

GLENORCHY WAR MEMORIAL POOL

Options Assessment

Final Council Presentation

21 October 2024

Agenda

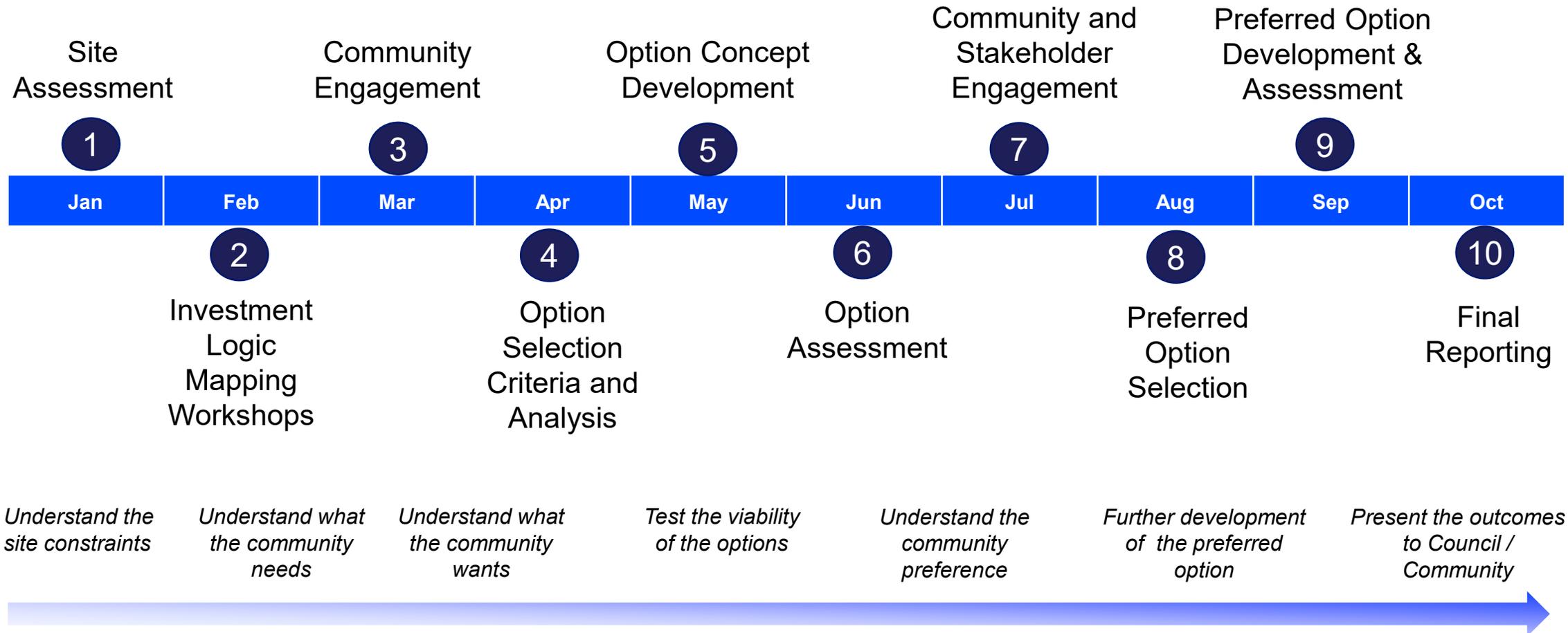
1. The Process Overview
2. The Preferred Option – Carabiner / Liminal
3. Construction Costs
4. Financial Feasibility
5. Socio-Economic Benefits
6. Next Steps and Questions



Section 1 The Process



The Process Overview



Long List of Options Considered

Options	Description
1. Revitalise the existing War Memorial Pool	Fix key issues to extend life by approximately 5 years and begin scoping for a replacement facility in this time.
2. Replace existing pool 'like for like'	New outdoor 50m pool and outdoor leisure pool, with supporting facilities and changerooms that meet current standards.
3. Multipurpose courts (Non-aquatic) facility	4 x multipurpose indoor courts (potential uses such as futsal, dance, martial arts, netball, basketball, community/social spaces - non sport).
4. Larger Outdoor and Indoor Aquatic Facility	50m outdoor pool, 25m indoor pool, learn to swim function and wellness facilities (including a spa, sauna and steam facility).
5. Multi Use Facility (Outdoor Pool and Indoor Courts)	Outdoor 25m pool, 2 x multipurpose indoor courts, learn to swim function, wellness facilities, health club and small pool / water play space.
6. Indoor Aquatic Facility with Semi Open-Air Pool Functionality	Indoor 50m pool with an external wall that opens up to enable a semi outdoor pool experience. This option also includes the ability for the 50m pool to have a wall divider creating 2 x 25m pools, learn to swim function and wellness facilities.
7. Indoor Multi Use Facility with Semi Open-Air Pool Functionality and Indoor Courts	Indoor 25m pool with semi open-air function, 2 x multipurpose indoor courts, learn to swim function and wellness facilities.
8. Parkland / Open Space	Includes community outdoor fitness, War and Indigenous memorials, outdoor arts and entertainment space and water play area.
9. Outdoor Junior Playing Fields	Focused on children and youth activity including little athletics, tennis, netball, football (soccer), futsal etc.

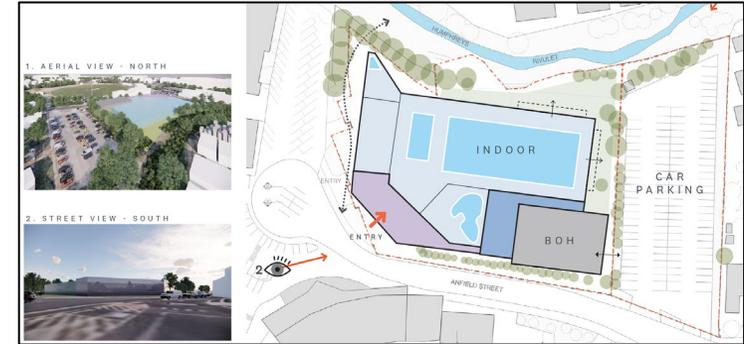
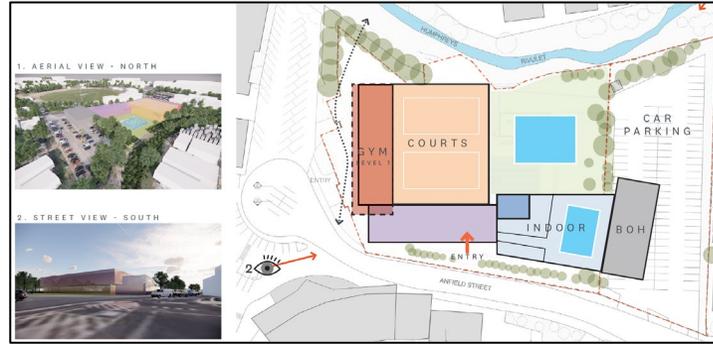
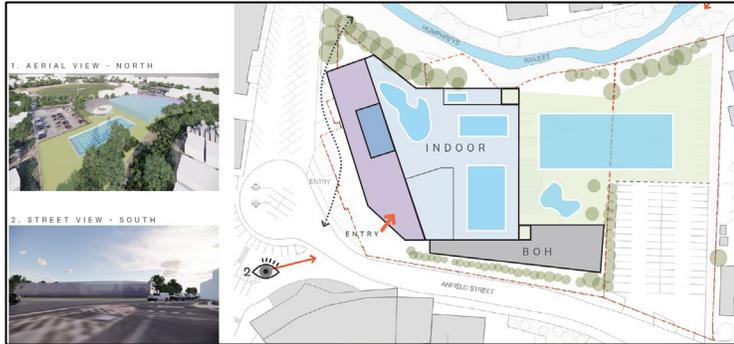
Selection Criteria and Ranking

Criterion	Description
Delivering Community Benefit	The total health & wellbeing and inclusion & connectedness benefit achieved as assessed by GCC
Community usage, benefit and preferences	The level of benefit to community (i.e. health, wellbeing, inclusiveness and social connection) each option provides as well as community preferences as assessed via the dedicated community survey
Delivering Benefit to Schools	The level of benefit to schools (i.e. physical education, health, wellbeing, inclusiveness and social connection) each option provides as well as preferences as assessed via the dedicated school survey
Estimated Cost to Build (i.e. level of funding required)	Value of investment required to fund the option
Revenue Generating Opportunities	A high-level assessment of the likely demand / usage and commercial success of the facility
Ongoing Operational Costs	A high-level assessment of the potential ongoing operational costs for each facility
Regional Asset - delivering out of region visitation	The likely out of region visitation to the site due to being a unique asset / facility as assessed by the supply of nearby facilities
Alignment with Council Strategic Plan	Aligning with the GCC needs assessment as per the strategic plan

Options	Ranking
1. Revitalise the existing War Memorial Pool	7
2. Replace existing pool 'like for like'	4
3. Multipurpose courts (Non-aquatic) facility	6
4. Larger Outdoor and Indoor Aquatic Facility	1
5. Multi Use Facility (Outdoor Pool and Indoor Courts)	2
6. Indoor Aquatic Facility with Semi Open-Air Pool Functionality	3
7. Indoor Multi Use Facility with Semi Open-Air Pool Functionality and Indoor Courts	5
8. Parkland / Open Space	8
9. Outdoor Junior Playing Fields	9

Shortlisted

Shortlisted Options



Option 4 Inclusions:

Outdoor Facilities (8 months per year)

- Outdoor 50m pool, Outdoor splashpad / slide, Leisure landscape for picnics

Indoor Facilities (12 months per year)

- 25m lap pool, Leisure Pool, Warm learn to swim / program pool, Wellness Hall (spa, sauna, steam), Change village

Other

- Back of house (BOH), Front of house – foyer, creche, café, reception, retail

Option 5 Inclusions:

Outdoor Facilities (8 months per year)

- Outdoor 25m pool, Leisure landscape for picnics

Indoor Facilities (12 months per year)

- 20m warm learn to swim / program pool, Wellness Hall (spa, sauna, steam), Change village

Other

- 2 x multi-use courts, Gymnasium, Back of house (BOH), Front of house – foyer, creche, café, reception, retail

Option 6 Inclusions:

Indoor Facilities (12 months per year)

- Indoor 50m pool, Warm learn to swim / program pool, Leisure pool, Wellness Hall (spa, sauna, steam), Change village

Other

- Back of house (BOH), Front of house – foyer, creche, café, reception, retail

The preferred option – Option 4.....with a health club

Option 4 was the preference for the community

- Highest selected option to be investigated further by existing pool users 57% (ahead of the 'like for like' and revitalising the existing pool options)
- Highest potential future usage by both existing pool users and non-users
- Most preferred option by the surveyed schools
- Key selling points being the year-round utilisation (indoor pool) while maintaining the unique / heritage value / views of an outdoor 50m pool

Option 4 delivered the best outcomes

- Option 5 (multi-use) delivered the best commercial outcomes as a result of the inclusion of a gymnasium
- Option 4 delivered a positive operating result, (+\$450k p.a.) when compared to the like for like option
- Option 4 delivered the best value for money for Government with the highest net benefits and BCR compared to the other two shortlisted options and the 'like for like' option

Option 4 with a Health Club was therefore considered the best outcome for Glenorchy

- Benchmarking and further stakeholder engagement identified Option 4 with a Health Club (i.e. Gym) as the preferred option:
 - Year-round utilisation
 - Maintains its uniqueness and unique selling point with the outdoor 50m
 - Delivers the best result commercially for Council and the community (surpassing Option 5)
 - Delivers the best value for money (i.e. highest BCR) for Government and therefore best chance to acquire funding support for the project

Section 2 The Preferred Option



Carabiner / Liminal Presentation

Section 3 Construction Costs



Construction Costs of the Shortlisted Options



\$72.7M



\$69.2M



\$70.7M

Construction Costs – The Preferred Option

\$83.8M

OPTION 4A		SUBTOTAL
LARGE OUTDOOR & INDOOR AQUATIC FACILITY (INCLUDES HEALTH & FITNESS)		
1.	Estimated Cost to demolish existing facility and build new Aquatic Centre (Building, pools and associated internal functions)	\$ 55,827,500
2.	Outdoor Aquatics & External Works	\$ 14,702,500
Estimated Overall Construction Cost		\$ 70,530,000
3.	Add FF&E	\$2,000,000
Estimated Capital Cost (for LCC & OPEX Calculations)		\$ 72,530,000
4.	Additional Client Costs	\$11,243,000
Estimated Overall Cost – Preferred Option 4		\$ 83,773,000

Section 4 Financial Feasibility



Justifying the increased demand

- Those visiting community pools between Oct 2022 and March 2023:
 - GWMP accounted for 60% of total visits
 - 55% of GWMP visitors also visited other pools



A new, higher quality facility catering for more activities / user groups has the potential to capture the other non GWMP visits – **Capturing increased existing use**

- GWMP only opened for 6 months of the year



The new facility will be open 12 months of the year (Outdoor 8 months) – **Capturing increase existing use**

- 40% of those that didn't use GWMP when it was open was because they were unaware of the pool and believe it was too cold / poor quality
 - 85-95% of non GWMP users said they would visit a new facility sometimes or frequently



Capturing new visitors

- 50% of local schools said they would increase usage at a new facility either through LTS programs and carnivals



Capturing new user groups

- Stakeholder engagement suggested sufficient demand for warm water activities (LTS, rehab), carnivals, squad swimming and gym / health club



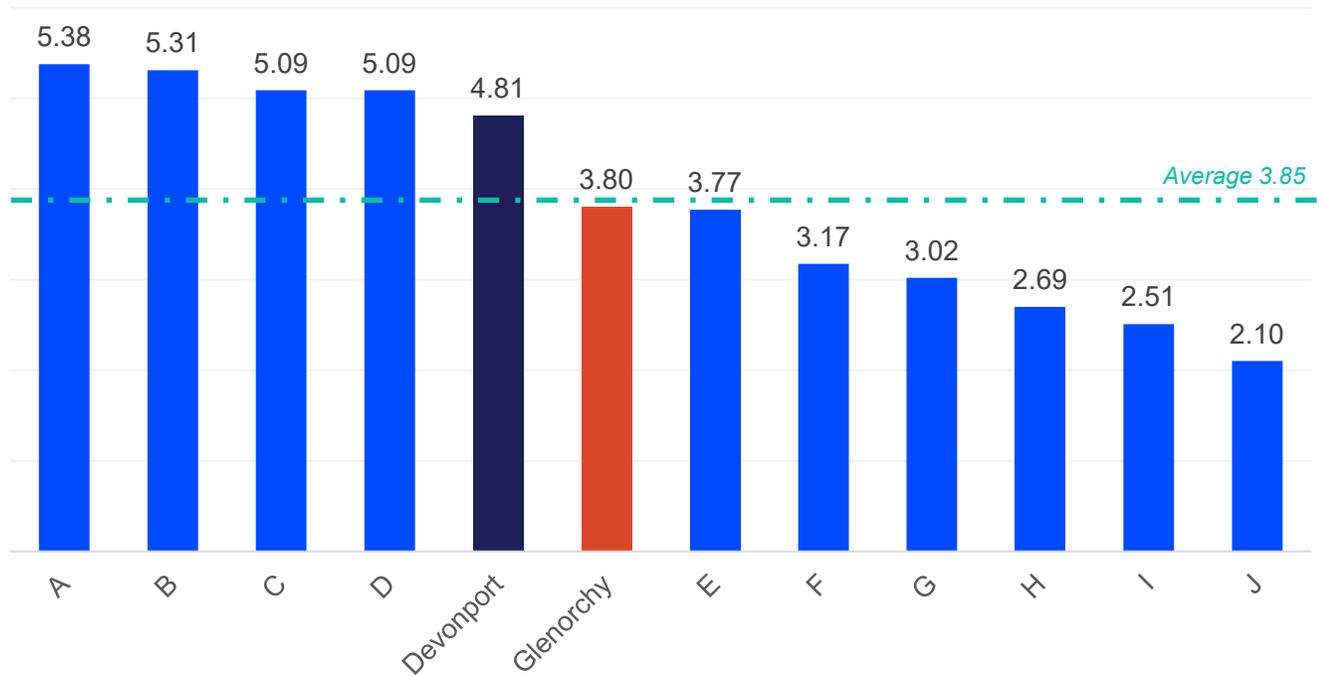
Capturing new user groups

Demand by Activity

Activity	Fee	Annual Visits	Comments
Adult (annual) - Aquatic Only	\$650.00	16,728	Option 4 based on 160 unique annual members (currently 40)
Adult Entry (16+)	\$7.50	51,800	Option 4 Devonport Benchmark
Children Entry (5-15)	\$6.00	2,878	Option 4 Devonport Benchmark
Spectator	\$2.00	2,878	Option 4 Devonport Benchmark
10 pass card	\$70.00	7,870	Existing GWMP Benchmark (12% of casual / member use)
Carnival cost per day	\$2,400	14,000	28-day season - 200 avg students per day
Lane Hire per hour	\$12.50	7,950	Option 4 Devonport Benchmark (25% for O6 – Indoor)
Main Lap Pool Usage (per day)		285 per day (2.5 per lane per hour)	GWMP 100 per day
LTS Private	\$20.00	66,000	1,375 for 48 weeks a year (Devonport) - 95% capacity
LTS School	\$7.00	17,500	14 schools, 125 kids, 10 lessons
Program pool per hour	\$17.00	11,890	6 hrs, 5 days a week, 8 ppl capacity - 95% capacity
Program Pool Usage (per day)		265 per day (18.9 per hour)	
Total Aquatic Visits		199,495	
Spa / Sauna - Casual Use	\$15.00	3,600	10 visits per day
Gym Member (Full Centre)	\$900.00	76,576	8% catchment area members (30% penetration)
Gym - Casual Use	\$23.50	7,658	Indicative 10% uplift on membership
		287,328	

Aquatic Facility Utilisation Benchmarking

Annual Utilisation to Catchment Population Ratio



- The estimated ~199,500 aquatic visits per year for a catchment area the size of Glenorchy is in line with the industry average
- Devonport redevelopment is seeing 130,000 aquatic visits per year, however with a lower catchment population (27,000)
- Higher ratio for Devonport likely due to lack of nearby competitor facilities (i.e. HAC and Clarence)

Projected Operating Revenue

Overall, benchmarking analysis suggests that aquatic facilities see a revenue per visit of **around \$12** depending on whether it is a metro or regional facility and available activities / user groups.

The assumptions used (i.e. cost to enter and mix of activities) suggests the Glenorchy Pool is in line with the industry benchmark.

*The preferred option is projected to deliver **\$3.8 million in revenue per year***

Revenue (2024 AUD)	
Adult (annual) - Aquatic Only	\$104,550
Adult Entry (16+)	\$388,503
Children Entry (5-15)	\$17,267
Spectator	\$5,756
10 pass card	\$55,092
Carnival cost per day	\$67,200
Lane Hire per hour	\$99,375
Spa / Sauna - Casual Use	\$54,000
LTS Private	\$1,320,000
LTS School	\$122,500
Program pool per hour / Group fitness / aquarobics	\$202,137
Gym Member (Full Centre)	\$1,080,000
Gym - Casual Use	\$179,953
Food & Beverage	\$86,198
Total Revenue	\$3,782,530
Revenue per visit	\$13.16

Projected Operating Costs

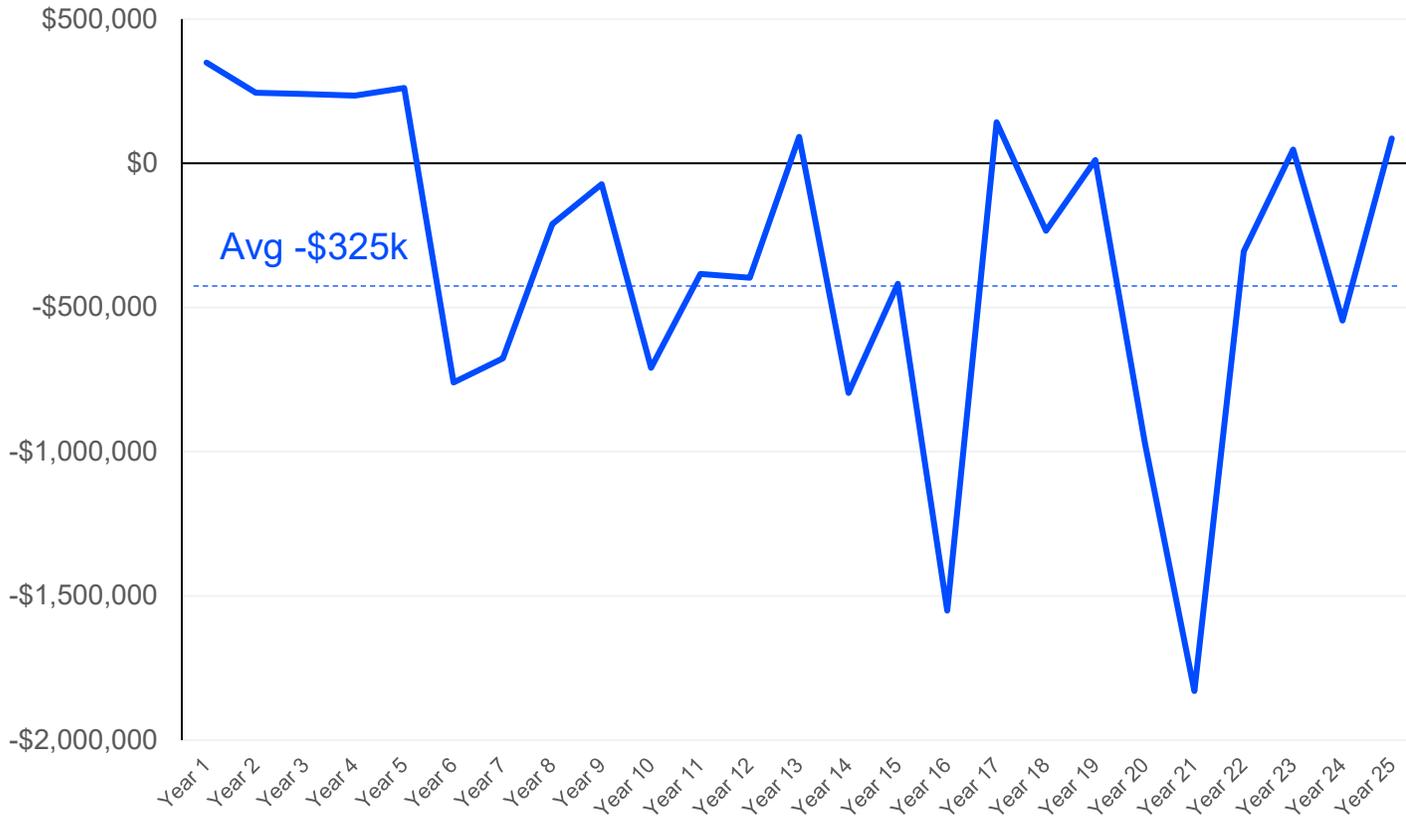
Overall, benchmarking analysis suggests that new aquatic facilities with a revenue per visit of ~\$12 can return an operating surplus per visit of between **\$0 - \$2**.

The preferred option is projected to deliver an operating surplus of \$365,000 per year prior to accounting for capital maintenance and repair costs.

This is expected to vary per year, however it is projected to be \$690,000 on average over 25 years of operations, resulting in an overall average operating loss of ~\$325,000

Costs (2024 AUD)	
Staff costs	\$1,867,632
Cleaning	\$165,479
Maintenance	\$260,732
Utilities	\$177,953
Pest Control	\$5,980
Fire Protection	\$26,912
Marketing	\$41,608
Insurance	\$39,598
Security	\$39,598
Administration	\$40,000
Pool Assets	\$726,086
F&B COGS	\$25,860
Total Operational Costs	\$3,417,439
Operating costs per visit	\$11.89
Total Operating Surplus	\$365,092
Surplus per visit	\$1.27

Cash Flow (Operating Profit/Deficit) – 2024 AUD

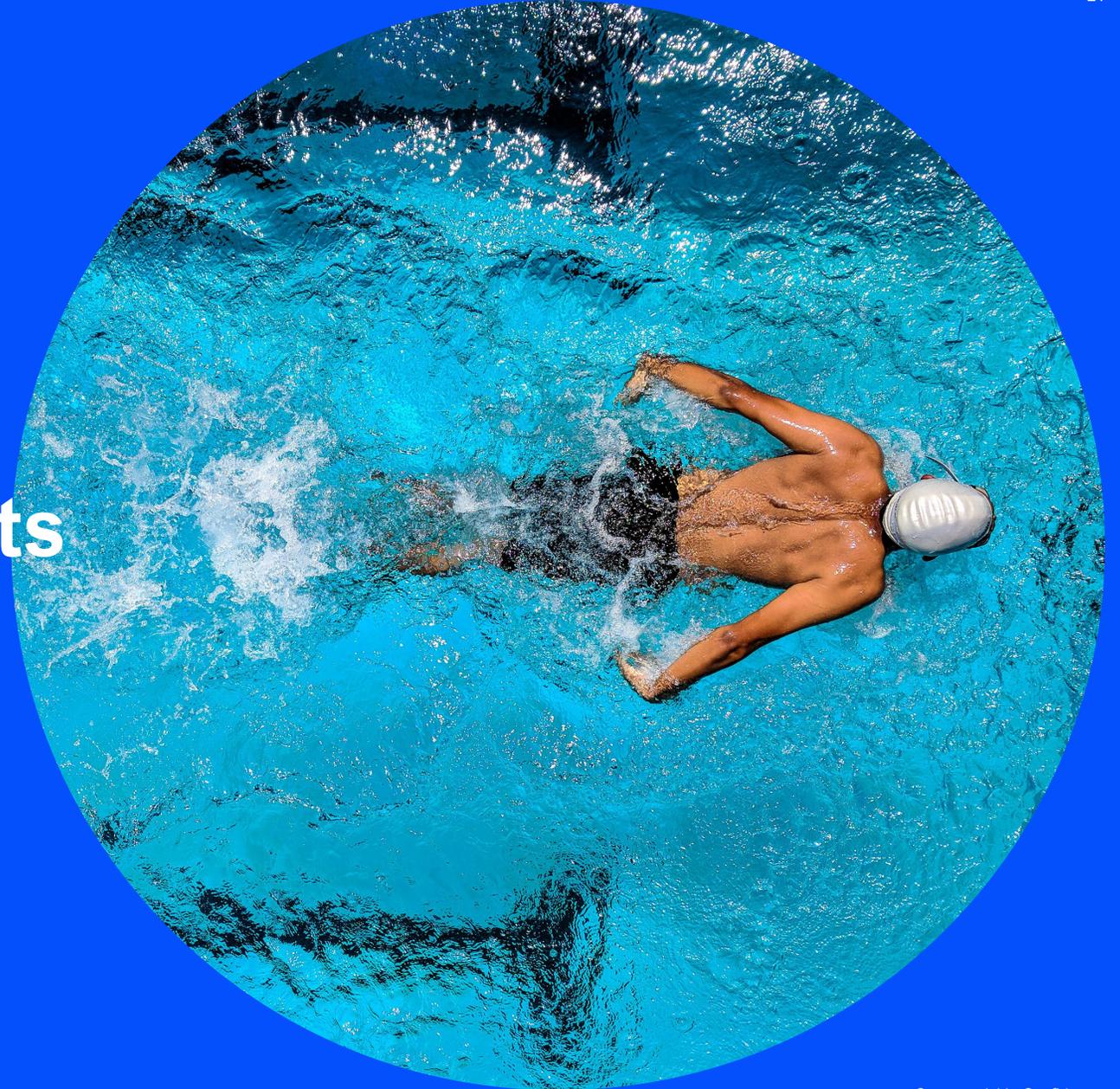


The preferred option is expected to generate an operating profit of ~\$265,000 per year in its first 5 years of operations.

However, as lifecycle costs increase over time, **the preferred option will see an average operating deficit of \$325,000 per year** over the first 25 years of operations

Depreciation accounts for a further ~\$2M per year (40-year useful life).

Section 5 Socio-economic benefits



Socio-economic impacts

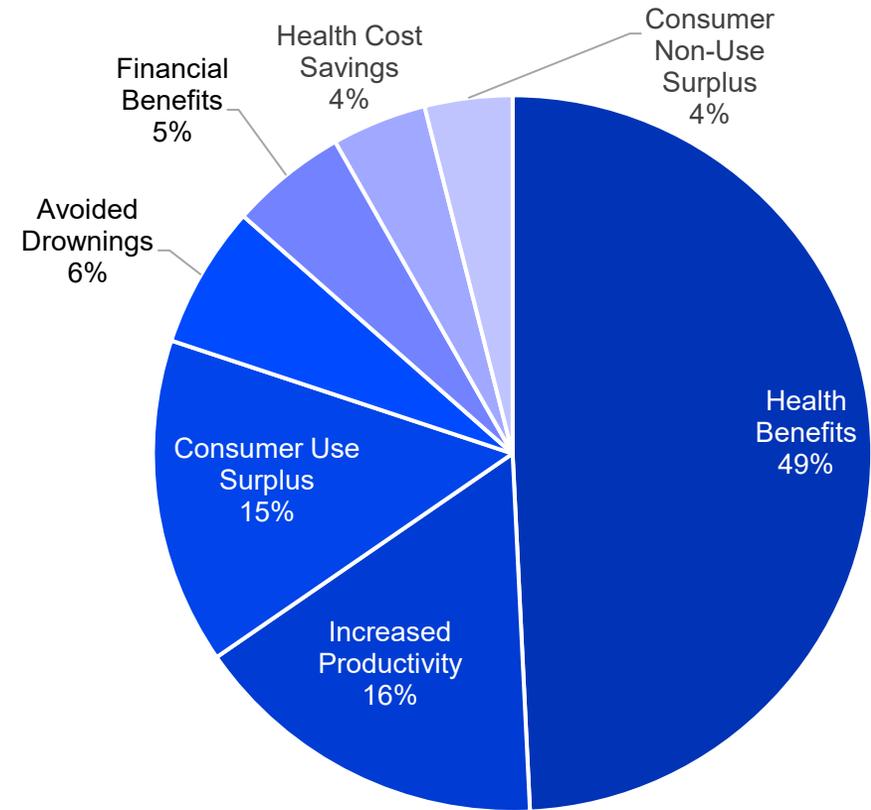
Benefits	Category	Beneficiary	Description
Facility Financial Benefits	Financial	Government	Estimated revenue including memberships, casual use fees, programs, venue / lane hire, F&B, swim carnivals, gym and indoor courts
Consumer Use Surplus	Consumer	Consumers	Time savings benefit of consumers using the new facility as opposed to travelling to other facilities
Consumer Non-Use Surplus	Community	Local Community	Benefit to local residents that don't use the facility includes the option to use the asset, the benefit of an asset facilitating social interaction and well-being, and the benefit of the asset to enhance local amenity for the community
Avoided Productivity Cost	Participation	Businesses	Business benefits (i.e. reduced number of workdays off) arising from increased sport & recreation participation
Health Benefits	Participation	Consumers	Consumer benefits (i.e. improved health and wellbeing and therefore quality of life) arising from sport & recreations participation
Health Cost Savings	Participation	Government	Government benefits (i.e. Health cost savings) arising from sport & recreation participation
Avoided Drownings	Participation	Consumers	Consumer benefits (i.e. Value of statistical life) arising from learn to swim programs

Cost benefit analysis summary

Costs	Nominal Value	Present Value (2024)
Construction Costs	\$74,399,325	\$62,887,390
Life Cycle Costs	\$17,200,050	\$5,478,660
Operating Costs	\$84,677,205	\$32,021,207
Total Costs	\$176,276,579	\$100,387,257

Benefits	Nominal Value	Present Value (2024)
Facility Revenue	\$93,723,441	\$35,442,097
Consumer Use Surplus	\$25,644,153	\$9,579,006
Consumer Non-Use Surplus	\$6,870,449	\$2,563,127
Increased Productivity	\$28,129,558	\$10,507,394
Health Benefits	\$85,724,803	\$32,021,274
Health Cost Savings	\$7,429,355	\$2,775,129
Avoided Drownings	\$11,188,781	\$4,179,409
Residual value	\$69,474,002	\$10,449,044
Total Benefits	\$328,184,541	\$107,516,480

Net Benefits (NPV)	\$151,907,962	\$7,129,222
Cummulative NPV / BCR		1.07



Section 6 Next Steps & Questions



Next Steps

- Finalise Business Case (End of October)
- Brief State & Federal Government – present Business Case
- Engage with Federal Elected Members
- Seek Federal Government Funding Opportunities (Election March / May 2024)
- Monitor ongoing grant funding opportunities

Questions – show concept / hero image (add this in once Carabiner finalise)



Thank you

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We are major event specialists, providing planning and delivery services for some of the world's biggest major events and have been involved in every Summer Olympic Games since Sydney 2000 and every Rugby World Cup since 2003. This includes feasibility studies, event bidding, legacy planning, risk, readiness, operational plans, event overlay, contingency & sustainability strategies, and post event impact studies.

Sport is our passion. We help address challenges, assisting organisations to thrive and adapt to the everchanging environment in which sport operates. This includes strategic advisory, competition design, governance, business cases and ESG.

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