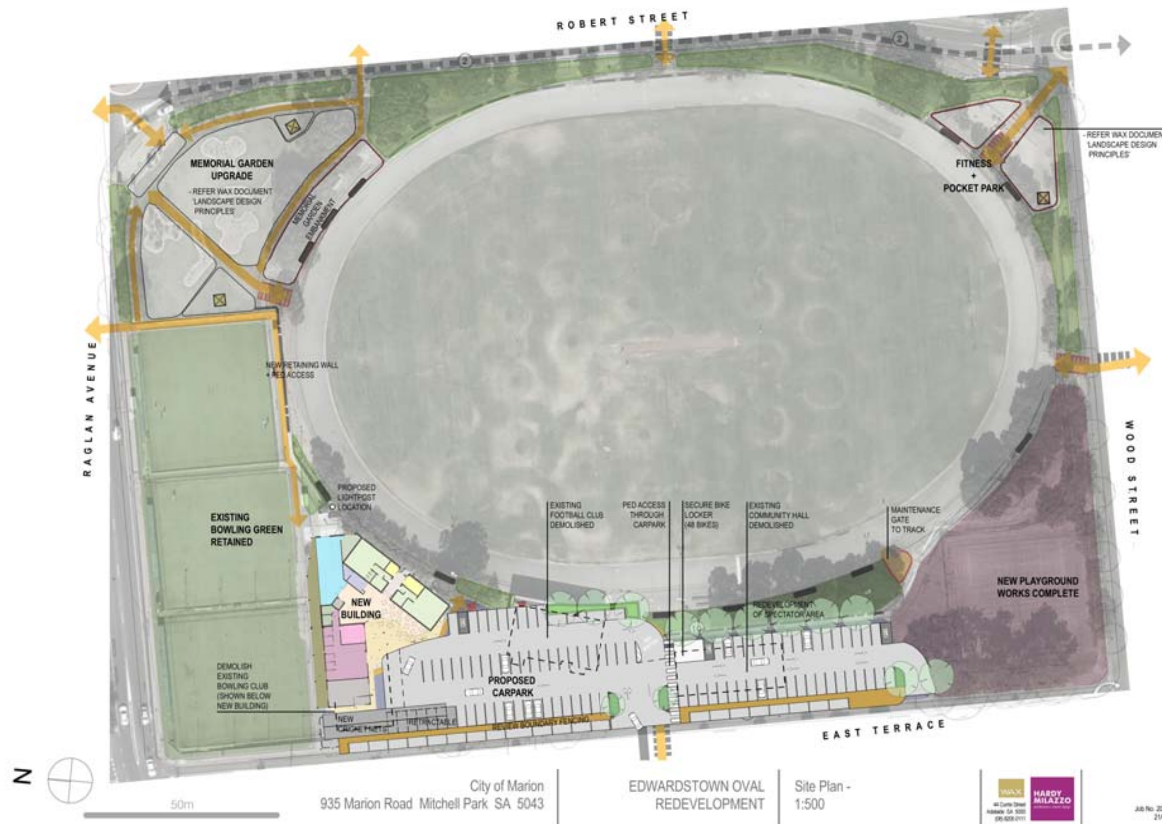
- Two multi-use courts (tennis, basketball, netball, soccer, hard surface for skateboards, scooters).
- New play space linked to corner viewing area and multi-use courts.
- Improved oval and velodrome lighting

In 2015, the decision was then taken to use the original Master Plan to scope a more limited project with the intention to maximise the opportunity for a collaborative model of space utilisation between the existing and any newly attracted clubs.

Potential opportunities for growth, expanded use and new income

Opportunities for growth, expanded use and new income have been identified by the City of Marion including the following:

- Increased subscriptions and memberships for existing clubs using the facility
- New clubs/organisations using the facility on a regular basis
- Increased facility use for corporate and private functions
- Facility use by Registered Training Organisations to run training courses and seminars
- Casual use by small business e.g. personal training, cycle shop etc.
- Potential use of café facility (café fit out has been factored into the revised plan)



Revised Plan key features

The key features of the revised plan include:

- One integrated sport and community club building between bowls greens and existing sports club.
- Main oval retained at existing shape and size.
- Cycle track retained at existing shape and size and improve track surface and safety features.
- A spectator viewing area linked to the track and oval.
- Retain current three bowling greens
- Memorial Park redesign including pathway connections, grassed areas seating, events space, memorial features and landscape.
- Redesigned car parking and separate entrance and exit to manage traffic flow.
- Pathway and landscape improvements, including progressive tree replacement and upgraded pedestrian track around the cycle track



north elevation



Revised Plan building design

Key features of the revised plan building design include:

- A ground level bowls and function area connected to the bowls greens.
- Upstairs sports and function areas.
- Upstairs community activity and function space.
- Good sized foyer areas that can be utilised as gathering and meeting spaces and for community activity and functions.
- Change rooms (2), umpire room and a gym area to support sports activities.
- Kitchens linked to activity and function spaces.
- Café with ground floor access.
- Toilets for club and community use, including disability access toilets.
- Decking areas that provide viewing opportunities and broaden the potential for functions.
- Storage and maintenance areas, meeting areas and an integrated office space.
- Lift and stairs for access to the upstairs areas and to meet fire safety requirements.



3.0 Proposed Governance Arrangements

Current governance arrangements for the Edwardstown Soldiers Memorial Recreation Ground

The current governance arrangements for the Edwardstown Ground includes a Committee of Management which is made up a number of representatives from each of the individual sporting clubs as well as two representatives from the Local Edwardstown residents group, a RSL representative as well as a Council Elected Member as an observer.

Additionally, it was advised that each of the supporting clubs have their own management committees in place which oversee their individual sports.

It was advised that whilst the current Committee of Management provides an avenue for facilitating discussion and coordination in relation to the overall direction and use of the Edwardstown Ground, the overall influence and weight resides more with the individual club management committees.

Proposed governance arrangements for the re-developed Edwardstown Ground

The proposed governance arrangements for the re-developed Edwardstown Ground is to establish a new Committee of Management for the Ground. The Committee of Management will form an incorporated body, which can enter into the head lease agreement with the asset owner/landlord, being the City of Marion. The Committee of Management membership is proposed to be based on a skills-basis, as opposed to the current representative basis, including members who have requisite skills and experience in key areas, including (for example):

- Sports and recreation

- Commercial and business development
- Marketing
- Financial management
- Asset management
- Community development
- Local Government (e.g. Councillor Liaison)

Whilst the new Committee of Management is proposed to be recruited on a skills basis, a level of representation should also be considered in relation to the various sporting teams, age, gender and diversity. Formal representation of each of the sporting clubs should be by way of an advisory group. Similarly, residents' views could be put forward via a residents' advisory group (or combined advisory group).

Council and Administration

It is proposed that the Committee and Management includes Council representation (one or more Councillors). The purpose of this recommendation is to ensure that the City of Marion's interests, as asset owner, are appropriately represented. Consistent with good governance principles, the Council member(s) will perform a liaison role only.

City of Marion Administration personnel may attend meetings of the Committee of Management as observers, but would typically not be included as full members of the Committee. Similarly, residents group members may be invited to attend or observe or may form an advisory committee to represent Local



residents' interests, however, would not typically be included as full members of the committee.

Office for Recreation and Sport - Governance Principles for South Australian State Sport Organisations

The South Australian Government Office for Recreation and Sport (ORS) is the peak government body for recreation and sport in South Australia. They have recently published a document "Governance Principles for South Australian State Sports Organisations (June 2015)".

The Sport Governance Principles advocate strengthening structures that support good leadership and decision-making to ensure sound and effective governance. In keeping with best practice in Australian corporate governance, ORS believes a sporting organisation's board of directors should operate and enact their roles following these major principles:

- Principle 1: Structure for Sport
- Principle 2: Board Composition and Operation
- Principle 3: Sport Transparency, Reporting and Integrity
- Principle 4: Governance Systems for Ethical and Responsible Decision-making
- Principle 5: Board Processes

The Edwardstown overarching committee and overall governance arrangements will be based, (*where practical and scaled appropriately for the size, nature and complexity level of Edwardstown*), on the core governance principles detailed in the ORS Governance Principles publication.

Broadly, key considerations include:

- Membership numbers – recommended that a Committee of Management consists of 5-7 members
- Nominations process
- Term
- Stipend – Given the nature of the role, it is recommended that the Committee of Management members are not remunerated, however if required skills are not obtainable under this arrangement, a stipend may be considered.

Comparison with other City of Marion sporting facilities

The City of Marion's sporting facilities operate as follows:

- Club Marion – Overarching executive committee based on a representative basis but with skilled and experienced members
- Cove Sports – Overarching committee (representative basis)
- Glandore – Overarching committee (representative basis)
- Edwardstown (current) – Overarching committee (representative basis)
- Mitchell Park – Overarching committee (representative basis)

For directly managed facilities such as the Marion Outdoor Swimming Centre, Marion Cultural Centre and Living Kaurna Cultural Centre, there is no equivalent committee structure. Similarly, the YMCA manage the Marion Leisure and Fitness Centre, and there is no other management committee arrangements outside of this.



4.0 Head Lease Arrangements

Current lease and licence arrangements for the Edwardstown Ground

There is an existing head lease arrangement in place in relation to the Edwardstown Ground between the City of Marion and the Edwardstown Committee of Management. In turn, there are separate sub-licences in place between the Committee of Management and each individual club.

It should be noted that the existing head lease agreement period has expired and is currently in a holding over arrangement on a rolling monthly basis, subject to the outcomes and directions in relation to the Edwardstown Ground redevelopment. The existing head lease arrangement was based on 5 + 5 year lease terms, which expired in 2013 (e.g. the original lease was executed in 2003).

Lease payments include \$295 per annum (rent) and \$814 per annum (maintenance charge).

Capital and maintenance obligations under the current lease arrangements are:

- Structure (City of Marion)
- Repairs and maintenance (Committee of Management) (notwithstanding this, minimal repairs and maintenance activity has been undertaken in recent times).

Proposed head lease and sub-licence arrangements for the redeveloped Edwardstown Ground

It is proposed that a new head lease arrangement is developed and executed between the City of Marion and the Edwardstown Ground Committee of Management. The head lease arrangement will be consistent with the City of Marion's Land and Property revised policy and operating procedures in relation to leases and licences (e.g. it will be a modernised lease arrangement compared to the existing lease).

Key elements of the head lease will include:

- Rent – Rent will be based on a commercial rate (based on market valuations) and discounted based on the City of Marion rental framework, in a way which provides transparency and equity across leases, as well as which reflects the community nature of the recreation and sporting clubs and their capacity to pay (for example, rent may be based on a commercial rent discounted by 90% or more). This calculation will be subject to revised Leasing Policy (currently under review).
- Term/duration (this will be on a 5 year basis consistent with broader City of Marion lease terms). In addition, it was considered that a 5 year lease term will provide the City of Marion (and all parties) with an opportunity to assess how the new Grounds are performing, following which a longer term lease may be negotiated.
- Obligations in relation to the following:
 - Capital renewal (responsibility will reside with City of Marion)



- Maintenance (responsibility will reside with City of Marion)
 - Repairs (responsibility will reside with City of Marion with the exception of any sporting club specific items e.g. fit-outs)
 - Grounds (responsibility will reside with the City of Marion as it currently is the case – annual renovations, trees, playground, grass cutting, irrigation maintenance, etc.) Please note that it is envisaged that the responsibility for the greens maintenance will continue to be the responsibility of the Bowling Club.
- Strategic plan – The head lease agreement could include the strategic plan (or reference to the need to develop a strategic plan) which details the key strategic and growth objectives for the new Edwardstown Ground. It is important that the City of Marion is cognisant of the various documents and plans which will develop over time (lease, strategies, constitution, charter) to ensure that they relate to one another appropriately and which documents take precedence. We are proposing that the head lease document is the lead document which related strategies and management documents relate to.
 - Key performance indicators – The head lease is the core legal document/instrument between the City of Marion and the Committee of Management. It is the key instrument through which the City of Marion can set out the requirements and performance levels of the facility in a way which is aligned to the overall strategic objectives for the re-development.

Sub-licences – new sub-licences will be developed and executed between the Committee of Management and the individual sporting clubs which reflect modernised agreements and the updated licence arrangements, such as access times, associated with the new modern, multi-use facility.

There was preliminary considerations undertaken by the City of Marion, in relation to whether it would be appropriate to establish the Edwardstown redeveloped

facility as a subsidiary of Council, pursuant to Section 41 of the Local Government Act (1999). This option was not considered appropriate, primarily as no current recreation, sports and cultural centres within the City of Marion operate under section 41 of the Act, therefore there is no specific justification for Edwardstown to be established as a standalone subsidiary compared to these other sites.



5.0 Management Arrangements

Current management arrangements for the Edwardstown Ground

Management arrangements for Edwardstown are currently based on individual clubs managing their own affairs. There is also an existing Committee of Management which includes representation from each of the sporting clubs, however, the overall day-to-day management activities and decision-making resides with the individual clubs.

There are two bars operating at the current Edwardstown sporting grounds, including a bar operated by the football club and a bar operated by the lawn bowls club. These two bars are managed and operated separately, with revenues going back to the respective clubs.

Proposed management arrangements for the Edwardstown Ground

The proposed management arrangements for the Edwardstown Ground re-developed facility is to install a full-time manager to support the Committee of Management to implement the overall strategy and to manage and coordinate day-to-day activities across the new, multiuse facility.

The rationale for a full time manager is based on comparison with other sporting facilities in the City of Marion precinct, in particular, Club Marion and Cove Sports facilities, as follows:

- Club Marion has a full-time manager who manages the Club Marion site. The manager is employed by the site's overarching committee. Club Marion is a significant facility with more than 20 clubs and high visitor numbers. In addition, it operates substantial bar and dining facilities, as well as having poker machines onsite (Club Marion is estimated to require a slightly higher

level of management time required compared to Edwardstown once Edwardstown is fully established and operational).

- Cove Sports has a part-time manager who manages the overall site and day-to-day operations of the facility. This part-time manager is employed by the site's overarching committee (Cove Sports is estimated to have a lower overall level of management required compared to Edwardstown).

The proposal for a full-time manager for the new Edwardstown site, is also based on the objective to grow the usage of the site from its current levels (115,000 visits per annum) to optimise the usage of the new facility and increase activation of the grounds and building facilities. In addition, it is anticipated that the new manager will liaise with key functions within the City of Marion (e.g. economic development) to support the achievement of the overall objectives associated with the Edwardstown facility.

It is proposed that the full-time manager is a current City of Marion employee, who is seconded to the Edwardstown facility for a transition period (please see the section – Transition arrangements). One advantage of employing a City of Marion employee is that relationships with key City of Marion stakeholders will be already established which should support efficient and effective communication and coordination of City of Marion resources, in relation to the establishment and growth associated with the new Edwardstown Ground. It is envisaged that the staff level for the Edwardstown facility manager is equivalent to Level 8 (City of Marion – Administrative Staff Enterprise Agreement).



Additional commentary

The City of Marion will explore options and opportunities to work with the Government of South Australia's Office for Recreation and Sport which may provide an additional avenue to attain skills and capacity to support strategy development, planning and management for the re-developed Edwardstown Ground.

It should be noted that the City of Marion owns a number of sporting and cultural facilities which are operated based on different management models. For example,

- Direct management - Marion Outdoor Swimming Centre, the Marion Cultural Centre and the Living Kaurna Cultural Centre are managed directly by City of Marion employees
- Committee of Management and volunteers - Sporting and recreation facilities such as Edwardstown (current), Glandore and Mitchell Park facilities are governed by overarching committees and supported by volunteers.
- Overarching Committee and employed management – Club Marion (full-time manager) and Cove Sports (part-time manager) facilities have overarching committees in place, who employ managers in their own right.
- Outsourced/management agreement - Marion Leisure and Fitness Centre is currently managed by the YMCA, via a management agreement (i.e. outsourced) under which the City of Marion pays a management fee to the YMCA per annum.



6.0 Capital and Maintenance Expenditure Obligations

Building maintenance and renewal

Current capital renewal and maintenance for Edwardstown Ground

The City of Marion's Land and Property function is currently reviewing its policy and operating arrangements in relation to leases and licences, including obligations for capital expenditure (renewal), maintenance and repairs. In general terms, it has been reported that there has been a period of underspend across the City of Marion's community, recreation and sporting property portfolio, resulting in a portfolio which is ageing and in need of renewal.

A contributing factor to this challenge is that the obligations for capital renewal and overall maintenance may be inconsistent across lease and licence arrangements across properties and/or not clear in relation to whether obligations reside with the City of Marion (as the asset owner) or the third-party lessee.

Part of the challenge is that the sporting and recreation clubs and related community organisations may not have a strong tendency to renew and maintain the facilities, a large part due to their overall financial capacity.

In the case of the Edwardstown Soldiers Memorial Recreation Grounds, it was reported that there has been historic underspend and the buildings are aged and in need of renewal. Maintenance is currently managed by the Committee of Management or the clubs themselves, with minimal funding expenditure in maintenance of the existing buildings.

Re-developed Edwardstown Ground capital and maintenance expenditure

To overcome the challenges and issues outlined above, the City of Marion is proposing to take on the capital renewal, maintenance and repair (buildings)

obligations in relation to the grounds. A key justification for this position is to help protect its overall investment in relation to the redeveloped facility as well as to better recognise whole-of-life costs. There is a material financial implication in relation to taking on these obligations, however, at least doing this, the costs are recognised, and appropriate decisions can be made. Ultimately, these costs would be on-charged to the Committee of Management, however, it is not likely that the Committee of Management or sporting clubs will be able to sustainably fund the capital renewal or maintenance expenditures.

An alternative model is the model utilised for the Club Marion facility. Club Marion is relatively financially sustainable with revenues across a broad range of sporting clubs, poker machine operations as well as through bar and dining facilities. The capital expenditure model for Club Marion is based on all new capital expenditure being funded through Club Marion operations, with the City of Marion responsible for capital renewal. This model operates on the basis of the lease rental amount of \$1 (over the 15-year lease term), with a quasi-rental contribution made via new capital/upgrades to the facilities. Council has resolved not to approve any future gaming machines in Council owned facilities, therefore this model is not feasible for Edwardstown.

Grounds maintenance

The City of Marion currently maintains (and therefore funds) the Edwardstown Ground grounds maintenance, including grass cutting, annual oval renovations, tree maintenance, playground maintenance and irrigation maintenance.

Under the future governance and management model for the redeveloped Edwardstown Ground, it is envisaged that the current grounds keeping model will be continued. It should be noted that whilst there is substantial new buildings



construction work planned in relation to the new facility, the grounds will largely be the same.

Lawn bowls greens-keeping

The Edwardstown Bowling club manages its own lawn bowls greens at an estimated cost of \$60k per annum, which is currently funded directly by the Bowling Club. Based on the technical nature of maintaining lawn bowls greens to the required standards, it is envisaged that the Bowling Club will continue to maintain its own greens.



7.0 Transition Phase

This section provides a preliminary transition plan which outlines key steps and activities in relation to both (i) an establishment phase to set up the governance, strategy and plans and (ii) a transition/growth phase in relation to the first two years of operations for the new governance and management model.

Establishment phase

Key step and activities can be outlined as follows:

- Develop a detailed transition plan (key elements are outlined below) (City of Marion)
- Consultation with the existing Committee and Management, sporting clubs and other stakeholders (City of Marion)
- Incorporate entity (City of Marion)
- Recruitment of the Committee of Management:
 - Appointment of the Chair of the Committee of Management (City of Marion)
 - Followed by recruitment of skills-based members
 - Establish advisory group(s) – sporting clubs, residents group, etc.
- Development of a draft strategic plan, key strategic objectives and targets/key performance indicators (City of Marion/Committee of Management)

- Finalise constitution – A draft constitution has been prepared (City of Marion/Committee of Management)
- Development of draft head lease agreement, modernised and aligned with the City of Marion’s Land and Property Lease and Licence policy and framework (City of Marion)
- Recruitment of the Manager (Committee of Management) – it is proposed that this is a current City of Marion Employee
- Development and execution of sub-licences (Committee of Management)
- Development of business plan, operating plans and guidelines, budgets (Committee of Management)

Timing for the establishment phase should be considered as part of the detailed planning activities, noting that it will take time to develop core documentation, recruit the members of the Committee of Management and develop operating plans. The timing of the establishment phase should be considered in relation to the overall planning and construction phase of the redeveloped site, in order to have the core arrangements in place in time for the completion/handover of the new facility to the Committee of Management.

Transition/growth phase

The establishment and growth transition phase has been estimated as a two – year period. The transition phase is to support the implementation of the overall strategy and achievement of growth objectives associated with the new facility. It is also the time period associated with the City of Marion’s contribution to the centre associated with employment/secondment of a full-time manager



(equivalent to Level 8 City of Marion Administrative employee) and subsidisation of the Management fee.

An assessment will be required in relation to overall performance leading up to the completion of the two-year transition phase, to assess whether a full-time manager role is still justified (for example, this role may drop back to a part-time role as the centre moves from a development and growth phase to a maintain phase). The capacity of the Committee of Management (and sporting clubs) to fund the position will also need to be assessed, with the goal for the new facility's management function to be self-funded over time.

Additional notes

It was noted that there should be minimal impact on existing operations in relation to the construction of the new Edwardstown building because the clubs will still be able to utilise their existing facilities to a large degree or there are contingency arrangements which are available which will allow them to keep operating.



8.0 Redevelopment Capital Costs

The costs outlined below were provided in the Concept Estimate report for the Edwardstown Oval Re-development.

| | |
|--|--------------------|
| BUILDING | |
| Demolition | \$175,600 |
| New Combined Two Storey Football and Lawn Bowls Club | \$4,503,000 |
| | \$4,678,600 |
| ESSENTIAL EXTERNAL WORKS | |
| Upgrade of Memorial Gardens | \$401,790 |
| Retaining Walls | \$54,406 |
| Cricket Nets based on 9c | \$88,218 |
| Redevelopment of spectator areas | \$138,104 |
| Development of pedestrian access | \$249,363 |
| Maintain oval dimension with 3m run out of area | \$83,989 |
| Remove boundary fencing | \$13,540 |
| New landscape areas | \$374,422 |
| Velodrome Track | \$298,891 |
| Carpark | \$448,964 |
| Upgrade SAPN fees | \$65,000 |
| External Fire Services | \$43,277 |
| External Hydraulics Services | \$61,825 |
| Cycling Club Enclosure | \$113,164 |
| | \$2,434,953 |
| Professional Fees | \$641,000 |
| Escalation to 2018 | \$236,000 |
| Rounding | \$447 |
| TOTAL (EXCL. GST) | \$7,991,000 |



9.0 Financial Forecasts

Forecast - Summary

The forecast below is based on revenue and expenditure for all entities combined (City of Marion, Committee of Management and the Clubs). Notes to the forecasts are detailed in section 10 – Notes to Financial Forecasts.

| | Responsibility | Note | Current | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|---|----------------|-----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUE | | | | | | | | | | | | | |
| Rent for premises | COM | 1 | 295 | 2,807 | 2,855 | 2,903 | 2,953 | 3,003 | 3,054 | 3,106 | 3,159 | 3,212 | 3,267 |
| Maintenance Fee | N/A | 2 | 814 | - | - | - | - | - | - | - | - | - | - |
| Management Fee | MC | 3 | - | 79,295 | 78,148 | 139,469 | 141,597 | 143,766 | 145,975 | 148,226 | 150,519 | 152,855 | 155,235 |
| Venue Hire - bar/Café* | MC | 4 | 15,258 | 26,000 | 26,442 | 26,892 | 27,349 | 27,814 | 28,286 | 28,767 | 29,256 | 29,754 | 30,260 |
| Total Revenue | | | 16,367 | 108,102 | 107,445 | 169,264 | 171,899 | 174,582 | 177,316 | 180,099 | 182,934 | 185,821 | 188,762 |
| EXPENDITURE | | | | | | | | | | | | | |
| Maintenance - grounds | | | | | | | | | | | | | |
| Bowling Greens* | BC | 6 | (60,759) | (61,792) | (62,842) | (63,911) | (64,997) | (66,102) | (67,226) | (68,369) | (69,531) | (70,713) | (71,915) |
| Oval* | COM | 7 | (29,300) | (29,798) | (30,305) | (30,820) | (31,344) | (31,877) | (32,419) | (32,970) | (33,530) | (34,100) | (34,680) |
| Trees* | COM | 8 | (6,000) | (9,000) | (9,153) | (9,309) | (9,467) | (9,628) | (9,791) | (9,958) | (10,127) | (10,299) | (10,474) |
| Irrigation* | COM | 9 | (3,000) | (3,051) | (3,103) | (3,156) | (3,209) | (3,264) | (3,319) | (3,376) | (3,433) | (3,491) | (3,551) |
| Playground* | COM | 10 | (4,016) | (5,509) | (5,603) | (5,698) | (5,795) | (5,893) | (5,993) | (6,095) | (6,199) | (6,304) | (6,412) |
| Water bore* | COM | 11 | (10,000) | (10,170) | (10,343) | (10,519) | (10,698) | (10,879) | (11,064) | (11,252) | (11,444) | (11,638) | (11,836) |
| Velodrome track* | COM | 12 | - | (6,096) | (6,200) | (6,305) | (6,412) | (6,521) | (6,632) | (6,745) | (6,859) | (6,976) | (7,095) |
| Repairs & Maintenance - buildings^ | COM | 13 | (15,436) | (59,188) | (60,371) | (61,579) | (62,810) | (64,066) | (65,348) | (66,655) | (67,988) | (69,348) | (70,735) |
| Total Repairs, Maintenance, Renewal | | | (128,511) | (184,604) | (187,919) | (191,295) | (194,732) | (198,231) | (201,793) | (205,419) | (209,111) | (212,870) | (216,697) |
| Staffing | | | | | | | | | | | | | |
| Manager - FTE# | COM/MC | 15 | - | (120,520) | (122,930) | (62,695) | (63,948) | (65,227) | (66,532) | (67,863) | (69,220) | (70,604) | (72,016) |
| Management Committee/Board Fees | N/A | 16 | - | - | - | - | - | - | - | - | - | - | - |



| EXPENDITURE | Responsibility | Note | Current | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|---|----------------|------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Utilities | | | | | | | | | | | | | |
| Water - turf* | MC | 17 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Water - playground* | MC | 18 | (3,000) | (3,051) | (3,103) | (3,156) | (3,209) | (3,264) | (3,319) | (3,376) | (3,433) | (3,491) | (3,551) |
| Water - buildings* | MC | 19 | (4,920) | (3,229) | (3,284) | (3,340) | (3,397) | (3,454) | (3,513) | (3,573) | (3,634) | (3,695) | (3,758) |
| Water - bowling greens* | MC | 20 | (10,304) | (10,479) | (10,657) | (10,838) | (11,023) | (11,210) | (11,401) | (11,595) | (11,792) | (11,992) | (12,196) |
| Electricity - water bore* | MC | 21 | (887) | (902) | (917) | (933) | (949) | (965) | (981) | (998) | (1,015) | (1,032) | (1,050) |
| Electricity - buildings & lights* | MC | 22 | (18,193) | (20,322) | (20,667) | (21,019) | (21,376) | (21,740) | (22,109) | (22,485) | (22,867) | (23,256) | (23,651) |
| Gas | N/A | 23 | - | (5,513) | (5,607) | (5,702) | (5,799) | (5,898) | (5,998) | (6,100) | (6,204) | (6,309) | (6,417) |
| ESL | N/A | 24 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Insurance | | | | | | | | | | | | | |
| Building* | COM | 25 | (5,107) | (11,495) | (11,690) | (11,889) | (12,091) | (12,297) | (12,506) | (12,718) | (12,935) | (13,154) | (13,378) |
| Public liability* | MC | 26 | (1,097) | (4,549) | (4,626) | (4,705) | (4,785) | (4,866) | (4,949) | (5,033) | (5,119) | (5,206) | (5,294) |
| Security* | MC | 27 | (3,311) | (3,367) | (3,425) | (3,483) | (3,542) | (3,602) | (3,663) | (3,726) | (3,789) | (3,853) | (3,919) |
| Cleaning* | MC | 28 | (1,665) | (23,400) | (23,798) | (24,202) | (24,614) | (25,032) | (25,458) | (25,891) | (26,331) | (26,778) | (27,234) |
| Waste & Disposal* | MC | 29 | (2,700) | (2,970) | (3,267) | (3,594) | (3,655) | (3,717) | (3,780) | (3,844) | (3,910) | (3,976) | (4,044) |
| Marketing* | MC | 30 | - | (15,998) | (16,270) | (16,547) | (16,828) | (17,114) | (17,405) | (17,701) | (18,002) | (18,308) | (18,619) |
| Other administrative expenses - phone, printing, stationery, IT, accounting etc.* | MC | 31 | - | (9,305) | (9,463) | (9,624) | (9,788) | (9,954) | (10,123) | (10,295) | (10,470) | (10,648) | (10,829) |
| Total Overheads | | | (51,184) | (235,101) | (239,706) | (181,726) | (185,004) | (188,341) | (191,738) | (195,197) | (198,719) | (202,305) | (205,956) |
| Interest payments on Marion contribution (\$4m) | COM | 32 | - | (166,545) | (152,430) | (137,708) | (122,355) | (106,341) | (89,640) | (72,222) | (54,055) | (35,109) | (15,348) |
| Total Operating Surplus/(Deficit) | | | (163,328) | (478,147) | (472,611) | (341,466) | (330,192) | (318,330) | (305,856) | (292,740) | (278,952) | (264,463) | (249,240) |
| Principal repayments on Marion contribution (\$4m) | | 33 | - | (328,630) | (342,746) | (357,467) | (372,821) | (388,834) | (405,535) | (422,953) | (441,120) | (460,067) | (479,827) |
| Net Surplus/(Deficit) | | | (163,328) | (806,778) | (815,356) | (698,933) | (703,012) | (707,164) | (711,391) | (715,693) | (720,072) | (724,530) | (729,067) |
| Bar | MC | 34 | | | | | | | | | | | |
| Surplus/(Deficit) | | | 84,396 | 86,389 | 95,563 | 105,664 | 107,460 | 109,287 | 111,145 | 113,034 | 114,956 | 116,910 | 118,897 |
| Net Surplus/(Deficit) | | | (78,932) | (720,389) | (719,793) | (593,270) | (595,552) | (597,878) | (600,246) | (602,659) | (605,117) | (607,620) | (610,170) |
| Depreciation/Renewal | COM | 35 | (161,694) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) |
| Net Surplus/(Deficit) | | | (240,626) | (909,419) | (908,824) | (782,300) | (784,583) | (786,908) | (789,277) | (791,689) | (794,147) | (796,650) | (799,200) |

| |
|--------------------------------------|
| COM: City of Marion |
| MC: Edwardstown Management Committee |
| BC: Bowling Club |

| Indexation/Inflation: | | |
|-----------------------|------|---|
| * | 1.7% | Inflation as per Local Government Price Index - Sept 2015 |
| ^ | 2% | Capital inflation as per Local Government Price Index - Sept 2015 |
| # | 2% | Medium term forecasted increase in wage and salaries |



City of Marion – forecast

The forecast below is based on revenue and expenditure for The City of Marion. Notes to the forecasts are detailed in section 10 – Notes to Financial Forecasts.

| | Responsibility | Note | Current | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|---|----------------|-----------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUE | | | | | | | | | | | | | |
| Rent for premises | COM | 1 | 295 | 2,807 | 2,855 | 2,903 | 2,953 | 3,003 | 3,054 | 3,106 | 3,159 | 3,212 | 3,267 |
| Maintenance Fee | N/A | 2 | 814 | - | - | - | - | - | - | - | - | - | - |
| Management Fee | MC | 3 | - | - | - | - | - | - | - | - | - | - | - |
| Venue Hire - bar/café* | MC | 4 | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | | | 1,109 | 2,807 | 2,855 | 2,903 | 2,953 | 3,003 | 3,054 | 3,106 | 3,159 | 3,212 | 3,267 |
| EXPENDITURE | | | | | | | | | | | | | |
| Maintenance - grounds | | | | | | | | | | | | | |
| Bowling Greens* | BC | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Oval* | COM | 7 | (29,300) | (29,798) | (30,305) | (30,820) | (31,344) | (31,877) | (32,419) | (32,970) | (33,530) | (34,100) | (34,680) |
| Trees* | COM | 8 | (6,000) | (9,000) | (9,153) | (9,309) | (9,467) | (9,628) | (9,791) | (9,958) | (10,127) | (10,299) | (10,474) |
| Irrigation* | COM | 9 | (3,000) | (3,051) | (3,103) | (3,156) | (3,209) | (3,264) | (3,319) | (3,376) | (3,433) | (3,491) | (3,551) |
| Playground* | COM | 10 | (4,016) | (5,509) | (5,603) | (5,698) | (5,795) | (5,893) | (5,993) | (6,095) | (6,199) | (6,304) | (6,412) |
| Water bore* | COM | 11 | (10,000) | (10,170) | (10,343) | (10,519) | (10,698) | (10,879) | (11,064) | (11,252) | (11,444) | (11,638) | (11,836) |
| Velodrome track* | COM | 12 | - | (6,096) | (6,200) | (6,305) | (6,412) | (6,521) | (6,632) | (6,745) | (6,859) | (6,976) | (7,095) |
| Repairs & Maintenance - buildings^ | COM | 13 | (15,436) | (59,188) | (60,371) | (61,579) | (62,810) | (64,066) | (65,348) | (66,655) | (67,988) | (69,348) | (70,735) |
| Total Repairs & Maintenance | | | (67,752) | (122,812) | (125,077) | (127,384) | (129,735) | (132,129) | (134,567) | (137,051) | (139,580) | (142,157) | (144,782) |
| Staffing | | | | | | | | | | | | | |
| Manager - FTE# | COM/MC | 15 | - | (120,520) | (122,930) | - | - | - | - | - | - | - | - |
| Management Committee/Board Fees | N/A | 16 | - | - | - | - | - | - | - | - | - | - | - |



| EXPENDITURE | Responsibility | Note | Current | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|--|----------------|------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Utilities | | | | | | | | | | | | | |
| Water - turf* | MC | 17 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Water - playground* | MC | 18 | (3,000) | - | - | - | - | - | - | - | - | - | - |
| Water - buildings* | MC | 19 | - | - | - | - | - | - | - | - | - | - | - |
| Water - bowling greens* | MC | 20 | - | - | - | - | - | - | - | - | - | - | - |
| Electricity - water bore* | MC | 21 | (887) | - | - | - | - | - | - | - | - | - | - |
| Electricity - buildings & lights* | MC | 22 | - | - | - | - | - | - | - | - | - | - | - |
| Gas | N/A | 23 | - | - | - | - | - | - | - | - | - | - | - |
| ESL | N/A | 24 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Insurance | | | | | | | | | | | | | |
| Building* | COM | 25 | - | (11,495) | (11,690) | (11,889) | (12,091) | (12,297) | (12,506) | (12,718) | (12,935) | (13,154) | (13,378) |
| Public liability* | MC | 26 | - | - | - | - | - | - | - | - | - | - | - |
| Security* | MC | 27 | - | - | - | - | - | - | - | - | - | - | - |
| Cleaning* | MC | 28 | - | - | - | - | - | - | - | - | - | - | - |
| Waste & Disposal* | MC | 29 | - | - | - | - | - | - | - | - | - | - | - |
| Marketing* | MC | 30 | - | - | - | - | - | - | - | - | - | - | - |
| Other administrative expenses - phone, printing, stationery, IT, accounting etc.* | MC | 31 | - | - | - | - | - | - | - | - | - | - | - |
| Total Overheads | | | (3,887) | (132,015) | (134,621) | (11,889) | (12,091) | (12,297) | (12,506) | (12,718) | (12,935) | (13,154) | (13,378) |
| Interest payments on Marion contribution (\$4m) | | | | | | | | | | | | | |
| | COM | 32 | - | (166,545) | (152,430) | (137,708) | (122,355) | (106,341) | (89,640) | (72,222) | (54,055) | (35,109) | (15,348) |
| Total Operating Surplus/(Deficit) | | | (70,530) | (418,565) | (409,273) | (274,079) | (261,228) | (247,764) | (233,659) | (218,885) | (203,412) | (187,208) | (170,241) |
| Principal repayments on Marion contribution (\$4m) | | | | | | | | | | | | | |
| | COM | 33 | - | (328,630) | (342,746) | (357,467) | (372,821) | (388,834) | (405,535) | (422,953) | (441,120) | (460,067) | (479,827) |
| Net Surplus/(Deficit) | | | (70,530) | (747,195) | (752,018) | (631,546) | (634,049) | (636,598) | (639,194) | (641,839) | (644,532) | (647,275) | (650,069) |
| Bar | MC | 34 | | | | | | | | | | | |
| Surplus/(Deficit) | | | - | - | - | - | - | - | - | - | - | - | - |
| Net Surplus/(Deficit) | | | (70,530) | (747,195) | (752,018) | (631,546) | (634,049) | (636,598) | (639,194) | (641,839) | (644,532) | (647,275) | (650,069) |
| Less depreciation/renewal | COM | 35 | (161,694) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) | (189,030) |
| Net Surplus/(Deficit) | | | (232,224) | (936,225) | (941,049) | (820,576) | (823,079) | (825,628) | (828,225) | (830,869) | (833,562) | (836,305) | (839,099) |
| COM: City of Marion | | | | | | | | | | | | | |
| MC: Edwardstown Management Committee | | | | | | | | | | | | | |
| BC: Bowling Club | | | | | | | | | | | | | |
| Indexation/Inflation: | | | | | | | | | | | | | |
| | * | 1.7% | Inflation as per Local Government Price Index - Sept 2015 | | | | | | | | | | |
| | ^ | 2% | Capital inflation as per Local Government Price Index - Sept 2015 | | | | | | | | | | |
| | # | 2% | Medium term forecasted increase in wage and salaries | | | | | | | | | | |



Edwardstown Committee of Management – Forecast

The forecast below is based on revenue and expenditure for The Edwardstown Committee of Management. Notes to the forecasts are detailed in section 10 – Notes to Financial Forecasts.

| | Responsibility | Note | Current | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|--|----------------|-----------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| REVENUE | | | | | | | | | | | | | |
| Rent for premises | COM | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Maintenance Fee | N/A | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Management Fee | MC | 3 | - | 79,295 | 78,148 | 139,469 | 141,597 | 143,766 | 145,975 | 148,226 | 150,519 | 152,855 | 155,235 |
| Venue Hire - bar/café* | MC | 4 | 15,258 | 26,000 | 26,442 | 26,892 | 27,349 | 27,814 | 28,286 | 28,767 | 29,256 | 29,754 | 30,260 |
| Bar distribution | MC | 5 | - | 598 | 3,350 | 6,380 | 6,919 | 7,467 | 8,025 | 8,591 | 9,168 | 9,754 | 10,350 |
| Total Revenue | | | 15,258 | 105,893 | 107,940 | 172,741 | 175,865 | 179,047 | 182,286 | 185,585 | 188,943 | 192,363 | 195,845 |
| EXPENDITURE | | | | | | | | | | | | | |
| Maintenance - grounds | | | | | | | | | | | | | |
| Bowling Greens* | BC | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Oval* | COM | 7 | - | - | - | - | - | - | - | - | - | - | - |
| Trees* | COM | 8 | - | - | - | - | - | - | - | - | - | - | - |
| Irrigation* | COM | 9 | - | - | - | - | - | - | - | - | - | - | - |
| Playground* | COM | 10 | - | - | - | - | - | - | - | - | - | - | - |
| Water bore* | COM | 11 | - | - | - | - | - | - | - | - | - | - | - |
| Velodrome track* | COM | 12 | - | - | - | - | - | - | - | - | - | - | - |
| Repairs, Maintenance, Renewals - buildings^ | COM | 13 | - | - | - | - | - | - | - | - | - | - | - |
| Total Repairs, Maintenance, Renewal | | | - | - | - | - | - | - | - | - | - | - | - |
| Rent | COM | 14 | (295) | (2,807) | (2,855) | (2,903) | (2,953) | (3,003) | (3,054) | (3,106) | (3,159) | (3,212) | (3,267) |
| Staffing | | | | | | | | | | | | | |
| Manager - FTE# | COM/MC | 15 | - | - | - | (62,695) | (63,948) | (65,227) | (66,532) | (67,863) | (69,220) | (70,604) | (72,016) |
| Management Committee/Board Fees | N/A | 16 | - | - | - | - | - | - | - | - | - | - | - |
| Utilities | | | | | | | | | | | | | |
| Water - turf* | MC | 17 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Water - playground* | MC | 18 | - | (3,051) | (3,103) | (3,156) | (3,209) | (3,264) | (3,319) | (3,376) | (3,433) | (3,491) | (3,551) |
| Water - buildings* | MC | 19 | - | (3,229) | (3,284) | (3,340) | (3,397) | (3,454) | (3,513) | (3,573) | (3,634) | (3,695) | (3,758) |
| Water - bowling greens* | MC | 20 | - | (10,479) | (10,657) | (10,838) | (11,023) | (11,210) | (11,401) | (11,595) | (11,792) | (11,992) | (12,196) |
| Electricity - water bore* | MC | 21 | - | (902) | (917) | (933) | (949) | (965) | (981) | (998) | (1,015) | (1,032) | (1,050) |
| Electricity - buildings & lights* | MC | 22 | - | (20,322) | (20,667) | (21,019) | (21,376) | (21,740) | (22,109) | (22,485) | (22,867) | (23,256) | (23,651) |
| Gas | N/A | 23 | - | (5,513) | (5,607) | (5,702) | (5,799) | (5,898) | (5,998) | (6,100) | (6,204) | (6,309) | (6,417) |
| ESL | N/A | 24 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |



10.0 Notes to the Financial Forecasts

| NOTES | |
|--------------------|--|
| REVENUE | |
| 1 | Rent has been calculated in line with the City of Marion's Leasing and Licensing Policy. Rent has been uplifted by CPI each subsequent year after year 1. This represents the rental income from the Management Committee to the City of Marion. |
| 2 | Maintenance fee charged previously will now be included in the Management fee |
| 3 | Management fee is based on a direct reimbursement of all expenses (including rent) except Repairs, Maintenance and Renewal and Borrowing Costs. Staffing costs are included in the Management fee from year 3 onwards after the transition phase and in line with expected growth. |
| 4 | Venue hire has been estimated based on an average of 1 function/hire per week at an average price of \$500 each. This function price is based on Club Marion function rates. |
| 5 | This represents the distribution of the bar profits to the Committee of Management due to the estimated increase in bar takings due to increased visitation |
| EXPENDITURE | |
| 6 | The bowling green will remain unchanged, therefore maintenance is based on current expenditure |
| 7 | The oval will remain unchanged, therefore maintenance is based on current expenditure |
| 8 | Maintenance for the trees has been uplifted by 50% due to the increase in visitation. |
| 9 | The irrigation will remain unchanged, therefore maintenance is based on current expenditure |
| 10 | The playground will remain unchanged, therefore general maintenance is based on current expenditure. The weekly visual inspections cost has been uplifted by 100% due to increase in visitation. |
| 11 | The water bore for the oval ground water will remain unchanged, therefore maintenance is based on current expenditure |
| 12 | The maintenance of the velodrome track currently does not occur. The future maintenance requirements were estimated based on a quotation received from the specialised contractor. The estimate is based on one clean of the track per month at \$508. |
| 13 | Repairs and maintenance for the buildings is based on the actual repairs and maintenance costs for the Marion Cultural Centre with a cost per square meter calculation applied. This takes into account actual repairs and maintenance costs undertaken by City of Marion for a site with similar visitation. It is also noted that 3 buildings at the current Edwardstown site have been amalgamated into 1 which will bring about some efficiencies. It is assumed that a detailed Quantity Surveyors report will be sought from the City of Marion to obtain a more accurate estimate of this cost. |
| 14 | Rent has been calculated in line with the City of Marion's Leasing and Licensing Policy. Rent has been uplifted by CPI each subsequent year after year 1. This represents the rent expense from the Management Committee to the City of Marion. |
| 15 | The Manager is based on a Level 8, Step 2 in the City of Marion Administrative Staff Enterprise Agreement, No. 7, 2013. This has been indexed in line with the 2015 percentage increase and an estimated of 2% moving forward. Superannuation and workcover oncosts have also been included. The Manager has been reduced to part time (50%) after the transition phase (2 years) |
| 16 | It has been assumed that the Management Committee/Board will not receive any payment for their services |



| EXPENDITURE | |
|-------------|--|
| 17 | Bore water is used for the oval therefore there is no water expense |
| 18 | The water use for the playground will remain unchanged, therefore usage is based on current expenditure |
| 19 | The water use for the buildings in based on current expenditure at Edwardstown reviewed in line with the proposed building size on a square meterage basis. It is also noted that 3 buildings at the current Edwardstown site have been amalgamated into 1 which will bring about some efficiencies. |
| 20 | The water use for the bowling greens will remain unchanged, therefore usage is based on current expenditure |
| 21 | The electricity use for the bore will remain unchanged, therefore usage is based on current expenditure |
| 22 | The electricity use for the buildings and lights is based on current Edwardstown usage reviewed in line with the proposed building size on a square meterage basis. This estimate has then been uplifted to 125% to account for the 2 new oval lights proposed. It is also noted that 3 buildings at the current Edwardstown site have been amalgamated into 1 which will bring about some efficiencies. |
| 23 | There is currently no gas at Edwardstown. Gas is to be connected to the site as part of the capital build. As estimate for gas has been made using the current gas cost at the Marion Cultural Centre with a cost per square meter applied to the new Edwardstown site size. |
| 24 | The City of Marion has gained an exemption for Emergency Services Levy on the Edwardstown site |
| 25 | The premium rate under the Local Government Association Mutual Liability Scheme has been applied to value of land and other structures (existing which are not being demolished or altered) plus the new building cost to calculate a building insurance estimate. |
| 26 | The Club Marion actual spend on public liability and contents insurance was taken and applied to the proposed Edwardstown building size at a rate per square metre. This has then been reduced by 20% to take into account the value of the poker machines at Club Marion |
| 27 | Security costs have been based on current Edwardstown costs assuming that a similar amount of call-outs will be required. |
| 28 | Currently minimal cleaning is being undertaken at the site, therefore an estimate was sourced from the Marion cleaning contractor for cleaning the proposed new site. This estimate is based on a 3 hour clean, 3 times per week for 2 cleaners at \$25 per hour (contracted cleaning rates) |
| 29 | Waste and disposal has been based current Edwardstown costs uplifted for the growth figures applied to the bar (10% in the first 3 years and CPI from year 4 onwards) |
| 30 | Marketing costs have been based on Marion Cultural Centre actual marketing costs. 40% has been taken as an estimate for the new Edwardstown site. |
| 31 | Current administrative costs from Club Marion have been divided by the number of staff and applied to the proposed staff levels of Edwardstown. |
| 32 | Interest payments for the Marion contribution (\$4m) have been calculated using the LGFA indicative borrowing rate for a 10 year term |
| 33 | Principal repayments for the Marion contribution (\$4m) have been calculated using the LGFA indicative borrowing rate for a 10 year term |



| EXPENDITURE | | | | | | | | | | | |
|-------------|--|----------------------------------|--|--|--|---------------|--|--|--|--|--|
| 34 | The breakdown for the bar surplus/(deficit) is detailed below: | | | | | | | | | | |
| | | | | | | | | | | | |
| | Current revenue - Football | | | | | 67,543 | | | | | |
| | Current revenue - Bowling | | | | | 153,475 | | | | | |
| | Current expenses - Football | | | | | (47,506) | | | | | |
| | Current expenses - Bowling | | | | | (89,116) | | | | | |
| | Current surplus/(deficit) | | | | | 84,396 | | | | | |
| | Uplift is based on proposed visitor numbers for Edwardstown of 10% over the first 3 years and then CPI from year 4 onwards | | | | | | | | | | |
| | Estimated surplus/deficit | | | | | 92,836 | | | | | |
| | Less: Foxtel | | | | | (6,446) | | | Foxtel estimate is based on current cost at Cove applied to the proposed Edwardstown building size | | |
| | Surplus/(deficit) | | | | | 86,389 | | | | | |
| | Net surplus/(deficit) | | | | | 86,389 | | | | | |
| | <i>The future surplus of the bar have been split between the 4 current clubs and the Committee of Management in the following percentages:</i> | | | | | | | | | | |
| | | | | | | | | | | | |
| | | Share of uplift in profit | | | | | | | | | |
| | Bowling | | | | | 10% | | | | | |
| | Football | | | | | 10% | | | | | |
| | Cycling | | | | | 25% | | | | | |
| | Cricket | | | | | 25% | | | | | |
| | Management committee | | | | | 30% | | | | | |
| 35 | The depreciation/renewal is based on the proposed build cost at City of Marion depreciation rates. | | | | | | | | | | |

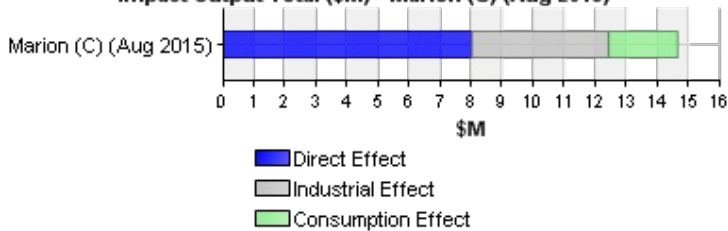
Impact on Output

From a direct increase in output of \$8.000 million it is estimated that the demand for intermediate goods and services would rise by \$4.416 million. This represents a Type 1 Output multiplier of 1.552. These industrial effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$2.223 million.

Total output, including all direct, industrial and consumption effects is estimated to increase by up to \$14.640 million. This represents a Type 2 Output multiplier of 1.830.

Impact Output Total (\$M) - Marion (C) (Aug 2015)



Impact on Employment

From a direct increase in output of \$8.000 million the corresponding creation of direct jobs is estimated at 48 jobs. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 20 jobs. This represents a Type 1 Employment multiplier of 1.417.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 10 jobs.

Total employment, including all direct, industrial and consumption effects is estimated to increase by up to 78 jobs. This represents a Type 2 Employment multiplier of 1.625.

Impact Employment Total (Jobs) - Marion (C) (Aug 2015)

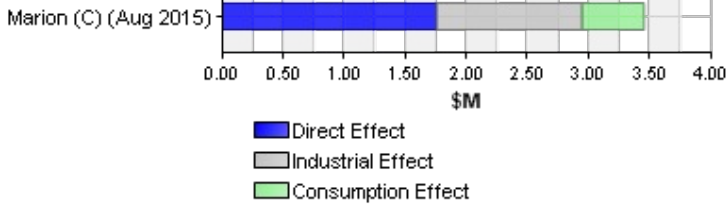


Impact on Wages and Salaries

From a direct increase in output of \$8.000 million it is estimated that direct wages and salaries would increase by \$1.752 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 20 jobs and a further increase in wages and salaries of \$1.192 million. This represents a Type 1 Wages and Salaries multiplier of 1.681.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost employment in sectors such as retail therefore further increasing wages and salaries by \$0.505 million.

Total wages and salaries, including all direct, industrial and consumption effects is estimated to increase by up to \$3.448 million. This represents a Type 2 Wages and Salaries multiplier of 1.969.

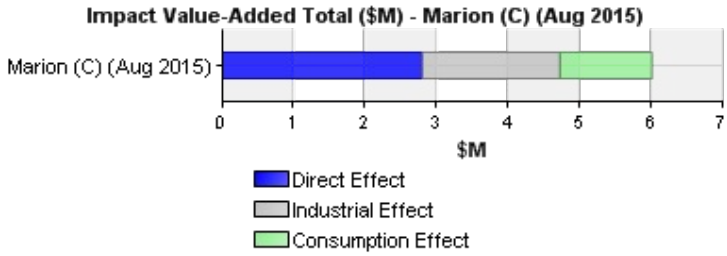


Impact on Value-Added

From a direct increase in output of \$8.000 million the corresponding increase in direct value-added is estimated at \$2.800 million. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$1.922 million. This represents a Type 1 Value-added multiplier of 1.687.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$1.288 million.

Total value-added, including all direct, industrial and consumption effects is estimated to increase by up to \$6.010 million. This represents a Type 2 Value-added multiplier of 2.147.

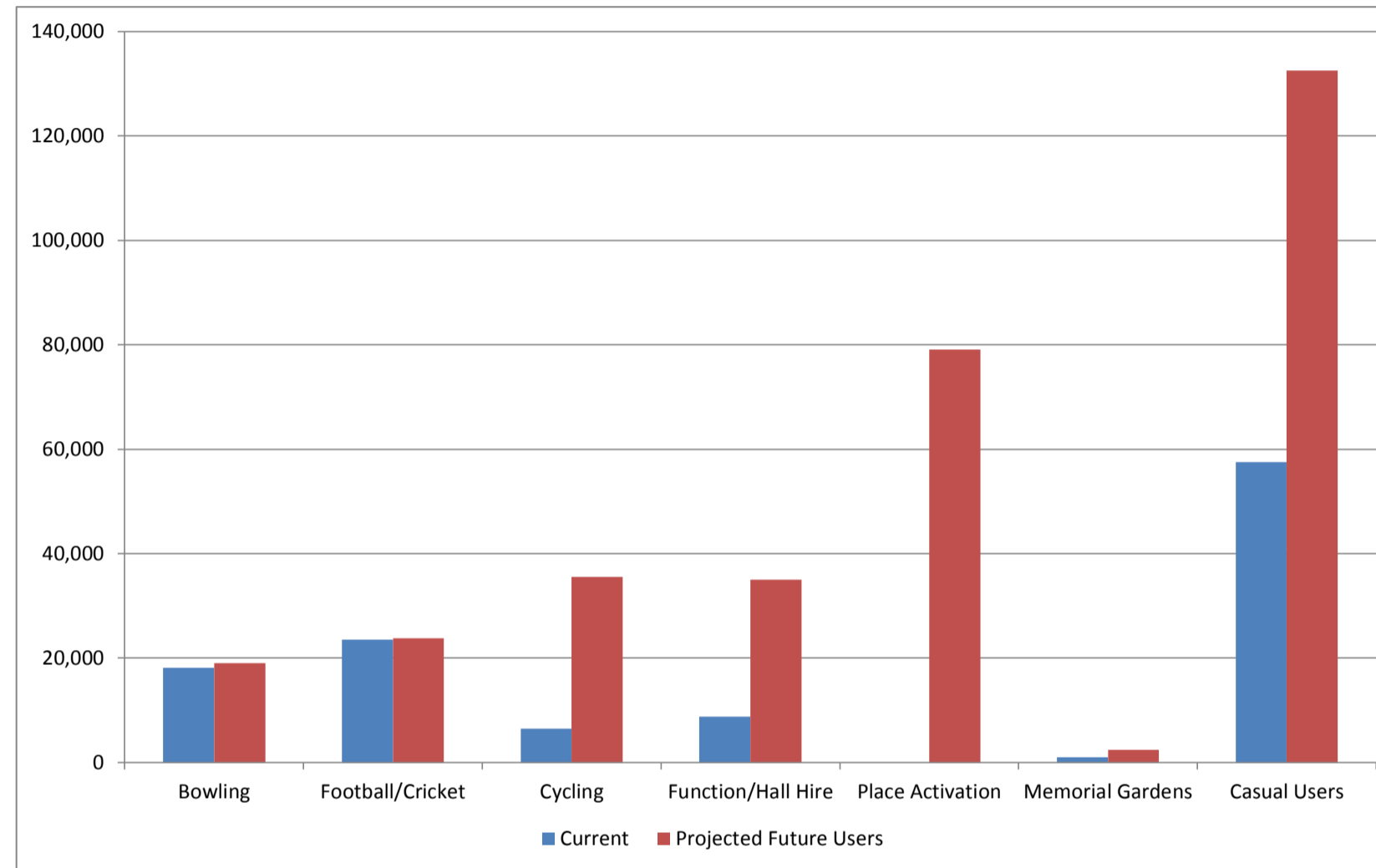


Impact Summary

| Impact Summary | Direct Effect | Industrial Effect | Consumption Effect | Total Effect | Type 1 Multiplier | Type 2 Multiplier |
|--------------------------|---------------|-------------------|--------------------|--------------|-------------------|-------------------|
| Output (\$M) | \$8.000 | \$4.416 | \$2.223 | \$14.640 | 1.552 | 1.830 |
| Employment (Jobs) | 48 | 20 | 10 | 78 | 1.417 | 1.625 |
| Wages and Salaries (\$M) | \$1.752 | \$1.192 | \$0.505 | \$3.448 | 1.681 | 1.969 |
| Value-added (\$M) | \$2.800 | \$1.922 | \$1.288 | \$6.010 | 1.687 | 2.147 |

Comparative annual visitations for Edwardstown Oval - Current vs projected

| | Current | Projected Future Users |
|--------------------|----------------|-------------------------------|
| Bowling | 18,110 | 19,000 |
| Football/Cricket | 23,540 | 23,770 |
| Cycling | 6,500 | 35,569 |
| Function/Hall Hire | 8,750 | 35,000 |
| Place Activation | 0 | 79,100 |
| Memorial Gardens | 1000 | 2,400 |
| Casual Users | 57,500 | 132,500 |
| | 115,400 | 327,339 |



**Edwardstown Oval - Current Income /
employment generation matrix**

Existing site visit analysis

| Functions/ facilities | Membership/ (Participant Baseline) | Forecast | Spectator/ guest attendance per event | Potential growth | Total per week | Events per year | opposition players and spectators per year | sub total | Club Functions | Total visits per year |
|---|------------------------------------|----------|---------------------------------------|------------------|----------------|-----------------|--|-----------|----------------|-----------------------|
| Bowling Club pennant | 75 | N/A | 25 | | 100 | 50 | 5000 | 10,000 | 1000 | 11,000 |
| Bowling club night owls | 90 | N/A | 20 | | 110 | 26 | 0 | 2860 | | 2860 |
| Bowling club other (Bridge) | 85 | N/A | | | | 50 | 0 | 4250 | | 4250 |
| Football club - Games (11 teams home and away per season fixture) | 250 (25 per match x 6 per week) | N/A | 200 | | 350 | 20 | 3,500 | 10,500 | 5000 | 15,500 |
| Football Club - Training (typical week) | 250 | N/A | 0 | | 250 | 20 | | 5,000 | | 5,000 |
| Cricket - games (2 teams home and away at EO per season fixture) | 70 (15 per match x1 per week) | N/A | 10 | | 25 | 12 | 300 | 300 | 500 | 2,200 |
| Cricket - training (typical week) | 70 | N/A | | | 70 | 12 | | 840 | | 840 |
| South Coast Cycling - Racing events | 75 | N/A | 50 | | 125 | 22 | | 2750 | 500 | 3,250 |
| South Coast Cycling - training | 75 | N/A | 25 | | 100 | 22 | | 2200 | | 2,200 |
| Additional Cycling club - racing events | 0 | N/A | 0 | | | | | | | |
| Additional cycling club - training | 0 | N/A | 0 | | | | | | | |
| Velodrome - junior programs | 0 | N/A | 0 | | | | | | | |
| Velodrome - schools/ learn to ride programs | 0 | N/A | 0 | | | | | | | |
| Velodrome - Australia Day racing carnivals | 200 | N/A | 100 | | | | | 300 | | 300 |
| Velodrome - additional day racing carnivals | 0 | N/A | 0 | | | | | | | |
| Velodrome - State Outdoor Championships | 0 | N/A | 0 | | | | | | | |
| Velodrome - Tour Down Under linked event | 0 | N/A | 0 | | | | | | | |
| Velodrome – triathlon clubs | 30 | N/A | 0 | | 30 | 25 | | 750 | | 750 |
| Velodrome – casual | 0 | N/A | 100 | | 100 | 50 | | | | 5,000 |
| hall/club hire - parties | 0 | N/A | 50 | | | 25 | | 1,250 | | 1,250 |
| hall/club hire - classes/seminars/meetings | 250 (10 classes of 15) | N/A | 0 | | 150 | 50 | | 7,500 | | 7,500 |
| function centre hire - parties | 0 | N/A | | | | | | | | |
| function centre hire - classes/seminars/meetings | 0 | N/A | | | | | | | | |
| Café - casual | 0 | N/A | | | | | | | | |
| Cycling Pitstop | 0 | N/A | 0 | | | | | | | |
| Memorial Gardens – Anzac event | 0 | N/A | 1000 | | 1000 | | | 1000 | | 1000 |
| Memorial gardens – community events hire | 0 | N/A | 0 | | | | | | | |
| Personal trainers | 0 | N/A | | | | | | | | |
| Gym Casual | 0 | N/A | | | | | | | | |
| Markets | 0 | N/A | | | | | | | | |
| Playground | 0 | N/A | 50 | | 350 | 50 | | 17500 | | 17,500 |
| Casual use | 0 | N/A | 100 | | 700 | 50 | | 35000 | | 35,000 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Annual Site Visits | | | | | | 484 | | | | 115,400 |

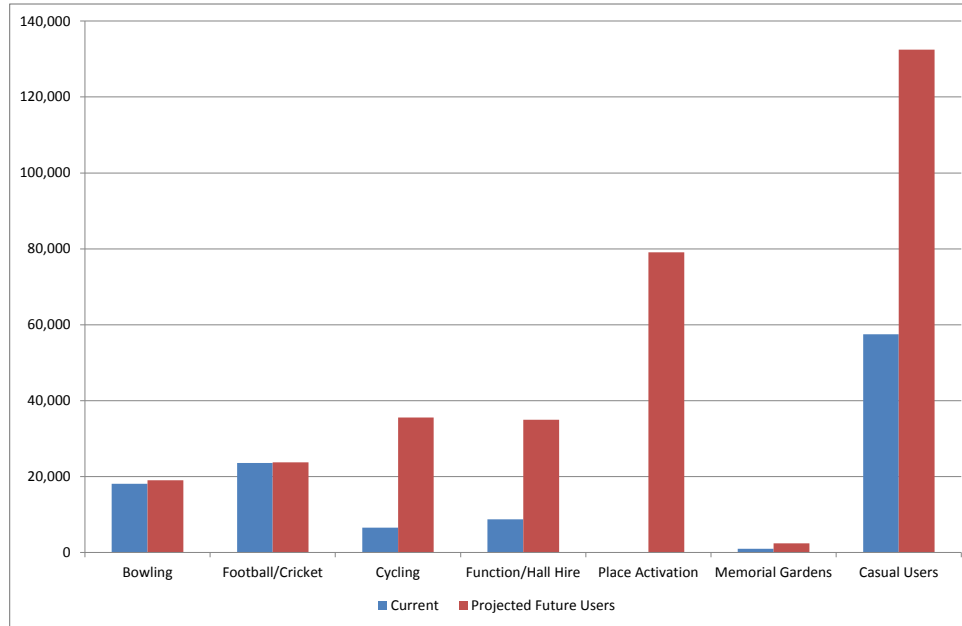
**Edwardstown Oval - After Upgrade Income /
employment generation matrix**

Projected site visit analysis

| Functions/ facilities | Membership/ (Participant Baseline) | Forecast membership | Spectator/ guest attendance per event day | Potential growth % | Total per week/ special event | Events per year | opposition players and spectators per year | sub total | Club Functions | Total visits per year |
|---|------------------------------------|---------------------|---|--------------------|-------------------------------|-----------------|--|-----------|----------------|-----------------------|
| Bowling Club pennant | 75 | N/A | 25 | 25 | 125 | 50 | 5000 | 10,000 | 1000 | 11,000 |
| Bowling club night owls | 90 | N/A | 20 | 25 | 132 | 25 | | 3300 | | 3300 |
| Bowling club other (Bridge) | 85 | N/A | | 10 | 94 | 50 | | 4700 | | 4700 |
| Football club - Games (11 teams home and away per season fixture) | 250 (25 per match x 6 per week) | N/A | 200 | 10 | 385 | 20 | 3,500 | 11,200 | 5000 | 16,200 |
| Football Club - Training | 250 | N/A | 0 | 10 | 275 | 20 | | 5,500 | | 5,500 |
| Cricket - games (2 teams home and away at EO per season fixture) | 70 (15 per match x1 per week) | N/A | 10 | 10 | 28 | 12 | 300 | 636 | 500 | 1136 |
| Cricket - training | 70 | N/A | | 10 | 77 | 12 | | 934 | | 934 |
| South Coast Cycling - Racing events | 75 | N/A | 50 | 50 | 185 | 36 | | 6660 | 500 | 7160 |
| South Coast Cycling - training | 75 | N/A | 25 | 50 | 150 | 36 | | 5400 | | 5400 |
| Additional Cycling club - racing events | 0 | 75 | 25 | new | 100 | 36 | | 3600 | | 3600 |
| Additional cycling club - training | 0 | 75 | 25 | new | 100 | 36 | | 3600 | | 3600 |
| Velodrome - junior programs | 0 | 50 | 25 | new | 75 | 50 | | 3750 | | 3750 |
| Velodrome - schools/ learn to ride programs | 0 | 50 | 10 | new | 120 | 50 | | 6000 | | 6000 |
| Velodrome - Australia Day racing carnivals | 200 | N/A | 100 | 50 | 450 | 1 | | 450 | | 450 |
| Velodrome - additional day racing carnivals | 0 | 300 | 150 | new | 450 | 3 | | 1350 | | 1350 |
| Velodrome - State Outdoor Championships | 0 | 300 | 200 | new | 600 | 2 | | 1200 | | 1200 |
| Velodrome - Tour Down Under linked event | 0 | 500 | 500 | new | 1000 | 1 | | 1000 | | 1000 |
| Velodrome – triathlon clubs | 30 | N/A | 0 | 50 | 45 | 25 | | 1125 | | 1125 |
| Velodrome – casual | 0 | N/A | 100 | 200 | 300 | 50 | | 15000 | | 15000 |
| hall/club hire - parties | 0 | N/A | 50 | 0 | | | | 0 | | 0 |
| hall/club hire - classes/seminars/meetings | 250 (10 classes of 15) | N/A | 0 | 0 | | | | 0 | | 0 |
| Return to Work programs | 0 | 100 | 10 | new | 10 | 10 | | 100 | | 100 |
| function centre hire - parties | 0 | N/A | 200 | new | 200 | 50 | | 10,000 | | 10,000 |
| function centre hire - classes/seminars/meetings | 0 | N/A | 25 | new | 500 | 50 | | 25,000 | | 25,000 |
| Café - casual | 0 | N/A | 50 | new | 350 | 50 | | 17000 | | 17000 |
| Cycling Pitstop | 0 | 10 | 50 | new | 360 | 50 | | 18000 | | 18000 |
| Memorial Gardens – Anzac event | 0 | N/A | 1000 | 0 | 1000 | 1 | | 1000 | | 1000 |
| Memorial gardens – community events hire | 0 | N/A | 350 | new | 350 | 4 | | 1400 | | 1400 |
| Personal trainers | 0 | 20 | 0 | new | 100 | 50 | | 5000 | | 5000 |
| Gym Casual | 0 | 50 | 0 | new | 250 | 50 | | 12500 | | 12500 |
| Markets | 0 | N/A | 1000 | new | 1000 | 4 | | 4000 | | 4000 |
| Playground | 0 | N/A | 50 | 100 | 700 | 50 | | 35000 | | 35000 |
| Casual use | 0 | N/A | 100 | 100 | 1400 | 50 | | 70000 | | 70000 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Annual Site Visits | | | | | | 934 | | | | 291,405 |

Comparative annual visitations for Edwardstown Oval - Current vs projected

| | Current | Projected Future Users |
|--------------------|----------------|-------------------------------|
| Bowling | 18,110 | 19,000 |
| Football/Cricket | 23,540 | 23,770 |
| Cycling | 6,500 | 35,569 |
| Function/Hall Hire | 8,750 | 35,000 |
| Place Activation | 0 | 79,100 |
| Memorial Gardens | 1000 | 2,400 |
| Casual Users | 57,500 | 132,500 |
| | 115400 | 327,339 |



Community Consultation

Community Survey Master Plan 2013

As part of the Edwardstown Oval Master Plan (2013) Project, a survey of surrounding residents was undertaken between January and February 2013. A total of 412 surveys were completed from the 4,342 that were distributed (representing a 9% response rate). Diverse household structures were represented in the survey, with the sample comprising of one-quarter lone-person households, one-quarter parents of pre-schoolers, primary school children or teenagers, and almost one-quarter older couples with no children living at home. Young couples without children comprised only 6% of the respondents.

The key findings from the survey are summarised below, with further details provided in the Background Report.

In total, 31% of respondents use Edwardstown Oval once a week or more frequently, with a further 16% using it monthly. While some (24%) use Edwardstown Oval once or twice a year, 29% never do.

Of those using Edwardstown Oval, the majority (82%) participate in casual recreation at the site. Other key activities include:

- Cycling (26%)
- Organised sport on the oval (15%)
- Club facilities (11%)
- Tennis (9%)
- Lawn bowls (5%)

The majority of users were satisfied with the oval (82%), velodrome (65%) and memorial park (60%), but unsatisfied with the playground (78%) and tennis courts (55%).

The main reasons given for not using the Edwardstown Oval 'at all' or not using it more often include a lack of time (35%), lack of information (35%), and lack of suitable age-related activities (26%). Additionally, some respondents did not use Edwardstown Oval due to health concerns, having no interest in using it, substandard facilities, safety concerns, or accessibility constraints.

The majority of respondents (86%) were in favour of investigating options to reduce the number of buildings on the site and move towards a more consolidated complex (and a further 10% remained neutral).

The top priorities once Edwardstown Oval is improved include a facility that is:

- Multi-purpose to cater for various sports and recreation activities
- Safe, appealing and inviting
- Used by a diversity of people and age groups

Results of Consultation during Concept development 2016

The following is discussion and extrapolation of some of those matters, with some related commentary and observations.

CYCLING POINTS TO CONSIDER

- Lighting is needed, but not necessarily the same lighting as needed for footy. BCA to do some research?
- Competition season could be extended with lights
- Not clear what their value propositions are, what will increase revenue & therefore increase their standing in the mix.
- Better track = they can charge more or attract more riders?
- More events (which bring money to peripheral uses)?
- Storage for bikes required (cages, hung up? How to do this efficiently? 'bike-trees')
- 'Ergo' machines (below) for off-season training
- Priorities:
- Quality of Track (incl fence)
- Facilities around the track: Storage, spectator viewing
- Lighting
- Dedicated clubrooms
- Brunswick Cycling Club is their dream benchmark. Aspiration to be a 'cycling mecca' (needs a good coffee shop!)

COMMUNITY HALL POINTS TO CONSIDER

Used for weddings, parties (but not 21sts or 18ths), Kindergym potentially (would require more storage)

Self-catering mostly, limited (domestic) kitchen with extra bench-space

2 important plaques – 1x wooden (Val's family), 1x metal (Alan Davies)

Used for training sessions also, & they would like to encourage more of this.

No stage needed, but a dais yes.

Sprung timber floor needed for dancing

Acoustics are an issue

Ceiling height currently pitching from 3m at perimeter to 4.2m in the centre

External breakout space not available currently, but would be used

Timber stage & flooring can be salvaged/ recycled

BOWLING CLUB POINTS TO CONSIDER

Night Owls season is longer than the pennant season

Night owls is where the club growth comes from – some move into pennant

Night Owls attract younger players

Bar turnover is an important aspect of Night Owls & brings revenue in

'A' Green is the best (and best lit), 'B' green is the worst, clay base & hence lumpy (but being improved). 'C' green has sand base.

Not yet being watered by the bore, but when so, the most % bore water will be 50%

Night Owls sausage sizzle with dinner after

Bar is open continuously, drinking whilst bowling (Night owls) is encouraged.

Bar needs to be on ground floor direct access to greens

Night Owls charges \$8 per player, but most of this goes to Bowls SA

Heavily supported by volunteers who take pride in the club

Any shut-down for construction would likely kill the club – bowlers would go elsewhere (seems to be a few clubs in action, all of whom play the same pennant competition)

<http://www.dsr.wa.gov.au/support-and-advice/facility-management/developing-facilities/dimensions-guide/sport-specific-dimensions/bowls>

Current bar is good size, but hall is too big (under-utilised? Can be upgraded to house Community Hall, with increased height....)

Shelter along rink edge is essential

Pool table is not essential

The Bowling club is well looked after – furniture in good condition, kitchen in good condition, (if a bit dated), bar in good condition, finishes dated but in good condition. Reflective of the time the members have to volunteer to the club

Quality of the greens is what attracts good players.

Perception that a shared bar (between football club & bowling club) would not work – there is an attachment to the bar that is there now.

Strong sense of ownership – 'don't change it'

Some of the memorabilia could be cut back; sponsorship ads could be on a loop on TV so physical signs are not necessary

Locker space is adequate for pennant, but there is no space for Night Owls

Sheds: Fertiliser & Chemicals / green-keeping machinery / BBQ enclosure (in car-park?) / soils shed (low roof, accessible to car-park for deliveries)

FOOTBALL CLUB POINTS TO CONSIDER

Struggling under heavy financial load, hence they don't open in the 'off' season, & other clubs don't have access to their facilities

Clubrooms condition is poor, kitchen & storage are very poor, inadequate ventilation

A/C is very poor & needs upgrade

Generally Footy club is in poor condition for the opposite reason to why the BC is in good condition – because members don't have the time to volunteer. Members are generally younger, with families, jobs, more time-poor.

Game days are when it is most heavily populated

Currently change rooms are used by cricketers and cyclists in the off-season. Cyclists also use changerooms for storage (with FC approval)

Equal access to the balcony is an issue

Meals are served, from separate caterer served from their kitchen. Up to 100 people. Better kitchen would bring more people in.

Canteen is used highly. Adelaide Oval Concessions would be a fair comparison precedent. How to combine with the central kitchen?

Roof is structurally unsound

Separate umpires room to the changerooms is needed.

Match-day benches are stored under the balcony & are wheeled out due to the velodrome.

Warm up area to be considered

Financial input is from Sponsorship/ Fundraising/ Subs/ bar/ Canteen

Local community came to the FC to socialise in the past, but no longer, (consider attraction for women with children? If not inviting for this, it will keep families away)

CRICKET CLUB POINTS TO CONSIDER

This meeting was not attended by Hardy Milazzo; a follow-up meeting will be organised.

RSL POINTS TO CONSIDER

Reported to WAX Design by City of Marion staff

1000 people attended centenary Anzac Day service

Potential for memorial garden to be used as a event space

Activation of gardens desired

Rose garden is pretty, but affects flexible use of the space

Retention of memorial entrance gates required

Potential for feature walls to support RSL commemoration

Some intimate nooks, but possible CPTED issue

Connection between this space & the rest of the facilities is not good (stairs only, inaccessible for disabled and elderly)

Tall chain-mesh fence to Bowling, but direct access is possible still by jumping perimeter low-brick wall! Why not open right up?

MANAGEMENT COMMITTEE POINTS TO CONSIDER

Supportive of the combined structure

Representation from each of the clubs is important, likely through nominated personnel present at board meetings, (If not part of Board)

Business hub / 'men's shed'/ public access gym/ cycling maintenance and/ or rental or the like/ café/ moonlight cinema: some profitable community-oriented commercial initiative is required to underpin the finances of the clubs to make the entire structure economically sustainable

Trends in Sport and Active Recreation

Trends in Sport and Active Recreation Participation by Children (5-14 years)
Australian Bureau of Statistics National Data (2000 compared to 2009)

| Sport (Presented in Order of Participation Based on 2009 data) | 2000 % | 2009 % |
|---|---------------|---------------|
| Bike Riding (including BMX) | 63.8 | 60.4 |
| Skateboarding, rollerblading | 30.9 | n/a |
| Skateboarding, rollerblading, riding a scooter | n/a | 49.3 |
| Swimming | 14.4 | 18.5 |
| Dancing | 10.4 | 14.3 |
| Soccer (outdoor) | 11.4 | 13.2 |
| Australian Rules Football | 6.6 | 8.6 |
| Netball | 9.1 | 8.4 |
| Tennis | 8.5 | 7.9 |
| Basketball | 7.6 | 7.4 |
| Martial Arts | 4.0 | 5.7 |
| Cricket (outdoor) | 5.3 | 5.2 |
| Gymnastics | 2.6 | 4.6 |
| Rugby League | 3.6 | 3.6 |
| Athletics, track and field | 3.9 | 3.3 |
| Soccer (indoor) | n/a | 2.8 |
| Hockey | 2.4 | 2.1 |
| Other organised sports | 14.1 | 14.0 |

The trend data for 5-14 year olds highlights that:

- Bike riding is a key activity even though there has been a slight decrease in participation
- Skateboarding remains strong
- Riding a scooter is potentially a key activity that will increase demand for hard surfaces
- Participation in Australian rules football and soccer has increased and is strong
- Although participation in netball, tennis and basketball has declined slightly in younger children these are still key participation activities and participation remains high.
- A number of activities that require indoor spaces have experienced an increase in participation (e.g. dance, martial arts, gymnastics)

Trends in Sport and Active Recreation Participation by 15 year olds and over ERASS Data
Australian Sports Commission for South Australia (2001 or 2004 compared to 2010)

| Sport (Presented in Alphabetical Order) | 2001 % | 2010 % |
|--|---------------|---------------|
| Aerobics/ Fitness | 12.3 | 24.3 |
| Athletics, track and field | 0.6* | 0.7 |
| Australian Rules Football | 3.7 | 5.2 |
| Badminton | 1.3* | 0.8 |
| Baseball | 0.6* | 0.3 |
| Basketball | 3.7 | 3.5 |
| Cricket (outdoor) | 2.7 | 4.1 |
| Cycling | 8.5 | 11.5 |
| Dancing | 2.0 | 1.7 |
| Gymnastics | 0.4* | 0.4 |
| Hockey | 1.0 | 1.0 |
| Lawn Bowls | 2.8 | 3.2 |
| Martial Arts | 1.8 | 2.1 |
| Netball | 5.9 | 6.1 |
| Roller Sports | 0.6* | 0.2 |
| Rugby League | 0.3* | 0.2 |
| Rugby Union | 0.3* | 0.5 |
| Running | 5.2 | 9.6 |
| Soccer (outdoor) | 3.8 | 3.4 |
| Softball | 0.6* | 0.2 |
| Squash/ racquetball | 1.1 | 0.6 |
| Table Tennis | 1.0 | 0.9 |
| Tennis | 7.7 | 7.0 |
| Touch Football | 1.0* | 0.6 |
| Volleyball | 1.9 | 1.6 |
| Weight Training | 2.2 | 3.5 |
| Yoga | 1.4 | 3.2 |

* 2004 data (2001 data not available)

The trend data for 15 year olds and over highlights that:

- Netball participation has grown from 5.9 to 6.1%
- Basketball remains a key activity for adult participation.
- Participation in aerobics and fitness and weightlifting has increased significantly
- Participation has increased for a number of traditional sports, including Australian rules football, cricket and netball
- Tennis remains a key activity, even though participation has decreased slightly
- Participation in casual activities such as cycling and running has increased substantially

Parks and Leisure Australia Facility Benchmarks

The Table Below provides the Parks and Leisure Australia benchmarks for Facilities. The standards below have been used to calculate potential demand for types of facilities on the next page.

| Facility Type | Parks and Leisure Australia- Benchmark |
|----------------------------------|--|
| Regional Indoor Sports Centre | 1:250,000 6+ Courts |
| Basketball Courts | 1: 3,000 |
| AFL Oval | 1 : 5,000 |
| Oval Cricket | 1 : 9,000 |
| Other Playing Fields and Pitches | 1 : 4,000 |
| Tennis Courts | 1 Court : 1,875 1 Club Facility (8 Courts) : 15,000 1 Regional Facility (Min 12 Courts) : 45,000 |
| Netball Courts | 1 : 4,000 |
| Lawn Bowls | 1 green : 12, 500 |
| Aquatics | 1 : 150,000 FINA Standard competition pool 1 : 75,000 25m or 50m recreation/competition pool 1 : 30,000 25m/leisure pool |
| Athletics | 1 : 250,000 regional level (synthetic track) |
| Hockey | 1 : 75,000 |
| Diamond Pitches | 1 : 17,500 |
| Skate Park | 1 ; 25,000 |
| BMX | 1 : 50,000 Regional 1 : 20,000 District |
| Regional Indoor Rec Centre | 1 : 50,000 to 100,000 |
| Golf Course | 1 : 30,000 |
| District Community Centre | 1: 15,000 to 25,000 |
| Neighbourhood House | 1: 5,000 |
| Youth Centre | 1; 20,000 to 30,000 |

Potential Demand For Facilities

| Facility Type | Northern Marion (North of Daws Rd) | City Of Marion |
|----------------------------------|---------------------------------------|----------------|
| Basketball Courts | 8.7 courts | 29.4 courts |
| AFL Oval | 5.2 Ovals | 17.6 Ovals |
| Oval Cricket | 2.9 Ovals | 9.8 Ovals |
| Other Playing Fields and Pitches | 6.5 Pitches | 22 Pitches |
| Tennis Courts | 14 Courts | 47 Courts |
| Netball Courts | 6.5 Courts | 22 Courts |
| Lawn Bowls | 2.2 Greens | 7 Greens |
| Aquatics | | 1 50metre |
| Athletics | | Regional |
| Hockey | 0.3 | 1 |
| Diamond Pitches | 1.4 Diamonds | 5 Diamonds |
| Skate Park | 1 | 3 |
| BMX | 1 Non-racing | 1.5 |
| Regional Indoor Rec Centre | | 1 |
| Golf Course | 1 | 3 |
| District Community Centre | 1 | 3 |
| Neighbourhood House | 5 | 17 |
| Youth Centre | 1 | 3 |

Based on a population of 26,133 for Northern Marion

2014 population data for City of Marion - 88,292

Demand calculation is based on PLA Benchmarks

Actual Supply Of Facilities

| Facility Type | Northern Marion (North of Daws Rd) | City Of Marion |
|----------------------------------|---------------------------------------|--------------------|
| Basketball Courts | 4 | 6 |
| AFL Oval | 5 | 9 |
| Oval Cricket | 4 | 8 |
| Other Playing Fields and Pitches | 0 | 7 |
| Tennis Courts | 18 | 65 |
| Netball Courts | 4 | 12 |
| Lawn Bowls | 6 | 12 |
| Aquatics | 2 Local | 3 Local; 1 x State |
| Athletics | 0 | 0 |
| Hockey | 0 | 0 |
| Diamond Pitches | 0 | 0 |
| Skate Park | 0 | 1 |
| BMX | 0 | 1 |
| Regional Indoor Rec Centre | 1 | 1 |
| Golf Course | 0 | 1 |
| District Community Centre | 1 | 3 |
| Neighbourhood House | 1 | 4 |
| Youth Centre | 0 | 1 |

Demand V Supply Of Facilities*Northern Region of Marion (North of Daws Rd)*

| Northern Marion (North of Daws Rd) | Supply | Demand | Over/Under |
|---------------------------------------|---------|--------------|-----------------------------------|
| Basketball Courts | 4 | 8.7 courts | -4/5 Courts |
| AFL Oval | 5 | 5.2 Ovals | Meets demand |
| Oval Cricket | 4 | 2.9 Ovals | + 1 Oval |
| Other Playing Fields and Pitches | 0 | 6.5 Pitches | -6 Pitches |
| Tennis Courts | 18 | 14 Courts | 4 Over |
| Netball Courts | 4 | 6.5 Courts | - 2/3 Courts |
| Lawn Bowls | 6 | 2.2 Greens | + 3 Greens |
| Aquatics | 2 Local | | Meets demand |
| Athletics | 0 | | Regional facility required |
| Hockey | 0 | 0.3 | Supplied in neighbouring Councils |
| Diamond Pitches | 0 | 1.4 Diamonds | Supplied in neighbouring Councils |
| Skate Park | 0 | 1 | Under supply |
| BMX | 0 | 1 Non-racing | Under Supply |
| Regional Indoor Rec Centre | 1 | | Meets demand |
| Golf Course | 0 | 1 | |
| District Community Centre | 1 | 1 | Meets Demand |
| Neighbourhood House | 1 | 5 | Under supply |
| Youth Centre | 0 | 1 | Under Supply |

City of Marion Demand V Supply of Facilities

| City of Marion | Supply | Demand | Over/Under |
|----------------------------------|--------------------|---------------|---|
| Basketball Courts | 6 | 29.4 courts | Major under supply |
| AFL Oval | 9 | 17.6 Ovals | Major under supply |
| Oval Cricket | 8 | 9.8 Ovals | -1/2 Ovals |
| Other Playing Fields and Pitches | 7 | 22 Pitches | Major under supply |
| Tennis Courts | 65 | 47 Courts | Major Over supply |
| Netball Courts | 12 | 22 Courts | Major under supply |
| Lawn Bowls | 12 | 7 Greens | 5 Over supply |
| Aquatics | 3 Local; 1 x State | 1 50metre | Meets demand |
| Athletics | 0 | Regional | Under supply |
| Hockey | 0 | 1 | Supplied in neighbouring Councils |
| Diamond Pitches | 0 | 5 Diamonds | Under Supply/ Facilities in neighbouring Councils |
| Skate Park | 1 | 3 | Under Supply |
| BMX | 1 | 1.5 | New proposed facility will meet demand |
| Golf Course | 1 | 3 | Under Supply |
| District Community Centre | 3 | 3 | Meets Demand |
| Neighbourhood House | 4 | 17 | Under Supply |
| Youth Centre | 1 | 3 | Under Supply |

Demand v Supply – Southern Adelaide Metropolitan Councils

| Facility | Actual Supply | Potential Demand | Over or Under Supply |
|------------------------------------|--|-------------------------|------------------------------------|
| Cycling Velodrome | 1 | | Velodrome supports regional demand |
| Regional Indoor Facility 6+ Courts | 0 | 1.5 | -1 |
| Indoor Sports Courts | 24 | 116 | -92 |
| Ovals | 47 | 69 | -22 |
| Playing Fields Soccer/Rugby | 24 | 87 | - 63 |
| Tennis Courts | 322 (68 Community Courts) | 189 | +133 |
| Tennis/Netball Courts | 81 | 87 | - 6 |
| Skate Parks | 19 | 14 | +5 |
| Lawn Bowls/croquet | 66 | 28 | +38 |
| Athletics | 3 local level facilities 0 regional | 1 Regional | -1 |
| Aquatic Centres | 1 Regional 2 District +3 Private | 5 | + 1 |
| Diamond Sports (Baseball/softball) | 8 | 19 | -11 |
| Hockey | 3 | 4.5 | -1.5 |

*Based on PLA Benchmarks and 2014 population data

| Edwardstown Oval - RISK REGISTER | | | | | | | | | | | | | | |
|----------------------------------|---|---------------|---------------------------|---|--|--|---|---------------------------------------|--------------------------------------|----------------------------------|--|--|-------------|--------------------|
| | Risk Description | Risk Category | Risk Consequence Type | Inherent (Before Controls) Consequence Rating | Inherent (Before Controls) Likelihood Rating | Inherent (Before Controls) Level of Risk | Existing Controls | Residual (Current) Consequence Rating | Residual (Current) Likelihood Rating | Residual (Current) Level of Risk | Treatment Plan | Risk Owner | Date Raised | Date Last Reviewed |
| EO1 | Community dissatisfaction with Council spending a significant sum on one project | Strategy | Reputation & Public Admin | Moderate | Possible | Medium | 1. Robust Corporate and Community Plan identified need and priority for project. 2. Long Term Financial Plan identified financial capacity to undertake project. 3. Council experience in managing significant projects | Moderate | Unlikely | Low | 1. Seek Council approval of a Section 48 Report. 2. Continue local and Council-wide updates on the project. | Council | 6/01/2016 | 16/02/2016 |
| EO2 | NSRF application is not successful | Strategy | Financial | Major | Likely | High | Strong experienced delivery team, good relationship with RDA and stakeholders, review of other successful applications | Major | Possible | High | Alternative Federal funding sources would be pursued. Elected member lobbying of Federal and State Governments | Council | 6/01/2016 | 16/02/2016 |
| EO3 | Facility does not cater for future changes to community demand | Strategy | Project Objectives | Moderate | Possible | Medium | Building layout and structural design allows for future changes and adaptability of spaces. | Moderate | Unlikely | Low | 1. Monitor trends over time 2. Measure community demand and changing preferences | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO4 | Ineffective stakeholder engagement leads to a negative relationships between Council and Internal Facility Management Group (Note: Risk present throughout project period) | Strategy | People / OHS | Moderate | Possible | Medium | 1 Communication and engagement strategy. 2 Facility managers actively engaged in developing business plan and forecast costs for maintenance and renewal costs. | Minor | Possible | Low | Review and update stakeholder engagement program | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |

| | Risk Description | Risk Category | Risk Consequence Type | Inherent (Before Controls) Consequence Rating | Inherent (Before Controls) Likelihood Rating | Inherent (Before Controls) Level of Risk | Existing Controls | Residual (Current) Consequence Rating | Residual (Current) Likelihood Rating | Residual (Current) Level of Risk | Treatment Plan | Risk Owner | Date Raised | Date Last Reviewed |
|------|--|-------------------------------|-----------------------|---|--|--|---|---------------------------------------|--------------------------------------|----------------------------------|--|--|-------------|--------------------|
| EO5 | Lack of realisation of projects economic benefits. | Strategy | Project Objectives | Major | Likely | High | Population projection data, ABS stats for participation rates, Club and Peak Association data used to estimate potential growth | Moderate | Possible | Medium | 1. Council resourcing of transition to include requirement to engage with new users already identified and pursue additional KPI's. 2. Transitional resource plus committee required to maximise use. | Project Manager / Marion Project Team | 6/01/2016 | 17/02/2016 |
| EO6 | New building does not meet strategic targets as outlined in the Strategic Plan (Community Plan) | Strategic projects | Project Objectives | Moderate | Possible | Medium | Included in Services Briefs in Consultancy Contracts | Moderate | Unlikely | Low | Inclusion of strategic targets into design documentation | Manager Strategic Projects | 6/01/2016 | 16/02/2016 |
| EO7 | Breach of contractual terms / conditions / obligations by Council leads to contractual liabilities | Liability | Financial | Moderate | Possible | Medium | Project Managed to Australian Standard contract. Process for variations, scope change to be rigidly adhered to. | Minor | Unlikely | Low | Ensure regular meetings and project group meetings. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO8 | Contractors fail to meet their contractual obligations resulting in delays and increases costs to Council | Liability | Financial | Moderate | Likely | High | 1. Standard Conditions of Contract define Contractor's responsibilities. 2. Contractor performance and project progress formally reviewed each month. | Moderate | Possible | Medium | 1. Include Special Conditions to cover any specific obligations not in standard conditions. 2. Create a checklist of Contractor's obligations to assist Superintendent and Marion in monitoring during | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO9 | Lack of consideration of WOHS, legal and system requirements during development may result in enforcement action from Safe Work SA and delays to achieving project milestones. | Legal & regulatory compliance | Project Timeframe | Moderate | Possible | Medium | 1. Included in Services Briefs in Consultancy Contracts and construction tenders requires robust WOHS methodologies and management commitment 2. Monthly monitoring of WOHS performance by contractor 2. Liaise with staff in appropriate | Moderate | Unlikely | Low | 1. Contractual arrangements with contractors and consultants 2. Project management and monitoring. 3. Obligations in Construction Contracts. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO10 | Lack of compliance with relevant legal and regulatory requirements leads to disruptions to works schedule and construction delays, e.g. EPA compliance, Aboriginal Heritage | Legal & regulatory compliance | Project Timeframe | Moderate | Possible | Medium | EPA and Aboriginal Heritage obligations included in standard Construction Specifications. Tender process requires methodology and commitment to EPA compliance | Moderate | Unlikely | Low | 1. Contractual arrangements with contractors and consultants. 2. Project management and monitoring. 3. Heritage investigations. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |

| | Risk Description | Risk Category | Risk Consequence Type | Inherent (Before Controls) Consequence Rating | Inherent (Before Controls) Likelihood Rating | Inherent (Before Controls) Level of Risk | Existing Controls | Residual (Current) Consequence Rating | Residual (Current) Likelihood Rating | Residual (Current) Level of Risk | Treatment Plan | Risk Owner | Date Raised | Date Last Reviewed |
|------|---|-------------------------------|-----------------------|---|--|--|--|---------------------------------------|--------------------------------------|----------------------------------|---|---|-------------|--------------------|
| EO11 | Long term financial plan and asset plan not updated as a result of this project | Legal & regulatory compliance | Financial | Moderate | Possible | Medium | Stakeholder engagement throughout project | Moderate | Unlikely | Low | Incorporate into Project handover process. | Manager Finance, Manager Strategy, Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO12 | Construction leads to traffic disruption for local residents, public safety issues and increased liability exposure | Legal & regulatory compliance | Financial | Moderate | Likely | High | 1. Included in standard Construction Specifications 2. Tender process to specifically require construction methodology that minimises local disruption | Moderate | Possible | Medium | 1. Ensure public safety aspects and specific traffic management requirements are included in detailed design and construction contracts. 2. Contractor performance and management regularly | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO13 | Changes to and increases in project scope after key phases leads to additional design and/or construction costs | Financial sustainability | Financial | Major | Possible | Medium | 1. Studies have identified community and business needs. 2. Consultancy contracts define objectives and requirements. 3. Marion staff engagement throughout design process. 4. Project Control Group kept | Minor | Unlikely | Low | 1. Continue reporting to Project Control Group 2. Links to communications strategy 3. Stakeholder engagement | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO14 | The cost of the facility as designed exceeds the budget | Financial sustainability | Financial | Moderate | Possible | Medium | 1. Cost monitored regularly during construction by independent cost consultant. Manager Strategic Projects and Project Manager. 2 Project cost reviewed by Project Control Group on a monthly basis | Moderate | Unlikely | Low | 1. Review costs and projected cost against project forecast. 2 Actively manage contractor performance. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO15 | Site soil conditions lead to unexpected foundation costs. | Financial sustainability | Financial | Moderate | Possible | Medium | 1. Geotechnical investigating and testing and site survey incorporated into design. 2. Design has taken geotechnical conditions and gradients into account. | Minor | Unlikely | Low | 1. Initial test completed and satisfactory. 2. Soil conditions will be monitored during construction to confirm design phase testing. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO16 | Lack of consideration of "whole of life" costing of materials and systems | Financial sustainability | Financial | Moderate | Likely | Medium | 1. Asset management plan updates commenced. KPMG Report addresses reviews project finance 2. Whole of life costs assessed. 3. Whole of life costs included in LTFP and | Moderate | Possible | Low | Final designs with costings to whole of life to consider all aspects of project construction maintenance operation and renewal costs | Manager Finance, Manager Strategy, Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO17 | Tendered prices exceed cost estimate | Financial sustainability | Financial | Moderate | Likely | Medium | 1. Cost Consultant engaged for cost estimating 2. Cost estimate updated regularly during design and prior to tender call. 3. Value Management workshops to ensure alignment of design with budget. 4. Cost estimate includes | Moderate | Possible | Medium | 1. Negotiate with preferred tenderer. 2. Identify features/items that can be changed, delayed or removed. | Project Manager / Cost Consultant / Marion Project Team | 6/01/2016 | 16/02/2016 |

| | Risk Description | Risk Category | Risk Consequence Type | Inherent (Before Controls) Consequence Rating | Inherent (Before Controls) Likelihood Rating | Inherent (Before Controls) Level of Risk | Existing Controls | Residual (Current) Consequence Rating | Residual (Current) Likelihood Rating | Residual (Current) Level of Risk | Treatment Plan | Risk Owner | Date Raised | Date Last Reviewed |
|------|--|--|---------------------------|---|--|--|---|---------------------------------------|--------------------------------------|----------------------------------|---|---|-------------|--------------------|
| EO18 | Unexpected asbestos discovered during demolition/construction | Financial sustainability | Financial | Moderate | Possible | Medium | Checked asbestos register | Moderate | Unlikely | Low | 1. Monitoring during construction. 2. Mechanism in Construction Contract for dealing with contamination. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO19 | Unexpected buried services discovered during excavation leads to increased costs and delays. | Financial sustainability | Financial | Moderate | Possible | Medium | Service location identified during design. | Moderate | Unlikely | Low | 1. Service locations monitoring during construction. 2. Mechanism in Construction Contract for dealing with latent (unexpected) conditions. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO20 | Inaccurate estimation of operational expenditure and revenue | Financial sustainability | Financial | Major | Possible | High | 1. Use known benchmarks and attendance figures for estimates of revenue generation 2. Independent advice through consultant | Moderate | Possible | Medium | 1. Transparency of reporting by Council and committee of Management on costs. 2. Council resources directly involved in management during transition period (2.5 | Manager Strategic Projects and Project Manager | 6/01/2016 | 17/02/2016 |
| EO21 | Management of scope against budget | Financial sustainability | Project Financial | Major | Likely | High | Regularly monitor scope and budget and prioritise non essential items for inclusion and/or exclusion | Moderate | Possible | Medium | 1. Include in contractual obligations. 2. Contract arrangement to ensure control remains with City of Marion 3. Monitoring by Projects Team on advice from Cost Manager | Manager Strategic Projects, Project Manager and Contracts Manager | 6/01/2016 | 17/02/2016 |
| EO22 | Project is not adequately managed | Execution, delivery & process management | Project Objectives | Moderate | Possible | Medium | 1. Additional Project Manager appointed for concept phase. 2. Monthly review by Project Control Group 3. Regular Marion Strategic Projects meetings with Lead Consultant. | Moderate | Unlikely | Low | Regular reviews of project management controls and processes. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO23 | Project not delivered to National Stronger Regions Fund (NSRF) timeframes or conditions | Execution, delivery & process management | Reputation & Public Admin | Moderate | Possible | Medium | Project staff and Project Manager regularly review and measuring performance against funding requirements | Moderate | Unlikely | Low | Milestone reports to funding body | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |

| | Risk Description | Risk Category | Risk Consequence Type | Inherent (Before Controls) Consequence Rating | Inherent (Before Controls) Likelihood Rating | Inherent (Before Controls) Level of Risk | Existing Controls | Residual (Current) Consequence Rating | Residual (Current) Likelihood Rating | Residual (Current) Level of Risk | Treatment Plan | Risk Owner | Date Raised | Date Last Reviewed |
|------|--|---|---------------------------|---|--|--|--|---------------------------------------|--------------------------------------|----------------------------------|--|---|-------------|--------------------|
| EO24 | Unplanned and unexpected delays in construction leads to delayed completion date and commencement of operations | Execution, delivery & process management | Business Continuity | Moderate | Possible | Medium | 1. Identify potential causes of delay during design phases and institute mitigation strategies. 2. Draw up a realistic construction program. 3. Construction contract has mechanism for dealing with delays. | Minor | Possible | Low | 1. Monitor during construction and communicate with Marion stakeholders. 2. Ascertain if particular delay is a Marion or Contractor risk. 3. Authorise additional resources if necessary after cost/benefit analysis. 4. Contract management during construction. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO25 | Construction activities and contractual requirements leads to increased dust, noise and potential contamination of water ways leading to community reaction and EPA intervention | Environmental & natural resource management | Environment | Minor | Likely | Medium | 1. Included in standard Construction Specifications 2. Tender process to require robust methodology and contractors commitment to environmental performance and management. | Minor | Possible | Low | 1. Include in contractual obligations. 2. Monitoring by Superintendent. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO26 | Functionality, features and quality required by City of Marion are not provided | Contracts & procurement | Project Objectives | Moderate | Possible | Medium | 1. Project procurement method separates design and construction. 2. Design carried out to 100% complete before work is tendered for construction. 3. Architect contract requires engagement with Marion staff to | Moderate | Unlikely | Low | 1. Construction contract to contain hold points and inspection points 2. Develop framework for Superintendent responsibilities 3. Contractor performance actively managed. | Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |
| EO27 | Tender process leads to disputes and impact on reputation. | Contracts & procurement | Reputation & Public Admin | Moderate | Possible | Medium | 1. Existing procurement policy and procedures 2. Robust tendering arrangements and strict adherence to processes and confidentiality | Moderate | Unlikely | Low | Ensure external parties involved in tender process adhere to policies and procedures. | Contracts Manager | 6/01/2016 | 16/02/2016 |
| EO28 | Contractor becomes insolvent during construction. | Contracts & procurement | Financial | Moderate | Possible | Medium | 1. Tender documents required tenderers to submit evidence of insurances and financial details 2. Marion's tender assessment processes include financial checks. 3. Tender assessment includes referee checks and interviews with tenderer. | Moderate | Unlikely | Low | 1. Use of DPTI prequalified contractors. 2. Maintain an awareness of industry conditions and information. 3. Monitor insurance expiry dates and obtain updated insurance certificates from Contractor before expiry. | Contracts Manager, Manager Strategic Projects and Project Manager | 6/01/2016 | 16/02/2016 |



CITY OF MARION
EDWARDSTOWN OVAL
Project Management Plan
Draft 0.1

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PURPOSE OF THIS DOCUMENT

This document outlines how the management of the Edwardstown Oval Redevelopment project will be performed, what activities will be undertaken and the responsibilities of each party with respect to the project.

Specifically, this document will outline:

- Scope of Work
- Key Project Objectives
- Summary of Deliverables
- Proposed Timeframe
- Key Stakeholders
- Project Resources including Project Roles and Responsibilities

DOCUMENT CONTROL

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Phone: 08 8375 6603

Version Control

| Version | Date | Author | Comments/Changes made |
|-----------|------------|------------|-----------------------|
| DRAFT 0.1 | 15/02/2016 | A. Gehling | First Draft |
| | | | |
| | | | |
| | | | |

PROJECT OVERVIEW

This project comprises the upgrade the Edwardstown Oval site to create a new community precinct.

The project involves the creation of a multi-functional community, function and sports complex on the site.

The Project to Date

The redevelopment of the site has been the subject of the following efforts to date;

Master Plan Report

In 2012 the City of Marion commenced a process to redesign a spread of sport and community hubs across the city that would ideally cater for the community's needs for generations to come. As part of this process an original master plan was prepared for the Edwardstown Oval in 2012 -13.

The master planning process aimed at redesigning the four major sports and community precincts across the city. However there was no budget allocated to the four sports master plans beyond concept phase and fully funding the four master plans was beyond Council's financial capacity. In reviewing the master plans and sporting infrastructure Council focused on identifying the highest needs of the community with an intention of prioritising projects and developing deliverable concepts that could potentially be achieved in the short to medium term.

At the General Council meeting held 14 April 2015 Council endorsed a range of projects to be undertaken relating to sports facilities as follows:

- Options for soccer pitches
- BMX track in the south
- Indoor multipurpose stadium
- Edwardstown Oval (EO) Upgrade
- Mitchell Park Sports and Community Club upgrade

Subsequent resolutions in September authorised the engagement of consultants for concept development with the view to preparing funding bid to the National Stronger Regions Fund Round 3.

Project Aim

Following Council's resolution of December 8 on the preferred concept option , the project scope comprises the removal of all existing buildings on the site and development a new two storey building of in the North West sector of the site to cater for the needs of clubs that utilise the site, and additional amenities that will foster community identity and involvement, employment and business development.

Objectives

The objective is to the transfer of all operations currently housed in the existing buildings on site to a new consolidated facility by early 2017, preferably by the commencement of the 2017 winter football season.

The redevelopment will occur with existing sporting clubs continuing to operate on the site through the construction period.

The improved functional capability will enable third parties to hire the function centre from 2017 on.

Assumptions, Constraints and Risks

The key assumptions are

- Continuity of use by the existing sporting clubs
- Continuity of use by the community
- Demand for the facilities in the event of one or more existing clubs ceasing to operate
- Improved facilities enabling growth of existing clubs
- Funds equal to \$4 million will be forthcoming from external sources

The key constraints are

- Continued designation of the site as Community Land
- Existing development controls
- Budget funding capability of the City of Marion and the Australian Government
- Capability of local construction industry to deliver the project

The key risks are

- Continued favourable construction climate
- Continued support and cooperation of existing clubs

Project Deliverables

The building includes

- A shared multipurpose clubroom/bar to cater for the needs of the community and the clubs that overlooks the main oval, bowling greens and retain the view of Mt Lofty
- A multipurpose community hall/meeting/function space
- Two new change rooms connected to two amenities rooms with toilets and showers
- Public male/female/accessible toilets (male 10sqm, female 10sqm, disabled 5sqm*)
- Kitchen to meet the needs of clubs and the community.
- Shared office area
- Umpires room including toilet and showers
- Utility/cleaners room
- Football club gym and massage/first aid/doctors room
- Cold store
- Storage
- Design elements that will recognize the history of the site and include the WW1 honour board.
- External verandah area linking to bowling green

Additional amenities included that will foster community identity and involvement, employment and business development include:

- Adding a space for a small commercial café suitably located to attract seven day a week patronage by site users including existing sporting club members and guests
- Bookable digitally enabled community meeting facilities
- Incorporating ground level multi use space short or long term lease by compatible small businesses such as cycle repairers, cycle storage and hi re, private gym, personal trainers, allied health providers.
- Configuring external areas to allow for community enterprises and events such as outdoor cinema, farmers market
- Servicing the site with public wifi and digital device charging

The site retains long term capability for local Football (AFL), Cricket, Lawn Bowls, Velodrome Cycling competition and training as well as informal recreation and Memorial functions. Proposed landscaping shall enhance the site's use for year round informal recreation and its connection and contribution to the local streetscapes.

Site planning integrates with the recently completed playground upgrade in the south west corner of the site.

In addition it includes:

- A redesign of the memorial gardens in the north eastern corner of the site to enhance its value for informal recreation while retaining its suitability for memorial events
- New cricket nets on the main site
- Upgrading the velodrome
- Improved lighting to areas intended for night use, such as night training for football, twilight bowls, and security of informal uses and access to clubrooms and community facilities (taking note that improvements to Oval lighting are currently in train)
- A redesign of car park and traffic management to
 - to minimize vehicle manoeuvres within the site
 - provide sufficient car parking to meet the capacity need of the facility
 - provide entry points to cater for anticipated peak traffic flows

The building and landscape concepts will also contain design elements that will recognize the history of the site and include the WW1 honour board.

Summary of Schedule

- February 2016
 - Audit Committee considers Section 48 report
- March 2016
 - Council endorses Bid for NSRF funds and bid submitted
- July 2016
 - NSRF Round 3 decision.

- Offers sought for Design Development, Documentation
- August 2016
 - Design Development, Documentation team appointed
- October 2016
 - Design development complete, documentation commences
 - Cricket, bowls and cycling season commences
 - Expression of Interest for building Contract
- December 2016
 - Selected tenderers for Building Contract nominated
- Jan 2016
 - Documentation complete, Tenders called
- March 2017
 - Football season commences
- April 2017
 - Tenders let
 - Demolish east sector of bowling club
 - Commence velodrome surface upgrade and new building works,
 - bowling club operate from West Sector of existing building
- September 2017
 - Velodrome complete, first fix complete, new building works to lock up

- October 2017
 - Cricket, bowls and cycling season commences

- December 2017
 - New building east sector complete, (Partial Practical Completion)
 - Existing buildings demolished
 - West Sector building commences
- June 2018
 - West Sector building and site works complete, (Full Practical Completion)
- June 2019
 - Final completion (end of defects liability period and one full years operation)

Budget Summary

Council has approved a budget of \$135,000 for concept development and bid preparation. Council have endorsed the preparation of a concept design an NSRF bid for a project of \$8million assuming funding of \$4million from Council and \$\$ million from the Australian Government (through a successful NSRF bid)

A detailed project budget has been prepared on the basis of advice from independent cost planners Chris Sales Consulting who are based in Adelaide and well versed in the local construction market.

PROJECT ORGANISATION

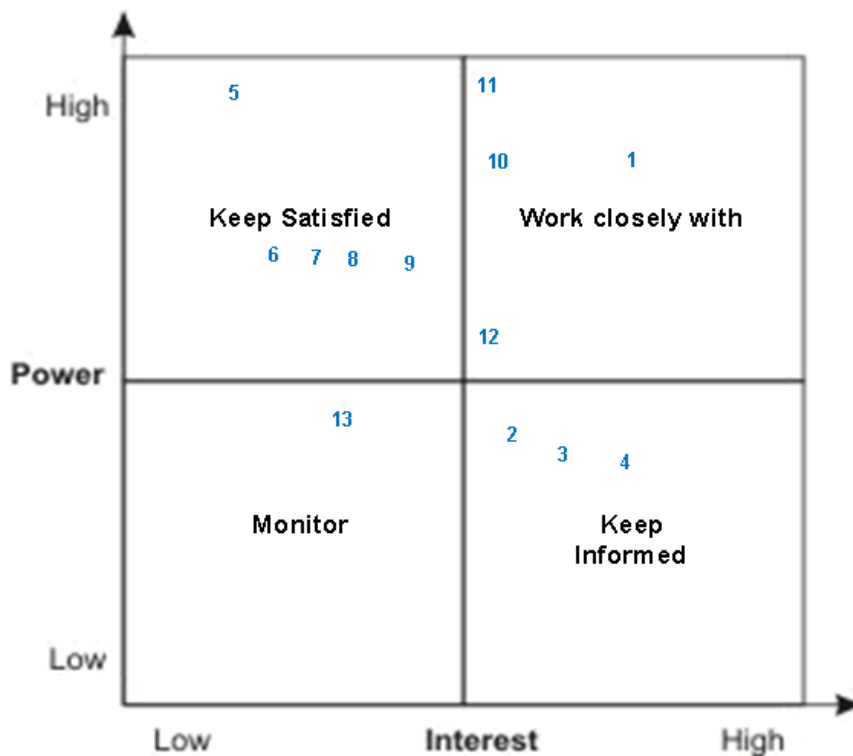
External and Internal Relationships/Stakeholder Analysis

There are a number of key stakeholders, within the immediate and wider community, including:

Edwardstown Oval Committee of Management

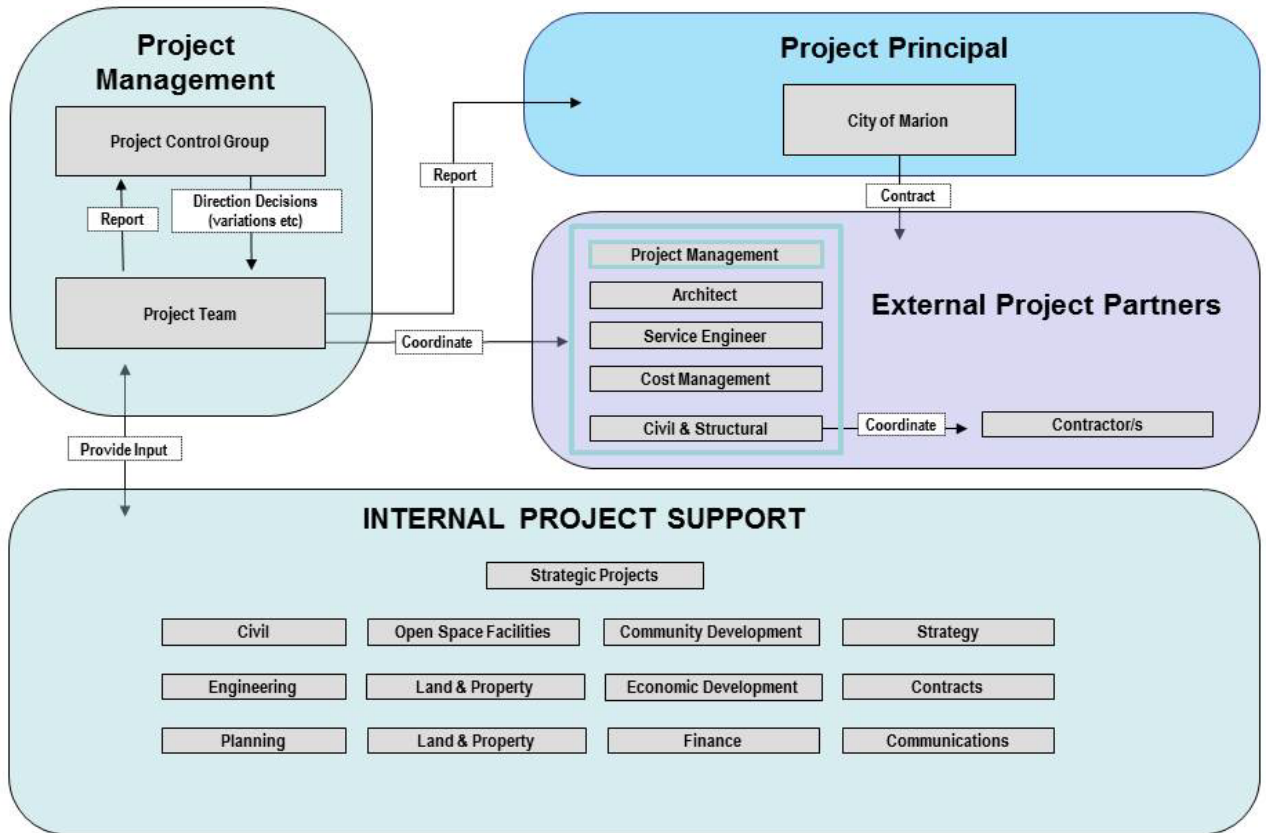
1. Returned and Services League of Australia
2. Cycling SA
3. The SA Sports Institute
4. Office of Recreation and Sport
5. Edwardstown Football Club
6. Edwardstown Bowling Club
7. South Coast Cycling Club
8. South Road Cricket Club
9. Councillors/Elected Members
10. Mayor
11. Public/Rate Payers (Community Facility Users)
12. Internal Teams (Land & Property, Open Space Planning, Strategy, Development Services, Finance)
13. Internal project team

Each of these stakeholders will have different needs in relation to the project as set out below:



Internal Structure

Project Governance Roles - Edwardstown Oval Redevelopment



Primary Roles and Responsibilities

| Role | Position | Description |
|------------------------------|--|---|
| Council | Council | <ul style="list-style-type: none"> ▪ Council will make all final decisions for the project |
| PCG Project Control Group | CEO General Managers | <ul style="list-style-type: none"> ▪ Approves the business decisions for the Project in accordance with delegations from Council ▪ Resolves major issues ▪ Gives advice where required ▪ Ensures that what is being produced is in accordance with the directions of Council and ELT |
| User Representatives | Edwardstown Oval Committee of Management Returned and Services League of Australia Cycling SA The SA Sports Institute Edwardstown Football Club Edwardstown Bowling Club South Coast Cycling Club South Road Cricket Club | <ul style="list-style-type: none"> ▪ Represent existing and proposed future leases, sub-licencees, users of the facilities |
| Internal Project Manager | Project Manager | <ul style="list-style-type: none"> ▪ Responsible for the project management deliverables ▪ Responsible for the deliverables within the scope of work/brief ▪ Tracks action items, time and budgets ▪ Generally first point of external contact for the project ▪ Liaises with stakeholders ▪ Leads the Project Team ▪ Reviews project management processes |

| Role | Position | Description |
|-----------------------|--|--|
| | | <ul style="list-style-type: none"> ▪ Seeks endorsement from Council for overall strategy ▪ Coordinate presentations to Council on project details, milestone achievement, reports, strategies |
| Internal Project Team | <ul style="list-style-type: none"> ▪ Community Facilities Planner ▪ Project Officer, Open Space and Facilities ▪ Team Leader, Land and Property ▪ Team Leader Open Space and Recreation ▪ Open Space & Recreation Planner ▪ Land Disposal ▪ Maintenance agreements ▪ Community Engagement Coordinator ▪ Strategic Projects Administration Assistant | <ul style="list-style-type: none"> ▪ Recommends the business decisions, for the Project ▪ Undertakes the day to day aspects of the project to ensure the deliverables of the project are achieved ▪ Ensures that what is being produced is in accordance with the directives of Council. ▪ Collaborates to provide advice and input to review, monitor and guide the project management deliverables and outcomes ▪ Report to PM and then Council on the achievement of each key milestone ▪ Provide advice related to their area of specialty ▪ Lead delivery of objectives related to their area of responsibility in cooperation with other team members |

PROJECT MANAGEMENT

Project Scope

The project involves the creation of a multi-functional community, function and sports complex on the site.

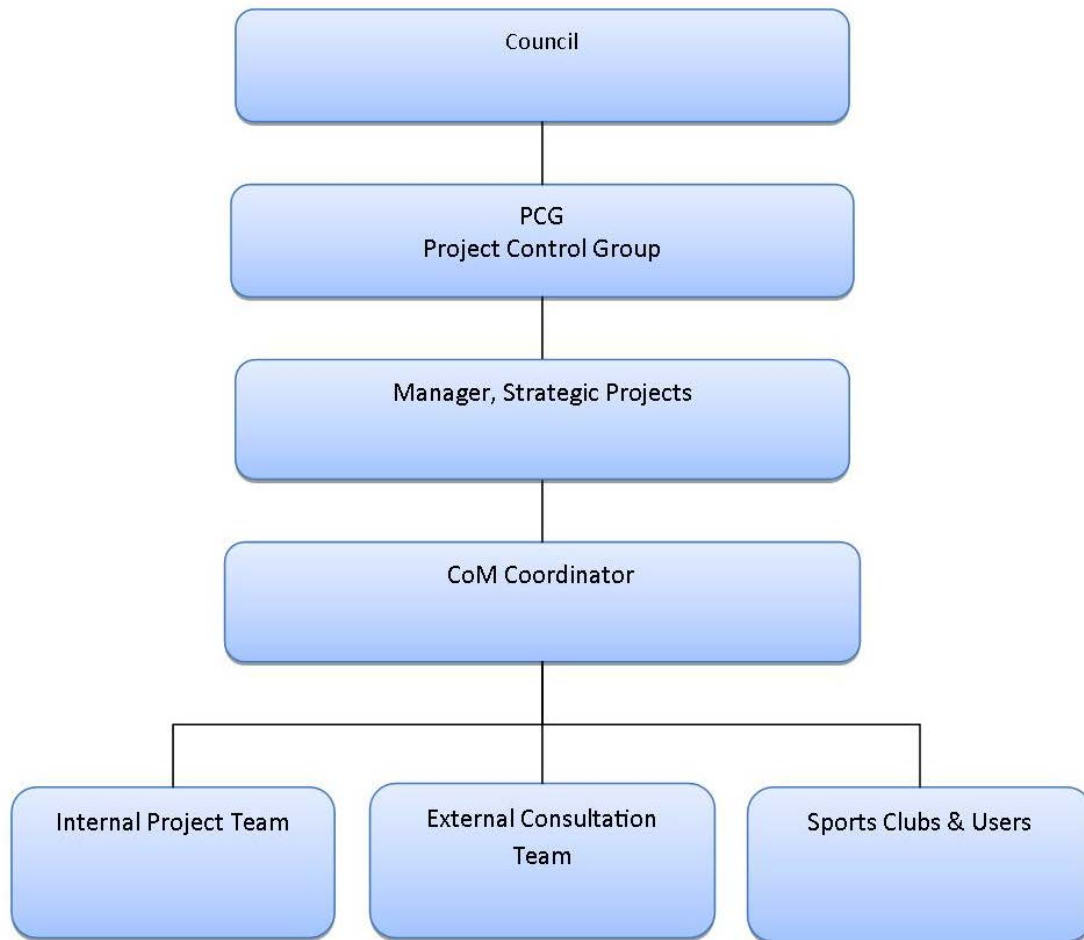
Following Council's resolution of December 8, the project scope comprises the removal of all existing buildings on the site and development a new two storey building of in the North West corner of the site to cater for the needs of clubs that utilise the site, and additional amenities that will foster community identity and involvement, employment and business development.

Project Estimates

The estimated project cost based on the design concepts produced by Hardy Milazzo in January 2016 is as follows:

| Building Works and Services January 2016 | |
|---|--------------------|
| Building Works | \$4,107,600 |
| External Works | \$2,135,809 |
| Design Contingency | \$420,515 |
| Building Works sub total | \$6,663,924 |
| Construction Contingency | \$450,076 |
| Professional Fees | \$641,000 |
| Escalation to June 2018 | \$236,000 |
| Total | \$7,991,000 |

Project Team and Structure



It is envisaged that the Internal Project Team will be made up as follows:

- Project Manager
- Community Facilities Planner
- Team Leader, Land and Property
- Team Leader Open Space and Recreation
- Open Space & Recreation Planner
- Community Engagement Coordinator
- Strategic Projects Administration Assistant

Project Schedule and critical Milestones

Major milestones and deliverables are outlined in the table below:

| Mile stone No. | Deliverables | Milestone | Milestone Date |
|----------------|--|--|----------------|
| 1. | PCG Report endorsed AC Report endorsed | Recommend project approach for Council | February 2016 |
| 2. | Council Report endorsed | Recommend project approach for Council including endorses Bid for NSRF funds and bid submitted | March 2016 |
| 3. | Letter from Federal Government | NSRF Funding Confirmation | July 2016 |
| 4. | Contract | Design & Documentation Contracts | August 2016 |
| 5. | Expression of Interest for building Contract | Building contractor Procurement process | October 2016 |
| 6. | Council Report endorsed | Select Tender approval | January 2017 |
| 7. | Construction Commencement | Contract Approval | April 2017 |
| 8. | New building east sector complete, (Partial Practical Completion) | Stage 1 handover | December 2017 |
| 9. | West Sector building and site works complete, (Full Practical Completion) | Stage 2 Handover | June 2018 |
| 10. | Final completion (end of defects liability period and one full year's operation) | Project Completion | June 2019 |

Project Procurement

A project procurement plan has been developed

Procurements will be in accordance with.

The following major procurements will be required:

- Design Development, Documentation and Contract Administration Consultancy
- Cost Management Services
- Construction services
- Furniture Fittings and Equipment Procurement

Project Budget Allocation

The proposed project budget is \$8million as per current council resolution.

Subcontract Management

Subcontracts will be included in the scope of the following contracts.

- Design Development, Documentation and Contract Administration Consultancy
- Construction services

In both cases subcontract management will be the responsibility of the head contractor and subject to the relevant subcontract form corresponding to the head contract.

Project Reviews

Project reviews will occur at the following key points.

- NSRF Round 3 decision. (July 2016)
- Design Development Complete (October 2016)
- Tender call (January 2017)
- Tender recommendation (March 2017)
- Partial Practical Completion (December 2017)
- Full Practical Completion (June 2018)

Audit Controls

Project commitments are monitored through the Cost Managers regular monthly reports
Project expenditures are monitored through council financial systems. Regular reports will be supplied to the engaged Cost Manager to reconcile expenditure against project commitments.

PROJECT MONITORING AND CONTROL

Requirements management process and change controls

Requirements are managed through the following;

- Initial written brief supplied to the concept design consultant
- Return brief prepared for council endorsement following acceptance of the concept design
- Return brief reviewed and confirmed prior to design development
- Change management process for scope, time, cost and quality in place for duration of design development and documentation period
- Formal tender query and tender variation process in place during tender call period.
- With main contract in place changes are controlled through the standard Request for Information (RFI) , Site Instruction (SI) and Variation Order (VO) processes for the contract

Managing Project Scope and Schedule

Project scope and schedule are managed through regular internal project team meetings and project design team meetings. Once the main construction tender is let there will be regular project construction meetings to review scope and schedule at which monthly progress reports will be reviewed and issues addressed.

Managing Project budget

Project budget is managed through the following mechanisms

- clear budget expectations set by council
- fixed price contracts for the major procurements
- legal liability insurance obligations built into key procurements
- regular monthly reports on commitments by the cost manager
- regular reconciliation of expenditure against commitments
- issue escalation procedures built into consultancy and construction contracts
- Investigation and monitoring of latent conditions
- Commitment to institution of value management reviews whenever significant budget issues become apparent

Project Quality Controls

Project quality controls are built into the consultancy services and building contracts. In addition quality standards are built into a number of aspects of building performance including fire systems operation, occupational health and safety standards and environmental health standards.

Project Communication Plan

A draft communications plan has been established and will be developed further funding has been confirmed.

Project Performance Measures

The key project performance measures are the achievement of Practical Completion within time cost and quality.

Progressive performance measures are achievement of relevant City of Marion approvals and statutory approvals.

REVIEW AND ACCEPTANCE

Developed by:

Project Manager (Andrew Gehling)

Date:/...../.....

Reviewed by:

Manager, Strategic Projects (John Valentine)

Date:/...../.....

Approved by:

General Manager, City Development (Abby Dickson)

Date:/...../.....