

CM14.6. Albury Wodonga Aquatics Facilities Management Update

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FURTHER ENQUIRIES	Simona Coad Community & Recreation	PHONE	6023 8145
AUTHOR	Michael Stanton		

Purpose of Report

To provide Council with an update in relation to the Albury Wodonga Aquatic Facilities (AWAF) management and 2018/19 fees and charges.

Background

AlburyCity and Wodonga Councils awarded a five-year contract to Aligned Leisure on 23 April 2018 to manage the combined Albury Wodonga Aquatic Facilities from 1 July 2018.

The Contract was awarded to Aligned Leisure as they presented the best value to both Councils based on the specification of the tender, the programs, services and value adding that they were able to deliver.

The 5-year contract fee paid to Aligned Leisure by AlburyCity is \$3,204,120.40. On a yearly basis this equates to approximately \$600,000 for operational costs and a \$40,000 management fee. In addition, \$100,000 has been set aside by AlburyCity for major maintenance upgrades and sundry expenses.

Based on operational costs and annual visitor numbers to the Albury and Lavington Swim Centres, every visit to the facilities is subsidised by AlburyCity by approximately \$5.35. In comparison to other leisure facilities, the subsidy for the Lauren Jackson Sports Centre is approximately \$1.40 per visit and the Les O'Brien Athletics Complex approximately \$3.00 per visit.

The contract fee paid to Aligned Leisure has been calculated based on an overall cost neutral result to the contractor. Any additional operational losses will be borne by Aligned Leisure. Profits will be subject to a 50/50 profit share arrangement with AlburyCity. However, based on typical margins for aquatic facilities, any profit share returns are not expected to be substantial.

It is standard practice for Councils under similar arrangements to put the profit share funds back into the facilities for upgrades, improvements, programs, promotion and/or equipment purchases. The preference of Aligned Leisure is for all three parties to reinvest any profit share back into the facilities in some form which is supported by AlburyCity and the City of Wodonga.

Aligned Leisure – Overview of service provision

The main contract requirements of Aligned Leisure are as follows:

- Management of all three outdoor pools (Lavington Swim Centre, Albury Swim Centre and WAVES);
- Management of Wodonga Sports & Leisure Centre (WS&LC); and
- Healthy Albury Wodonga – a suite of fitness and health programs for the community.

Operational transition process

Upon commencement on 1 July 2018, Aligned Leisure reviewed the Aquatic and Leisure facilities, operations and staffing required and implemented the following to prepare for its first season:

- Reviewed operational staffing needs and recruited 95% of existing YMCA staff, with all staff from Albury Aquatic Management who have made contact also recruited;
- Further consultation with Council staff and user groups to gain a better understanding of previous operational processes;
- Established point of sale, IT and financial systems across all four facilities;
- Completed re-fit of equipment of the kiosk at both Albury and Lavington Swim Centres; and
- Commenced some of the Healthy Albury Wodonga programs roll out.

Fees and Charges

Aligned Leisure aquatic fee options for the three seasonal pools are as follows:

- Casual entry (for individual pools);
- Multi Visit pass entry; and
- Seasonal membership for all three outdoor pools (pro rata from commencement).

Under the previous contractor the following options were available:

- Casual entry;
- Seasonal membership (for individual pools);
- Reciprocal Seasonal membership (for both Albury and Lavington Swim Centres); and
- ½ season membership (for individual pools).

The Aquatics management fees and charges process specifically provides that the Contractor shall review all facility fees and charges on an annual basis and make recommendations on the structure and amount of fees.

The fees and charges for aquatic facilities are approved by the contract supervisor which has historically been the case under previous management contracts. Approval is based on the policy of access and equity of the facilities for the community. Council will be provided a report for noting on the fees and charges for the aquatics facilities on an annual basis.

Aligned Leisure has been completely transparent in providing its full list of fees and charges. The fees and charges schedule was an attachment to the tender submission but did not form part of the tender schedules and was not reported to Council.

The fees and charges schedule under previous management contracts had also not been presented to Council during the tender process or at any other stage.

The fees and charges for all three seasonal pools (Albury and Lavington Swim Centres and WAVES) form Attachment 1, with some of the main changes and initiatives from previous fees and charges structures described below.

In establishing the fees and charges proposal for Albury Wodonga Aquatic Facilities (AWAF), the following has been taken into consideration:

- Prices from previous seasons and, in the majority of cases, incremental increases applied;
- Cross border and multi facility membership options in line with the direction of the joint aquatics management model;
- Introducing industry standard practices; and
- Comparisons and benchmarking against other facilities.

It should be noted that the new fee structure does provide multi facility options and other benefits. It is not a 'one size fits all' fee structure.

All fees and charges will be reviewed annually and the first year of operation will be a year of research and consultation for Albury Wodonga Aquatic Facilities and a chance to obtain a much better understanding of overall patronage, usage and operations.

Casual Entry

Casual entry prices have increased by 3 – 5% from 2017/18, noting that casual entry prices have traditionally increased by 5% for the past four years.

A family casual entry price is also included which was offered at WAVES previously but not at the Albury and Lavington Swim Centres. It provides savings of at least \$4.60 per family casual entry.

Multi Visit Passes

Multi visit passes (20 visits) are a new introduction to the fee structure and are also available for adults, concession/children and families. This can be used at any time over the season and across all three outdoor pools. The price of the multi passes is equivalent to paying casual admission 19 times for the particular category, with the 20th visit free.

The following table outlines the casual entry and multi visit options in comparison to last season.

Table 1

	2017/18 Albury and Lavington	2018/19 Casual	2018/19 Multi Visit
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	Swim Centre casual entry prices	Prices	Prices (20 visits)
Child / adult concession	\$4.10	\$4.40	\$83.60
Adult	\$5.20	\$5.40	\$102.60
Family	N/A	\$15.00	\$285.00

Memberships

The following table provides an overview of the new AWAFF combined membership fees for the Albury Wodonga outdoor pools. In addition, the previous contractors individual and combined indoor membership fees are included for comparison.

Table 2

Membership price table:				Full 30 Week Season price	Pro Rata as of 19 November
	2017/18 Albury or Lavington Swim Centre Memberships	2017/18 Reciprocal Albury and Lavington Swim Centre Memberships	2017/18 WAVES Memberships	2018/19 Memberships (Albury, Lavington Swim Centres and WAVES combined)	2018/19 Memberships (Albury, Lavington Swim Centres and WAVES combined)
Child / adult concession	\$178	\$215	\$160	*up to \$239.50	*up to \$166.34
Adult	\$215	\$257	\$200	*up to \$299.25	*up to \$208.05
Family	\$352	\$420	\$300	*up to \$375	*up to \$260.71
Family Concession	\$315	\$378	N/A	*up to \$275	*up to \$260.71

Note – 2018/19 prices are based on a fortnightly payment structure and all memberships provide access to all three seasonal pools. The prices presented in Table 2 show the maximum payment for membership for the entire 30 weeks’ season (mid September – mid April) of the Albury Swim Centre and WAVES and an example of pro rata membership price if someone joined later in the season (19 November). The full Lavington Swim Centre season is for 26 weeks, from early October to end of March.

If someone joined for the length of the Lavington Swim Centre season (26 weeks) they would pay:

Child / adult concession	up to \$207.35
Adult	up to \$259.35
Family	up to \$325

Previous membership analysis shows that approximately 60% of pool members at Lavington joined in November or December. Under the new fee structure, users can join at any time and therefore pay a pro-rata rate from the day of joining.

- Members are encouraged to pay via fortnightly direct debits payments from the time they join which entitles them up to eight weeks of membership suspension per calendar year (16 weeks per season). This is a new benefit that pool users would not have had access to previously. Suspensions can be used when members are away, are too busy with work or other commitments etc. In addition, longer suspension periods for medical reasons are available upon application. All direct debits occur on the same day which is the standard process for this system to ensure effective administration.
- Members can pay upfront for the entire season via cash, EFTPOS or credit card (pro-rata from when they join). However, the one-off upfront payment forfeits the option to suspend membership if required.
- Many water polo and swimming members previously took out memberships at multiple seasonal pools. Under this new fee structure savings of up to \$150.00 for adults and \$350.00 for families can be made, or at the very least water polo and swimming members participating away from their home facility will no longer need to pay casual entry at the other facilities for these occasions.
- Family memberships in previous seasons were two adults and two children at WAVES or two adults and four children at Albury and Lavington Swim Centres. It was originally proposed by Aligned Leisure to be two adults and three children or 1 adult and four children. Following initial feedback family memberships now cover everyone in the immediate family and the age of children has been increased to under 18 years of age.

Based on previous sales data and what has occurred thus far this year in terms of the membership structure, the majority of users will benefit and make savings, or be faced with similar costs to previous years.

Individual Concessions

Concession is available for both casual entry and individual memberships for pensioners and students. Concessions have now been extended for Health Care and Senior Card holders, which was not the case in previous seasons for the Albury and Lavington Swim Centres.

Family Concessions

Family concession memberships are not a standard fee for aquatics facilities generally. Family concession was previously offered, with over 70% of those sold at the Lavington Swim Centre in the months of November and December. A regular family membership price for the duration of the 2018/19 Lavington Swim Centre season is similar or less to the previous family concession price for all those members in 2017/18.

School Carnivals and Bookings

An incremental increase in fees from \$3.20 in 2017/18 to \$3.40 in 2018/19 per student for all school carnivals and other school bookings. As per previous arrangements, school students who are already members of the facilities will not be required to pay the school entry fee.

Swimming Programs

VicSwim and the schools Swim and Survive programs will operate similar programs to previous years across all four facilities with similar fee structures. These programs provide an important service to lower socio economic and Indigenous individuals and groups.

Waterslide

Waterslide prices at the Albury Swim Centre have been \$1.50 for one ride or five rides for \$4.00 in previous seasons and these prices will be maintained. Given that the waterslide is proposed to be open for longer periods of time than in previous years, an additional \$15.00 all-day pass to the slide has also been included in the fees and charges schedule.

Lane Hire

Under the previous management of the Albury and Lavington Swim Centres, lane hire was listed in the fees and charges schedules. The lane hire rate listed for Albury Swim Centre was a commercial rate and was not applied to normal user groups. Pool hire fees for water polo events (outside of their normal training and competition) was also part of the previous fees and charges schedule. Lane hire fees were applied inconsistently across the Albury Wodonga Swim Centres.

In developing the 2017 Aquatics Strategy, there was extensive community consultation undertaken to help guide the future aquatic and leisure needs and issues. One of the key issues raised was the current pools being at capacity particularly during the peak periods.

Both community consultation and general feedback to Council staff and management over a number of seasons has highlighted that the lack of lane/pool space for all activity during peak times and specifically during the warmer months of the season (December – March) is an issue.

Aligned Leisure proposed and budgeted on a lane hire rate of \$27.90 at WSLC and \$25.80 at the seasonal pools in its tender submission. In consultation with staff from both Councils, Aligned Leisure agreed to review the proposed lane hire price and conduct further consultation around this fee before the commencement of the outdoor pool season.

After obtaining a better understanding of previous arrangements, and community feedback, Aligned Leisure put forward a significantly reduced lane hire rate of \$10.00 per lane/hour for swimming clubs, and \$5.00 per lane/hour for water polo, and did not plan to introduce the fee until mid-January 2019. Fees would then be increased yearly to reach \$14.60 for swimming and \$10.30 for water polo by 2022/23. This was supported by Council's contract supervisors based on:

- The consultation process with user groups and general feedback at that stage was that these prices would be workable;
- The fact that many water polo and swimming users in particular, would be able to obtain cheaper memberships across the three or four facilities, meaning that even after needing to contribute to lane hire costs to their club/association, many would still be financially better off than in previous years;
- The significant compromise on the lane hire price (\$25.80 - \$10.00) as initially proposed by Aligned Leisure in the draft fees and charges schedule attachment to their tender application;
- The benefits that lane hire provides in terms of management being better able to control pool and lane use and potentially provide greater access for the general public if lanes are not required based on user group usage;
- User groups will be provided other fundraising opportunities within the facilities for events outside of their normal training and competition;
- Lane Hire is an industry practice and the combination of swimming and water polo participants paying lane hire and a membership is still a cheaper option than if they were charged the full rate of \$25.80, whilst still providing them access to all three facilities at all times via their membership; and
- Overall costs to swimming and water polo participants (inclusive of a lane hire fee contribution) are similar to costs for sports at other Council owned and/or managed facilities.

The lane hire rate of \$25.80 as per the original proposed fees and charges stays in place for commercial group bookings.

There has been obvious negativity from many involved with swimming and water polo since the proposed lane hire prices have been communicated beyond those consulted with initially. This has led to further discussion between staff of Aligned Leisure, Albury and Wodonga Councils and representatives of the Ovens & Murray Swimming and Water Polo Associations.

The Associations have had concerns that the introduction of lane hire will make its sports too expensive, will impact on participation and/or may lead to clubs folding. Some members also expressed concern it was a double dipping process, whilst the Association representatives wanted fees waived for 2018/19 to enable them to prepare for the fees from 19/20 onwards.

Aligned Leisure provided a revised lane hire structure to the Association representatives where 2018/19 lane hire fees would be waived.

Aligned Leisure has since that date committed to further consultation with swimming and water polo associations and users to review the way forward with any proposed fee structure. It has been noted that there have been concerns expressed about the financial capability of the smaller clubs, such as Albury North/Lavington Swimming Club, Wodonga City Swimming Club and Northside Stingrays Water Polo Club to sustain lane hire fees.

Aligned Leisure will continue to work with user groups through ongoing discussions with Associations, Clubs, the Ovens & Murray Aquatics Action Group and other stakeholders, in relation to lane hire and the overall fees and charges structure.

Benchmarking

Lane hire is a standard industry practice at aquatics facilities. A sample of benchmarking of facilities with lane hire has been included as Attachment 2 to this report.

Swimming and water polo clubs are charged in various ways however lane hire, or lane hire combined with memberships or casual entry charges is common practice. Not all facilities have lane hire in place, however the benchmarking exercise shows:

- Lane hire is in place at other regional facilities such as Dubbo, Orange and some country Victorian outdoor pools.
- Lane hire is charged at GT Aquatics in Lavington including to local user groups.

Event Bookings

As part of the negotiation around the lane hire fee, Aligned Leisure has reviewed the fee structure and process associated with swimming and water polo carnivals and events at the aquatics facilities which are coordinated by local clubs and/or associations. This now means:

- No hire charges for the facility, up to 100 participants, after which they will charge labour costs only for the additional lifeguards required. Under the Royal Life Saving Society Australia (RLSSA) Guidelines for Safe Pool Operation, two lifeguards are required at all times with four extra lifeguards required for when more than 100 persons are in the pools and/or for event management.
- User groups are able to take gate takings for events from those participants and visitors (not currently members) who are attending the event. AWAF is able to collect the entry fees on behalf of the user groups if desired. Previous management took all gate takings for events.
- Event officials (umpires, time keepers etc) will not be charged a spectator fee as was the case in previous years.

Although lane hire fees have been waived for the current 2018/19 season, the above process for events at AWAF will apply for the season.

Healthy Albury Wodonga

Healthy Albury Wodonga is a suite of unique programs, which clearly add value to the aquatic and leisure contract arrangements and was proposed in the tender submission. The program proposes to engage and work collaboratively with both councils to further advance outcomes for the facilities and the community. The program will provide exceptional value to the Albury and Wodonga communities from 2018 – 2023 and includes:

- Fitness and sport initiatives which will give greater access to facilities for school age children and people with a disability;
- Health initiatives which will target all 31 primary schools in Albury Wodonga;

- Training leadership and education programs and opportunities for local youth and specifically, Indigenous youth;
- Technology which will improve outcomes for users of the facilities and staff; and
- Year 10 student activation initiative where multi visit facility passes are offered to students to keep them engaged in physical exercise and exercise with the aim to reduce the significant drop-off rate in physical activity of this age group.

The program offerings have health, well-being and economic benefits to the Albury Wodonga communities, and includes ten other local partners to deliver these programs. The extent and type of programs align with the strategic and community plans for AlburyCity and our community. Aligned Leisure will appoint a Head of Programs from May 2019 onwards and the implementation of all programs will gain momentum from this point. It's worth noting that the following has already taken place:

- 40 students from Albury Wodonga and surrounds have enrolled for the Richmond Institute of Sport Leadership program, which will support students before the commencement of their studies from February 2019. Several of these students have been appointed as lifeguards with Albury Wodonga Aquatic Facilities and there has been very positive feedback on this program from local school principals.
- Discussions have commenced with Gateway Community Health on the Workplace Achievement Program (including Healthy Choices Classification Framework).
- Finalising the details of the Supported Access program which provides financial support services to residents who are suffering mental or physical health issues or illness whilst under financial stress or hardship. \$15,000 will be allocated to this program annually.

Aligned Leisure has proposed further presentations to Council, including detailed updates on the Healthy Albury Wodonga Program.

Other Management Processes

Aligned Leisure is providing a facility management service which includes a high level of risk management, supervision and WHS processes. This ensures a safer environment than we have had previously for all users, and greatly reduces the overall risk to Council. This has already been demonstrated by:

- Facilitating plant and facility inspections and coordinating works to ensure improved safety for all staff;
- Establishing staffing supervision levels meeting relevant guidelines at all times, and for adequate event management purposes;
- Ensuring all administration and documentation is fully compliant, reducing the risk to all stakeholders; and
- Ensuring all user groups have compliant hire agreement forms based on their lane allocation for 2018/19. Copies of the booking form under previous management and the current hire agreement form Attachments 3 and 4 to this report.

Unfortunately, there has been limited information available or provided in relation to operations at the Albury and Lavington Swim Centre in previous years meaning it has been difficult to provide a consistent approach in a number of service areas and has created some transition issues, including some areas of pricing. The provision of staffing levels throughout the shoulder periods of the season is under continual review, with rosters being varied on a weekly basis.

Albury 2030

Theme One – A Growing Sustainable Economy

- 1.1.7 Enhance the capacity of businesses to support the delivery of quality tourism, sport and business events, experiences and outcomes.
- 1.2.8 Ensure venues and facilities attract visitation and improve the lifestyle offer of the city.

Theme Three – a Caring Community

- 3.3.5 Improve the health and wellbeing of the community through healthy eating and lifestyle wellness programs.
- 3.3.6 Provide programs, services support and facilities for the community to increase positive social outcomes.
- 3.4.2 Promote, advocate and provide facilities and activities for Albury's ageing population.
- 3.4.3 Promote and encourage healthy lifestyles through the development and efficient use of sporting, recreational, educational, cultural facilities and infrastructure.
- 3.4.5 Increase and promote activities and infrastructure available for children and young people.

Theme Four – A Leading Community

- 4.2.2 Continue regional collaboration to enhance border co-operation, recognise growth opportunities and to foster consistency and better use of resources.
- 4.4.7 Support and encourage an innovative community.

Two Cities – One Community - Community Strategic Plan

The management of AWAFF aligns with several of the goals listed in the Two Cities, One Community Draft Community Strategic Plan (2017-2021), notably:

Section 3: Our Community

3.3 Our community is healthy and has a strong sense of wellbeing.

Section 4: Partnership in Leadership

4.1.1 Regional priorities and cross border issues are addressed by an integrated approach.

Risk

Business Risk – It is important to the business and operations of the aquatic facilities that a fees and charges structure is in place which provides fairness and equity access to all users of the facilities.

Corporate Risk – Both Albury and Wodonga Councils have committed to this joint management contract as one of the first projects of the Two Cities One Community Initiative. If this project was not successful it could be seen as not achieving the stated aim.

WHS and Public Risk – Aligned Leisure is providing much greater risk management and WHS processes than have been applied to previous arrangements. This improves the safety to the community, contracted management and Council.

Community Engagement

Following the appointment of Aligned Leisure in April, both Councils issued a joint media release on their appointment with relevant information also displayed on the websites of both AlburyCity and the City of Wodonga.

They officially commenced their contract on 1 July this year and held a meet and greet with Executive staff and Councillors from both Councils on 3 July at the WS&LC where a number of their programs and initiatives were introduced.

The websites for all Albury Wodonga Leisure Facilities went live in late July and this has been followed up with electronic newsletters to members, and also members' breakfasts at the WS&LC.

The consultation for lane hire commenced with an information night on 11 July 2018 for all user groups where updates and information were provided on a number of items by both Councils and also Aligned Leisure. Following this, Aligned Leisure had individual meetings with groups as outlined below.

Date	User Group/Club
Monday 6 July 2018	Wodonga City Swim Club / O&M Swimming
Wednesday 11 July 2018	Club Information Evening (Waves)
Tuesday 24 July 2018	Wodonga Amateur Swim Club
Thursday 26 July 2018	Wodonga Waterpolo and Flipperball
Monday 30 July 2018	ANL Swim Club
Tuesday 31 July 2018	Albury Swim Club
Tuesday 31 July 2018	Pool Pirates Water Polo
Monday 6 August 2018	O&M Waterpolo Association

Phone calls, individual letters and emails, as well as subsequent meetings were held as part of the consultation process and this was regularly reported back to staff at both Councils.

It has become evident that communication regarding lane hire fees could have been improved to ensure it was fully understood by relevant stakeholders and reached all members of the swimming and water polo communities.

Aligned Leisure is focused on the current 2018/19 season and further developing relationships with all users. They have developed a strategy to implement the following over the coming months:

- PR campaigns and working with local media and members on seasonal pool calendar of events progressing the Healthy Albury Wodonga Initiatives, upgrades and improvements;
- Greater communication to members of all four facilities;
- Continue with the members' breakfast programs at all four facilities; and
- Hold a forum with all stakeholders and community members.

Options

1. That Council receive and note the contents of this report; or
2. Council choose not to accept the report.

Conclusion

Albury and Wodonga Councils awarded a five-year contract to Aligned Leisure on 23 April 2018 to manage Albury and Wodonga Aquatic Facilities from 1 July 2018.

All fees and charges are included as part of the contract and tender submission process and do not form part of the Councils' annual budget discussions.

Aligned Leisure has taken into consideration a number of factors in establishing the fees and charges for 2018/19 and beyond, including introducing some benefits and industry standard practices. However, it is not a 'one size fits all' and there are differences to previous fee structures, but the overall fee structure provides fairness and equity access to the community.

The details of a number of the fees and charges have been summarised in this report including the membership options and the introduction of lane hire for regular user groups which, following consultation, has been met with resistance from many involved with user groups.

Aligned Leisure has taken on board feedback thus far and made some changes to family memberships, waived lane hire fees for 2018/19 and provided several benefits for user groups when holding events at Albury Wodonga Aquatic Facilities.

Aligned Leisure will review all fees and charges annually and will consult with all stakeholders on the overall fee structure going forward.

Recommendation

That Council:

- a. Receive and note this report.

Attachments

1. Albury Wodonga Aquatic Facilities - 2018/19 Fees and Charges
2. Lane Hire – Benchmarking Document
3. Albury Aquatic Management – Booking Form
4. Aligned Leisure - Hire Agreement