

# MACKAY REGIONAL AQUATIC STRATEGY

## FINAL REPORT

FEBRUARY 2020



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# 1. Background and Project Area

## 1.1 Project Overview

Mackay Regional Council engaged an external consultant to undertake a comprehensive review and develop a draft Aquatic Strategy for Council's consideration. That draft was considered by Council and this final Strategy includes some information provided by the external consultant as well as Council's information and recommendations.

The aquatic facility environment within the Mackay region is changing. Currently Council is responsible for the following aquatic facilities:

- Bluewater Lagoon;
- Mackay Aquatic and Recreation Complex (MARC), within the Mackay Regional Sports Precinct (MRSP);
- Memorial Swim Centre;
- Mirani Swim Centre;
- Pioneer Swim Centre; and
- Sarina Swim Centre.

Each of these centres have varying facility component mixes, user profiles and management arrangements, some ageing and/ or non-contemporary facilities and require increasing financial subsidisation from Council.

Some communities within the Mackay region are considered by Council to be underserved, and in particular the major growth area of the northern beaches.

Aquatic facility trends are also changing rapidly, including a shift towards centres that attract all user markets, including from the recreation and leisure; competitive/ training/ fitness; education; and health and therapy markets.

Management of Council's aquatic facilities have most recently been managed under a lease arrangement and some of these arrangements may not be fully maximising community outcomes, visitation and the viability of the centres.

Other key study considerations include:

- The future of Memorial Swim Centre given the recent opening of the new Mackay Aquatic and Recreation Centre;
- Should Pioneer Swim Centre be upgraded or resources focussed towards a new aquatic facility to service the Northern Beaches catchment;
- The co-location of the Mirani Swim Centre and the adjacent caravan park should continue as this model has resulted in effective management outcomes; and
- Council should continue its partnership with Education Queensland in order to ensure public access continues for the Sarina Swim Centre.

Based on this changing environment, Council is seeking a review and update to the Regional Aquatic Strategy to:



**Guide the future aquatic facility provision, development, facility mix, and management arrangements for the Mackay region for the next 15 years.**

## **1.2 Project Outline**

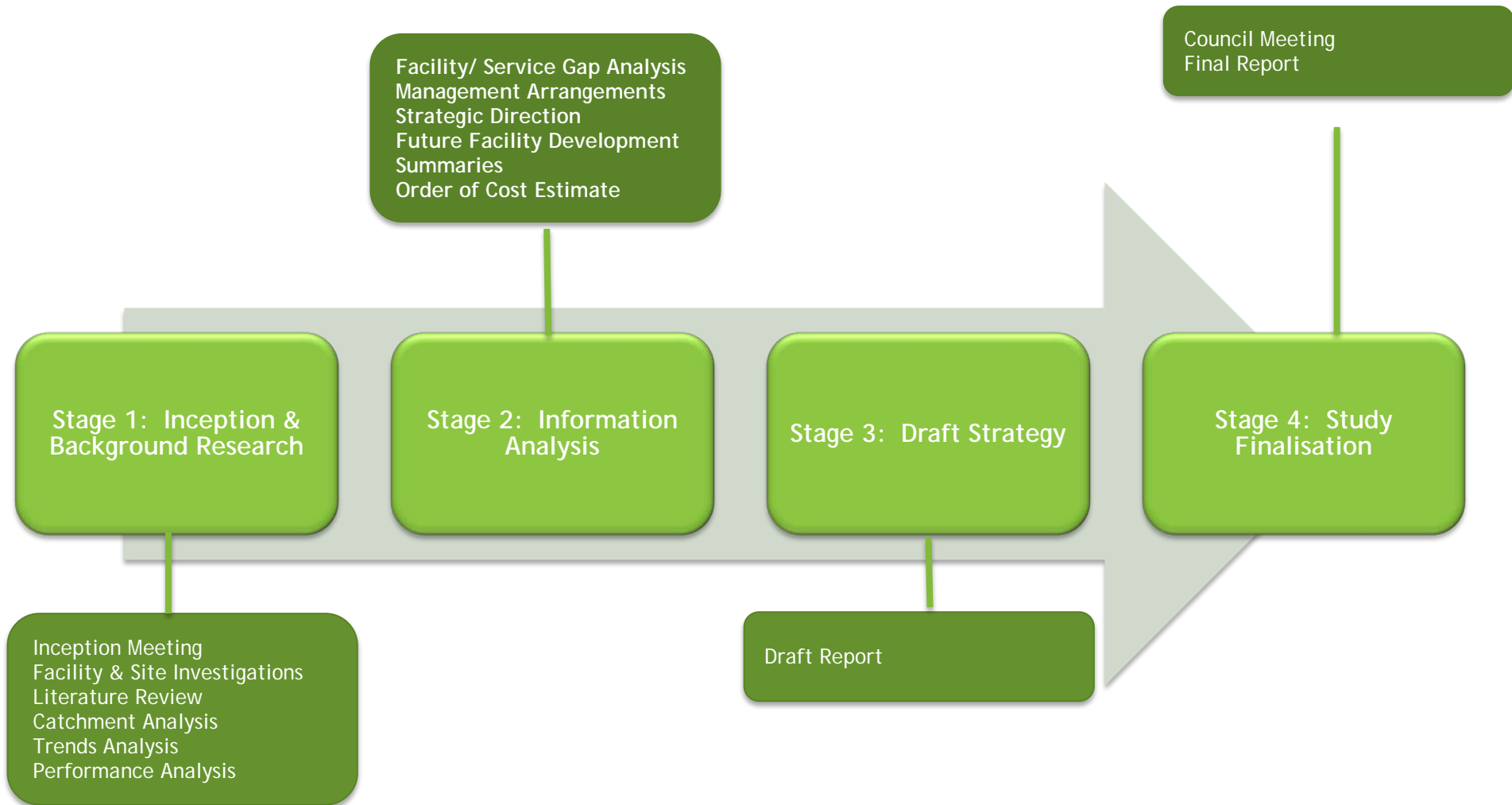
The objectives of the project are to:

1. Review background reports, documentation and management agreements;
2. Inspect current and identified potential future new aquatic facility sites;
3. Engage with relevant Councillors and/ or Council officers (undertaken by the Property Services area);
4. Review recent aquatic centre condition audits;
5. Analyse the Mackay region catchment, including mapping current and future populations overlayed with current and potential future aquatic facility sites;
6. Analyse aquatic facility trends;
7. Analyse the historical performance of Council's current aquatic centres;
8. Analyse current and future aquatic facility performance and demand;
9. Analyse current and future management arrangements;
10. Prepare a draft, staged, strategic direction for aquatic facilities (current, new, water play opportunities) and management arrangements;
11. Prepare high level order of cost estimates for recommended aquatic facility new developments/ improvements;
12. Prepare a draft Mackay Regional Aquatic Strategy report and modify draft to reflect any requested changes; and
13. Prepare and provide to Council the final Mackay Regional Aquatic Strategy report, including updated high level order of cost estimates.

## **1.3 Project Methodology**

In line with the sample project brief a detailed project methodology was prepared based on the key outputs identified within the project brief. This is listed in the following table on the next page.

Figure 1: Mackay Regional Aquatic Strategy - Study



## 1.4 Report Scope

The report has been structured to first provide an overview of the Mackay LGA including current and future population and demographic profiles. This is documented in Section 1.5 of this report. An analysis of broader Council planning has been undertaken in order to set the study in context and to ensure future recommendations are consistent with broader Council policy. This is documented in Section 1.6 of this report.

Section 2 of this report reviews Council's aquatic facilities, including analysis of facility components, usage, financial performance, capital expenditure and management arrangements. To further inform the aquatic market in Mackay, Section 2 of this report also reviews the newly opened MARC, combined aquatic network operational trends and Mackay regional aquatic facilities benchmarking.

Market research and consultation undertaken for the study is summarised in Section 3 of this report and includes aquatic facility catchment zones, aquatic centre catchments, Mackay urban aquatic facilities, Northern Beaches hub, aquatic facilities technical reports, aquatic and leisure facility trends, sport and recreation trends, sport and recreation changing environment, aquatic and leisure facility specific trends, aquatic facility user markets, aquatic facility activities, health and fitness activity areas, ancillary services and activity areas, future aquatic and leisure facility trends, and a review of successful major aquatic leisure centres.

The proposed future Mackay regional aquatic strategy is outlined in Section 4 of this report. The future direction covers operational, management and market research findings, urban and rural/local facility provision, urban area aquatic facility strategy, rural and local facility provision, future aquatic strategy framework, and project recommendations.

## 1.5 The Project Area

The Mackay Regional Council area covers 7,622km<sup>2</sup> and a map of the Council area and main population areas are listed on the next page. Council's website indicates "the Mackay region is home to a diverse and vibrant community with rural and coastal living opportunities in 30 townships, small rural settlements and rural residential areas". The region's main population areas include Mackay, Sarina, Walkerston, Marian and Mirani.

Tourist-orientated townships are located at highly scenic coastal and hinterland locations and include the townships of Haliday Bay, Eungella, Grasstree Beach, Campwin Beach and Armstrong Beach".

### 1.5.1 Demographic Profile

The following section summarises the key population and demographic characteristics and trends likely to impact future participation in sport and recreation within the Mackay Regional Council area. The population and demographic profile review is based, wherever possible, on information from the 2016 ABS Census data and has been sourced from the ABS website.

The following provides a snapshot of the current and future demographic and population characteristics of the LGA. A detailed demographic review is provided in Appendix 1 - Demographic Profile and Population Trends.

## Population

- The population of the Mackay Regional Council in 2016 was 114,969 which was an increase of 2,171 residents (3.8%) from 112,798 residents in 2011. The most recent population estimate as at 2018, estimates the total Mackay region population as 116,500<sup>1</sup>.
- The population in the Mackay City Urban Areas in 2016 was approximately 85,000 people which represents approximately 74% of the LGA population
- Analysis of the five-year age groups of the Mackay Regional Council in 2016 compared to Queensland shows that there was a higher proportion of people in the younger age groups (under 15 years) and a lower proportion of people in the older age groups (65+ years). This pattern remains and is estimated to be similar in 2036, although the proportion of the population aged 65+ years will be larger, consistent with the overall ageing of the population.

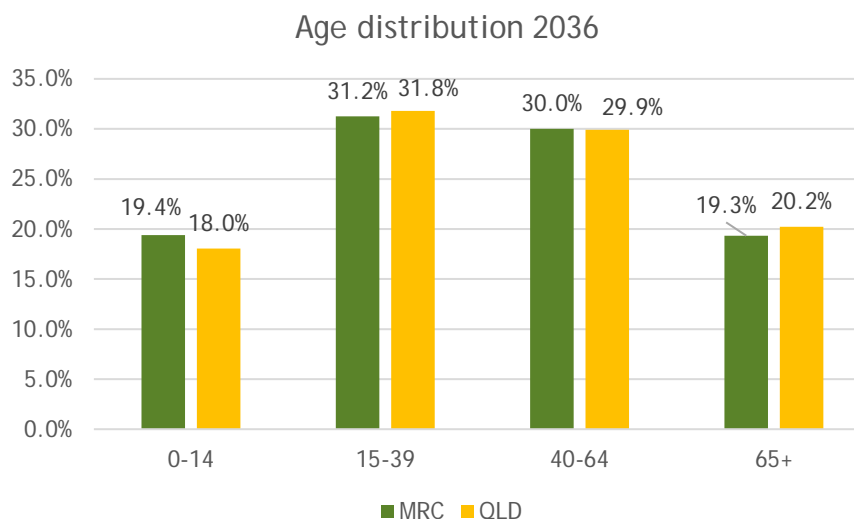
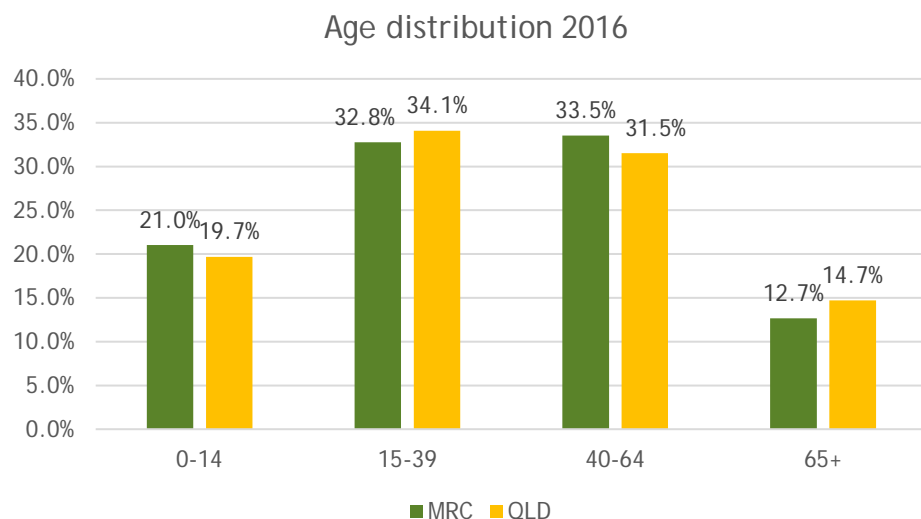


Figure 2: Population Age distribution comparison between 2016 and 2036

<sup>1</sup> Australian Bureau of Statistics (ABS) Census 2016 and Mackay Regional Council growth projections based on Queensland Government projections 2018 edition.



Figure 3: Mackay Regional Council Area Map



Mackay Regional Council Main Population Areas (2016):

- Total MRC Population: 114,969
- Mackay Urban Area Population: 85,000
- Sarina Population: 5,522 people
- Mirani Population: 1,541 people
- Walkerston Population: 3,406 people
- Rural Areas population: 19,500 approx.

Figure 4 Aerial Photo of Mackay Urban Area



- Overall, 20.6% of the population were aged between 0 to 15 years, and 13.1% were aged over 65 years of age, compared to 19.3% and 17.0% respectively for Regional Queensland.
  - Analysis of the age groups of Sarina compared to Mackay Regional Council shows that there was the same proportion of people in the younger age groups (under 15) and a higher proportion of people in the older age groups (65+).
  - Analysis of the age groups of Mirani compared to Mackay Regional Council shows that there was a higher proportion of people in the younger age groups (under 15) and a higher proportion of people in the older age groups (65+).
  - Analysis of the age groups of Mackay compared to Mackay Regional Council shows that there was a lower proportion of people in the younger age groups (under 15) and a lower proportion of people in the older age groups (65+).
- The gender division in the Mackay Regional Council area was reversed from both the Regional Queensland and the Australian population in 2016 with more males than females. The Mackay Region had 49.3% females versus 50.7% males, while females accounted for 50.5% in Regional Queensland and males 49.5%. There was a larger proportion of males than females in the Mackay and Sarina suburbs, while Mirani had a larger proportion of females.

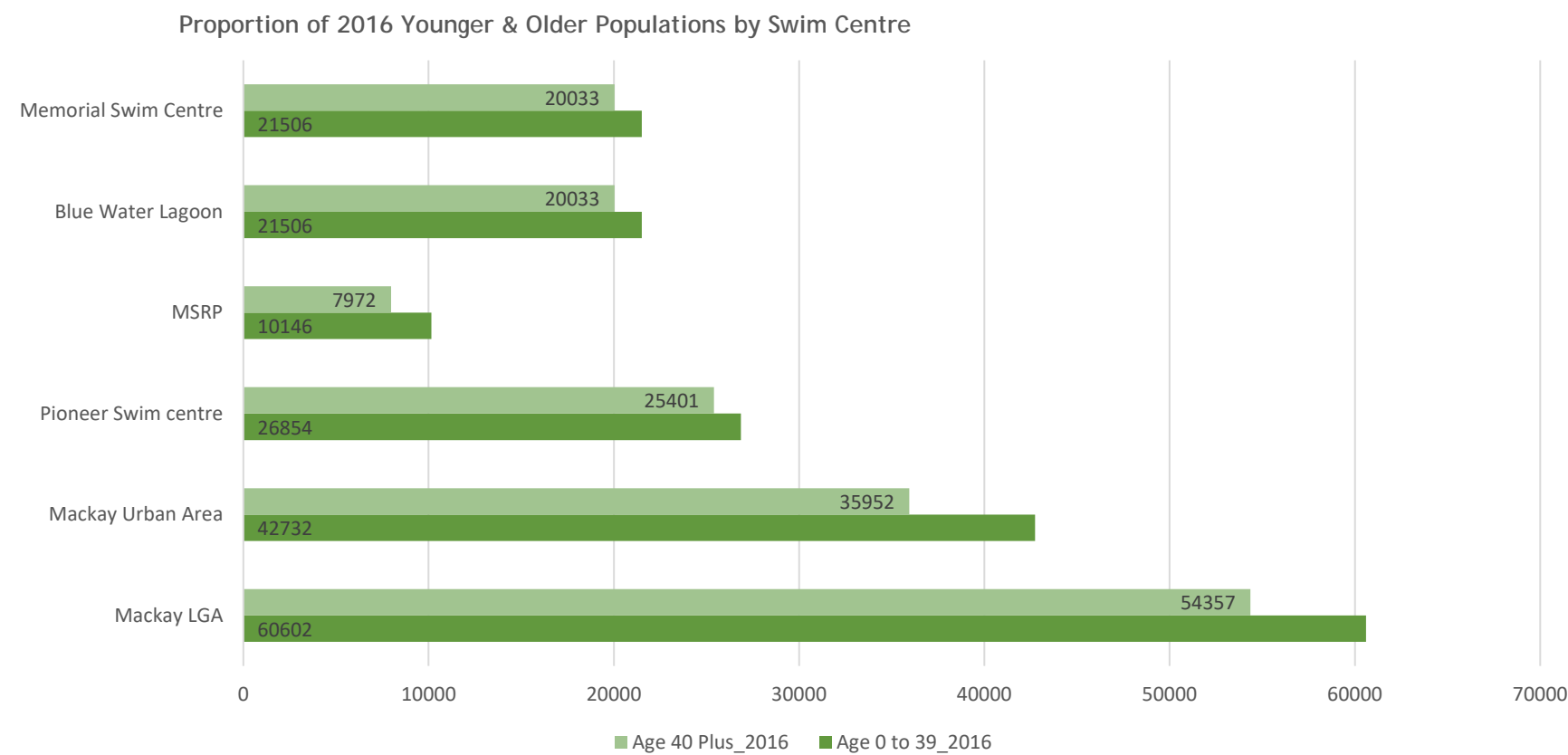
### Swim Centre Population Catchments Age Profile Review

Detailed demographic reviews have been completed to identify the likely main user catchments for each Council Swim Centre and the age profile of people living in these catchment areas. Population area maps of the catchment areas of each Council Swim Centre are listed in section 3.2. The table on the next page (see Figure 5) provides an overview of the 2016 Council area population and by each swim centre population user catchment.

There is estimated to be a lower proportion of older adults 40+ years for both the Mackay LGA and individual swim centre catchments by 2027 compared to the younger population of 0-39 years. (see Figure 6 on the next pages).

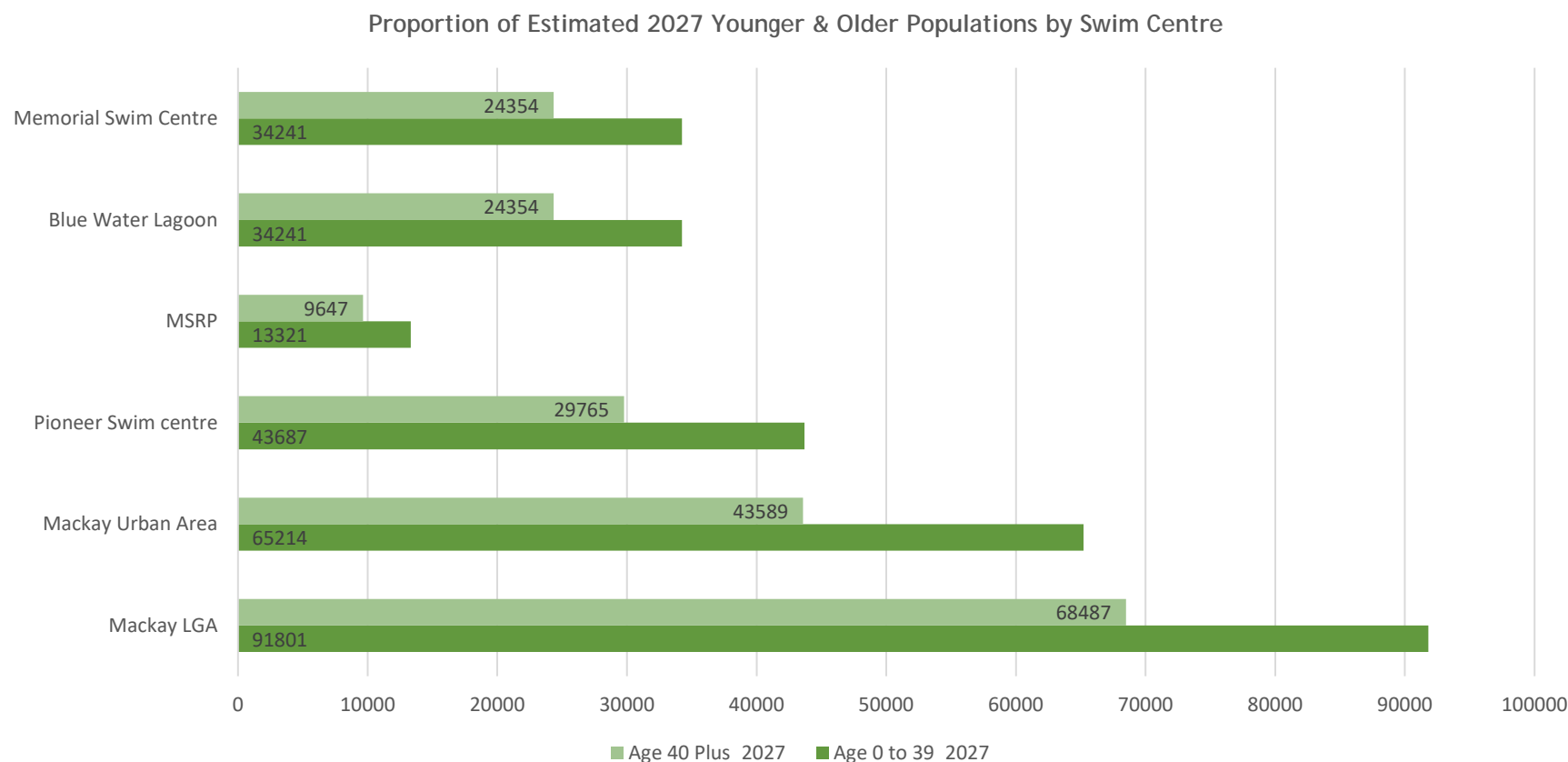
The MARC has a lower population 5km radius population catchment based on a significant part of its radius catchment being to the underdeveloped areas to the west the Mackay CBD.

Figure 5: Proportion of 2016 Mackay LGA & Individual Swim Centre Older Adults, Compared to Younger Population



Note: MSRP refers to the Mackay Aquatic and Recreation Complex at the Mackay Regional Sports Precinct.

Figure 6: Proportion of Estimated 2027 Mackay LGA & Individual Swim Centre Older Adults, Compared to Younger Population



Note: MSRP refers to the Mackay Aquatic and Recreation Complex at the Mackay Regional Sports Precinct.

### Diversity

- Cultural diversity is higher in the Mackay region than in Regional Queensland. 20.3% of the Mackay region population were born overseas compared to 17.3% for Regional Queensland.
  - Both Sarina and Mirani have a lower level of diversity than the Mackay region with 17.4% and 17.0% respectively having been born overseas. The suburb of Mackay however has a significantly higher rate of diversity with 37.9% of the population having been born outside of Australia.
- The most commonly spoken language at home other than English in the Mackay Regional Council area is Tagalog, spoken by 0.7% of the population, followed by Filipino (0.5%), Maltese (0.3%), Italian (0.2%), and Thai (0.2%).

- The top languages spoken in Sarina include Filipino, Thai, Tagalog, Maori and German; in Mirani they are Afrikaans, Swedish, Malayalam, German and Maltese; and in Mackay they are Tagalog, Filipino, Hindi, Mandarin and Punjabi.

### Disadvantage and Social Capital

- Analysis of individual income levels in the Mackay Regional Council in 2016 compared to Regional QLD shows that there was a higher proportion of people earning a high income (those earning \$1,750 per week or more) and a lower proportion of low income people (those earning less than \$500 per week). Overall, 13.1% of the population earned a high income, and 34.6% earned a low income, compared with 8.9% and 37.7% respectively for Regional QLD.
  - The median individual weekly income in Sarina was \$587, Mirani was \$653, and Mackay was \$605, all of which were lower than the median in the Mackay region at \$698.
- There is a relatively low level of disadvantage in the Mackay Regional Council area with the municipality ranking 7<sup>th</sup> out of the 74 Council areas in Queensland on the SEIFA Index of Relative Social Economic Disadvantage with a score of 1018.2. The higher on the Index the lower the level of disadvantage.

### Housing and Transport

- 3.1% of households were social housing dwellings in the Mackay regional area in 2016, which was lower than the Regional Queensland average of 3.3%.
- 91.0% of households own one or more vehicles in the Mackay Regional Council, which is higher than the Regional Queensland population where 84.7% own one or more vehicles.
  - Mirani has the highest rate of vehicles per household of the three focused suburbs with 92.3% of households having one or more vehicles, while both Sarina and Mackay have a lower rate than the Mackay region at 87.2% and 75.7% respectively.

## 1.6 Literature Review

The findings and recommendations of strategies, reports and studies relevant to this study are analysed below and also consider relevant reports and strategies undertaken in prior years.

### Mackay Regional Council Corporate Plan 2016 - 2021

The Plan outlines the following 8 key themes:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Community pride</li> <li>• Regional identity</li> <li>• Community health and wellbeing</li> <li>• Environment</li> </ul> | <ul style="list-style-type: none"> <li>• Life long learning</li> <li>• Economy</li> <li>• Infrastructure and transport</li> <li>• Organisational performance.</li> </ul> |
|---|--|



Of most relevance to Council's aquatic facilities is the **Community Health and Wellbeing** theme. The **objective** of this principle is to "deliver a safe, healthy and accessible community that offers a diverse range of services and facilities". Of particular interest, Council's aim for an active and healthy community is to promote active and healthy lifestyles by providing equitable access and encouraging sporting, recreational and outdoor activities throughout the region.

The **Community Pride** theme outlines an objective to, "Provide community facilities to improve the liveability of the region ensuring equitable focus".

Within the **Life Long Learning** theme, the Corporate Plan aims to support CQUniversity to develop the Mackay Region Sports Precinct at its Ooralea campus which integrates sports and health related education with the provision of modern community sports and recreation facilities. This campus is the site for the newly opened MARC.

### Mackay Regional Council Community Facilities Strategy 2015

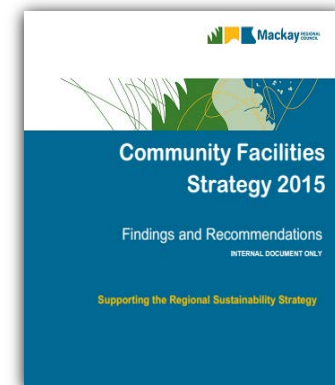
The purpose of this strategy is to address the Regional Sustainability Strategy Implementation Plan. The Strategy outlines that whilst aquatic centres have not been examined closely, it notes that only one aquatic centre has been identified for the region, in the **Northern Beaches** area.

### Mackay Regional Council 2018 Community Attitude Survey Results and Findings

Council engaged IRIS Research to conduct a comprehensive telephone-based survey to seek a range of attitudes and opinions residents had about Council, its services, staff and other issues.

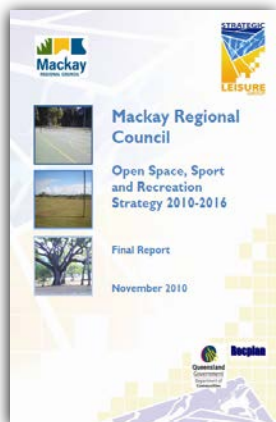
A total of 1,046 interviews were conducted with residents across the council area. A similar survey was conducted in 2014 and 2009. Most regionally based surveys take a sample of about 600 so the sample size for this survey is considered by Council to be comprehensive and rigorous.

There was no change between 2014 (7.2 out of 10.0) and 2018 (7.2 out of 10.0) on the community's attitude towards the "condition of swimming pools". Both the "Blue Water Lagoon" was rated be of **"high performance and high importance to the community"**. While the condition of swimming pools was considered to be an above average performer.



## Open Space, Sport and Recreation Strategy 2010-2016 (Incorporating Aquatic Strategy)

The Open Space, Sport and Recreation Strategy 2010-2016 incorporated the recommendations of the Mackay Regional Council Aquatic Strategy 2010. The key findings of that Strategy were:

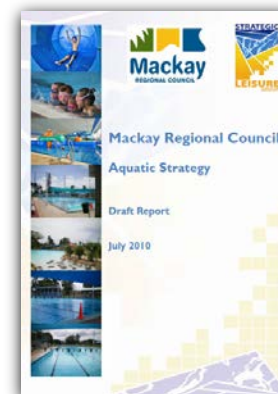


- The provision of aquatic facilities and services within the Northern Beaches area of Mackay is currently under-serviced with this locality experiencing rapid population growth that is expected to continue in future.
- The most intense regional population growth is anticipated to be in the localities of Ooralea (18,000) and Richmond (10,000) by 2026.
- Bluewater Lagoon is a high quality aquatic leisure facility meeting the needs of the community, however there is potential opportunity to refine/ improve existing management and service delivery arrangements.
- The Condition Assessment conducted at that time (and is now superseded by a condition assessment report carried out in August 2019) for the Memorial Swim Centre found that the 50m pool and water treatment plant have very limited 'useful life' potential and there is uncertainty as to whether its site is the most realistic location for a contemporary community aquatic facility past the short to medium term.
- The Mirani Swim Centre is an aging, non-contemporary aquatic facility with a need to increase operating hours and program opportunities for the community.

- The Pioneer Swim Centre is a busy, seasonal aquatic facility requiring updating and expansion to meet the needs of the community.
- The Sarina community is currently being under-serviced in terms of aquatic facilities and services and there is need to expand the current level of community access to the Sarina Swim Centre.
- The Seaforth Wading Pool is a costly, unattractive aquatic facility which generates minimal community benefit outcomes.

The Strategy at that time, recommended the following strategies:

- Condition Assessment Upgrade Recommendations (Immediate Action)
- Improved Community Access to Sarina Pool (Immediate Action)
- Improved Community Access to Mirani Pool (Immediate Action)
- Explore Leasing/ Contract Management Opportunities (Immediate Action)
- Upgrade Pioneer Swim Centre (Short Term (Within 2 - 5 years)
- Redevelop Seaforth Wading Pool with Aquatic Activity Space (Short Term (Within 2 - 5 years)
- Develop Central Northern Beaches Aquatic Facility (Medium Term 6 - 10 years)
- Decommission Memorial Swim Centre (Medium Term 6 - 10 years)
- Upgrade Mirani Swim Centre (Medium Term 6 - 10 years)
- Develop Ooralea Aquatic Facility (Long Term 10 - 15 years).





## 2. Review of Current Aquatic Facilities

### 2.1 Introduction

This section of the report outlines a summary of the facility components, usage, financial performance, capital investment, and management arrangements for each aquatic centre. The data is sourced from:

- Historical pool performance data provided by Council;
- Memorial Pool and Pioneer Pool Structural Assessment and Condition Reports, August 2019
- Aquatic Facilities Condition Assessment, Liquid Blu/ Commercial Aquatics Australia, August 2017; and
- Management leases and Memorandums of Understanding.

### 2.2 Bluewater Lagoon

Bluewater Lagoon, opened in 2008, comprises three tiered lagoons and is a free family-friendly leisure facility overlooking the picturesque Pioneer River in the heart of Mackay's city centre. Covering an area equivalent to three 50m swimming pools, Bluewater Lagoon provides a safe all-round stinger-free swimming environment.



Figure 7: Bluewater Lagoon





### 2.2.1 Facility Components

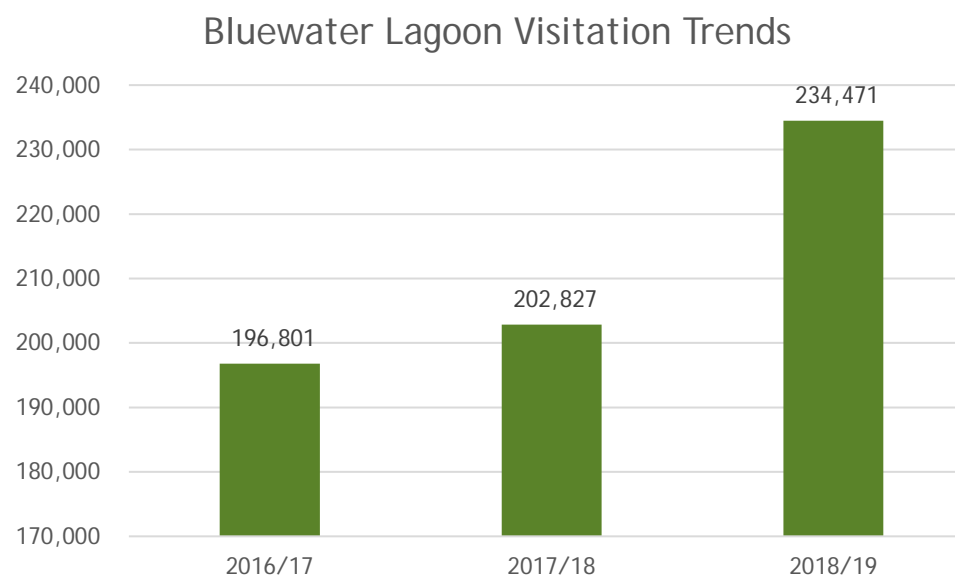
Bluewater Lagoon incorporates:

- A waterfall connects the two main lagoon areas which vary in depth up to 1.8m;
- 19.5m water slide from the top lagoon to the middle lagoon;
- An interactive children's water playground and drop-bucket;
- Change rooms/ toilets;
- Shade sails;
- Shelters;
- Electric barbecue facilities; and
- Bluewater Lagoon Café.

### 2.2.2 Usage Review

Bluewater Lagoon overall visitation has been in decline, decreasing from 339,701 total visitations in 2010/11 to 196,801 in 2016/17 and rising in 2017/18 and 2018/19, but not to levels experienced in 2010/11. (refer Figure 8). Current indications however that the visitation for 2019/20 will be very high.

Figure 8: Bluewater Lagoon Total Visitation Trends



### 2.2.3 Financial Review

Bluewater Lagoon is a free access leisure pool so there are no entry fees or charges.

#### 2.2.3.1 Operating Performance

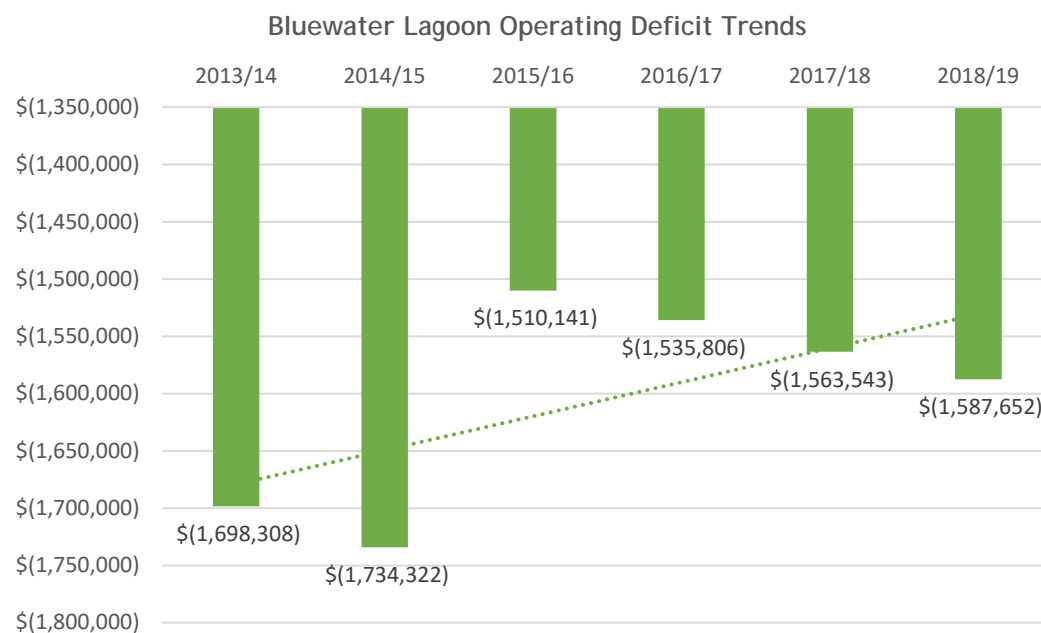
A review of the operating performance for Bluewater lagoon for the full operating years since 2013/14 is summarised below:

**Table 1: Bluewater Lagoon Operating Performance Analysis**

Bluewater Lagoon	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Income</b>						
Fees and Charges	\$ -	\$ 476				
Other Income	\$ 5,913	\$ 1,178	\$ 411	\$ 78	\$ -	\$ 210
<b>Total Income</b>	<b>\$ 5,913</b>	<b>\$ 1,654</b>	<b>\$ 411</b>	<b>\$ 78</b>	<b>\$ -</b>	<b>\$ 210</b>
<b>Expenditure</b>						
Employee Benefits	\$ 35,280	\$ 64,003	\$ 53,630	\$ 63,034	\$ 21,907	\$ 14,415
Finance Costs		\$ 618				
Materials and Services	\$ 1,668,941	\$ 1,671,356	\$ 1,456,923	\$ 1,472,851	\$ 1,541,636	\$ 1,573,447
<b>Total Expenditure</b>	<b>\$ 1,704,221</b>	<b>\$ 1,735,977</b>	<b>\$ 1,510,552</b>	<b>\$ 1,535,884</b>	<b>\$ 1,563,543</b>	<b>\$ 1,587,863</b>
<b>Operating Deficit</b>	<b>\$ (1,698,308)</b>	<b>\$ (1,734,322)</b>	<b>\$ (1,510,141)</b>	<b>\$ (1,535,806)</b>	<b>\$ (1,563,543)</b>	<b>\$ (1,587,652)</b>

The above table indicates that the operating deficit decreased by over \$200,000 between 2014/15 and 2015/16 and has remained relatively stable through to 2018/19. The graph below demonstrates the operating deficit trends since 2013/14:

Figure 9: Bluewater Lagoon Operating Deficit Trends



#### 2.2.3.2 Key Business Indicators

Based on the past four-years usage and operating results the centre's key business indicators highlight:

Table 2: Bluewater Lagoon Business Indicators

Review Business Indicator	2015/16	2016/17	2017/18	2018/19
Annual Visits	215,209	196,801	202,827	234,471
Annual Income	\$1,280	\$78	0	210
Annual Expenditure	\$1,510,141	\$1,535,806	\$1,563,543	\$1,587,862
Annual Operating (Loss)	\$1,510,141	\$1,535,806	\$1,563,543	\$1,587,652
Income per visit	N/A	N/A	N/A	N/A
Expenditure per visit	\$3.32	\$3.66	\$3.61	\$6.77
Loss per visit	\$3.32	\$3.66	\$3.61	\$6.77
Revenue as a % of Expenditure	N/A	N/A	N/A	N/A

The key business indicator trends for the past four years indicate a consistent increase in operational costs across all trading periods.

#### 2.2.4 Management Arrangements

In 2018/19, Council changed its management approach from separate service providers for operations and grounds maintenance; lifeguarding; and café to the one operator now responsible for all site management tasks. The roles and responsibilities of Council and the operator are outlined in the Service Agreement Bluewater Lagoon Complex Services. The term of this agreement was for an initial 2-year period (expiring 7th September 2019) with three x 1 year extension options.

Under this agreement, the following objectives to be achieved as a minimum:

- a) Provide the community and visitors with a safe and enjoyable swimming and recreational experience.
- b) Ensure all lifeguard personnel are appropriately trained and qualified and that all lifeguard services provided:
  - i. are cost effective;
  - ii. comply with widely-accepted service industry standards, guidelines and best practice; and,
  - iii. are within all relevant requirements prescribed by legislation, regulations and local laws.
- c) Provide all labour, management, equipment and resources necessary to maintain an efficient and effective community service.
- d) Ensure a high level of customer service is maintained and all Services are provided in a friendly, courteous and professional manner.
- e) Perform Services in cooperation with Council, other contractors, agencies and community groups, fostering the responsible use of the Bluewater Lagoon.
- f) Increase public safety through pro-active measures, including education and awareness.
- g) Encourage swimmer's observance of Council's safe behaviour (swimming and other), facility rules, conditions of entry and local laws where applicable.
- h) Operate within relevant Council policies, guidelines and management strategies.
- i) Provide water quality excellence through effective pool plant operations, maintenance and management.
- j) Facilitate effective food and beverage opportunities for patrons by way of professional cafe/kiosk management.

The following financial arrangements apply:

- Lifeguarding to be charged monthly at the agreed hourly rates outlined with the Agreement (an annual fee will be calculated once full operating costs are agreed by Council and the operator);
- Cleaning and maintenance is charged to Council at the rate of approximately \$300,000 p.a. and materials at cost price + 15%; and
- Café operations are solely the financial responsibility of the operator.

### 2.2.5 Facility Condition Review

Based on the Aquatic Facilities Condition Assessment Report, August 2017, the following rectification works were recommended for Bluewater Lagoon:

- Immediate:
  - Repairs to corroded fixings and structure of Kids Water Play (recently repaired, however scheduled for capital replacement 2019/20 financial year)
  - Repair of Lagoon Filter Pump 2 Bellows
  - Repair of Lagoon Filter Pump 1 Bellows
  - Troubleshooting of Faulty Chemical Monitoring Apparatus (fully functional and operational, with full capital upgrade proposed for 2021/22 financial year)
- 1-2 years:
  - Replacement of Corroded UFF Filter Vacuum Loading apparatus
  - Investigation of excess water usage - TDS System
- 1-5 years:
  - Replacement of Lagoon Finishes - render and jointing (Council is continuing to repair until complete failure/end of life with the anticipated remaining useful life estimated at a further 10 years)
- 2-5 years:
  - Repairs to chemical storage rooms: ceiling insulation.

Items of particular urgency include:

- Investigation and rectification of Waterplay structure (scheduled for capital replacement 2019/20 financial year)
- Investigation of chemical monitoring equipment by service personal (Fully functional and operational, however capital upgrade proposed for 2021/22 financial year).

The entirety of all lagoons will require resurfacing, which requires demolition of the existing render, surface preparation, and render application. Council is continuing to repair until complete failure/end of life. The anticipated remaining useful life is estimated to last another 10 years under current operation. This gives council time to secure the required funds and engage a competent contractor.

### 2.2.6 Summary of Key Issues

Bluewater Lagoon has largely remained unchanged since its opening over ten years ago. The water mix largely supports recreational swimming only. The fully free entry environment has resulted in high operating costs to Council, with the operating deficit remained relatively consistent. Visitation has remained relatively consistent. The most urgent identified repairs will be costly, including resurfacing (demolition of the existing render, surface preparation, and render application) all lagoons and investigation and rectification of the waterplay structure.

The Council initiative to appoint one operator for all venue management tasks will likely reduce the administrative burden of Council having to manage multiple contractors and will encourage better opportunities for economies of scale savings across venue management roles entity. However, the potential collective cost of lifeguarding, repairs and maintenance and materials means that Bluewater Lagoon remains a high cost facility.

## 2.3 Memorial Swim Centre

Memorial Swim Centre is located on the fringe of Mackay's central business district and adjacent to one of the city's largest shopping centres (Caneland Central) and the Pioneer River precinct. Memorial is a heated public aquatic facility, operating in the winter season.



Figure 10: Memorial Swim Centre

### 2.3.1 Facility Component

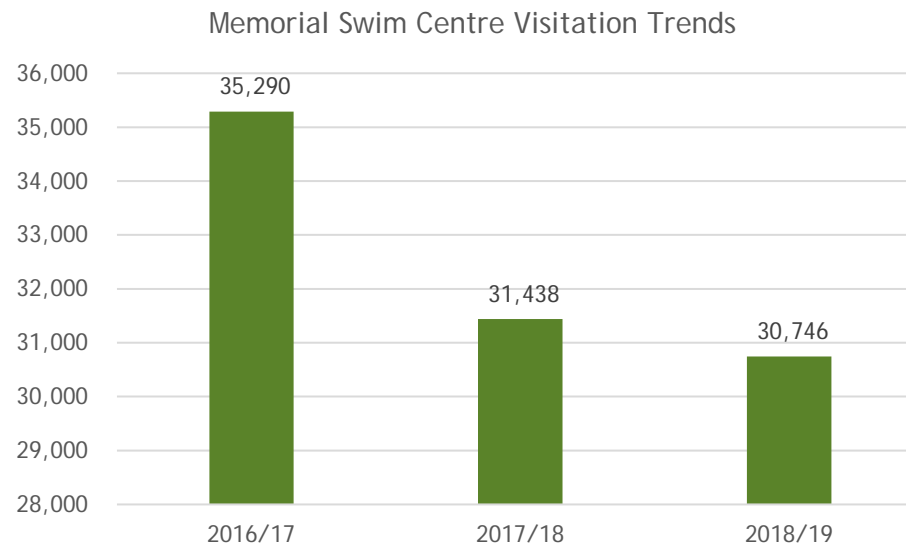
Memorial Swim Centre incorporates:

- 50m x 8 lane heated outdoor pool
- Heated toddler pool
- Extensive grounds which are ideal for family picnics
- Car park and bike rack facilities
- Change rooms/ toilets
- Kiosk
- Limited lighting for night activities
- Easy Access Chairlift.

### 2.3.2 Usage Review

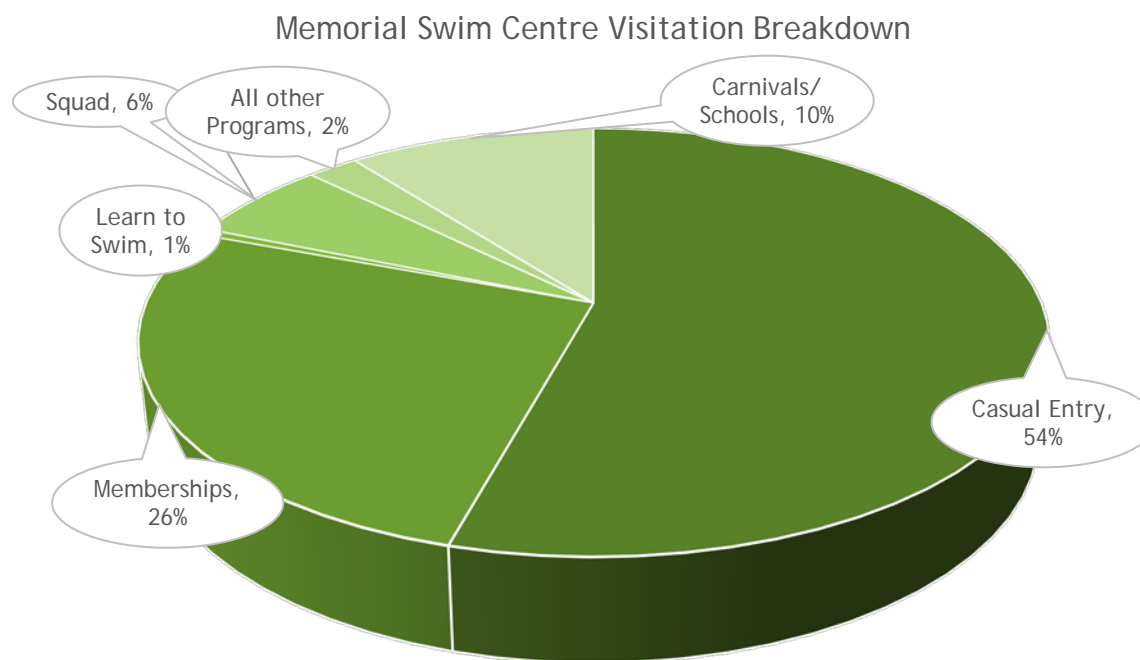
Since 2016/17 visitation has been generally in the order of 30,000 visitations annually, reaching a high of 35,290 in 2016/17 and then declining in the following two years (refer to Figure 11 below).

Figure 11: Memorial Swim Centre Visitation Trends - 2016/17 to 2018/19



Casual entry (54%) attracts the majority of users to the Memorial Swim Centre followed by memberships (26%). Programing activity is limited at Memorial with Programs (2%), Squad (6%) and learn-to-swim (1%). Refer to Figure 12 below for further detail:

Figure 12: Memorial Swim Centre Visitation (2018) - Breakdown by Category



### 2.3.3 Financial Review

Casual entrance fees to Memorial are:

- Adult - \$4.50
- Child/ Student/ Pensioner - \$3.00
- Non-swimmer - \$2.00.



### 2.3.3.1 Performance Analysis

A review of the operating performance for Memorial Swim Centre for the full operating years since 2013/14 is summarised below:

**Table 3: MSC Operating Performance Analysis (Council Costs Only - Excluding Operator Performance)<sup>2</sup>**

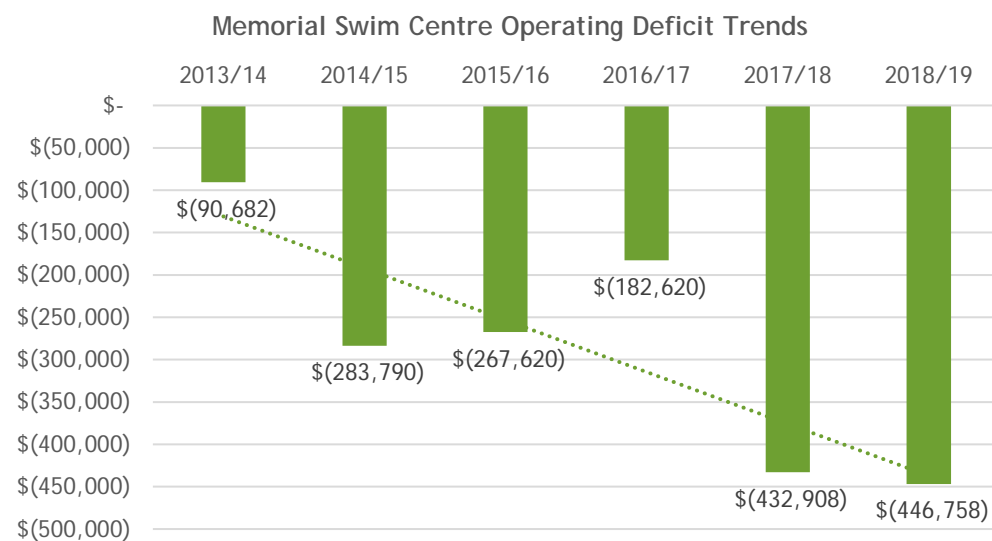
Memorial Swim Centre	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Income</b>						
Commissions					\$21,691	\$29,865
Other Income				\$27,932	\$18,429	\$10,417
<i>Total Income</i>	\$ -	\$ -	\$ -	\$27,932	\$40,120	\$40,282
<b>Expenditure</b>						
Salaries & Wages	\$90,682	\$37,831	\$38,515	\$42,019	\$87,626	\$ 4,391
Operations Contract payment					\$141,706	\$320,759
Cleaning, Repairs & Maintenance	\$ -	\$12,546	\$12,059	\$12,890	\$107,795	\$98,364
Water	\$ -	\$32,408	\$28,098	\$7,683	\$38,178	\$9,576
Energy	\$ -	\$123,658	\$106,542	\$90,482	\$45,375	\$11,614
Marketing & Promotions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ -	\$77,347	\$82,406	\$57,478	\$52,348	\$42,336
<i>Total Expenditure</i>	\$90,682	\$283,790	\$267,620	\$210,552	\$473,028	\$487,040
<b>Operating Deficit</b>	<b>\$(90,682)</b>	<b>\$(283,790)</b>	<b>\$(267,620)</b>	<b>\$(182,620)</b>	<b>\$(432,908)</b>	<b>\$(446,758)</b>

The above table indicates that the operating deficit increased by approximately \$200,000 between 2013/14 and 2014/15 and a further \$250,000 between 2016/17 and 2018/19. Council advised this is largely as a result of its increased maintenance program.

<sup>2</sup> Council advised \$0 income was recorded over 2013/14 - 2015/6 as a result of the operator being unable to pay the lease payment.

The graph below demonstrates the operating deficit trends since 2013/14:

Figure 13: Memorial Swim Centre Operating Deficit Trends



#### 2.3.3.2 Key Business Indicators

Based on the past four-years usage and operating results the centre's key business indicators highlight:

Table 4: Memorial Swim Centre Business Indicators

Review Business Indicator	2015/16	2016/17	2017/18	2018/19
Annual Visits	33,478	35,290	31,438	30,746
Annual Income	\$0	\$27,932	\$40,120	\$40,282
Annual Expenditure	\$267,620	\$210,552	\$473,028	\$487,040
Annual Operating (Loss)	\$267,620	\$182,620	\$432,908	\$446,758
Income per visit	N/A	N/A	N/A	N/A
Expenditure per visit	\$7.99	\$5.97	\$15.05	\$15.84
Loss per visit	\$7.99	\$5.17	\$13.77	\$14.53
Revenue as a % of Expenditure	N/A	N/A	8.5%	8.3%

### 2.3.4 Facility Condition Review

During the development of this Aquatic Strategy, Council requested a further condition assessment be undertaken of the Memorial Pool and the *Memorial Pool Condition of Pool Structures & Pool Finishes Report, August 2019*, comments on the condition of finishes and joints. The report is based on observations whilst the pool was empty and concrete core testing to examine the concrete's condition and make an opinion on the likely future expected life of the pool structure.

The results for the 50m pool are provided as observations (walls, floor, joints, and finishes), in summary:

- There does not appear to be visual signs of structural cracking to suggest there is a structural issue with the 50m pool structure.
- The pool appears to be structurally stable.
- Given the results of the chloride testing, it is unlikely corrosion would be an issue for the longer term of say 10- 15 years before maintenance is required.

The results for the wading pool are provided as observations (walls, floor, joints, and finishes), in summary:

- There is still substantial horizontal cracking through the walls in the north east corner adjacent to the control joint.
- Numerous tiles have cracked at approximately 200mm below the top of the pool wall and now rust staining is evident through these cracks indicating the reinforcement is corroding.
- The cracking is allowing some water leakage as there is calcification evident within some cracks.
- The control joint is in poor condition and sealant requires replacement as is the joint between the concourse slab and pool wall.
- The floor tiles are in reasonable condition for their age, however wall tiles display numerous cracks particularly at the larger cracking mentioned previously.
- The concourse slabs around the Wading pool are in generally fair condition with the exception of jointing to the pool.

### 2.3.5 Management Arrangements

The swim centre is managed under a contract arrangement with an external contractor. The operator is responsible for the following costs:

- Staffing
- Cleaning
- Water quality and testing
- Grounds maintenance
- Electricity
- Chemicals
- Rates

Repairs and maintenance (up to the value of \$3,000), Council is responsible for maintenance costs over this amount if the damage has not caused by the contractor.

### 2.3.6 Summary of Key Issues

The Memorial Swim Centre is an ageing facility that currently does not meet contemporary standards for aquatic centres. Its location on the south of the Pioneer River means that it has the potential to service the central/ southern Mackay catchment, however it is anticipated that the new MARC being a much more modern facility with greater water areas meeting more user's requirements will service the major aquatic needs of the southern Mackay localities. The centre also competes directly for family and younger user markets with the Bluewater Lagoon which provides free leisure water use in much more modern pools and landscaped surrounds.

The future cost to redevelop the centre would be extremely high. Further, the aged facilities will have a significantly lower useful life given the age of the pool, the recent opening of the MARC is resulting in both pools servicing similar user catchments which is adversely impacting operating losses at each centre.

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*CERM is the University of South Australia's 'Centre for Environmental and Recreation Management' and is recognised nationally for the development of performance indicators for indoor sporting centres, and aquatic & leisure centres. CERM PI ® data measures operational management efficiency (cost recovery, operational ratios, catchment usage rates, secondary spending etc). Participation and provision of information is on a voluntary subscription basis. Most facilities on the CERM database are local government owned. Data for 2018 categorised aquatic centres by the type of facility (ie outdoor only, indoor only, or indoor and outdoor) and further segmented it by the size (m2) of the facility. 2018 CERM data was used as the most recent CERM data does not segment pools by size. It should be noted participation in, and provision of information for, the CERM database is on a purely voluntary subscription basis. To that end their database represents a "convenience sample" and is not necessarily representative of all Australian aquatic centres. For this reason, CERM data serves as a comparative guide only, based on similar pools on their database but it does not represent a definitive standard.*

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The annual visitation has been fluctuated over the past 7 years and at 31,000 in 2018/19 is low when compared to the CERM comparative catchment multiple of 1.3 for outdoor pools and an estimated 2016 population of 41,539 which should see visitations more than twice as much as achieved (54,000+). This suggests that the pool has very poor visitation to the potential user catchment living in its main catchment zone. Further, the subsidy per visit (\$14.53) is significantly higher than the CERM benchmark for outdoor pools (\$4.60). Current entry fees are considered at the lower end of market comparisons.

There are economies of scale savings associated with the same operator being responsible for both Memorial and Pioneer Swim Centres, however the low and declining visitation suggests the Centre is not attractive to most market segments within the community and competes for leisure water users with Bluewater Lagoon located only 1 kilometre away. The opening of MARC means that Memorial Swim Centre has another major competitor facility in its traditional user catchment and this is likely to see significant reductions in annual visitations due to the new facilities being more attractive to use.

Noting the above summary, Council considered this information and resolved at its 11 September 2019 Council meeting to;

THAT Council:

- a) Recognise the "Memorial Swimming Centre as a valuable community asset" in the Council Aquatic Strategy;
- b) Recognise the important Second World War memorial aspect of the Memorial Swimming Centre site;

- c) Given latest facilities assessments, and to enable the impact of the MARC and other facilities on MSC patronage, exercise the 12 months extension option to October 2020 in the current Belgravia operating contract;
- d) Notes that despite maintenance practices and current standard that the aquatic facilities at the site have a finite life and planning should be undertaken for sympathetic redevelopment of facilities within the MSC, in keeping with community needs;
- e) Ensures that redevelopment plans of the facilities on the site involve extensive community consultation, after consultation with applicable Returned Services League (RSL) sub-branches;
- f) Establish a community reference group consisting of relevant stakeholders to inform the redevelopment plans; and
- g) Consider the registration of the site on the local heritage register following the outcome of consultation on facilities redevelopment within the site.

This is now the Council's current position, with establishment of the associated Memorial Swimming Centre Community Reference Group commenced.

## 2.4 Pioneer Swim Centre

Pioneer Swim Centre is set within landscaped gardens in the John Breen Park recreational precinct in North Mackay, including close access to skatepark, roller hockey court, Gooseponds and walking track.



Figure 14: Pioneer Swim Centre

### 2.4.1 Facility Components

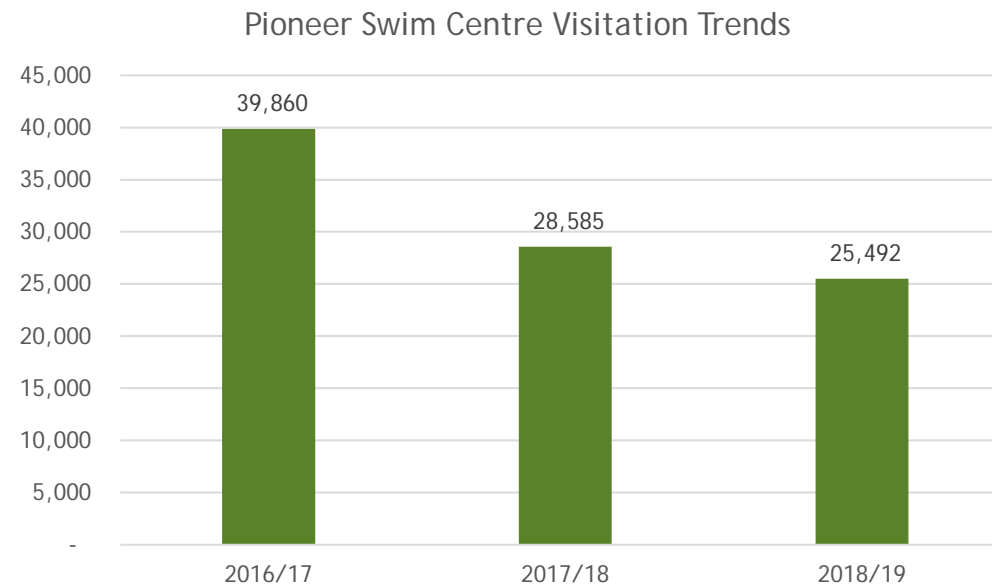
Pioneer Swim Centre incorporates:

- 50m x 8 lane outdoor heated pool
- 15m by 8m toddler pool with interactive water play equipment
- Undercover grandstand
- Large shaded areas and tables with seating
- Car park and bike rack facilities
- Easy Access Chairlift
- Change rooms/ toilets
- Night lighting
- Kiosk
- Clubhouse
- Fully serviced first aid and life saving equipment
- Fantastic location in close proximity to John Breen Park

#### 2.4.2 Usage Review

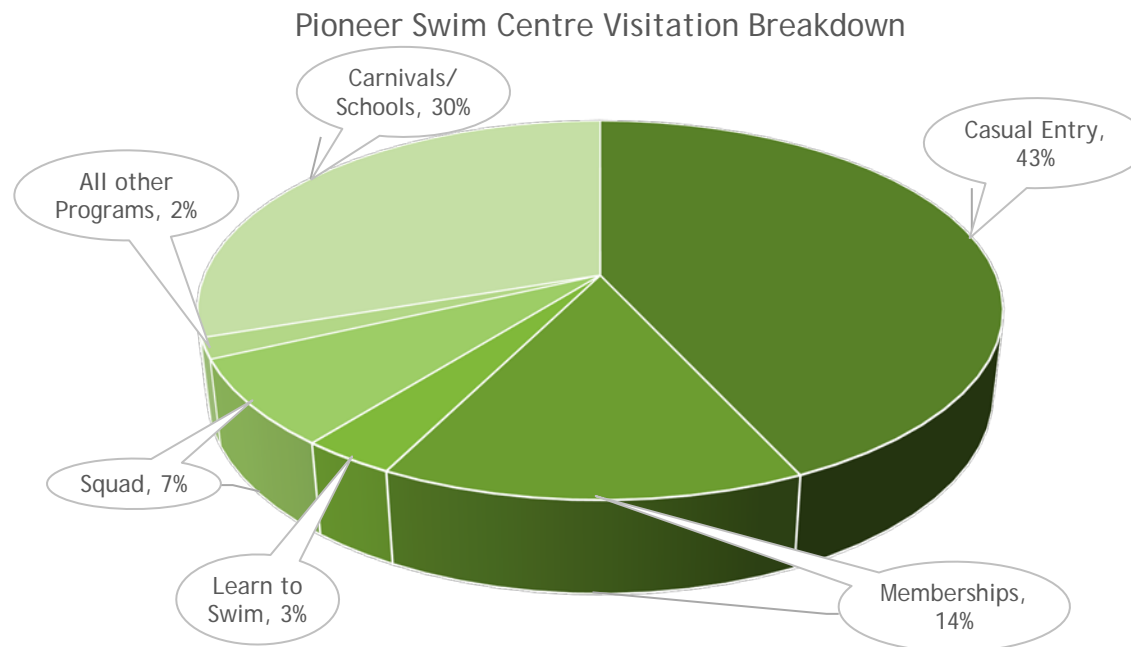
Visitation has been declining annually since a high of 40,426 in 2012/13 and has continued to be in decline over the past three years (refer to Figure 15 below). Noting however that the pool has now been heated in mid-2019 it is expected that visitation will increase given the pool will now be available over winter and for a much greater period each year.

Figure 15: Pioneer Swim Centre Visitation Trends



Casual entry (43%) attracts the majority of users to the Pioneer Swim Centre followed by carnivals/ schools (30%), memberships (14%) and combined learn-to-swim/ squad/ programs (12%). Refer to Figure 16 below for further detail:

Figure 16: Pioneer Swim Centre Visitation (2018) - Breakdown by Category



#### 2.4.3 Financial Review

Casual entrance fees to Pioneer are:

- Adult - \$4.50
- Child/ Student/ Pensioner - \$3.00
- Non-swimmer - \$2.00.



### 2.4.3.1 Performance Analysis

A review of the operating performance for Pioneer Swim Centre for the full operating years since 2013/14 is summarised below:

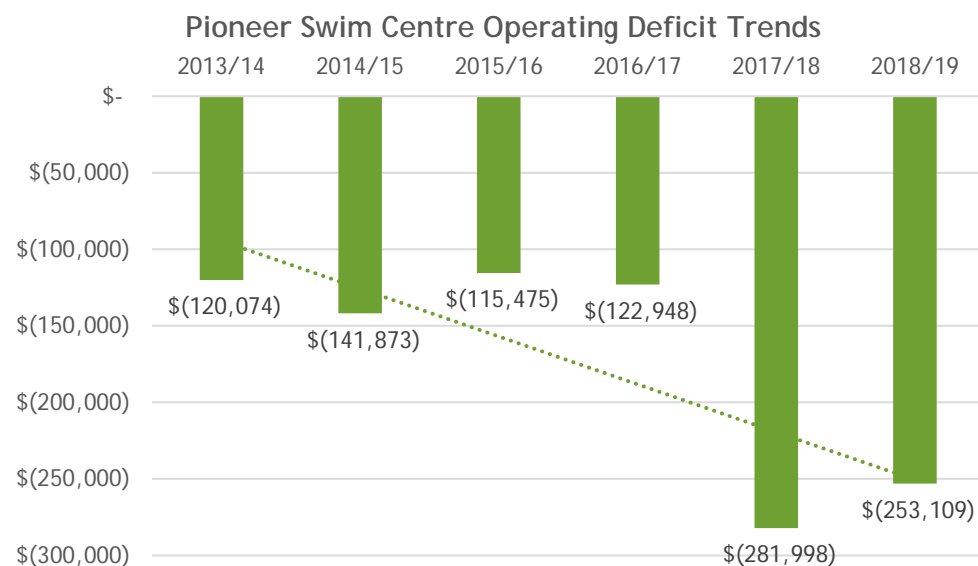
**Table 5: Pioneer Swim Centre Operating Performance Analysis (Council Costs Only - Excluding Operator Performance)<sup>3</sup>**

Pioneer Swim Centre	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Income</b>						
Commissions					\$ 27,914	
Other Income	\$ -	\$4,167	\$46,055	\$27,202	\$17,615	\$10,417
<i>Total Income</i>	<i>\$ -</i>	<i>\$4,167</i>	<i>\$46,055</i>	<i>\$27,202</i>	<i>\$45,529</i>	<i>\$10,417</i>
<b>Expenditure</b>						
Salaries & Wages	\$ -	\$1,071	\$ -	\$ -		\$3,053
Operating Contract payment					\$116,803	\$168,583
Cleaning, Repairs & Maintenance	\$28,352	\$65,111	\$77,487	\$81,495	\$94,394	\$40,869
Water	\$11,335	\$25,972	\$29,764	\$9,909	\$30,479	\$9,840
Energy	\$30,267	\$38,675	\$39,818	\$37,495	\$43,452	\$10,823
Marketing & Promotions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$50,120	\$15,211	\$14,462	\$21,251	\$42,399	\$30,358
<i>Total Expenditure</i>	<i>\$120,074</i>	<i>\$146,040</i>	<i>\$161,530</i>	<i>\$150,150</i>	<i>\$327,527</i>	<i>\$263,526</i>
<b>Operating Deficit</b>	<b>\$(120,074)</b>	<b>\$(141,873)</b>	<b>\$(115,475)</b>	<b>\$(122,948)</b>	<b>\$(281,998)</b>	<b>\$(253,109)</b>

The above table indicates that the operating deficit spiked in 2017/18 by approximately \$160,000, reducing slightly to approximately \$30,000 in 2018/19. The graph below demonstrates the operating deficit trends since 2013/14:

<sup>3</sup> Council advised \$0/ minimal income was recorded over 2013/14 - 2014/15 as a result of the operator being unable to pay the lease payment.

Figure 17: Pioneer Swim Centre Operating Deficit Trends



#### 2.4.3.1 Key Business Indicators

Based on the past four-years usage and operating results the centre's key business indicators highlight:

Table 6: Pioneer Swim Centre Business Indicators

Review Business Indicator	2015/16	2016/17	2017/18	2018/19
Annual Visits	39,543	39,860	28,585	25,492
Annual Income	\$0	\$0	\$27,914	0
Annual Expenditure	\$161,530	\$150,150	\$327,527	\$263,526
Annual Operating (Loss)	\$115,475	\$122,948	\$281,998	\$253,109
Income per visit	N/A	N/A	N/A	N/A
Expenditure per visit	\$4.08	\$3.77	\$11.46	\$10.34
Loss per visit	\$2.92	\$3.08	\$9.87	\$9.93
Revenue as a % of Expenditure	N/A	N/A	N/A	N/A

#### 2.4.4 Facility Condition Review

The *Pioneer Pool Condition of Pool Structures & Pool Finishes Report, August 2019*, comments on the condition of finishes and joints. The report is based on observations whilst the pool was empty and concrete core testing to examine the concrete's condition and make an opinion on the likely future expected life of the pool structure.

The results for the 50m pool are provided as observations (walls, floor, joints, and finishes), in summary:

- Comparison of the 2011 and 2019 testing indicates there is little change in the chloride levels within the concrete, with some levels slightly higher in 2019 from the pool water side.
- The chloride levels do not indicate a corrosion risk condition.
- The likelihood there would be a corrosion to the pool reinforcement is low.
- It is unlikely the structure will have a reinforcement corrosion issue for the foreseeable future.
- The concourse slabs around the 50m pool are in reasonable structural condition.

The results for the wading pool are provided as observations (walls, floor, joints, and finishes), in summary:

- There does not appear to be any evidence of major cracking within the pool itself.
- The tiles are in reasonable condition for their age, however there are insufficient tile movement joints.
- The joint sealant between the pool coping and concourse has deteriorated and failed and requires replacement.
- No core tests were undertaken in the wading pool, hence no conclusion can be drawn on the likelihood of future corrosion issues, however, there does not appear to be signs of corrosion at the time of our inspection previously.
- Slabs around the Wading pool are in generally fair condition.

#### 2.4.5 Management Arrangements

Pioneer Swim Centre is managed under a contract arrangement with an external contractor. Refer to 2.3.5 above for further details.

#### 2.4.6 Summary of Key Issues

Pioneer Swim Centre does not meet contemporary standards for aquatic facilities, with no indoor pool provision and unattractive leisure water options. Changerooms are not in keeping with current trends for high quality finishes and the café and merchandise areas are limited in size, offerings and adjacent lounge areas. The physical location of Pioneer adjacent to surrounding parkland creates opportunities for improved connectivity to other community facilities.

The annual visitation of 25,492 to 40,426 (7-year average of 35,462) is low when compared to the CERM comparative catchment multiple of 1.3 for outdoor pools and an estimated 2016 population of 29,765. The subsidy per visit (\$9.93) is higher than the CERM benchmark for outdoor pools (\$4.60). Current entry fees are considered at the lower end of market comparisons.

## 2.5 Mirani Swim Centre

Mirani Swim Centre is a fully outdoor pool, co-located with the Mirani Caravan Park and adjacent to the local skatepark.



Figure 18: Mirani Swim Centre

### 2.5.1 Facility Components

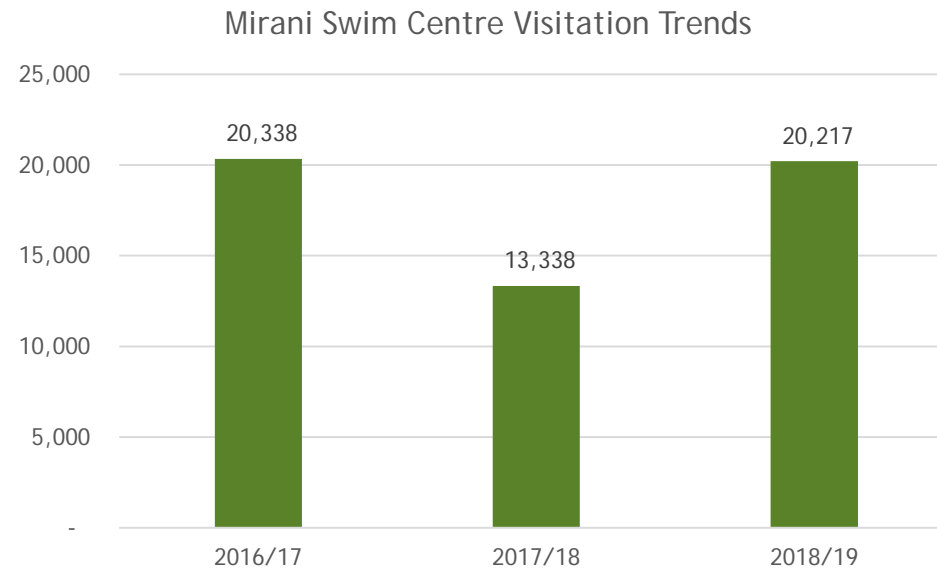
Mirani Swim Centre incorporates:

- 50m x 6 lane outdoor pool
- Covered toddlers pool
- 2 x undercover grandstands
- Extensive lawn areas for picnics
- Large shaded areas and tables with seating
- Change rooms and amenities
- Clubhouse
- Lighting
- Easy access chairlift
- Kiosk
- Carpark and bike rack facilities
- Close to skate park.

### 2.5.2 Usage Review

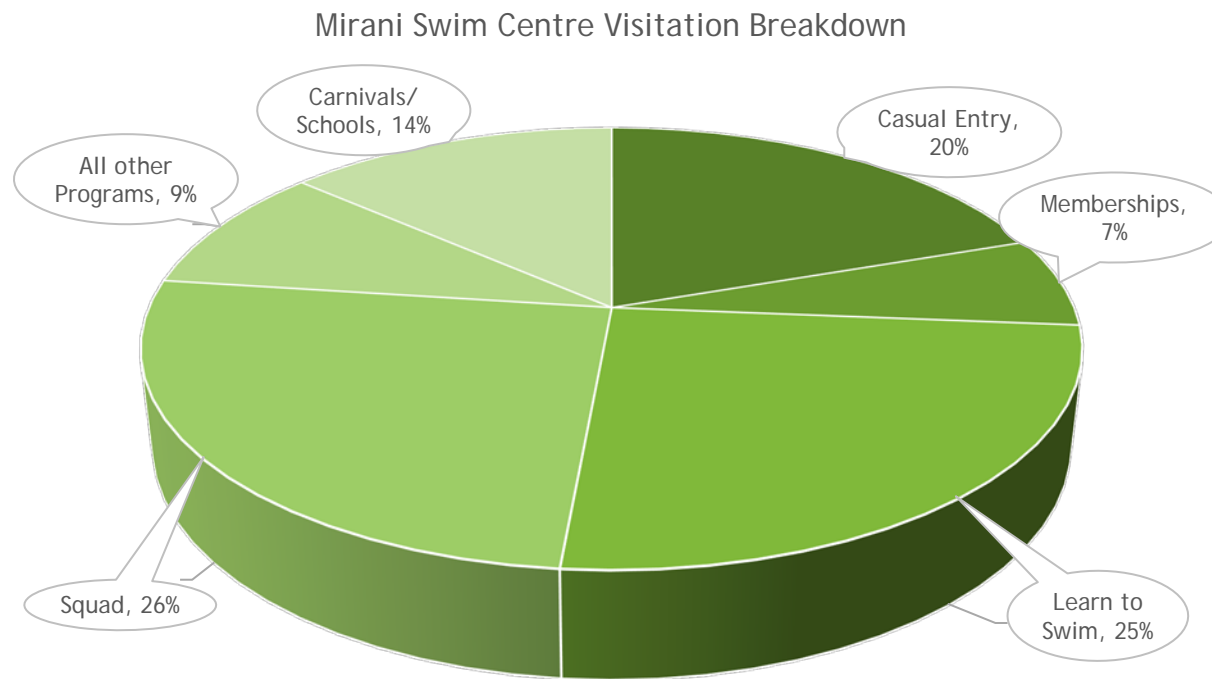
Visitation has remained relatively consistent since 2014/15 in the order of 20-22,000 annual visitations, with a low of 13,338 in 2017/18 (refer to Figure 19 below for a summary of visitation for the past three years).

Figure 19: Mirani Swim Centre Visitation Trends



Squad (26%) and learn-to-swim (25%) attract the majority of users to the Mirani Swim Centre. Casual entry (20%) and carnivals/ schools (14%) account for 34% of visitation. Refer to Figure 20 below for further detail:

Figure 20: Mirani Swim Centre Visitation (2018) - Breakdown by Category



### 2.5.3 Financial Review

Casual entrance fees to Mirani are:

- Adult - \$4.00
- Child/ Student/ Pensioner - \$3.00
- Non-swimmer - \$1.50.

### 2.5.3.1 Performance Analysis

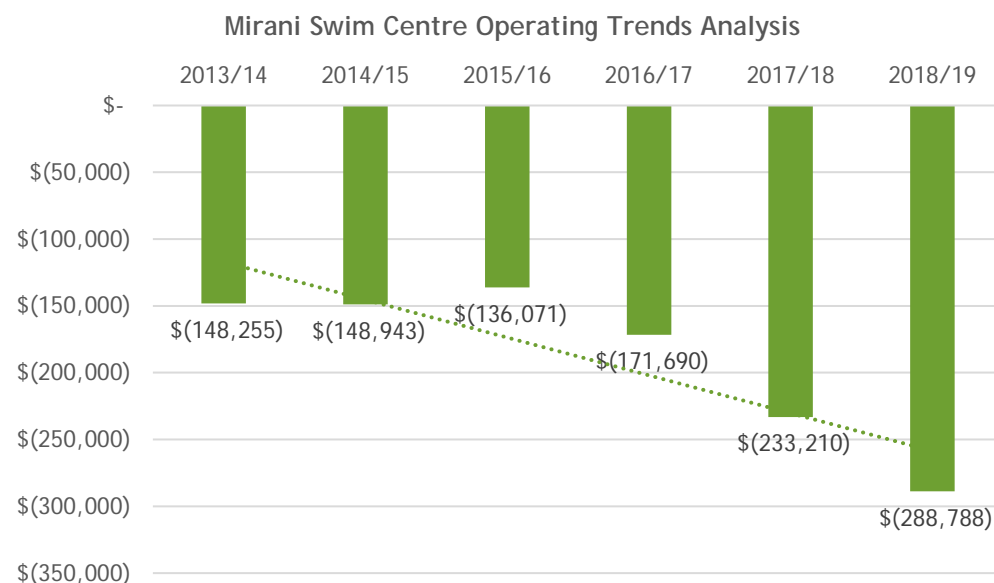
A review of the operating performance for Mirani Swim Centre for the full operating years since 2013/14 is summarised below:

**Table 7: Mirani Swim Centre Operating Performance Analysis (Council Costs Only - Excluding Operator Performance)**

Mirani Swim Centre	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Income</b>						
Commissions						
Other Income						
<i>Total Income</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditure</b>						
Salaries & Wages	\$440	\$ -	\$ -	\$ -	\$703	\$3,308
Operating Contract Payment					\$72,076	\$198,652
Cleaning, Repairs & Maintenance	\$49,856	\$50,587	\$44,305	\$50,352	\$82,812	\$55,287
Water	\$8,870	\$8,222	\$11,568	\$7,137	\$11,358	\$9,446
Energy	\$22,870	\$21,421	\$14,481	\$35,423	\$31,856	\$10,341
Marketing & Promotions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$66,218	\$68,713	\$65,717	\$78,778	\$34,314	\$11,754
<i>Total Expenditure</i>	\$148,255	\$148,943	\$136,071	\$171,690	\$233,210	\$288,788
<b>Operating Deficit</b>	<b>\$(148,255)</b>	<b>\$(148,943)</b>	<b>\$(136,071)</b>	<b>\$(171,690)</b>	<b>\$(233,210)</b>	<b>\$(288,788)</b>

The above table indicates that the operating deficit has increased from \$148,255 in 2013/14 to \$288,788 in the most recent 2018/19 period. The graph below demonstrates the operating deficit trends since 2013/14:

Figure 21: Mirani Swim Centre Operating Deficit Trends



### 2.5.3.2 Key Business Indicators

Based on the past two-years usage and operating results the centres key business indicators highlight:

Table 8 Mirani Swim Centre Business Indicators

Review Business Indicator	2015/16	2016/17	2017/18	2018/19
Annual Visits	22,565	20,338	13,338	20,217
Annual Income	\$0	\$0	\$0	\$0
Annual Expenditure	\$136,071	\$171,690	\$233,210	\$288,788
Annual Operating (Loss)	\$136,071	\$171,690	\$233,210	\$288,788
Income per visit	N/A	N/A	N/A	N/A
Expenditure per visit	\$6.06	\$8.44	\$17.48	\$14.28
Loss per visit	\$6.06	\$8.44	\$17.48	\$14.28
Revenue as a % of Expenditure	N/A	N/A	N/A	N/A



#### 2.5.4 Facility Condition Audit

Based on the Aquatic Facilities Condition Assessment, August 2017, the following rectification works are recommended for Mirani Swim Centre:

- Immediate:
  - Repair and replacement of pipes and pipe supports, fittings (scheduled for capital replacement proposed for 2019/20 financial year)
  - Replacement of finishes inside chlorine bund. Improved support to tank mounted pipework. Addition of spill control bund under transfer point. Installation of tank level indicator visible from point of transfer; or,
  - Replace chlorination equipment with granular chlorine system (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year)
- 1-2 years:
  - Repairs of concourse – concrete and steel fixings, access hatch frames
  - Repairs to chemical storage rooms: paint, ceiling insulation, flume hood, corroded fittings and panel, service of pumps (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year)
  - Replacement of disabled hoist with unit capable of meeting NCC platform lift requirements.
  - Provision of mains water hose cock in pit beside disabled access hoist
- 3-5 years:
  - Replacement of 50m filtration system (pending results of investigation above)

Items of particular urgency include:

- Separate to above, repair and replacement of corroded metal fixings throughout the pool, concourse and equipment room are required.
- Repair of bund lining for hypochlorite tank, and improvement to chlorine delivery apparatus (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year).
- Inspection, repair and replacement if required of automatic pool chemical controller and associated dosing equipment (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year)
- Alternatively, a switch to a granular chlorine dosing system would reduce operational and handling risk and ensure that the facility is compliant with AS3780 in the long term (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year).
- Works that involve shutting down and draining the pool (such as replacement of filtered water returns) provide an opportunity to multiple items in one package to economise the cost of refurbishment. It is recommended to review and replace the filtered water returns in the floor of the pool, along with the pipework connected to it, to ensure it can achieve modern turnover targets. This is most economically done whilst the pool is drained for retiling. Works on the filtration plant could also be conducted at this time.

### 2.5.5 Management Arrangements

Mirani Swim Centre is managed under a contract arrangement with an external contractor. Refer to 2.3.5 above for further details.

### 2.5.6 Summary of Key Issues

Mirani Swim Centre facilities are consistent with other North Queensland pools located within a rural area. The physical site is close to the town centre and local schools.

The annual visitation in the order of 20-22,000 is high when compared to the CERM comparative catchment multiple of 1.3 for outdoor pools and an estimated 2016 Pioneer Valley population of 8,400, (as anecdotally, the Centre also attracts users from areas further west of Mirani). The subsidy per visit (\$14.28) is much higher than the CERM benchmark for outdoor pools (\$4.60). Current entry fees are considered at the lower end of market comparisons.

The condition assessment identified several rectification works in order to ensure the pools remain fit-for-purpose. These works will likely be high cost.

## 2.6 Sarina Swim Centre

Sarina Swim Centre is an Education Queensland owned facility, located within the Sarina State High School campus.



Figure 22: Sarina Swim Centre

### 2.6.1 Facility Components

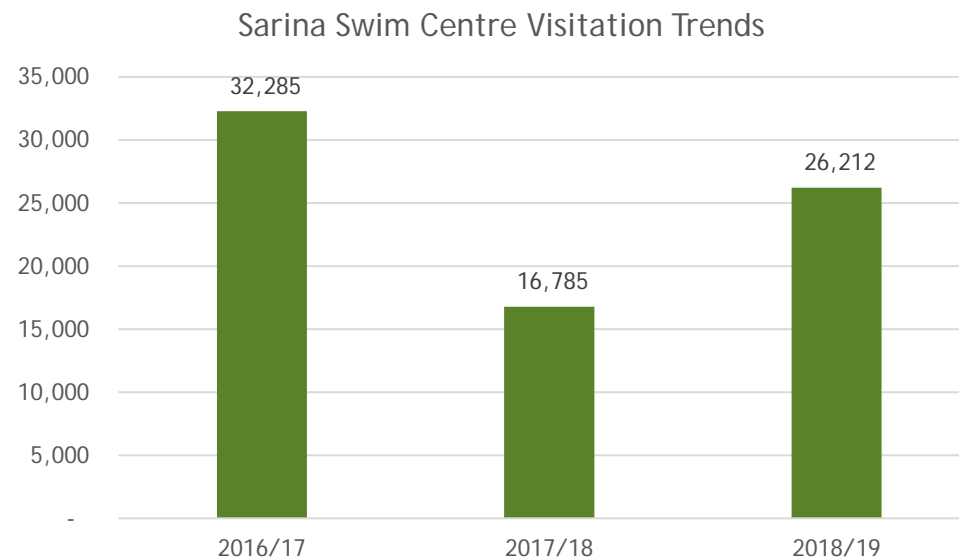
Sarina Swim Centre incorporates:

- 25m x 6 lane swimming pool
- Change rooms and amenities, including provisions for persons with a disability
- Kiosk
- Lighting
- Club shed
- Shade covers over sections of the pool.

### 2.6.2 Usage Review

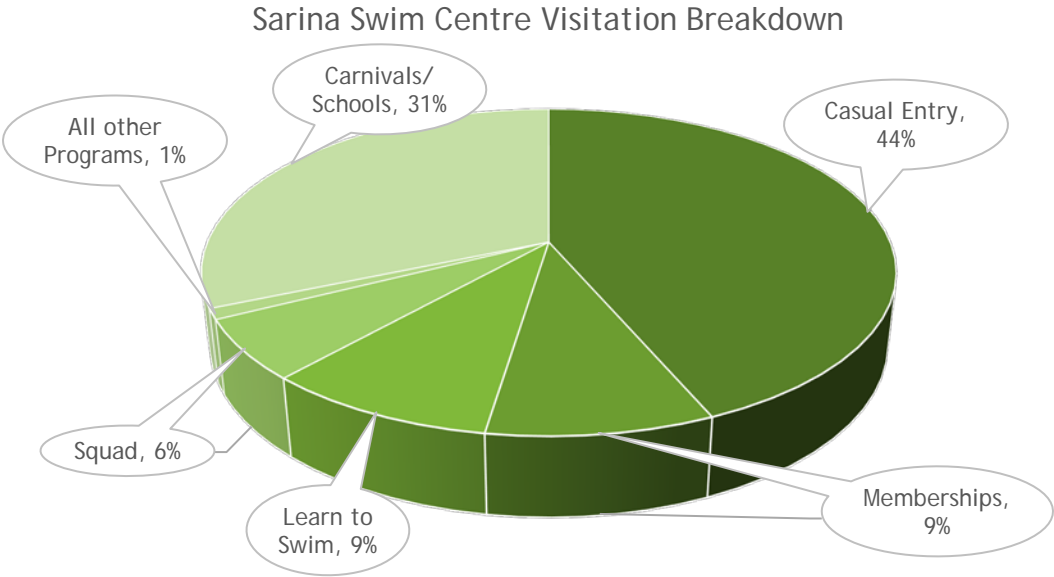
Whilst in the most recent three years there has been a decrease to visitation, this followed a significant increase to visitation in 2016/17. A summary of the previous three years visitation is outlined in Figure 23 below.

Figure 23: Sarina Swim Centre Visitation Trends



Casual entry attracts the majority of visitation to the Sarina Swim Centre (44%) with the next most popular being carnivals/ schools (31%). Programs, squads and learn-to-swim attract a combined 16% of total annual visitation. Refer to Figure 24 below for further detail:

Figure 24: Sarina Swim Centre Visitation Breakdown by Category



2.6.3 Financial Review

Casual entrance fees to Sarina are:

- Adult - \$4.00
- Child/ Student/ Pensioner - \$3.00
- Non-swimmer - \$1.50.

### 2.6.3.1 Performance Analysis

A review of the operating performance for Sarina Swim Centre for the full operating years since 2013/14 is summarised below:

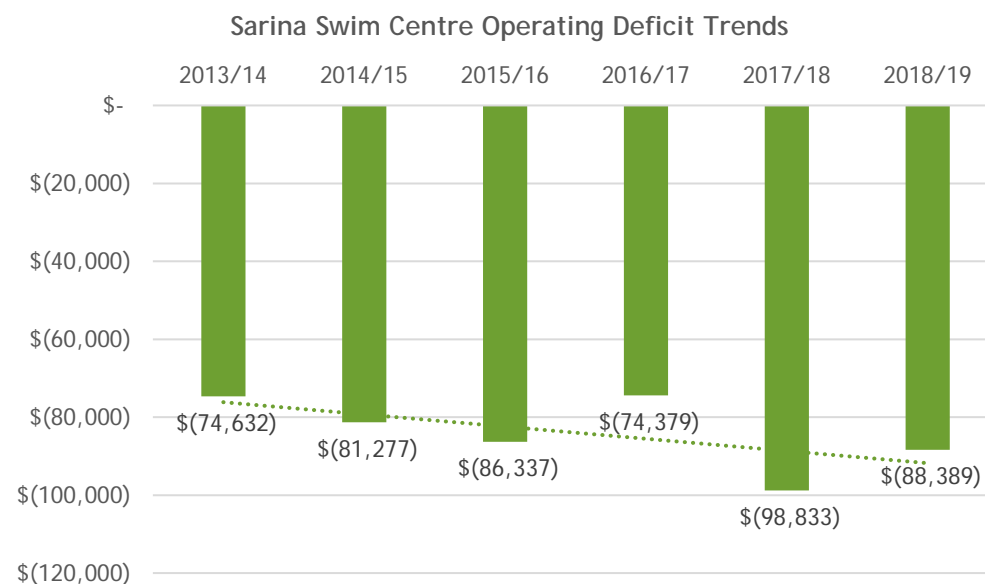
**Table 9: Sarina SC Operating Performance Analysis (Council Costs Only - Excluding Operator Performance)**

Sarina Swim Centre	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Income</b>						
Commissions						
Other Income		\$2,578			\$290	
<i>Total Income</i>	\$ -	\$2,578	\$ -	\$ -	\$290	\$ -
<b>Expenditure</b>						
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Contract Payment					\$60,857	\$81,786
Cleaning, Repairs & Maintenance	\$32,425	\$32,491	\$21,793	\$15,102	\$37,446	\$5,942
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing & Promotions	\$ -	\$184	\$ -	\$ -	\$ -	\$ -
Administration	\$42,207	\$51,180	\$64,545	\$59,277	\$820	\$661
<i>Total Expenditure</i>	\$74,632	\$83,855	\$86,337	\$74,379	\$99,123	\$88,389
<b>Operating Deficit</b>	<b>\$(74,632)</b>	<b>\$(81,277)</b>	<b>\$(86,337)</b>	<b>\$(74,379)</b>	<b>\$(98,833)</b>	<b>\$(88,389)</b>

The above table indicates that the operating deficit has remained relatively stable since 2013/14.

The graph below demonstrates the operating deficit trends since 2013/14:

Figure 25: Sarina Swim Centre Operating Deficit Trends



### 2.6.3.2 Key Business Indicators

Based on the past four-years usage and operating results the centre's key business indicators highlight:

Table 10: Sarina Swim Centre Business Indicators

Review Business Indicator	2015/16	2016/17	2017/18	2018/19
Annual Visits	23,876	32,285	16,785	26,212
Annual Income	\$0	\$0	\$0	\$0
Annual Expenditure	\$86,337	\$74,379	\$99,123	\$88,389
Annual Operating (Loss)	\$86,337	\$74,379	\$98,833	\$88,389
Income per visit	N/A	N/A	N/A	N/A
Expenditure per visit	\$3.62	\$2.30	\$5.91	\$3.37
Loss per visit	\$3.62	\$2.30	\$5.89	\$3.37
Revenue as a % of Expenditure	N/A	N/A	N/A	N/A

#### **2.6.4 Facility Condition Audit**

The Sarina Swim Centre is owned by Education Queensland so no technical audits have been completed by Mackay Regional Council.

#### **2.6.5 Management Arrangements**

Council has entered into a medium term (10 year) lease with Education Queensland for access to the Sarina Swim Centre. Council has appointed an operator to manage the facility, including the kiosk, and deliver programs, under a MOU with the view of entering a full sub-lease arrangement.

#### **2.6.6 Summary of Key Issues**

The Sarina Swim Centre offers a small, non-contemporary pool design. Long term access to the Centre is uncertain due to ownership by Education Queensland.

The annual visitation of 26,212 (2018/19) is higher than the CERM comparative catchment multiple of 1.3 for outdoor pools and an estimated 2016 population for the Sarina SA2 of 12,256<sup>4</sup>. Further, the subsidy per visit (\$3.37) is lower than the CERM benchmark for outdoor pools (\$4.60). Current entry fees are considered at the lower end of market comparisons.

Given the modest size of the catchment, its proximity to the new Mackay Aquatic and Recreation Complex (less than 30 minutes), and its rural location, a 6 lane x 25m outdoor pool adequately supports the local swimming needs of the community.

Those members of the community requiring access to increased or more contemporary aquatic facilities are within a reasonable driving distance to the recently opened Mackay Aquatic and Recreation Complex.

On this basis, and in consideration of the relatively low cost to Council of the Sarina Swim Centre, it is important Council maintains community access with Education Queensland.

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<sup>4</sup> Australian Bureau of Statistics.



## 2.7 Mackay Aquatic and Recreation Complex (MARC)

In early 2011, Council and Central Queensland University (CQU) formed a vision for a vibrant community sports precinct, which would work as a long-term key sport and recreation hub for the region. With 12 hectares of land available at the CQU Mackay campus (Ooralea, southern Mackay), and within the Mackay Regional Sports Precinct site, Council and CQU saw this vision as an opportunity to provide community recreation, as well as more options for university students to engage in learning and research within the development. Further, it is anticipated the MARC will act as a community and regional attraction, and also attract state and national competitions and other major economic driver events. The Australian Government also provided \$10 million in funding towards the project.

The MARC was opened in March 2019.

Council's objective of the MARC is to service the local community needs as well as that of people living and visiting southern Mackay, the educational needs of CQU students and the high performance/ major aquatic event needs of the Mackay Region.



2.7.1 Facility Components



The main components included in this new aquatic centre include:

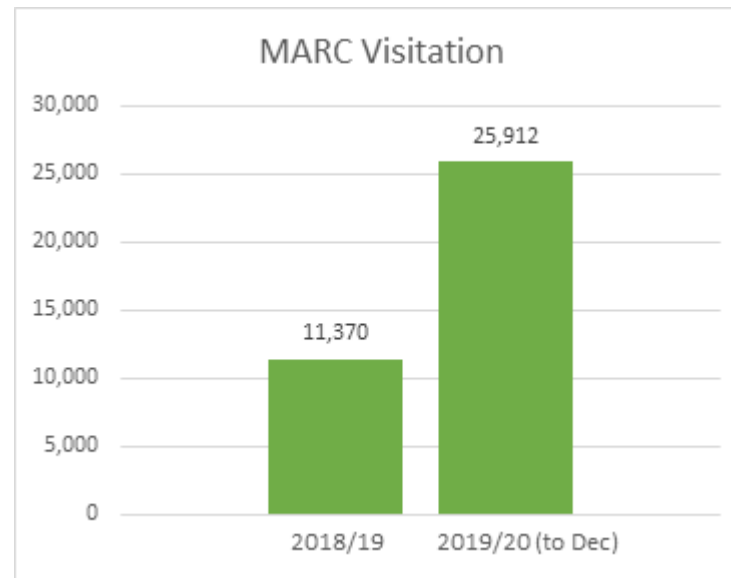
- 50m, 10 lane outdoor heated competition pool;
- Six lane, 25m covered heated multi-purpose program pool;
- Five lane, 15m x 10m covered heated pool;
- Pool entry, reception, canteen and office;
- Toilets and change rooms;
- Pool plant room;
- Car parking facilities for at least 90 cars;
- Lighting and CCTV cameras; and
- Fencing.



### 2.7.2 Usage Review

As this facility has only been operating since March 2019, a true picture of visitation trends is still to be determined. Visitations shown for 2019/2020 are from 01/07/2019 to 31/12/2019:

Figure 26: MARC Visitation



### 2.7.3 Financial Review

Casual entrance fees to MARC are:

- Adult - \$5.00
- Child/ Student/ Pensioner - \$4.00
- Non-swimmer - \$2.00.

### 2.7.3.1 Performance Analysis

A review of the operating performance for MARC since opening in March 2019 is summarised below:

**Table 11: MARC Operating Performance Analysis (Council Costs Only - Excluding Operator Performance)**

MARC	2017/18	2018/19	2019/20
<b>Income</b>			
Commissions			
Other Income			
<i>Total Income</i>	\$ -	\$ -	\$ -
<b>Expenditure</b>			
Salaries & Wages			
Operations Contract payment		\$99,000	\$223,172
Cleaning, Repairs & Maintenance		\$254	\$30,310
Water			
Energy		\$73,611	\$145,296
Marketing & Promotions			
Administration		\$2,567	\$12,907
Recovered Expenses			(\$210,135)
<i>Total Expenditure</i>	\$ -	\$175,432	\$621,820
<b>Operating Deficit</b>	\$ -	<b>\$(175,432)</b>	<b>\$(201,550)</b>

### 2.7.3.2 Key Business Indicators

Given the MARC has not been operating a full operating year as yet, analysis against key business indicators is not possible.

### 2.7.4 Facility Condition Audit

The design, components, finishes and fixtures and capital investment being made in this new centre should see a 40 to 50-year useful life.

### 2.7.5 Management Arrangements

Council has entered into a partnership with CQU for Stage 1 to develop the aquatic precinct component. The overall vision is to develop a multi-facility precinct which caters for the future growth of Mackay and meets the clearly identified planning needs for sport and recreation in the region. The Precinct will provide a community heart to the surrounding residential area as well as be the interface between campus and community.

The control of this parcel of land will be managed by Mackay Regional Council with a long-term sub-lease (60 years) being secured from CQU. The University has entered into a lease with Council. Mackay Regional Council has contracted Belgravia Leisure to operate the Centre.

Management of the MARC has been contracted to Belgravia Leisure, an external specialist aquatic facility management company.

#### **2.7.6 Summary of Key Issues**

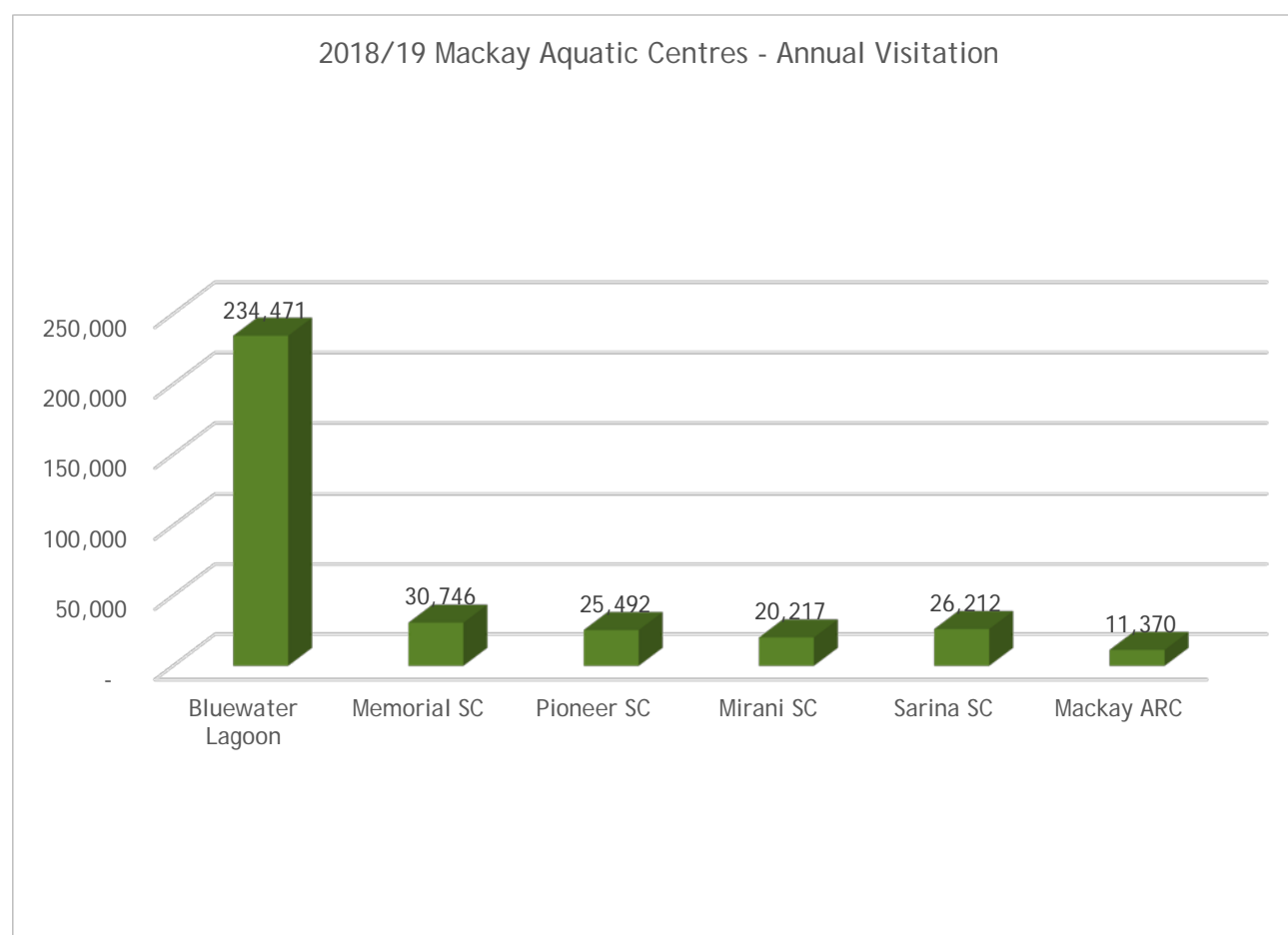
As a new greenfield development, the impact of the MARC on other current swim centres with the region is unknown at this early stage, however as the regional aquatic facility for the Mackay region, it is likely to draw some visitation away from other centres.

## 2.8 Combined Aquatic Network Operational Trends

### 1. Annual Visits 2018/19

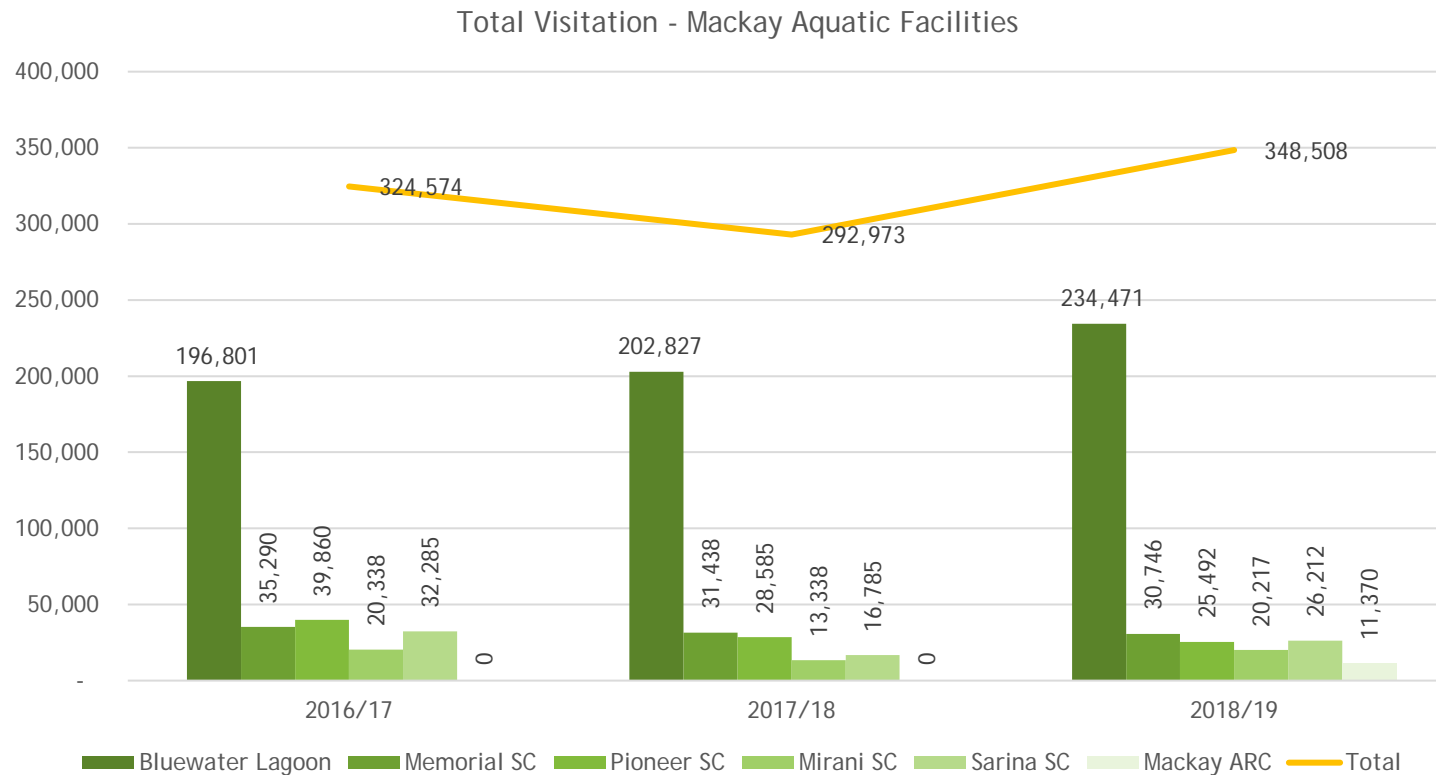
There were 348,508 visits made to Council's six current aquatic facilities in 2018/19. Bluewater Lagoon attracts by far most visitors at 234,471 (67.3%). The remaining facilities attract low visitation of between 20,217 visits at Mirani SC through to 30,746 visits at Pioneer SC. Refer to Figure 27 below and Figure 28 on the next page for annual visitation details. MARC opened in March 2019, so for the remainder of the 2018/19 year its usage was lower than the rest, this is expected for this short reporting period.

Figure 27: 2018/19 Annual Visitation - Mackay Regional Council Aquatic Centres



## 2. Annual Visits 2016 to 2019

Figure 28: Visitation Trends 2016-2019 - Mackay Regional Council Aquatic Centres

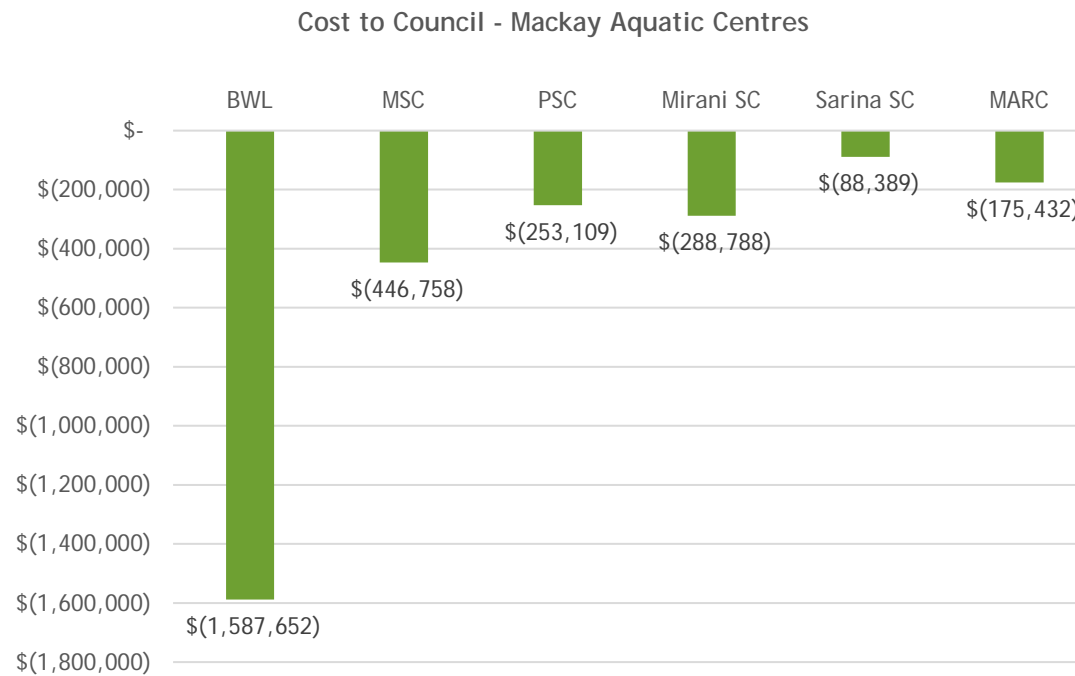


The annual visitation trends for Council's aquatic centres over the past three years have been relatively consistent. The Mackay Aquatic and Recreation Complex was opened in March 2018; therefore, its full impact on patronage overall and on the existing centres is still to be fully understood.

### 3. Aquatic Centres Cost to Council 2018/19

The cost to Council to operate the aquatic centres is shown by centre in Figure 29 below:

Figure 29: 2018/19 Cost to Council - Mackay Regional Council Aquatic Centres

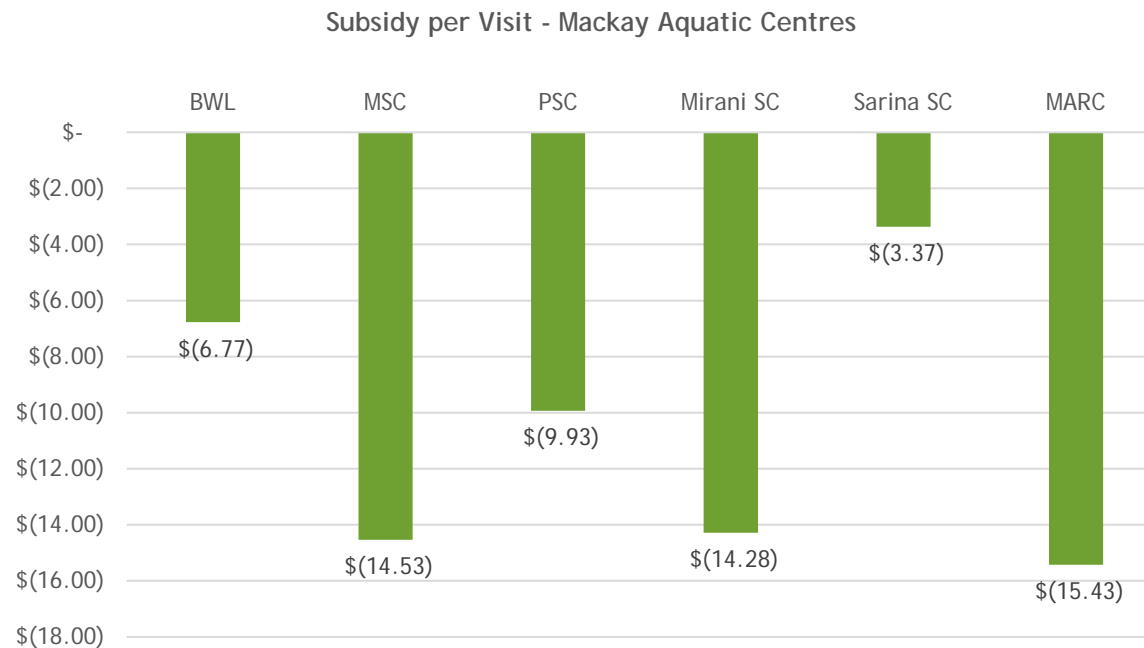


The total cost to Council to operate the aquatic centres in 2018/19 was \$2,840,128. Bluewater Lagoon is the highest cost centre within Council's aquatic facilities, with an annual cost to Council of \$1,587,652. Sarina Swim Centre is the lowest cost aquatic facility for Council at \$88,389.

#### 4. Aquatic Centres Operating Subsidy per Visit 2018/19

Of Council's six aquatic facilities operated in 2018/19, Mirani and Memorial Swim Centre have the highest subsidy per visit of \$14.28 and \$14.53 respectively, with Sarina Swim Centre generating the lowest cost per visit of \$3.37. While MARC shows a subsidy per visit in excess of \$15, this is for a short period of operation. Refer to Figure 30 on the next page for further detail:

Figure 30: 2018/19 Subsidy per Visit - Mackay Regional Council Aquatic Centres



## 3. Market Research and Consultation

### 3.1 Introduction

This section of the report covers market research and consultation completed by the consultant team. It includes:

- Aquatic centre user catchment zone review
- Northern Beaches Hub
- Aquatic and leisure facility trends
- Review of a sample of successful aquatic facility redevelopment projects

### 3.2 Aquatic Centre Catchment Zones

A mapping and demographic company was utilized to plot the current population living within 5km radiuses of the aquatic centres to highlight any cross over in user catchment zones.

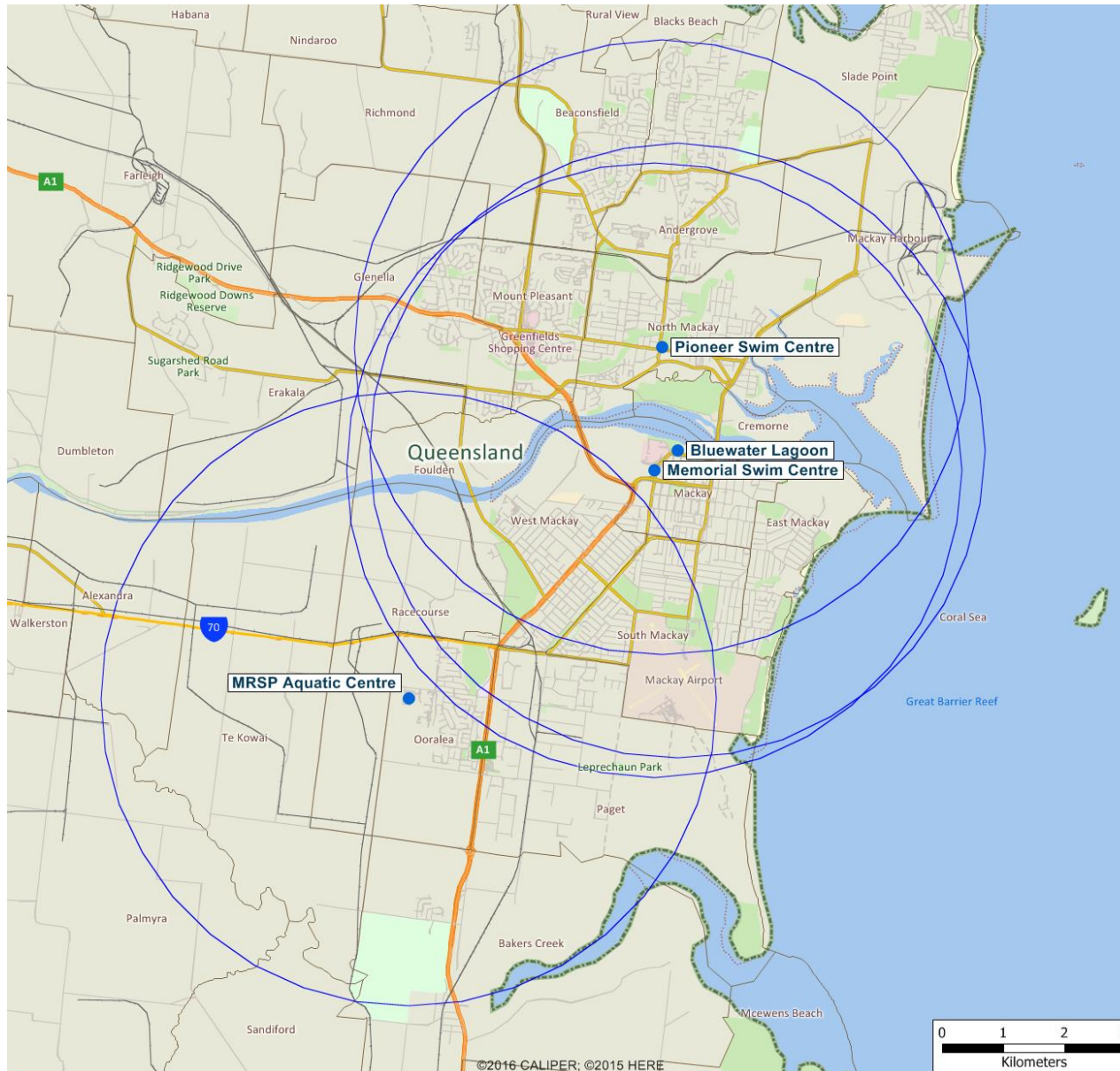
The results show that the Mirani and Sarina Swim Centres clearly service their immediate surrounding localities with no cross over from other aquatic facilities.

However, due to the close location of Council's urban aquatic centres there is significant cross over in competing user catchments. This is evident in Map 1 on the next page that illustrates the competing user catchments of Council's four urban swim centres (including the newly opened MARC - labelled as MRSP Aquatic Centre):





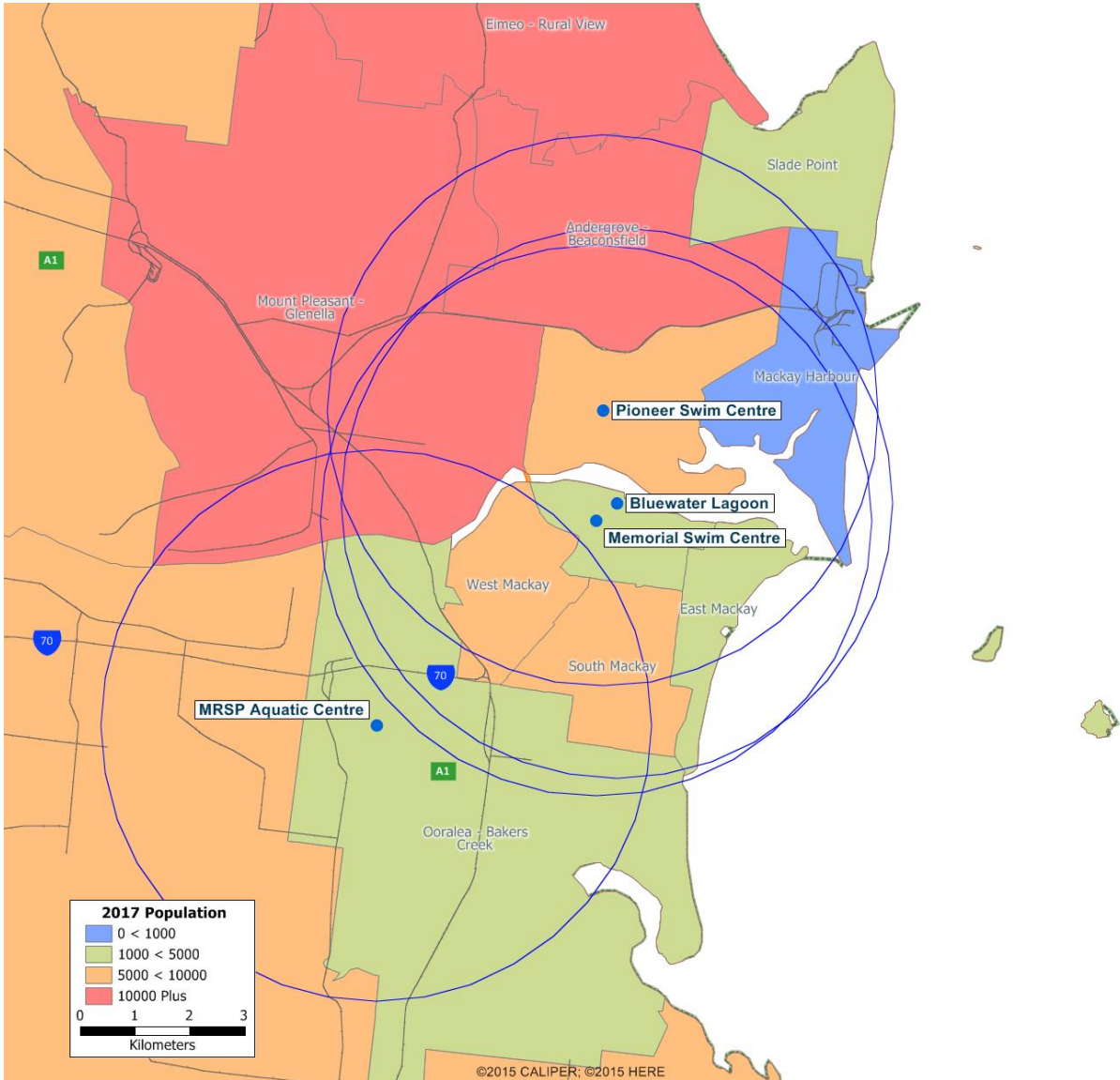
Map 1: 5km Radius Catchments - Mackay Regional Council Urban Swim Centres



Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).

A review has also been completed on population densities in each facility’s primary user catchment zone and this is detailed in Map 2 below.

Map 2: 2017 Mackay LGA Urban Population Density with 5km Radius Swim Centre Catchments

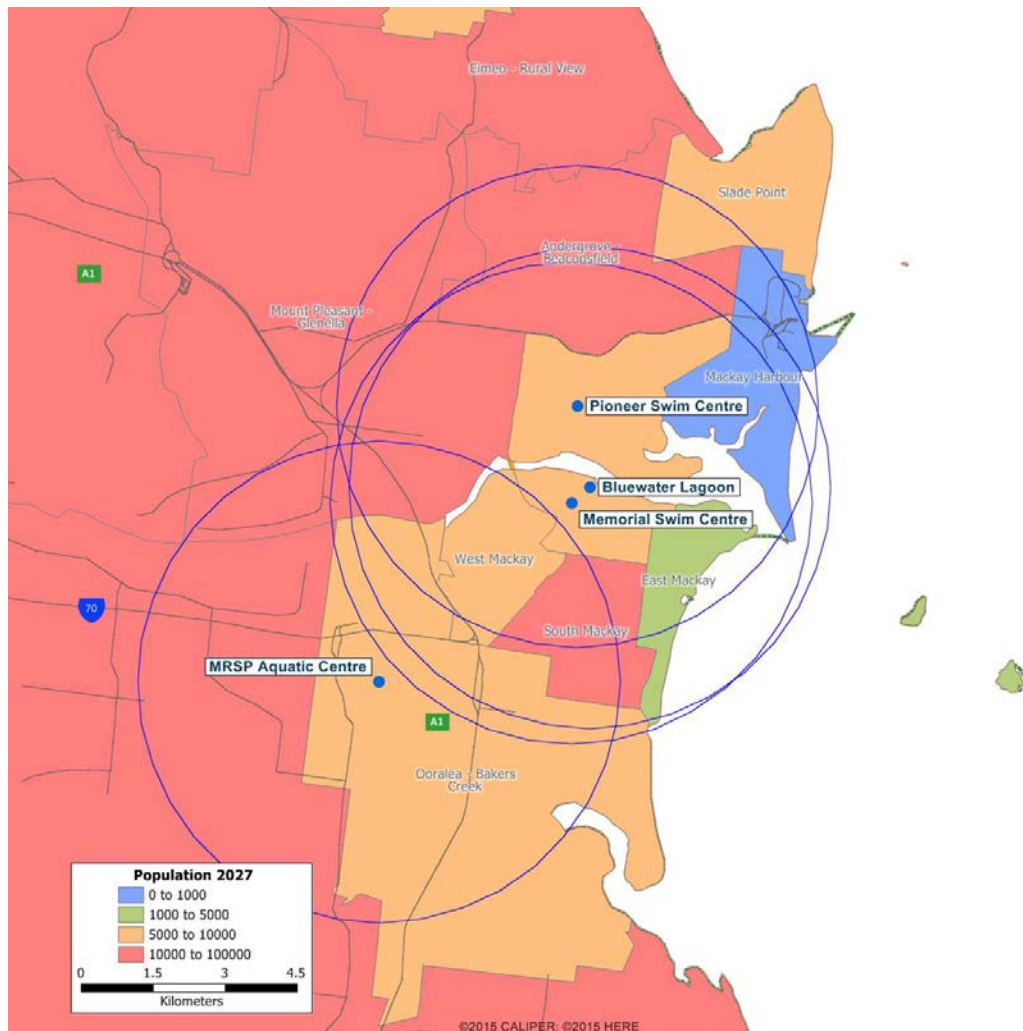


Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).

The results suggest most of the high population urban density localities of Mackay are well serviced, and potentially over serviced, by the existing provision of Council's swim centres. However, high growth population densities of the far northern beaches localities of Slade Point to Eimeo and Shoal Point are underserved.

The north-western parts of the Mount Pleasant/ Glenella locality are also underserved. This lack of accessible aquatic facilities in the northern beaches will be exacerbated by the anticipated growth to 2027 (see Map 3 below).

**Map 3: 2027 Mackay LGA Urban Population Density with 5km Radius Swim Centre Catchments**

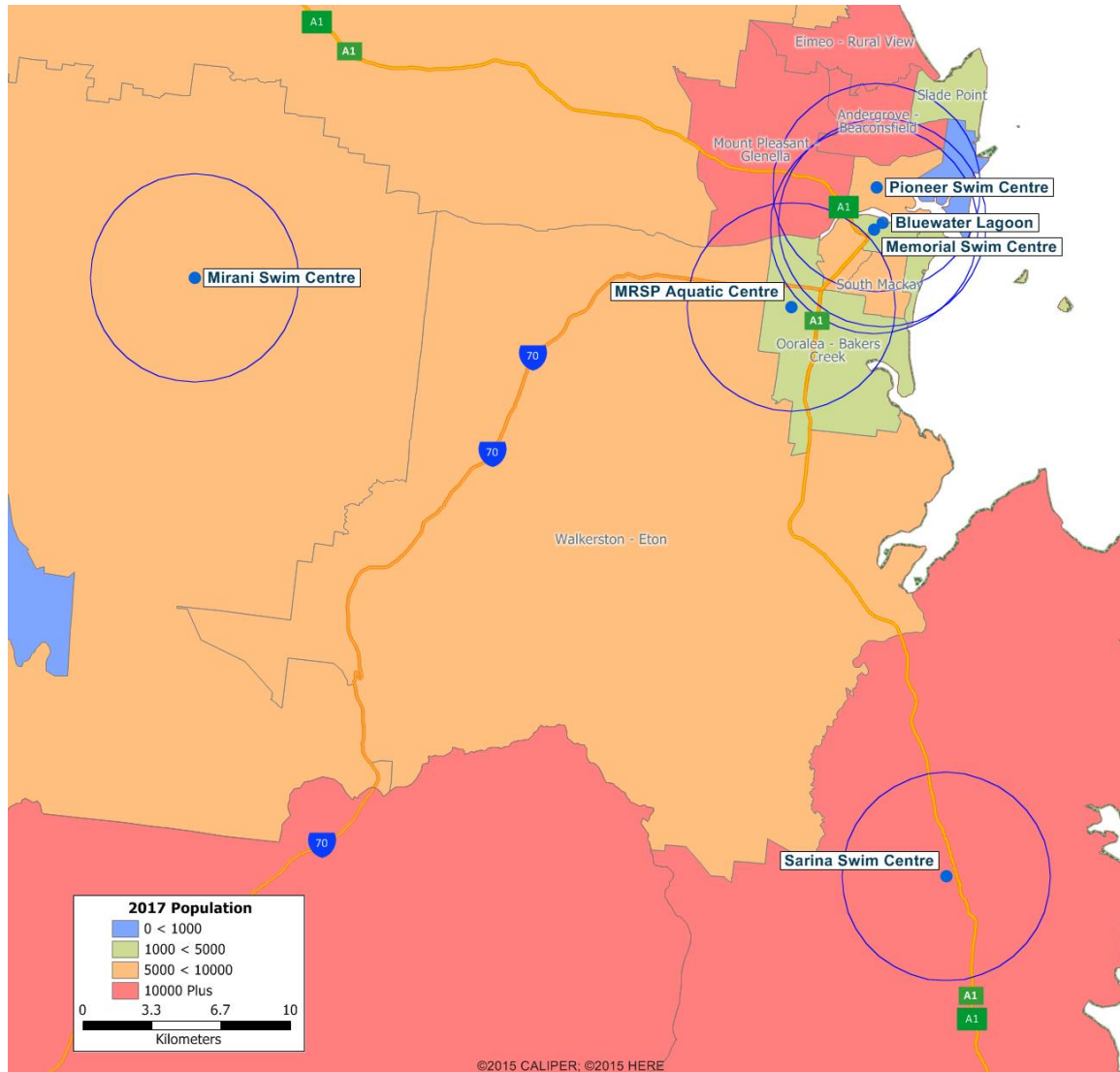


*Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).*

### Total Council Area Aquatic Centres User Catchments

Map 4 and Map 5 below illustrate the whole of Mackay LGA swim centre catchments by population density for 2016 and estimated for 2027.

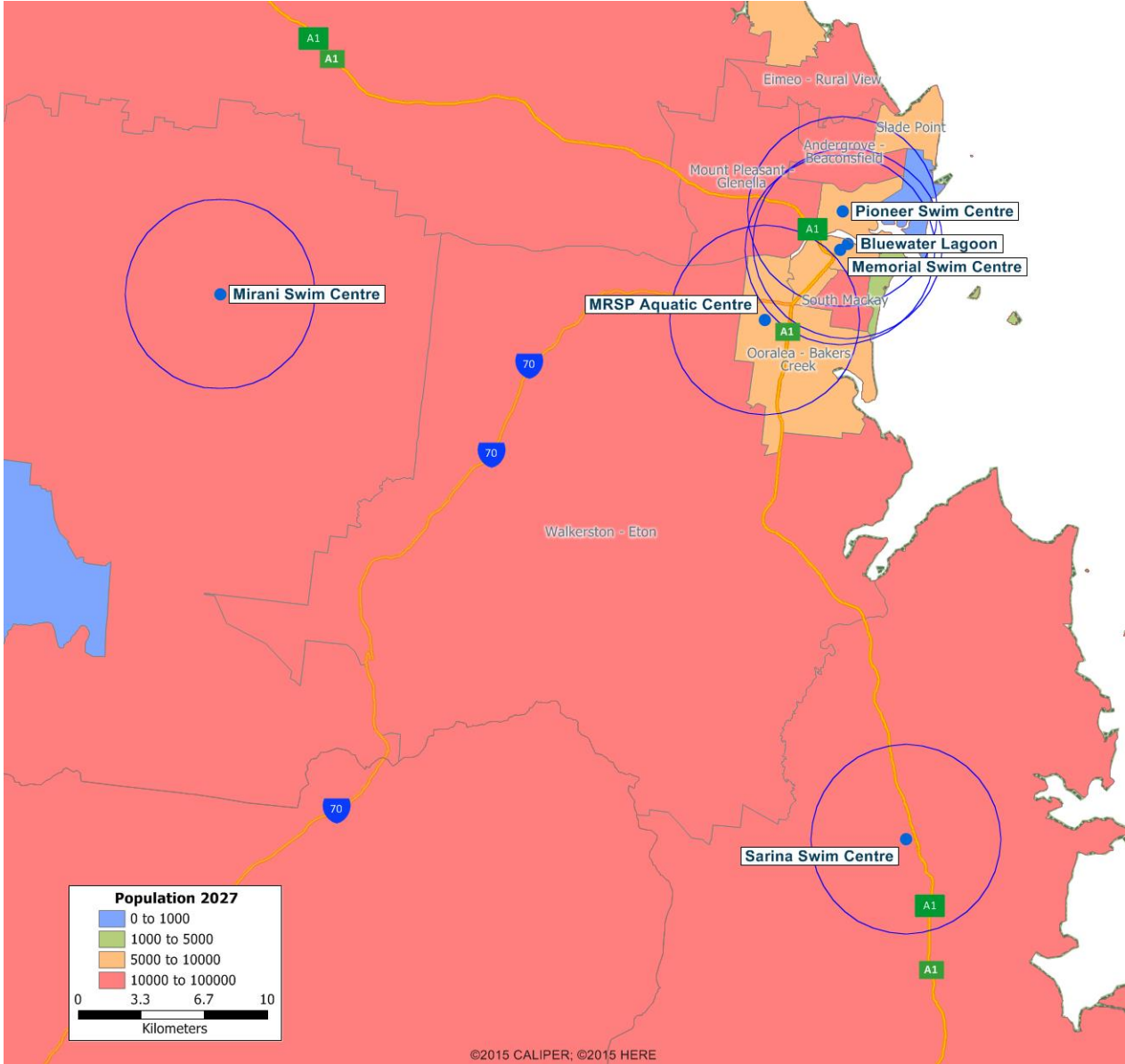
Map 4: Whole of Mackay LGA Swim Centre Catchments by Population Density for 2016



Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).



Map 5: Estimated Whole of Mackay LGA Swim Centre Catchments by Population Density for 2027

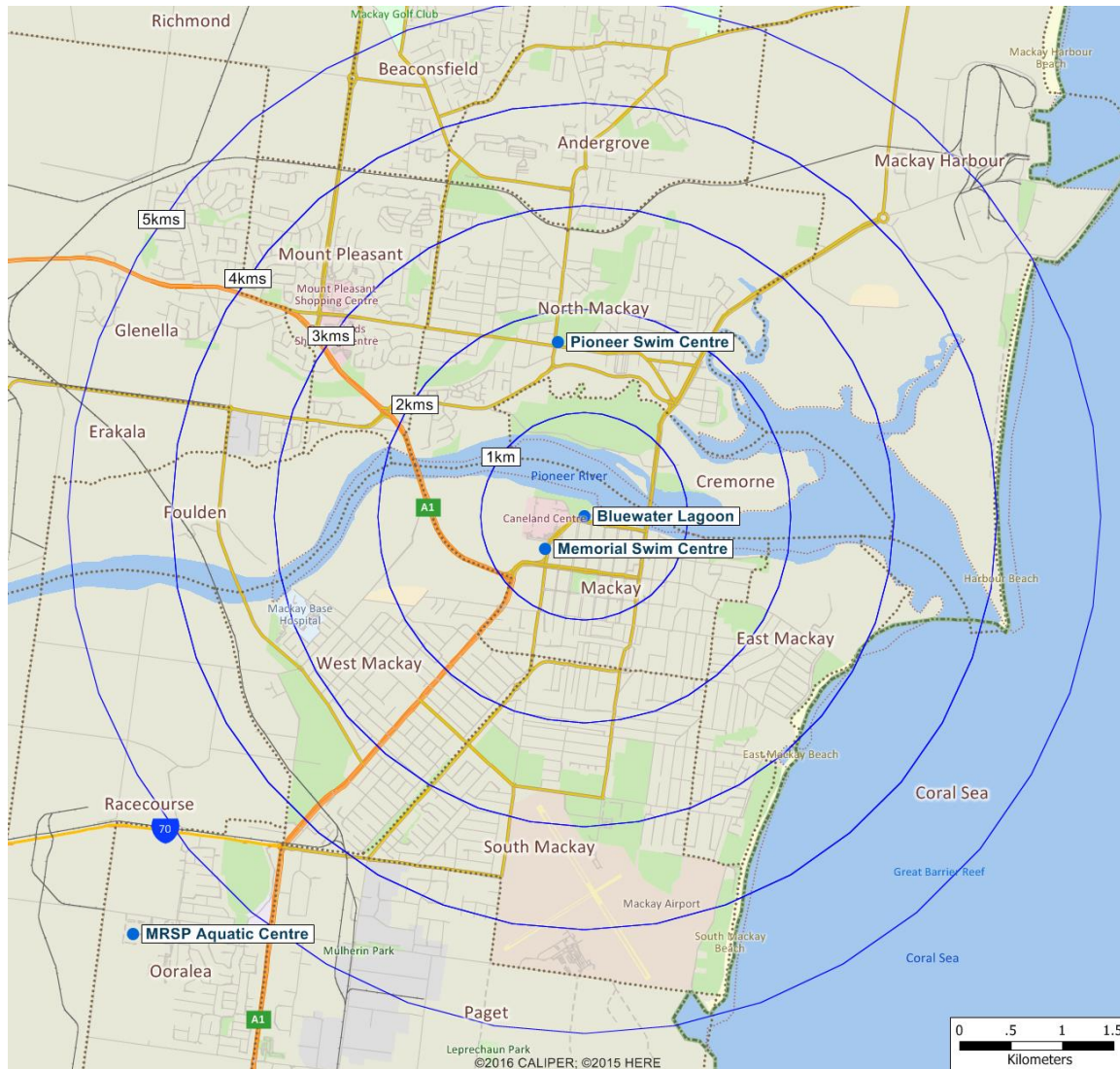


Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).

### 3.2.1 Mackay Urban Aquatic Facilities User Catchments 0 km to 5km

Outlined in Map 6 below is the 1km to 5km catchment for the Bluewater Lagoon:

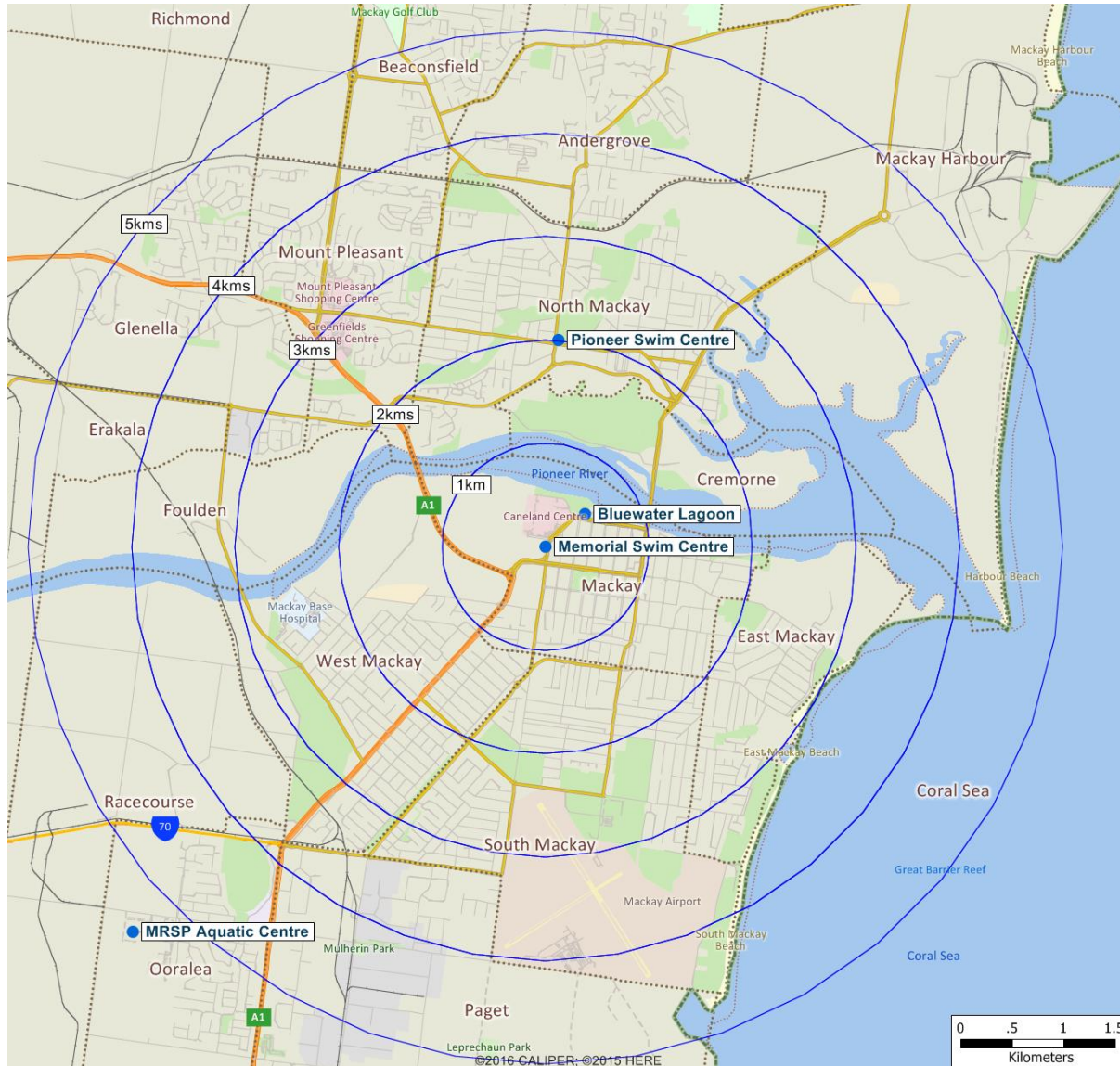
Map 6: 1km - 5km Bluewater Lagoon Catchments



Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).

Outlined in Map 7 below is the 1km to 5km catchment for the Memorial Swim Centre:

Map 7: 1km - 5km Memorial Swim Centre Catchments

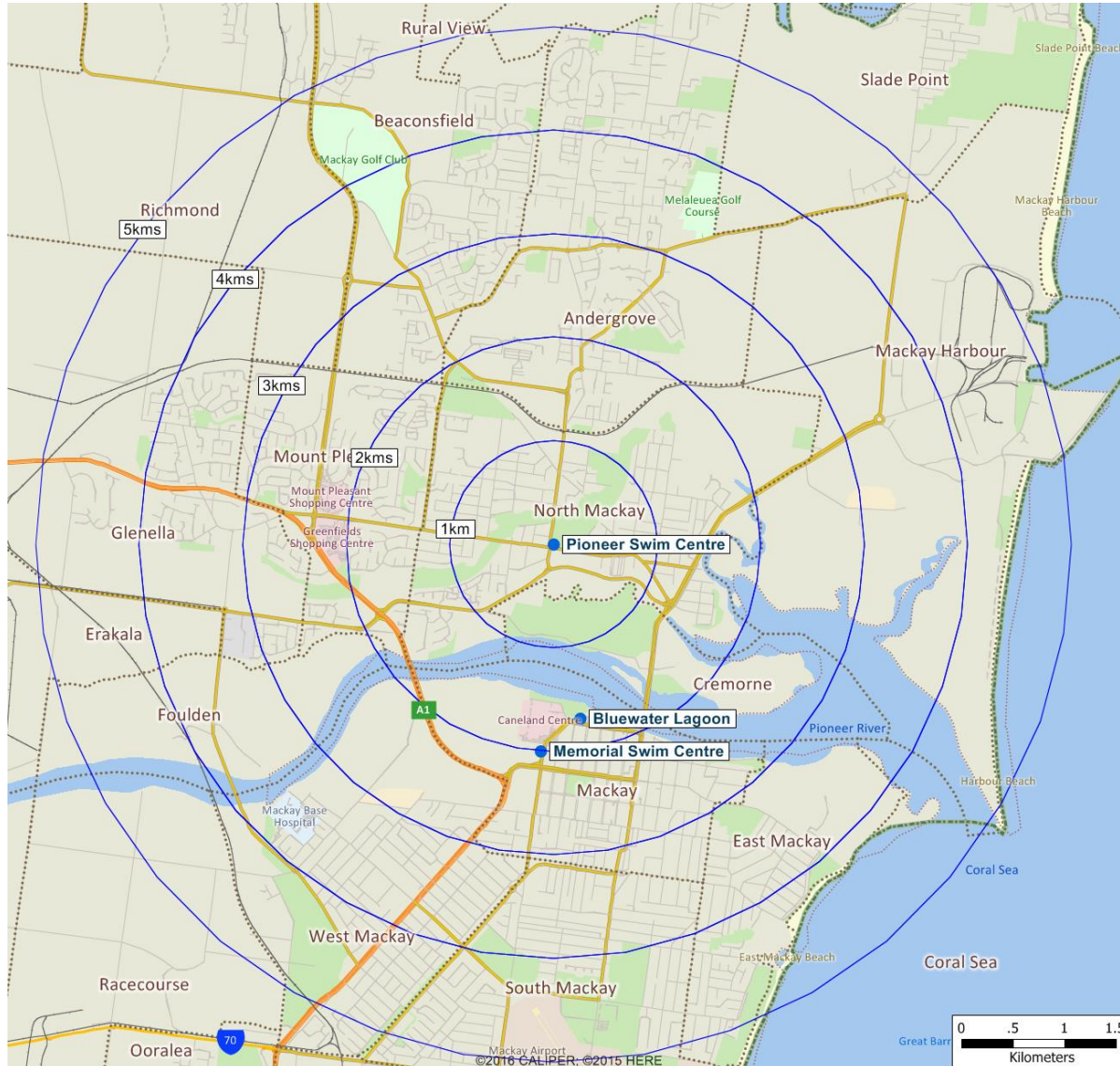


Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).



Outlined in Map 8 below is the 1km to 5km catchment for the Pioneer Swim Centre:

Map 8: 1km - 5km Pioneer Swim Centre Catchments

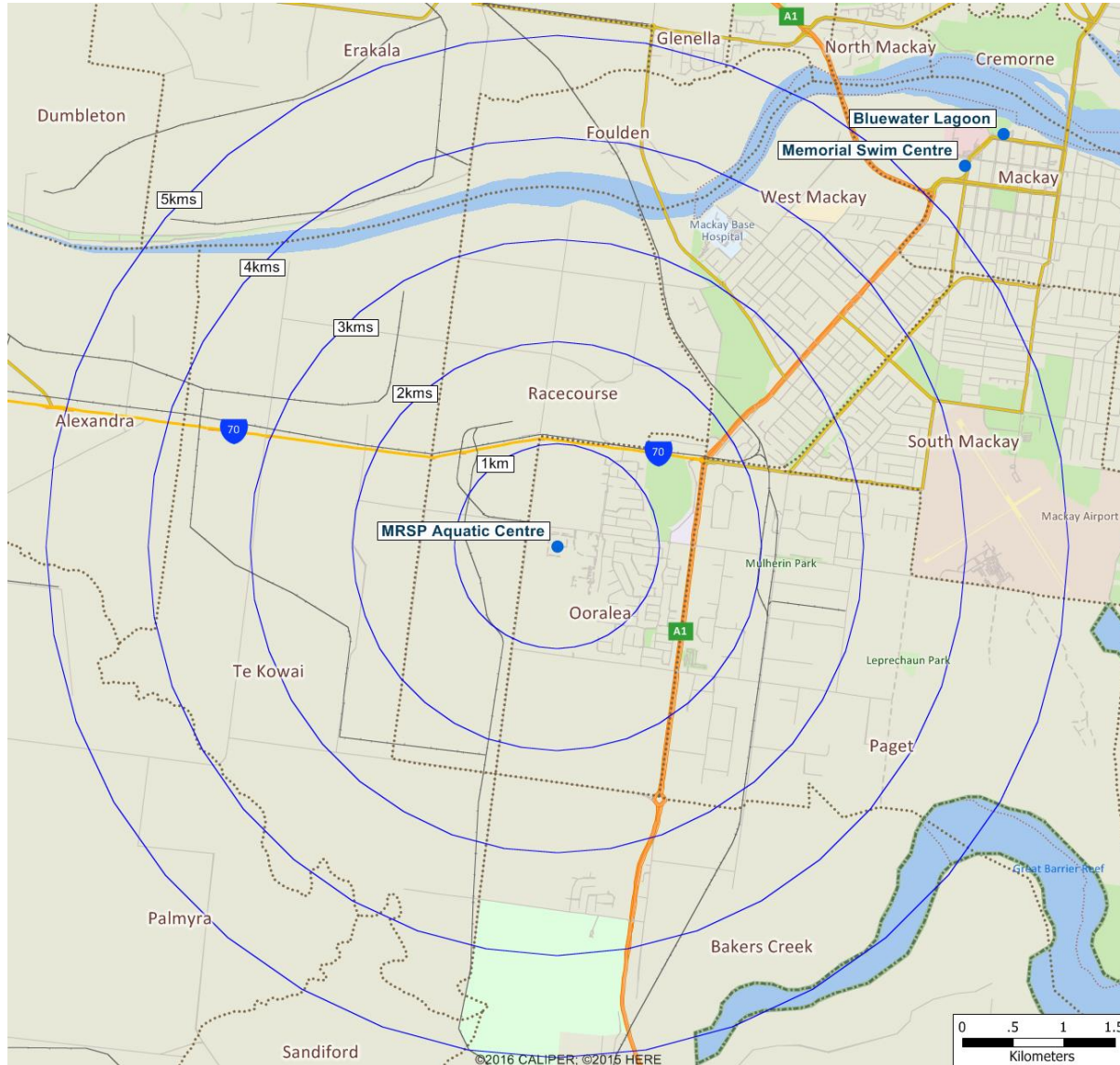


Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).



Outlined in Map 9 below is the 1km to 5km catchment for the Mackay Aquatic and Recreation Complex:

Map 9: 1km - 5km Mackay Aquatic and Recreation Complex User Catchments



Note: MRSP Aquatic Centre is the Mackay Aquatic & Recreation Complex (MARC).

### 3.3 Northern Beaches Hub

Council is now well advanced on the development of a Northern Beaches Community Hub. A partnership was initially formed between Council and the Department of State Development's Community Hubs and Partnership's Team in Brisbane. A broad-based Working Group has been formed, comprised of a range of State Government agencies, NGOs, etc.

The Working Group has been undertaking a body of research into exemplar community hubs around the country and overseas and is in the process of gathering demographic and socio-economic data, as well as completing a service gap analysis. The Working Group is aware of some social issues starting to develop in the Northern Beaches area with disaffected youth, which has seen an increase in petty crime and vandalism.

The Working Group has compiled an Opportunities Register of elements to be incorporated within the design of the complex - which will be Master Planned. The Working Group is keen to ensure that recreational opportunities are provided for children and young adults and has identified water play as core element to be included within the design.

Council is currently well advanced in the finalisation of a key parcel of land in the Northern Beaches area for the Community Hub and master planning of the site has commenced. Council was also successful in obtaining a \$6.5M Federal election funding commitment for the Community Hub in the 2019 election.

### 3.4 Aquatic and Leisure Facility Trends

The following details a range of trends within the sport and recreation industry that may have an impact on an aquatic and leisure facility.

#### 3.4.1 Sport and Recreation Trends

This section highlights the range of general sport and recreation trends that are likely to impact on local communities in the future.

- **A gradual ageing of the population.** As life expectancy increases, birth rates stay low and the "baby boomers" of the 1950s and 1960s grow older, this is placing a demand on providing specific older persons programs. In aquatic and leisure facilities, this includes programmed hotter water areas as well as pools suitable for therapy and older adult exercises. This is contributing to a need for aquatic facilities to have a range of pools with different water depths and temperatures, as well as for services and programs both water and gym/health and fitness based to meet their needs.
- **Flexibility in the times when people recreate.** As demands on people's time increases and work practices change, people are seeking to take their sport and recreation at different times, over a broad spread of hours and at facilities that offer a variety of activities under the one roof. Indoor pools and health and fitness facilities are particularly attractive and becoming easier to use, as many are open 12 to 16 hours per day, 7 days a week, with some now also open 24/7.
- **Increased variety in leisure options.** People's sport and recreation options are changing towards newer more varied activities offered over a greater range of timeframes compared to previous decades where limited variety in activities and scheduling occurred. This has supported the trend to more multi-use facilities to attract a broader range of users as well as multiple programs to meet different needs at the one facility.

- **Constraints to leisure participation.** Lack of time, lack of facilities close by, family and work constraints, health problems and cost of service or use of facilities are the main constraints to many people's leisure participation. The development of targeted markets of users, programs and services at many aquatic and health and fitness centres has assisted in reducing some of these participation constraints.
- **Changing employment structures, trading and work hours.** These trends often make participation in traditional sport and recreation activities difficult and therefore people are looking for facilities that are open longer hours and have a lot of activity options at the one site. This makes opportunities such as indoor pools and health and fitness centres and indoor sports courts attractive as their long opening hours and days open per year means usage can be made in a wide range of social, training, competition and educational settings.
- **Different people want different activities.** The different population characteristics such as age, gender and cultural background of the population sees the need for facilities to offer potential users a much more varied range of programs and services than previously offered. All year round available indoor and outdoor aquatic and leisure facilities also provide the greatest diversity of activities throughout the different seasons impacted by the areas weather.
- **Provision of high standards and quality of facilities and services.** People are increasingly seeking high standard, high quality facilities and services to meet their sport and recreation needs. This has also seen the trend for indoor facilities becoming very popular as they allow activity in safe and secure spaces in all weather and environmental conditions. Providing low standard, low cost facilities will not attract the maximum user market.
- **Desire for activities to be affordable.** The development of multi-purpose aquatic, fitness and indoor sport centres has enabled the high operating cost activities, such as aquatics, to be cross subsidised by more profitable activity areas such as health and fitness, food and beverage and entertainment areas. This has enabled many facilities to keep general entry fees low to encourage use whilst seeking users who want special services to contribute at a greater level to the cost of such activities. In general, there is a greater reliance on locally accessed and lower cost opportunities by those without the resources to travel and pay for more expensive activities.
- **Recognition of strong links between physical activity and health.** Preventative health care and active lifestyles are very important to many people and aquatic, health and fitness and indoor sport activities are becoming a large part of people's activity choices. There is increased recognition of the strong links between involvement in recreational activity and good health, and the development of appropriate activities and services, which support this.
- **Expectations of equity and access.** People with special needs must be catered for in public aquatic and leisure facilities. This has seen improved design features to increase accessibility to and within such facilities. Added to this is the growing array of programs and activities offered to people of all abilities, physical condition and skill levels.
- **Sustainable Development.** In addition to the trends above there are specific trends relating to recreation and sporting facility development such as facility planners and operators need to respond to community demand for more sustainable and eco-friendly infrastructure.

### 3.4.2 Sport and Recreation Changing Environment

All sports and recreation providers are operating in an environment of change. There are many challenges that will need to be dealt with including:

- **Consumer Expectations:** Because of consumers being exposed to high quality programs, events and services through the media and other leisure industry providers they are expecting more and more from their sport and recreation programs. This includes quality of facilities, support amenity,

player and spectator comfort, quality of service, coaching and expecting the service to be provided when they want it. However, this has meant that significantly less program space can be achieved per investment dollar.

- **Changing population demographics:** Australia's population is ageing. The percentage of population of 5 to 14 year olds will continue to decrease with the greatest growth in the 55+ age group. This will create a demand for programs and services in sport that go well beyond a focus on junior sport.
- **Competition for participants:** All Australia's sporting codes have recognised the need to recruit young players into their sport at an early age. Many of the sports face competition from large, well-funded junior programs and high profile sports as well as other forms of entertainment competing for the time and interest of young people. A key challenge for many sports and recreational activities is the retention of those recruits beyond their early to mid-teen years.
- **Reliance on external revenues:** Participants provide a large proportion of funding for most sport and recreation activities, programs and services. Competition is intense for funding, sponsorship, spectators, profile and members. Providers will need to clearly differentiate and market products and benefits to seek to access other revenue streams. This is particularly important in the development and upgrade of facilities and equipment.
- **Facilities:** Maintaining and developing new facilities is a major challenge for the sport and recreation industry. The future may require sporting and recreation providers to partner in multi-sport/recreational developments either in local government or commercially built complexes.
- **Well-trained personnel:** Volunteers predominantly service most sports. Recruiting and retaining paid staff and volunteers are critical to operations. In an increasingly regulated world, volunteers need and demand access to training and education in a flexible delivery model that responds to their busy lives. Coaches, officials and administrators must be supported to ensure the delivery of quality programs and competitions. Supporting and recognising volunteers is a task not to be underestimated.

### 3.4.3 Aquatic and Leisure Facility Specific Trends

Trends impacting on aquatic leisure facility development are summarised in the following graphic on the next page.

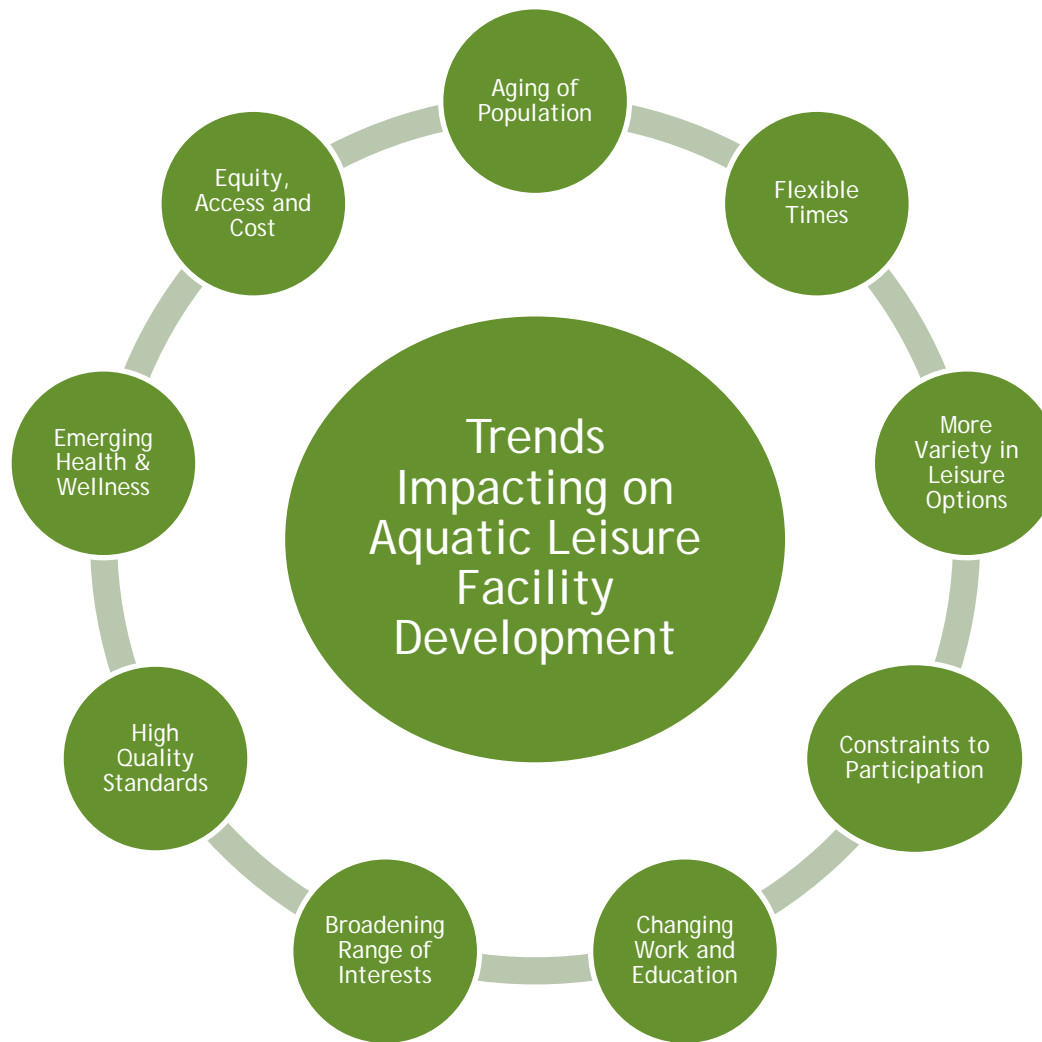


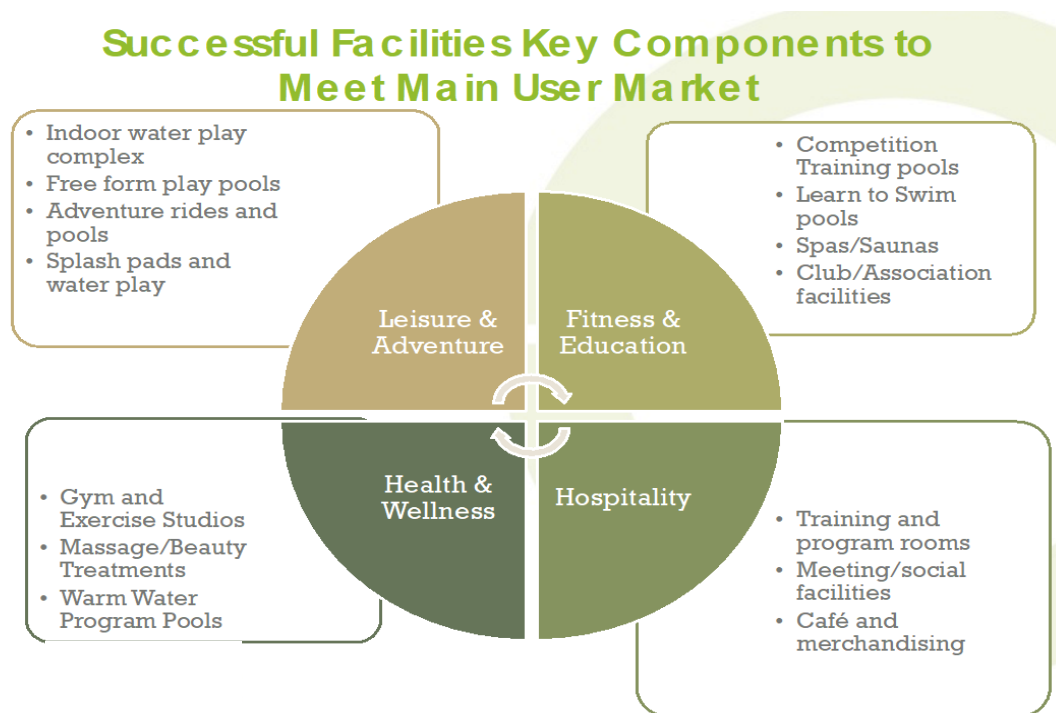
Figure 31: Trends Impacting on Aquatic Leisure Facility development



# Leisure and Sport Market Trends



Market research on users of aquatic leisure centres has defined that the components, summarised in the figure on the next page, contribute to successful contemporary aquatic and leisure facilities.



**Figure 32: Successful Aquatic and Leisure Facility Model**

#### 3.4.4 Aquatic Facility User Markets

Traditionally many local government aquatic and leisure facilities were built for specialist or limited market users (i.e. competitive swimmers or high-level sport participants). Detailed planning and comprehensive feasibility studies now can show more targeted user profiles.

Such studies usually identify the demographic profile of residents in the project area, their current aquatic and leisure participation patterns and use of surrounding aquatic and leisure facilities that provide a sound base for more user-friendly facilities.

Most aquatic facility market research indicates complexes must equally cater for four distinct aquatic user markets as outlined in the figure below.

## Maximum Aquatic Leisure Facility User Attraction Subject to Demographic Profile

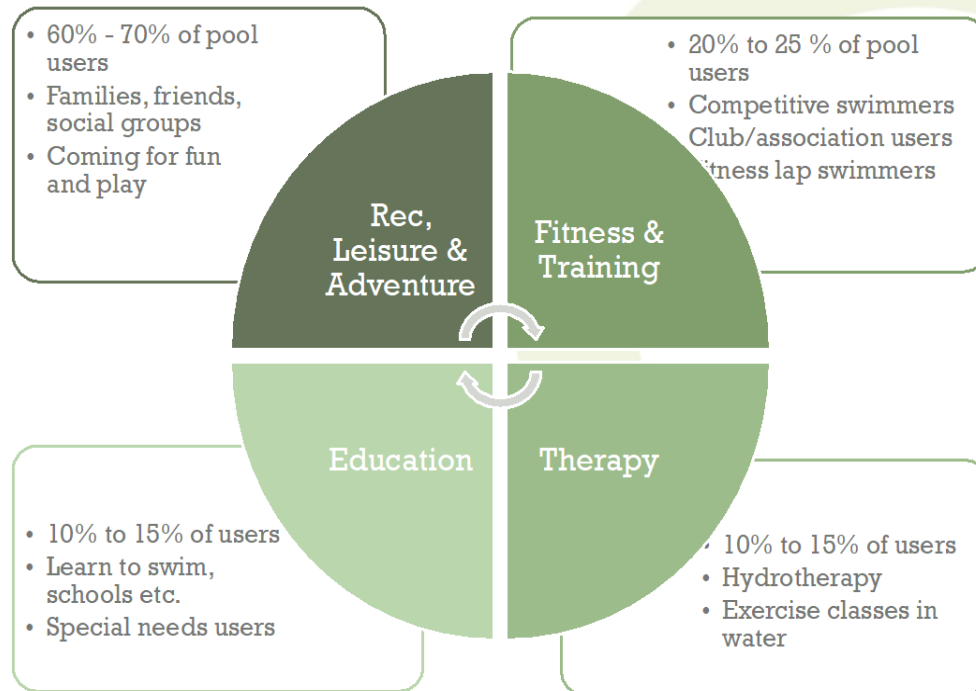


Figure 33: Main Aquatic Leisure Facility User Markets

Market research trends indicate the main aquatic leisure facility user markets are:

- **Recreation and Leisure Market** - usually made up of families, people coming with friends and groups for fun, relaxation, social activity and low-level competition/participation.
- **Competitive/Training/Fitness Market** - usually made up of people predominantly attending facilities alone for structured fitness or competition activities.
- **Education Market** - usually made up of children and adults wishing to increase water safety and survival skills. Includes Learn to Swim classes, school and club use and individuals improving their skills and techniques. They require hot water pools and water depths with some straight edges and easy water access, etc.



- **Health and Therapy Market** - usually made up of children, adults and older adults wanting to relax or exercise in hot water. This market also includes specialist health condition groups such as arthritis, asthma sufferers, etc. They require hot water pools and associated health relaxation areas, i.e. spa/saunas, etc.

Survey results have indicated that the recreation and leisure market will usually be the largest as it contains people of all ages, ability, types, interest and gender. The competitive/training/fitness market is a more specialist market as it usually contains younger, fitter and more active people who have made time to train and compete.

Benchmarking studies have indicated that in many cases 60% to 70% of facility users come from the recreation/leisure sector with 20% to 30% coming from the competitive/training/fitness markets. The health and therapy and education markets can range from 10% to 20% of the market subject to the age and health profile of the community in which the facility is located.

The most successful centres attract all user markets and should be set up to allow people to participate in a range of activities at the one site. The further addition of health and fitness facilities, spas and saunas and social areas have been very successful at many aquatic facilities, as they add to the user experience and contribute to people being attracted to attend these facilities more often.

#### 3.4.5 Aquatic Facility Activities

Industry trends indicate that in most current indoor standalone aquatic facilities, revenue does not meet annual operating costs. While some Centres may have the capacity to return an operational surplus, they show minimal return on capital investment.

A review of successful Centres demonstrates that they have the following characteristics:

- High visits per square metre
- High expense recovery ability including capital repayment
- High operating profits per visit
- Excellent program range returns and attendances
- High secondary spend returns
- Excellent range of attendance types (adult/child ratio)
- Draws users from a large catchment area
- High revenue returns from health and fitness.

This leads us to highlight the following key successful future facility development trends

## Successful Future Facility Trends

Successful future facility trends indicated a number of common success factors being:

- **One Stop Shop:** Large range of activity areas at the one site to maximise use/ help share the costs.
- **Reduce Operating Losses:** Need a mix of community and commercial activities at the one site.
- **Programmable Spaces:** Need to offer programs and memberships to keep users coming back.
- **All Age and Interest Centres:** Need to develop facilities for broad range of people.
- **Community/ Social Hub:** Needed to offer quality food, beverage, social and entertainment spaces.

Figure 34: Successful Future Facility Trends

Traditionally, commercial investment in aquatic facilities has been in specialist pools such as learn-to-swim or as additions to health and fitness clubs. High capital cost and limited financial returns have contributed to this situation. Some aquatic facility management groups are prepared to invest capital funds in return for longer-term agreements.

### 3.4.6 Health and Fitness Activity Areas

Industry trends indicate that users of aquatic facilities are also significant users of health and fitness facilities. Location of each of these activity components at the one site improves financial viability.

Health and fitness components have the capacity to record high expense recovery returns, with many centres returning 125% to 180% of expenditure. Traditionally these returns can also attract commercial investors and operators to health and fitness facilities. Locating these facilities at aquatic centres increases the potential of cross-selling and spin-off use. It also improves the membership/program user and casual user ratio.

### 3.4.7 Ancillary Services and Activity Areas

In recent years, there has been a trend to develop a range of complementary businesses in conjunction with aquatic and leisure facilities. These include:

- **Wellness Centres/Day Spas:** There is an emerging trend of adding in an area for specialist wellness activities, services and merchandising. The key services found at successful wellness centres include massage, beauty therapy treatments, gentle exercise classes and relaxation and time out activities.

- Inclusion of such facilities offers a broader range of activities to a larger age profile of people. The massage and beauty therapy are high yield sales activities and can have high linked merchandising product sales.
- It is essential in developing such areas that they are located with good views, away from general public noise and viewing areas and have very good finishes and fittings. There needs to be a close by lounge for relaxation after treatment or classes.
- Sports Medicine: Development of consulting rooms, with patient access to health and fitness and pools, have been excellent revenue generators.
- Health and Therapeutic Services: Health consultancies, weight loss and therapeutic services linking in worker and accident rehabilitation patients to use the range of facilities with centre memberships paid by relevant authorities.
- Health and Beauty Services: Leased areas to services such as beauticians, hair salons and body toning.

#### **3.4.8 Summary of Future Aquatic & Leisure Facility Trends**

Aquatic and Leisure Facility reviews in Australia, North America, Canada, the Middle East and China in recent years along with research into health and fitness trends provides a guide to potential aquatic and leisure facility innovations and trends.

The following 7 trends have been identified as key development initiatives that should be considered as part of any facility development or redevelopment.

## 1. Leisure and Play Equipment



### 1) Leisure Play Equipment

Changing static shallow water areas into water play and fun zones is one of the most popular renovations. This can be done by adding simple play equipment, water sprays and interactive equipment to existing pools. Added to this is the option to introduce inflatable play equipment to allow the area to be changeable.



## 2. Major Attraction Leisure features

### 2) Major Attraction Leisure Features

Water slides and similar challenge and adventure type activities have remained popular if the venue has a range of slides/rides to keep people's interest. Single ride facilities struggle to keep interest due to the lack of variety. Multi-ride areas allow users to try different length and configuration rides.

There are also a range of new water rides that have a slide component leading to another ride experience such as dropping into a bowl and then water, or onto a ramp and then into a splash pool.

A key design trend is to link all slides to a common entry platform to ensure one staff person can supervise the area. A common splash down zone also allows one lifeguard to control a range of ride water entry points.



### 3. Warm Water Program Pools

#### 3) Warm Water Program Pools

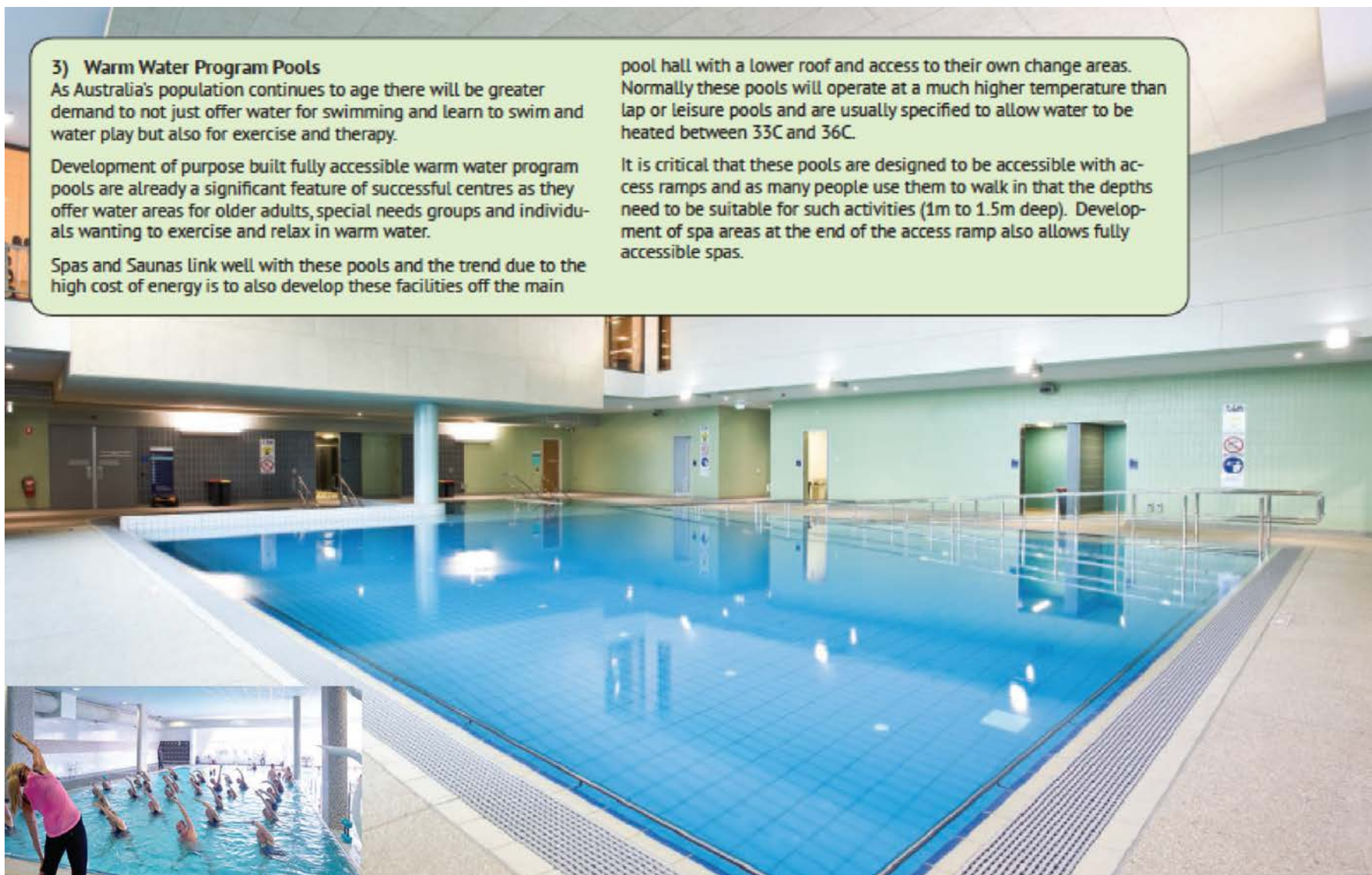
As Australia's population continues to age there will be greater demand to not just offer water for swimming and learn to swim and water play but also for exercise and therapy.

Development of purpose built fully accessible warm water program pools are already a significant feature of successful centres as they offer water areas for older adults, special needs groups and individuals wanting to exercise and relax in warm water.

Spas and Saunas link well with these pools and the trend due to the high cost of energy is to also develop these facilities off the main

pool hall with a lower roof and access to their own change areas. Normally these pools will operate at a much higher temperature than lap or leisure pools and are usually specified to allow water to be heated between 33C and 36C.

It is critical that these pools are designed to be accessible with access ramps and as many people use them to walk in that the depths need to be suitable for such activities (1m to 1.5m deep). Development of spa areas at the end of the access ramp also allows fully accessible spas.





#### 4. Health and Wellness and Allied Health Facilities

##### 4) Wellness Centres and Allied Health Services

There is an emerging trend of adding in an area for specialist wellness activities, services and merchandising including allied health such as:

- Massage and beauty therapy
- Dieticians/weight loss
- Physiotherapy
- Osteopathy

- Hairdressing
- Manicure/pedicure services
- Life coaching

There are now several successful aquatic leisure centres now with dedicated wellness centres include massage, beauty therapy treatments, gentle exercise classes and relaxation and time out activities.



## 5. Special Effects and Digital Technology

### 5) Special Effects and Digital Technology

A range of North American Indoor leisure parks have added computerised light shows and sound systems to allow night time areas to be changed. The use of lights and sound provided users with new indoor facility experiences at night-time.

Some centres have gone further by adding projection walls to incorporate movies and short video clips with their new light and sound effects.

Other innovations include:

- Multi-media video screens through the centre reminding customers about programs, special promotions, and food/beverage and merchandising specials.
- Providing customers with discount vouchers (at entry to centre) to spend in food/beverage and merchandising outlets or on their next visit.
- Offering combination sales specials to attract a higher spend per person.

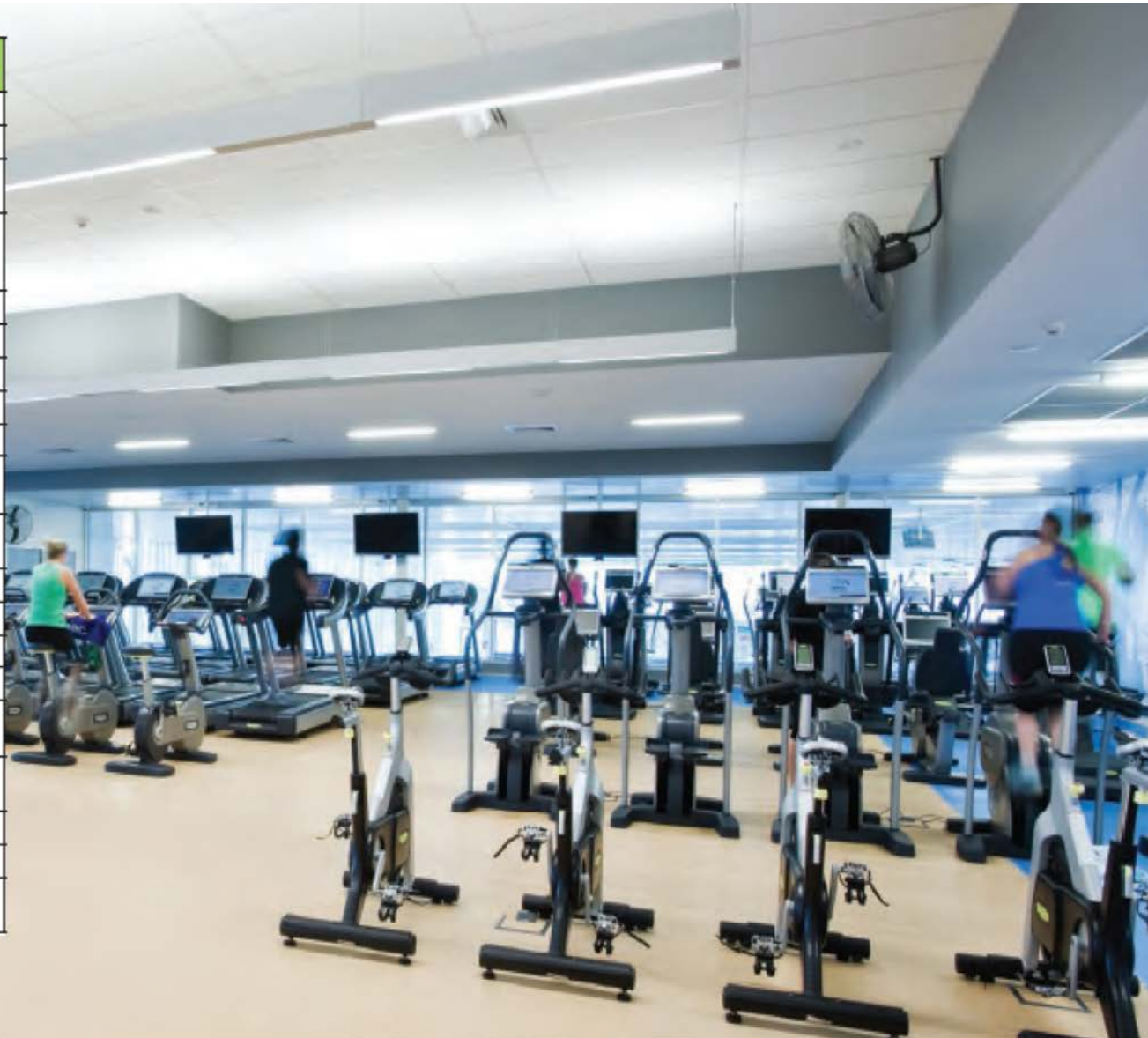




## 6. Health and Fitness

2017 Ranking	Trend	2016 Ranking
1	Wearable Technology	1
2	Body weight training	2
3	High-intensity interval training	3
4	Educated, certified, and experienced fitness professionals	5
5	Strength training	4
6	Group training	
7	Exercise is Medicine ®	
8	Yoga	10
9	Personal training	6
10	Exercise and weight loss	9
11	Fitness programs for older adults	8
12	Functional fitness	7
13	Outdoor activities	14
14	Group personal training	11
15	Wellness coaching	13
16	Worksite health promotion	12
17	Smartphone exercise apps	17
18	Outcome measurements	20
19	Circuit training	18
20	Flexibility and mobility rollers	16

Source: *Worldwide Survey of Fitness Trends for 2017*, Walter R Thompson, American College of Sports Medicine, 2016.



## 7. Food Beverage and Retail Services





### 3.5 Review of Successful Major Aquatic Leisure Centres

A review has been completed on successful major aquatic leisure centres to identify:

- Development history
- Development capital cost
- Key facility components
- Operational and management trends.

The facilities that have been reviewed include:

- Aquapulse - Hoppers Crossing (Vic)
- Peninsula Aquatic Recreation Centre - Frankston (Vic)
- Glen Eira Sports and Aquatic Centre - East Bentleigh (Vic)
- WaterMarc - Greensborough
- Aquanation - Ringwood
- Casey RACE - Cranbourne (Vic)
- Moree Artesian Aquatic Centre (NSW)
- Noble Park Aquatic Centre (Vic)
- The Strand Water Park (Townsville, Qld).

Additional information on successful water play and play equipment facility redevelopment has been added as these facilities have been seen as major attractors at outdoor pools and/ or destination parks to achieve more regular younger peoples and family group visitations.

Facility and catchment population	Year Opened Area/Cost Funding	Facilities	Visitations	Management Financial Performance
<b>Aqua Pulse (Hoppers Crossing)</b>  200,000+ catchment population	<ul style="list-style-type: none"> <li>• 2015</li> <li>• 9,750m<sup>2</sup> building area</li> <li>• Total cost = \$50.0M</li> <li>• Grants = \$2.5M State Gov.</li> </ul>	<ul style="list-style-type: none"> <li>• Indoor 51.5m x 10 lane with moveable boom</li> <li>• Indoor leisure pool with water play</li> <li>• LTS pool</li> <li>• Warm water program pool/spa/sauna</li> <li>• Waterslides x 2</li> <li>• 1,000m<sup>2</sup> gym and 500m<sup>2</sup> group fitness</li> <li>• Café/retail zone</li> </ul>	<ul style="list-style-type: none"> <li>• 836,000 visits year 1</li> <li>• 10,000+ members</li> <li>• 3,600 LTS</li> </ul>	<ul style="list-style-type: none"> <li>• Western Leisure Services (Council Company)</li> <li>• Operating at \$450,000 to \$500,000 surplus</li> <li>• 2% of capital reserved for asset renewal (WCC fund)</li> </ul>

Facility and catchment population	Year Opened Area/Cost Funding	Facilities	Visitations	Management Financial Performance
<b>Peninsula Aquatic Recreation Centre (Frankston)</b>  150,000 catchment population	<ul style="list-style-type: none"> <li>• 2014</li> <li>• 8,750m<sup>2</sup> building area</li> <li>• Total cost = \$49.6M</li> <li>• Grants = \$26.5M \$13M State Gov. &amp; \$13.5M Fed Gov.</li> </ul>	<ul style="list-style-type: none"> <li>• Indoor 51.5m x 10 lane with moveable boom</li> <li>• Indoor leisure pool with water play and LTS pool</li> <li>• Warm water program pool/spa/sauna</li> <li>• Waterslides x 2</li> <li>• 1,000m<sup>2</sup> gym and 550m<sup>2</sup> group fitness</li> <li>• 6 room wellness centre</li> <li>• Café/retail zone</li> </ul>	<ul style="list-style-type: none"> <li>• 1.0M visits</li> <li>• 8,000 members</li> <li>• 3,800 LTS</li> </ul>	<ul style="list-style-type: none"> <li>• Council company limited</li> <li>• Operating at \$750,000 to \$850,000 surplus</li> <li>• 2% of capital reserved for asset renewal (FCC fund)</li> </ul>



Facility and catchment population	Year Opened Area/Cost Funding	Facilities	Visitations	Management Financial Performance
<b>Glen Eira Sports &amp; Aquatic Centre (GESAC)</b>  100,000 catchment population	<ul style="list-style-type: none"> <li>• 2015</li> <li>• 10,250m<sup>2</sup> building area</li> <li>• Total cost = \$45.2M</li> <li>• Grants = \$10M - \$5M State Gov. &amp; \$5M Fed Gov.</li> </ul>	<ul style="list-style-type: none"> <li>• Indoor 25m x 10 lane</li> <li>• Indoor leisure pool with water play</li> <li>• LTS pool</li> <li>• Warm water program pool/spa/sauna</li> <li>• Waterslides x 2</li> <li>• Outdoor 50m x 8 lanes</li> <li>• 1,200m<sup>2</sup> gym and 500m<sup>2</sup> group fitness</li> </ul>	<ul style="list-style-type: none"> <li>• 1.1M visits</li> <li>• 10,000 members</li> <li>• 3,500 LTS</li> </ul>	<ul style="list-style-type: none"> <li>• In house Council management team</li> <li>• Operating at \$550,000 to \$650,000 surplus</li> <li>• Council funds asset renewal under 15 year budgeted plan</li> </ul>



Facility and catchment population	Year Opened Area/Cost Funding	Facilities	Visitations	Management Financial Performance
<b>WaterMarc</b>  120,000 catchment population	<ul style="list-style-type: none"> <li>• 2012</li> <li>• 8,550m<sup>2</sup> building area</li> <li>• Total cost = \$46.0M</li> <li>• Funding = \$12.5M State Gov. &amp; \$10M Fed Gov.</li> </ul>	<ul style="list-style-type: none"> <li>• Indoor 51.5m x 10 lane with moveable boom</li> <li>• Indoor leisure pool with water play / LTS pool</li> <li>• Warm water program pool/spa/sauna</li> <li>• Waterslides x 2</li> <li>• 900m<sup>2</sup> gym and 500m<sup>2</sup> group fitness</li> <li>• Café/retail zone</li> </ul>	<ul style="list-style-type: none"> <li>• 1M visits year</li> <li>• 5,500+ members</li> <li>• 3,200 LTS</li> </ul>	<ul style="list-style-type: none"> <li>• Contract management</li> <li>• Operating at \$300,000 to \$400,000 surplus</li> <li>• Council funds asset renewal under 15 year budgeted plan (Council budget)</li> </ul>





Facility and catchment population	Year Opened Area/Cost Funding	Facilities	Visitations	Management Financial Performance
<b>Aquanation (Ringwood)</b>  110,000 catchment population	<ul style="list-style-type: none"> <li>• 2014</li> <li>• 11,750m<sup>2</sup> building area</li> <li>• Total cost = \$46.0M</li> <li>• Funding \$12.5M = \$2.5M State Gov. &amp; \$10M Fed Gov.</li> </ul>	<ul style="list-style-type: none"> <li>• Indoor 51.5m x 10 lane with moveable boom and diving pool</li> <li>• Indoor leisure pool with water play /LTS pool</li> <li>• Warm water program pool/spa/sauna</li> <li>• Waterslides x 2</li> <li>• 1,200m<sup>2</sup> gym and 500m<sup>2</sup> group fitness</li> <li>• Café/retail zone</li> </ul>	<ul style="list-style-type: none"> <li>• 750,000 visits year</li> <li>• 7,000+ members</li> <li>• 3,000 LTS</li> </ul>	<ul style="list-style-type: none"> <li>• In house management team</li> <li>• Operating at \$200,000 to \$300,000 deficit</li> <li>• Council funds asset renewal in 10 year asset management plan</li> </ul>




Facility and catchment population	Year Opened Area/Cost Funding	Facilities	Visitations	Management Financial Performance
<b>Casey RACE (Cranbourne)</b>  80,000 catchment population	<ul style="list-style-type: none"> <li>• 2009</li> <li>• 8,750m<sup>2</sup> building area</li> <li>• Total cost = \$45.0M</li> <li>• Funding = \$10M - \$5M State Gov. &amp; \$5M Fed Gov.</li> </ul>	<ul style="list-style-type: none"> <li>• Indoor 51.5m x 10 lane with moveable boom</li> <li>• Indoor leisure pool with water play</li> <li>• LTS pool</li> <li>• Warm water program pool/spa/sauna</li> <li>• Waterslides x 2</li> <li>• 700m<sup>2</sup> gym and 400m<sup>2</sup> group fitness</li> <li>• Café/retail zone</li> </ul>	<ul style="list-style-type: none"> <li>• 850,000 visits year</li> <li>• 4,500+ members</li> <li>• 3,200 LTS</li> </ul>	<ul style="list-style-type: none"> <li>• Contract management</li> <li>• Operating at \$400,000 to \$500,000 surplus</li> <li>• Linked to Casey ARC contract</li> <li>• Council funds asset renewal on 10 year plan</li> </ul>



### 3.5.1 Review of a Sample of Successful Major Aquatic Leisure Centres

The following information summarises a range of sample projects that have had new water play areas and splash pads to their traditional outdoor facilities





Moree Artesian Aquatic Centre Water Play	
Equipment	Splash pad with interactive play equipment and separate tower and water slide
Date Opened	2014
Development Area	Water Play 350m2, Water Slide 200m2, Existing amenities
Indicative Capital Cost	\$900,000
Estimated Visitation Impacts	Large increase to family/child casual visits (+30%: 60,000)
Secondary Spend	Increased kiosk and secondary spend sales (+35%: \$130K)
Operating/Development Review	<ul style="list-style-type: none"> <li>• Separate plant and filtration</li> <li>• Large increase to visitation since commissioning</li> <li>• Increase to kiosk revenue since commissioning</li> <li>• Recognised as a community play destination</li> <li>• Older children and youth attracted to waterslide</li> </ul>
	



Noble Park Aquatic Centre Water Play	
Equipment	Splash pad with interactive play equipment and separate tower and water slide
Date Opened	2014
Development Area	Water Play 450m2, Water Slide 200m2, Existing amenities
Indicative Capital Cost	\$1.300M
Estimated Visitation Impacts	Large increase to family/child casual visits (+20%: 30,000)
Secondary Spend	Increased kiosk and secondary spend sales (+30%: \$90K)
Operating/Development Review	<ul style="list-style-type: none"> <li>• Separate plant and filtration</li> <li>• Large increase to visitation since commissioning</li> <li>• Increase to kiosk revenue since commissioning</li> <li>• Recognised as a community play destination</li> <li>• Older children and youth attracted to waterslide</li> </ul>





The Strand Water Park - Townsville Foreshore	
Equipment	Splash pad with interactive play equipment in public park
Date Opened	1999
Development Area	Water Play 550m2 plus 200m2 public toilets and change. Located 200m from Tobruk Memorial Swimming Pool
Indicative Capital Cost	\$1.500M
Estimated Visitation Impacts	Free use and major tourist attraction with an estimated 250,000 annual visitations
Secondary Spend	Nil
Operating/Development Review	<ul style="list-style-type: none"> <li>• Separate plant and filtration</li> <li>• Recognised as a community play destination</li> <li>• Needs 2 to 3 pool staff when operating</li> <li>• Can be turned off outside of operational hours</li> <li>• Major drop in family and children use of Tobruk Pool once opened.</li> <li>• Major operating cost to Council at an estimated \$300,000 to \$350,000 a year to staff and operate this free public foreshore facility.</li> </ul>
   	

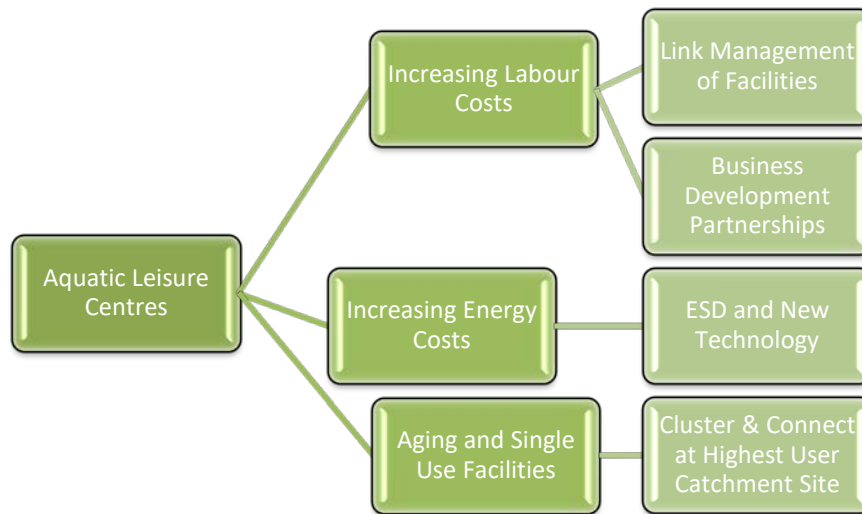
### 3.6 Aquatic and Leisure Facility Management Trends

The future management trends for aquatic facilities are summarised as:

- As facilities cost more to operate, there is likely to be more aggregation of facilities under linked management models.
- When aggregation occurs, there should be a greater increase in Government developing internal commercial management models and less reliance on contract management.
- As operating costs increase and Government is asked to continually increase facility operation subsidies, contract management will need to build a much better business partnership model to stay relevant and not be replaced.
- Whatever management model, greater business and customer monitoring is increasing and becoming more important as new technologies improve.

Figure 35 summarises the future management issues and trends for aquatic facilities:

Figure 35: Future Aquatic Facility Management Trends



Historically, publicly owned aquatic facilities in Queensland have been managed under one of three management models:

- Lease
- Management agreement/ contract
- Internal Council staff.

A fourth management option has emerged in Victoria and New South Wales which is:

- Council set up and operate a management company (Company limited by guarantee).

The most common approach to managing public pools in Queensland has been a lease arrangement. Depending on the scale of facilities, lessees of Council aquatic facilities range from small 'mum and dad' operators to large, national pool management companies.

In the previous decade, two large pool management companies managing scores of public pools predominantly in southern states went into receivership leaving Councils with the problem of making alternative arrangements to manage these centres. This resulted in a lessening of competition for the management of public pools in these states. There are a handful of mid-size firms managing multiple aquatic facilities in Queensland. However, given the market is not fully competitive, continuing to lease Council's aquatic centres to external operators may not necessarily result in the best value for money outcome to Council.

### 3.6.1 Lease Management Model

A lease generally transfers responsibility for the operation and management of the facility to an independent entity.

Depending on a range of factors (e.g. catchment size, pool design, age, competitive environment) the lease may involve payment of a fee by the lessee to Council, or by Council to the lessee. The payment of a lease fee to Council by the lessee can be determined by the market process (ie open tender) or stipulated by Council as a proportion of revenue, in which case Council may specify software and reporting requirements and audit this information.

Lessees are generally responsible for:

- Staffing and supervision
- Training and accreditation
- Managing booking and entry systems
- Cleaning
- Maintenance of grounds
- Minor maintenance of facilities and equipment
- Operation of plant and equipment
- Maintenance of water quality
- Outgoings\* (see below)
- Day to day management of energy, storm water, waste water and waste management
- Exclusive rights to food, beverage, retail, coaching, learn-to-swim
- Compliance with special access arrangements (eg swim clubs)

- Setting of fees for programs and services
- Insurance (lessee equipment and contents, improvements if applicable, public liability, professional indemnity, worker's compensation)
- Marketing
- Compliance with minimum opening hours
- Licence approvals
- Reporting to Council.

\* The responsibility for payment of outgoings such as water, electricity, gas, chemicals varies greatly from Council to Council. Some Councils pay 100% of these costs, some require the lessee to pay a proportion of these costs or set a ceiling on contributions, and others require the lessee to meet 100% of these costs.

Councils are generally responsible for:

- All maintenance, repair and replacement of buildings, plant and Council owned equipment (other than of minor nature)
- Setting of maximum fees for general admissions
- Insurance (infrastructure, plant and equipment, public liability)
- Management of the lease agreement

A lease can be structured to provide short, medium or long-term tenure, the latter usually only when substantial lessee-funded capital works are proposed.

This typically reduces or negates any lease fee that would otherwise be payable to Council. While lessee funded capital improvements may reduce Council's capital works outlays, they generally concentrate only on areas with the highest commercial return.

In addition, long term leases (sometimes in return for relatively modest capital improvements) may remove Council's capacity to undertake other developments over the term of the lease and can result in Council inheriting sub-standard or run down assets.

Good practice in seeking lessee management of public aquatic centres requires Council to be explicit about the following:

- Strategic objectives (e.g. access, innovation, programming, maintenance, presentation, sustainability)
- Operational objectives (e.g. operating hours, qualifications, health and safety, competitions/ events, operational systems, maintenance, regulatory obligations, public/ stakeholder relations, risk management, reporting)
- Reporting (e.g. business plan, attendances, water quality, water testing register, incident and risk management register, register of chemicals).

#### Potential Advantages of Lease Management Model

- Responsibility for all staffing and human resourcing rests with the lessee
- Generally lower staffing costs than in-house Council operation (ie not subject to Local Government Awards)
- The risk of fluctuations in net costs is transferred to the lessee
- Annual net operating costs are defined and stabilised as a pre-determined budget amount
- Industry specific expertise in pool management is generally the lessee's core business
- Opportunities for operational economies of scale savings where a lessee operates two or more facilities
- Reduced corporate overhead costs compared to typical in-house Council operation
- More flexibility in day-to-day management/ decision-making is extended to the lessee; and
- Council can selectively determine the aspects of facility management it wishes to retain (eg major asset maintenance).

#### Potential Disadvantages of Lease Management Model

- Availability of service providers in the marketplace. Council may discover that well-qualified venue managers are scarce, and that a tender process yields disappointing results in terms of applicants, lease fees offered or subsidy payments required, and/ or capital works contributions
- No Council influence in day-to-day operation, programming, staffing capabilities, and pricing of programs and services (although Council can retain responsibility for setting entry fees and charges if it chooses)
- Larger lease companies may appoint an on-site manager who does not have the same connection with the community as a smaller operator
- Community health and social outcomes may be diminished if the lessee concentrates on servicing those programs that generate the greatest commercial return
- Lessees may pay less attention to asset maintenance resulting in Council inheriting a facility in less satisfactory condition at the end of the lease period
- The requirement for staff to set-up and oversee lease contract conditions can be a significant 'hidden cost' to Council and should be considered part of a total lease cost
- Non-contemporary, ageing facilities can be used as an argument by lessees to seek increased subsidy and/ or compensation from Council
- Venue management companies may seek to insure themselves when tendering for the management rights to new unknown facilities. This can translate into Council paying a premium for the 'unknown' quantity associated with operating a new venue.

### 3.6.2 Contract Management Model

Under a contract management arrangement, Council would retain overall control of the facility but engage a contractor to manage day to day operations, as opposed to salaried staff. Council would retain responsibility for:

- Setting of fees and charges
- Cyclical/ planned building maintenance
- Operating costs (excluding salaries and wages).

The contractor delivers staff, programs and services specific to its operational responsibilities for a set fee which will include the contractor's profit margin. Depending on the size and turnover of a facility and Council's preferred contract arrangements, Council can determine to retain all revenues; or share revenue with the contractor; or allow the contractor to retain all income from admissions, food and beverage, programs etc.

Similar to many of the responsibilities of a lessee, the contractor would typically be responsible for staffing and supervision, training and accreditation, managing booking and entry systems, cleaning, grounds maintenance, minor maintenance, operation of plant and equipment, maintenance of water quality, efficient management of energy, storm water, waste water and waste management, compliance with special access arrangements (e.g. swim clubs), relevant insurances, advertising and promotion, compliance with minimum opening hours and licence approvals.

Management contracts are usually for shorter periods than a lease and Council has the right of entry. Reporting requirements would be like those for lease management except income may need to be reported depending on the nature of the contract.

#### Potential Advantages of Contract Management Model

- Generally lower staffing and on-costs than direct Council management as contractors are often sole or dual operators or family businesses that are not subject to Local Government Awards or are large companies with their own greenfield award and work and employment conditions
- Responsibility for all staffing and human resourcing rests with the contractor so reduced exposure to industrial relations issues
- Industry specific expertise in pool management is generally the contractor's core business
- Council retains a higher level of understanding and greater control of the day-to-day operation of the facility
- More flexibility in day-to-day management and decision-making than in-house Council operation.

#### Potential Disadvantages of Contract Management Model

- Ability to secure suitably qualified contract managers may be difficult, especially in small towns
- Council may contract out those facility elements that provide the better commercial return and be left with those requiring greatest subsidy
- The risk of fluctuations in net operating costs rests with Council; and
- Council's line management needs to have a clear understanding of the venue's objectives, responsibilities of the contractor and Council, and the capacity to effectively manage the contractor.

### 3.6.3 Internal Council Staff Management Model

Under the internal staff management model, Council officers are responsible for the day to day management of the Centre.

There are variants of this approach. For example, staff may be engaged under existing enterprise bargaining arrangements of Local Government Awards (most common) or a separate enterprise bargain may apply specifically to the Centre(s). Staff responsibilities may be subject to the normal hierarchical chain of command where decision-making goes through the same processes as other Council services (most common).

Aquatic centres are part of the broader leisure services industry where the spread of opening hours is large, and products and services are competing with other providers and/ or other leisure opportunities, so the traditional local government decision-making process can constrain good, timely customer service and operating performance.

In some cases, Councils have established a separate business unit within departmental structures to manage the aquatic centre(s) with higher levels of autonomy and delegated authority.

#### Potential Advantages of Internal Council Staff Management

- Better able to attract/ manage events
- Council has 'hands on' control in 'real time' of the operation and asset maintenance of its facility
- Operational costs can be defrayed or minimised by using Council's existing operations (payroll, insurances, accounting procedures, asset and building services etc)
- Flexible and responsive management systems can be linked directly to Council policies
- Ensures assets are maintained in good condition and not allowed to run down
- Enables a trained team to be developed and rotated around different venues (if more than one managed by Council)
- Provides Council with an accurate picture of the performance and potential of the venue, which would assist in assessing future tenders (should Council decide to seek external management in future).

#### Potential Disadvantages of Internal Council Staff Management

- All of the operational risk rests with Council
- Council is responsible for all operating costs and any unforeseen deficits
- Generally higher staffing costs under local government awards, higher associated on-costs, and therefore higher overall operating costs
- Council's internal policies and procedures may not allow commercially driven decision making and can be time consuming
- Potential for exposure to industrial relations or human resource management issues



- Lack of flexibility to respond in a timely manner to customer issues
- Council systems can lack the flexibility to operate in a highly competitive leisure services industry.

#### 3.6.4 Council owned Company

Several Councils in New South Wales and Victoria have moved to a new management model where they become more commercial but still retain community outcomes.

This model has seen these councils whereby form a Company Limited by Guarantee or by Shares to operate their new or upgraded aquatic leisure facilities. These Councils include Penrith City Council (NSW), Frankston City Council (Vic), Moree Plains Shire Council (NSW), Blacktown City Council (NSW) and Wyndham City Council (Vic).

Under this model, Council establishes a company for the specific purpose of managing aquatic/ leisure facilities. Council is the sole shareholder of the company and appoints a board of directors to operate the company under agreed financial and performance criteria usually developed as a statement of intent.

Like Section 193 of the *Victorian Local Government Act (Municipal Enterprise)* and Section 358 of the *NSW Local Government Act 1993 - Formation of Corporations or Other Entities*, Councils in Queensland have the power under Section 40 of the *Queensland Local Government Act*, to establish a company limited by guarantee for this purpose.

The main benefits of establishing a Council owned company are that it:

1. Retains strong control and alignment with community needs
2. Works for Council, not for the benefit of a private, profit-driven company
3. Provides capacity to bid for events
4. Allows for a commercial approach to management and operating structure, including:
  - a. The ability to have a pricing strategy with commercial and concession rates
  - b. Commercial retail sections (e.g. food and beverage) that can generate revenue to offset other running costs for the facility
  - c. Contributions to maintenance and asset renewal from future operating surpluses
  - d. Scope for future recreation and sport facilities to be included, with approval by Council
5. Enables management and services, such as IT, HR and Marketing, to be shared across the network of facilities
6. Can offer a broader range of programs and services to users
7. Allows for networked memberships and creates a combined large audience of visits Council can cross-promote services to
8. Enables a purpose-designed industry employment agreement for staff, flexible staffing across the facilities and a reward and recognition system linked to the achievement of key performance indicators (KPIs) for the role.

Since the formation of a company limited by guarantee for the management of aquatic/ leisure assets has not (to our knowledge) been adopted anywhere in Queensland yet, dedicated legal advice (beyond the scope of this project) is required to address the specifics of how the setting up of a company by Council needs to comply with the provisions of the Local Government Act.

In NSW, the Minister's consent is required and the Council must demonstrate that the formation of, or the acquisition of the controlling interest in, a corporation or entity is in the public interest. In assessing a Council's application in NSW, the following considerations are applied:

*1. Is the proposal consistent with the functions of the council or an existing service that the council provides?*

To establish that a proposal is consistent with the Council's functions or services, it needs to:

- Demonstrate the link between the proposal and community or public needs detail on the general appropriateness of the council's involvement in the corporation or other entity.
- Explain how corporatisation or involvement in the entity would improve the economic performance and ability of the Council to carry out its responsibilities
- Explain what measures will be employed to ensure that the activities of the corporation or entity will be accountable.

*2. Will the proposed entity be legally separated from the council?*

Applications must demonstrate that the initial capital and working capital of the corporation/entity can be identified and separated from the Council. The application must also indicate how the Council (both as a corporate body and its members personally) is protected from any liability that might arise because of the activities of the corporation/entity (including the activities of other partners).

To demonstrate adequate legal separation, Councils need to address three main areas or activities of the proposed corporation or entity.

These are:

- Legal structure (including liability of the Council, Councillors and Council staff)
- Financial separation (confirmation that the accounting for the corporation or other entity is separate to the Council's accounts)
- Management separation (details of the management structure of the corporation or other entity).

*3. Is the Council currently financially viable?*

An assessment of the Council's overall financial viability is made based on data that the Council is routinely required to supply to the Department.

*4. What is the impact of the proposal on existing Council staff?*

This includes the following:

- Will the proposal result in existing Council staff being transferred to the employment of the corporation and if so, will the staff be employed on terms and conditions consistent with their previous employment with the Council?

- Will the corporation guarantee the continued employment of transferred staff for a period of at least 3 years?
- Will the corporation adopt an agreement to refer any industrial disputes to the NSW Industrial Relations Tribunal? Will the proposal result in existing council staff being made redundant?

The potential disadvantages of establishing a company model are:

- Funding from Council is fixed each financial year
- Any fluctuations in trade need to be met by the Company Limited by Guarantee
- May create an extra level of reporting between the Company Limited by Guarantee and Council.

## 4. Mackay Regional Aquatic Future Direction

### 4.1 Summary of Operational, Management and Market Research Findings

The key factors that have guided Strategy recommendations the future aquatic facility provision, development, facility mix, and management arrangements for the Mackay region for the next 20 years are summarised below:

#### 4.1.1 Project Area Overview

The population of the Mackay Regional Council in 2016 was 114,969 which was an increase of 2,171 residents (3.8%) from 112,798 residents in 2011. The most recent population estimate as at 2018, estimates the total Mackay region population as 116,500<sup>5</sup>.

Whilst, it is estimated that there will be a lower proportion of older adults 40+ years for both the Mackay LGA and local council swim centre catchments by 2027 compared to the younger population of 0-39 years, the Mackay LGA has a higher proportion of people in the younger age groups (under 15 years) and a lower proportion of people in the older age groups (65+ years) compared to Regional Queensland. This suggests from an aquatic centre perspective there is likely to be more demand for learn-to-swim and recreational aquatic facilities than older adult focussed indoor warm water.

With a higher proportion of people earning a high income and a lower proportion of low income people compared to Regional Queensland, and a relatively low level of disadvantage, the Mackay LGA community is less likely to be price sensitive to fees and charges to access the aquatic centre facilities, programs and services at its 5 aquatic centres.

Population catchments have been plotted for each aquatic centre and it shows that there is a duplication of facilities in the Mackay City urban areas with competing user catchments whilst The Northern Beaches locality may be underserved for aquatic facilities based on the findings of the literature review, including:

- The *Mackay Regional Council Community Facilities Strategy 2015* notes that only one aquatic centre has been identified for the region, in the Northern Beaches area.

Since the *Open Space, Sport and Recreation Strategy 2010-2016 (Incorporating Aquatic Strategy)*, several investigations have been undertaken to the condition of pool assets and changes have been made to the management arrangements of several pools. However, the majority of facility development and refurbishment recommendations have not been undertaken.

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<sup>5</sup> Australian Bureau of Statistics (ABS) Census 2016 and Mackay Regional Council growth projections based on Queensland Government projections 2018 edition.

#### 4.1.2 Current Aquatic Facilities Review and Industry Trends

The operational trends review for Council's Aquatic Centres indicates visitations have dropped slightly since 2013/14 from a total of 359,577 visits to 348,508 visits across Council's six current aquatic facilities in 2018/19. Bluewater Lagoon attracts by far most visitors at 234,471 (67.3%). The remaining facilities attract low visitation of between 20,217/visits at Mirani SC through to 30,746 visits at Pioneer SC.

The total cost to Council to operate the aquatic centres in 2018/19 was \$2,840,128. Bluewater Lagoon was the highest cost of Council's aquatic facilities with an annual cost to Council of \$1,587,652. Sarina Swim Centre is the lowest cost aquatic facility for Council at \$88,389 (2018/19).

Industry trends indicate the traditional outdoor water facilities across Australia are continuing to drop visitations whilst continuing to increase in operating costs due to high staffing, energy and maintenance operating expenditure. These trends are evident at Councils aquatic centres.

With more than 360 swimming centres built between 1956 and 1968 across Australia there has been an ongoing the need in the past decade to retrofit, redevelop and replace many of the older traditional swim up and down facilities.

This facility review has highlighted the Mackay urban aquatic centres (excluding Bluewater Lagoon and the newly opened MARC) are all ageing 1960s/70s facilities that offer similar traditional outdoor competition and training swim up and down water areas and older program pools. Importantly most of these pools were developed as local suburban pools because in these days most people recreated and played sport locally.

With greater access to personal transport, more leisure time and many more people with greater income to spend on sport and recreation activities we have seen the need to close many of the aged/poor condition/high cost local facilities and replace them with larger district and regional facilities so they can attract more users and be more sustainable.

To some extent Councils development of Bluewater Lagoon as a modern family and children's leisure experience and the "state of the art" Mackay Aquatic and Recreation Complex (aquatics) is consistent with these national trends, but it has also not reviewed the need to change the local facility mix (older aquatic facilities) that will fall into the new facilities user catchment zones, when these new facilities are operational.

The successful aquatic facility redevelopment trends have seen new innovative water areas linked to traditional competition and event swimming pools. This includes development of water play and splash pads with programmable water areas for education and therapy activities such as warm water for older adults and additions of health and fitness facilities all aim to attract greater user markets, which include the recreation and leisure; competitive/ training/ fitness; education; and health and therapy markets.

Overall, when compared to national benchmarking (CERM), Mackay Regional Council aquatic facilities generate low visitation. The subsidy per visit for the majority of facilities is higher than national benchmarking, with Sarina being the exception and generating a much lower subsidy per visit. There are many factors that may be influencing the low visitation and high subsidy per visit of Councils Aquatic Centres, including:

- Ageing, non-contemporary facility mix that is costly to maintain and not attractive to the broader community to regularly use;
- User catchments in the Mackay City urban area cutting across each other due to close location of aquatic centres (this may further be impacted with the opening and full operation of MARC);
- Reducing visitations and ongoing operating cost increases for labour, energy and maintenance;

- Relatively low entry fees; and
- Limited program delivery and membership generation to attract regular use and income due to similar aged and limited facility components.

Restructuring of facility management and new lease arrangements at some facilities have made operational savings but the longer term trends show reduced visitation and increasing operating costs leading to ongoing increased operating subsidies that need to be met by Council.

The Bluewater Lagoon is in a high-profile location within the CBD and adjacent to Mackay's major shopping centre (Canelands), however with this facility being "free entry", it is the most costly to operate.

The Structural Assessment & Condition Report on the Memorial Pool, Geoff Ninnies Fong & Partners Pty Ltd, 2019 found from observations of the 50m pool structure, there does not appear to be visual signs of structural cracking that would indicate there is a structural issue with the pool structure. Hence, the pool appears to be structurally stable. Given the results of the chloride testing, it is unlikely corrosion would be an issue for the longer term of say 10- 15 years before maintenance is required. The cracking in the deep end wall should be sealed to prevent possible leakage. Further, the location of the Memorial Swim Centre south of the Pioneer River means that it has the potential to service the central/ southern Mackay catchment, however this locality will be serviced by the newly opened MARC.

Given it is approximately 30 minutes (60 minutes round trip) from Sarina to the new MARC and due to the relatively low cost to Council of the Sarina Swim Centre, it is important Council continue to negotiate community access with Education Queensland.

The continuation of the Mirani Swim Centre as a rural pool will be important as it services both the local community and the localities to its west.

Council does not currently have the internal experience in managing aquatic centres consistent with contemporary management, program and service delivery. On this basis, lease or contract management arrangements with specialist aquatic facility operators will likely be required to be maintained in future. However, based on the low visitation, there needs to be an increased focus on (including performance management arrangements) program generation, delivery and user expansion. Key operational trends for the aquatic centres are detailed as follows.

## 1. Visitation and Revenue Trends

Visitation and revenue trends for the five aquatic centres are detailed as follows:

**Table 12: Mackay Regional Council Aquatic Centres Visitation and Revenue Trends 2015 and 2016**

Aquatic Centre	2015/16	2016/17	2017/18	2018/19
<b>Bluewater Lagoon</b>				
Annual Visits	215,209	196,801	202,827	234,471
Annual Revenue	\$1,280	\$78	\$0	\$210
Revenue per visit	N/A	N/A	N/A	N/A
<b>Memorial Swim Centre</b>				
Annual Visits	33,478	35,290	31,438	30,746
Annual Revenue	\$0	\$27,932	\$40,120	\$40,282
Revenue per visit	N/A	N/A	N/A	N/A
<b>Pioneer Swim Centre</b>				
Annual Visits	39,543	39,860	28,585	25,492
Annual Revenue	\$46,055	\$27,202	\$27,914	0
Revenue per visit	N/A	N/A	N/A	N/A
<b>Mirani Swim Centre</b>				
Annual Visits	22,565	20,338	13,338	20,217
Annual Revenue	\$0	\$0	\$0	\$0
Revenue per visit	N/A	N/A	N/A	N/A
<b>Sarina Swim Centre</b>				
Annual Visits	23,876	32,285	16,785	26,212
Annual Revenue	\$2,578	\$0	\$0	\$0
Revenue per visit	N/A	N/A	N/A	N/A
<b>MARC</b>				
Annual Visits				11,370
Annual Revenue				\$0
Revenue per visit				N/A
<b>Combined Aquatic Centres</b>				
Annual Visits	334,671	324,574	292,973	317,793
Annual Revenue	\$49,913	\$55,212	\$68,034	\$40,492
Revenue per visit	N/A	N/A	N/A	N/A

The review of visitation and revenue trends indicates Bluewater Lagoon has the highest annual visitation. As all venues are under contract arrangements whereby the operator retains all income, it is not possible to undertake an analysis of revenue and revenue per visit. As a combined aquatic service, the centres attract in the order of 320,000 visits.

When comparing aquatic facility visitation, it should also be noted that more than 234,000 visits have been recorded at Bluewater Lagoon in 2018/19, with this facility providing an alternative option for people looking for a no cost leisure water experience.



## 2. Aquatic Education Programs

Traditionally in a residential area close to high use water location areas higher than average use is made of aquatic programs as residents make it a priority to ensure children are taught to swim so they can maximise use of the surrounding aquatic environment.

Aquatic education should be the main income source for Council's aquatic facilities; however, all centres have a low visitation rate (1.6% to 2.8% of total visitation). All Centres are reporting declining learn-to-swim visitation. This can be seen in the following Learn to Swim (LTS) Program enrolment trends:

**Table 13: Mackay Regional Council Aquatic Centres LTS Visitation Review 2016 to 2018**

Aquatic Centre	2016/17	2017/18	Net Change 2016/17 to 2017/18
Memorial Swim Centre LTS Visitation	384	272	-112
Pioneer Swim Centre LTS Visitation	3,552	2,306	-1,246
Mirani Swim Centre LTS Visitation	2,600	819	-1,781
Sarina Swim Centre LTS Visitation	2,618	1,333	-1,285
<b>Combined Aquatic Centres LTS Visitation</b>	<b>9,154</b>	<b>4,730</b>	<b>-4,424</b>

The lack of programmable water spaces at each facility also will be impacting on these programs as well as management indicating the need for LTS instructors to have lifeguard qualifications is also restricting the number of LTS classes that can be offered.

Whilst the LTS traditional main income and program source for aquatic centres is considered low, this has reduced staffing costs.

### 3. Operational Costs

The long operational hours offered at each facility have seen high supervisory staffing costs continue to impact on operating losses at each facility. For example, employee costs have reduced due to less LTS instructor wages whilst centre operational costs have increased considerably whilst visitations have remained static.

These operational trends are summarised in Table 14 below:

**Table 14: MRC Aquatic Centres Employee/Operational Costs and Visitation Trends 2016 & 2018**

Aquatic Centre	2016/17	2018/19	Change from 2016 to 2018
<b>Memorial Swim Centre</b>			
Visitations	35,290	30,746	4,544 less visits
Total Council Expenditure	\$210,552	\$487,040	+\$276,488
Net Council Operating (Loss)	(\$182,620)	(\$446,758)	-\$264,138)
Total Council Operating (Loss/Visit)	(\$5.17/ visit)	(\$14.53/ visit)	-\$9.36/ visit)
<b>Pioneer Swim Centre</b>			
Visitations	39,860	25,492	14,368 less visits
Total Council Expenditure	\$150,150	\$263,526	+\$113,376
Net Council Operating (Loss)	(\$122,948)	(\$253,109)	-\$130,161)
Total Council Operating (Loss/Visit)	(\$3.08/ visit)	(\$9.93/ visit)	-\$6.85/ visit)
<b>Mirani Swim Centre</b>			
Visitations	20,338	20,217	121 less visits
Total Council Expenditure	\$171,690	\$288,788	+\$117,098
Net Council Operating (Loss)	(\$171,690)	(\$288,788)	-\$117,098)
Total Council Operating (Loss/Visit)	(\$8.44/ visit)	(\$14.28/ visit)	-\$5.84/visit)
<b>Sarina Swim Centre</b>			
Visitations	32,285	26,212	6,073 less visits
Total Council Expenditure	\$74,379	\$88,389	+\$14,010
Net Council Operating (Loss)	(\$74,379)	(\$88,389)	-\$14,010)
Total Council Operating (Loss/Visit)	(\$2.30/ visit)	(\$3.37/ visit)	-\$1.07/ visit)

The business review does not incorporate employee costs as the contracted operator is responsible for all employee expenses with the exception of Council's internal administration costs. The business review indicates that all centres have experienced an increase in the total Council operating loss/visit.

#### 4. Combined Aquatic Facilities Financial Review

In line with identifying the potential best future management model, current visitation and financial results for the five facilities for the 2018/19 season are shown in Table 15.

**Table 15: 2018/19 Mackay Aquatic Centres Financial Summary**

Aquatic Centres	Annual Visitation	Annual Council Expenditure	Net Council Operating Profit/(Loss)
Bluewater Lagoon	234,471	\$1,587,862	(\$1,587,652)
Memorial Swim Centre	30,746	\$487,040	(\$446,758)
Pioneer Swim Centre	25,492	\$263,526	(\$253,109)
Mirani Swim Centre	20,217	\$288,788	(\$288,788)
Sarina Swim Centre	26,212	\$88,389	(\$88,389)
MARC*	11,370	\$175,432	(\$175,432)
<b>Total</b>	<b>348,508</b>	<b>\$2,891,037</b>	<b>(\$2,840,128)</b>

\* Only opened in March, no full year data available.

The combined four aquatic facilities in the urban Mackay region are estimated to be attracting approximately 302,000 annual visits with 78% of these being at Bluewater Lagoon where there is no entry charge.

The annual combined expenditure is estimated at \$2.891M.

The net operating cost is estimated at \$2.840M.

#### 5. Capital Works and Asset Maintenance and Replacement

Based on the Aquatic Facilities Condition Assessment, August 2017, the following rectification works are recommended:

##### Bluewater Lagoon

Items of particular urgency include:

- Investigation and rectification of Waterplay structure (new structure to be designed in 2019/20 financial year)
- Investigation of chemical monitoring equipment by service personal (Fully functional and operational, however capital upgrade proposed for 2021/22 financial year).

The entirety of all lagoons will require resurfacing, which requires demolition of the existing render, surface preparation, and render application. Council is continuing to repair until complete failure/end of life. The anticipated remaining useful life is estimated to last another 10 years under current operation. This gives council time to secure the required funds and engage a competent contractor.

### Memorial Swim Centre

Items of particular urgency include:

- Repair of bund lining for hypochlorite tank, and improvement to chlorine delivery apparatus (Bund lining resealed, chlorine delivery apparatus fully functional and operational, however capital replacement proposed for 2019/20 financial year).
- Repair of failing tiles that are either broken or delaminating. This needs to be supported by a wider investigation; delamination of tiles is often indicative of a global adhesive failure, and a complete refurbishment of pool finishes.
- Works that involve shutting down and draining the pool (such as replacement of filtered water returns) provide an opportunity to multiple items in one package to economize the cost of refurbishment. It is recommended to review and replace the filtered water returns in the floor of the pool, along with the pipework connected to it, to ensure it can achieve modern turnover targets. This is most economically done whilst the pool is drained for retiling. Works on the filtration plant could also be conducted at this time.

The 2019 condition assessment suggests there is no evidence that the pool shells will fail in the short to medium term.

### Pioneer Swim Centre

Items of particular urgency include:

- Repair of damaged fiberglass lip to G-gutter
- Repair and replacement of corroded metal fixings throughout the pool, concourse and equipment room.
- Repair of failing tiles that are either broken or delaminating. This needs to be supported by a wider investigation; delamination of tiles is often indicative of a global adhesive failure, and a complete refurbishment of pool finishes is sometimes required.

Works that involve shutting down and draining the pool (such as replacement of filtered water returns) provide an opportunity to multiple items in one package to economize the cost of refurbishment. It is recommended to review and replace the filtered water returns in the floor of the pool, along with the pipework connected to it, to ensure it can achieve modern turnover targets. This is most economically done whilst the pool is drained for retiling. Works on the filtration plant could also be conducted at this time.

The condition assessment suggests there is no evidence that the pool shells will fail in the short term.

### Mirani Swim Centre

Items of particular urgency include:

- Separate to above, repair and replacement of corroded metal fixings throughout the pool, concourse and equipment room are required.
- Repair of bund lining for hypochlorite tank, and improvement to chlorine delivery apparatus (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year).

- Inspection, repair and replacement if required of automatic pool chemical controller and associated dosing equipment (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year)
- Alternatively, a switch to a granular chlorine dosing system would reduce operational and handling risk and ensure that the facility is compliant with AS3780 in the long term (Hypo system scheduled for capital replacement with dry chlorine system proposed for 2019/20 financial year).
- Works that involve shutting down and draining the pool (such as replacement of filtered water returns) provide an opportunity to multiple items in one package to economize the cost of refurbishment. It is recommended to review and replace the filtered water returns in the floor of the pool, along with the pipework connected to it, to ensure it can achieve modern turnover targets. This is most economically done whilst the pool is drained for retiling. Works on the filtration plant could also be conducted at this time.

#### Sarina Swim Centre

The Sarina Swim Centre is owned and maintained by Education Queensland.



#### 4.1.3 Market Research and Consultation

The competing catchments of Council's urban aquatic centres places stronger emphasis on the need to ensure future categorisation and differential of Council's aquatic facilities, programs and services to minimise user catchment competition across Council's aquatic assets.

The development of the modern contemporary aquatic facilities at the CQU campus provides a regional centre for competition, training and events. This facility directly competes for users with the Memorial Swim Centre as the catchment populations cross over.

Reviews of Memorial Swim Centre indicate that it has one of the highest cost per user, has significant capital improvements required to keep operational and costs Council over \$400,000 to remain operational each year.

From a future aquatic facility gap perspective, the high growth population densities of the far northern beaches and broader north-western localities are underserved for access to aquatic facilities. This lack of accessible aquatic facilities in the northern beaches will be exacerbated by future anticipated population growth.

The Working Group for the Northern Beaches Community Hub is investigating recreational opportunities for children and young adults and has identified water play as core element to be included within the design.

To support the viability of Mackay aquatic centres, the facility mix, design, programs and services should be set up to allow people to participate in a range of activities. Aquatic facility trends are shifting towards centres that attract all user markets, including from the recreation and leisure; competitive/ training/ fitness; education; and health and therapy markets.

In accordance with contemporary trends for the most financially sustainable aquatic centres, the following components should be considered in any future development of aquatic facilities in Mackay:

- Provide a mix of water options, including a mix of indoor/ outdoor pools with varying depths and temperatures.
- Provide and increase focus towards high revenue generating complementary service areas such as merchandise and food and beverage services.
- Co-locate aquatic facilities with a range of other leisure facilities and services.
- Consider the provision of health and fitness, wellness and sports medicine options.

Mackay aquatic centres provide a range of social and health benefits to the community. In order to develop, maintain, manage and re-life the aquatic centres, large capital and operating investment is required. On this basis, it is important that Council's investment maximises community use and benefits, and supports assets reaching their full useful life. It is imperative that Council develop, report and monitor a set of challenging, yet achievable performance measures for the aquatic centres, aligned to broader policies.

In a suitable location, with strong surrounding catchment, and effective management, contemporary aquatic centres can be attractive to several sections of the community and reduce the financial burden on Council.

## 4.2 Urban and Rural/Local Facility Provision

Council's six aquatic centres are located across urban and rural localities as follows:

- Urban Aquatic Centres:
  - Bluewater Lagoon
  - Memorial Swim Centre
  - Pioneer Swim Centre
  - Mackay Aquatic and Recreation Complex (MARC) (opened in March 2019).
- Rural Aquatic Centres:
  - Mirani Swim Centre
  - Sarina Swim Centre.

### 4.2.1 Proposed Future Urban Area Aquatic Facility Provision

The Memorial and Pioneer Swim Centres have very similar facility mixes and have partially competing catchments. The location of MARC is a further 4.3km to the south of Memorial Swim Centre but over 10km's from the Pioneer Swim Centre and 15km's from the Northern Beaches area.

On this basis, the MARC is the main aquatic centre for the city for competition, events and training and is directly competing for some of the users from Memorial Swim Centre but is estimated to have minimal impact on Pioneer Swim Centre usage due to its distance from this facility and access time for people to travel to this facility.

This indicates that now that MARC is operational, that Memorial Swim Centre should be considered for closure (Noting however that Council resolved in September 2019 for the Memorial Swim Centre to remain open pending a number of actions being undertaken looking at future redevelopment options with community input) whilst Pioneer Swim Centre should remain operational and improved and further investigations on the need for aquatic facilities in the Northern Beaches area be supported.

Under these strategies this would see the following aquatic centre category provision:

- City Wide Competition, Training Education and Events Aquatic Centre: MARC
- City Wide Recreation and Leisure Water Centre: Bluewater Lagoon
- Northern District Aquatic Centre: Pioneer Swim Centre.

### 4.2.2 Rural and Local Facility Provision

Mirani Swim Centre services a clear local catchment and part of the aquatic needs of people living in the areas to its west. With an estimated drive time of approximately 36 minutes from the Mirani Swim Centre to the MARC, the community would have a long return drive time to the larger aquatic facility

with a wider variety of water and program options of just over 70 minutes. This clearly supports the need to retain and, over time, improve Mirani Swim Centre as a district rural aquatic centre.

Sarina Swim Centre services its immediate population local catchment. With an estimated drive time of approximately 28 minutes from the Sarina Swim Centre to the MARC, the community is slightly closer to the larger aquatic facility with a wider variety of water and program options but at just under 60 minutes' return drive this supports retention of the Sarina swim Centre as a district rural aquatic centre.

### 4.3 Future Aquatic Strategy Framework

The recommended future Mackay Aquatic Strategy Framework is summarised below based on:

- Future provision of aquatic centres;
- Future direction of individual aquatic centres; and
- Future management arrangements.

#### 4.3.1 Future Facility Provision

In order to service the full range of aquatic uses, maximise viability and avoid unnecessary competition between centres, Mackay Regional Council needs to ensure better physical separation of and have clear differentiation between its aquatic centres. Given the location and size of the current population and predicted future population growth, it is recommended that four categories be established:

- **Citywide - Leisure**  
Serves the entire City catchment and acts as a tourism attractor incorporating high quality and high capacity leisure facilities that support recreation, leisure & adventure; and fitness & training activities.
- **Citywide - Competition, Training, Education and Events**  
Serves the entire City catchment and acts as a competition, training, education and events facility attractor incorporating high quality and high capacity aquatic facilities that support fitness & training activities.
- **District Aquatic Centres**  
Serves residents from numerous communities and has an expanded facility mix incorporating facility elements that supports recreation, leisure & adventure; fitness & training; education; and therapy activities.
- **District - Aquatic Leisure**  
Serves cluster of communities/ suburbs from its immediate surrounding catchment with leisure facilities that support recreation, leisure & adventure.

Based on this study's findings the following classification of Council aquatic centres is recommended to guide future investment over the next 20 years.

**Table 16 Proposed Classification of Mackay Regional Council Aquatic Centres**

Classification	Aquatic Centre	Strategic Direction
Citywide - Leisure	Bluewater Lagoon	The Bluewater Lagoon is Mackay's major aquatic leisure facility attracting a mix of local and tourism visitors. In order to improve the viability of this facility, additional future improvements (eg specific rides and activities) that have an ability to separately charge users and have a commercial focus are recommended to be looked at.
City Wide Competition, Training, Education & Events	MARC	The MARC is located within a more accessible position to service the Mackay central and southern localities. The facility mix provides an expanded range of water spaces more consistent with contemporary aquatic centres.
District Aquatic Centres	Pioneer Swim Centre	With a new Northern Beaches Aquatic Centre recommended, it is important to differentiate the Pioneer Swim Centre from this proposed new northern aquatic centre. With its proximity to surrounding open space used for fitness purposes, including walk/cycle paths and outdoor fitness equipment, the Pioneer Swim Centre is well positioned to have an increased focus on aquatic and land based fitness programs.
	Memorial Swim Centre	It is recommended that Memorial Swim Centre continue to operate until such time as the resolutions of Council (below) that were approved in September 2019 are finalised.
		a) Recognise the "Memorial Swimming Centre as a valuable community asset" in the Council Aquatic Strategy;
		b) Recognise the important Second World War memorial aspect of the Memorial Swimming Centre site;
		c) Given latest facilities assessments, and to enable the impact of the MARC and other facilities on MSC patronage, exercise the 12 months extension option to October 2020 in the current Belgravia operating contract;
		d) Notes that despite maintenance practices and current standard that the aquatic facilities at the site have a finite life and planning should be undertaken for sympathetic redevelopment of facilities within the MSC, in keeping with community needs;
		e) Ensures that redevelopment plans of the facilities on the site involve extensive community consultation, after consultation with applicable Returned Services League (RSL) sub-branches;
		f) Establish a community reference group consisting of relevant stakeholders to inform the redevelopment plans; and
		g) Consider the registration of the site on the local heritage register following the outcome of consultation on facilities redevelopment within the site.
	Mirani Swim Centre	Future development does not conflict with or duplicate sub-regional or Citywide facilities. Incremental improvements commensurate with site limitations.
	Sarina Swim Centre	Future development does not conflict with or duplicate sub-regional or Citywide facilities. Incremental improvements commensurate with site limitations.



	Northern Beaches Aquatic Centre (New)	Given the high existing and projected population in the City's northern growth corridor and the lack of water space in this area, a new Northern Beaches Aquatic Centre developed as a district aquatic centre can service the entire northern corridor. A feasibility study to determine the components and cost needs to be completed to meet future population grows.
District - Aquatic Leisure	Northern Beaches Hub (New)	Investigate the opportunity for water play elements incorporated into future planning and development of the proposed Northern Beaches Hub.

#### 4.3.2 Future Direction of Individual Aquatic Centres

The recommended future direction for each aquatic centre, including their proposed development priority, are outlined below. Recommendations assume Council will undertake the identified rectification works outlined with the *Aquatic Facilities Condition Assessment, August 2017*. Time frames for recommendations are notionally classified as:

- Short Term: 0 - 5 years;
- Medium Term: 6 - 10 years;
- Long Term: 11 - 20 years.

**Table 17: Future Direction of Individual Aquatic Centres**

Memorial Swim Centre	
<p><b>Overview</b></p> <p>Memorial Swim Centre is an ageing, non-contemporary facility mix that is costly to maintain and not attractive to the broader community.</p> <p>The Structural Assessment &amp; Condition Report, Geoff Ninnies Fong &amp; Partners Pty Lt, 2019 found from observations of the 50m pool structure, there does not appear to be visual signs of structural cracking that would indicate there is a structural issue with the pool structure. Hence, the pool appears to be structurally stable. Given the results of the chloride testing, it is unlikely corrosion would be an issue for the longer term of say 10- 15 years before maintenance is required. The cracking in the deep end wall should be sealed to prevent possible leakage.</p> <p>A new Mackay Regional Sports Precinct Aquatic Centre is servicing competition, training, education and event facility needs city wide and specifically for the central/ southern Mackay catchments.</p> <p>The location of the MRSP Aquatic Centre is better placed to service the central/ southern catchments as it is a further 4.3km to the south of Memorial Swim Centre and over 10km's from the Pioneer Swim Centre. On this basis, these two aquatic centres will have less competition between each other than Memorial and Pioneer Swim Centres currently have.</p>	<p><b>Priority</b></p>

<p>Significant investment is likely to be required in order to bring the current facility mix back to modern standard as its current facility mix is considered not to meet the contemporary expectations of communities relating to aquatic facilities.</p> <p>Noting the above summary, Council considered this information and resolved at its 11 September 2019 Council meeting to;</p> <ul style="list-style-type: none"> <li>A) Recognise the “Memorial Swimming Centre as a valuable community asset” in the Council Aquatic Strategy;</li> <li>b) Recognise the important Second World War memorial aspect of the Memorial Swimming Centre site;</li> <li>c) Given latest facilities assessments, and to enable the impact of the MARC and other facilities on MSC patronage, exercise the 12 months extension option to October 2020 in the current Belgravia operating contract;</li> <li>d) Notes that despite maintenance practices and current standard that the aquatic facilities at the site have a finite life and planning should be undertaken for sympathetic redevelopment of facilities within the MSC, in keeping with community needs;</li> <li>e) Ensures that redevelopment plans of the facilities on the site involve extensive community consultation, after consultation with applicable Returned Services League (RSL) sub-branches;</li> <li>f) Establish a community reference group consisting of relevant stakeholders to inform the redevelopment plans; and</li> <li>g) Consider the registration of the site on the local heritage register following the outcome of consultation on facilities redevelopment within the site.</li> </ul>	
<p>This is now the Council’s current position, with establishment of the associated Memorial Swimming Centre Community Reference Group commenced.</p>	

## Bluewater Lagoon

### Overview

The Lagoon precinct has largely remained unchanged since its opening approaching ten years ago. The water mix is very similar and largely supports recreational swimming only. The fully free entry environment has resulted in high operating costs to Council.

Visitation is decreasing (noting visitation to date for 2019/20 is indicating a significant increase) and the operating deficit is increasing. The most urgent identified repairs will be costly, including resurfacing (demolition of the existing render, surface preparation, and render application) all lagoons and investigation and rectification of the waterplay structure.

Bluewater Lagoon is located within a central, visible location in the CBD and adjacent to Mackay's major shopping centre (Canelands). This position lends itself to support more commercialised activity (eg. Learn-to-swim, health and fitness) with the introduction of pay-to-use elements that complement existing free-use facilities that will increase site activity and improve viability.

### Priority

Complete a feasibility study to investigate the opportunity to build off this high use facility new, high attractor commercial/ user pays facilities, example of inclusions for consideration:

Cost Estimate to be determined

Short Term

1. Adventure Slides:
  - 2 x flume entry water slides
  - Allow for a space 150m<sup>2</sup> for two sealed external waterslides and tower.
2. Health and Fitness Centre (maximise street frontage):
  - Program Rooms (Dividable x 2) - 320m<sup>2</sup>
  - Gymnasium / weights room - 570m<sup>2</sup>
  - Health and Fitness Circulation/stairs - 30m<sup>2</sup>
  - Health and Fitness Amenities and Change - 115m<sup>2</sup>
  - Testing/ consultation rooms (x 2) - 30m<sup>2</sup>
  - Reception/ Offices / Administration / Staff Room - 250m<sup>2</sup>.
3. Indoor Learn to Swim Pool:
  - Learn to swim area 10m x 15m (600mm to 900mm)
  - Swim to ledge 0.5m
  - 4m concourse to support parent spectating
  - Wet change rooms and toilets 75m<sup>2</sup>.

## Northern Beaches Aquatic Centre (New)

### Overview

The high population areas within the far northern beaches and broader north-western localities are underserved by access to aquatic facilities. This lack of accessible aquatic facilities in the northern beaches will be exacerbated by future anticipated growth.

Northern Beaches is a more central, accessible location to service the central/ northern catchments than Pioneer Swim Centre. On this basis, a new site in Northern Beaches for a new Aquatic Centre will better meet the community needs as a sub-regional centre. A sub-regional centre would typically include a 50m pool, however given the Mackay region will have three 50m pools retained and available within its supply, a 25m pool only is recommended for the Northern Beaches. A 50m pool will continue to be accessible to the northern Mackay catchment at Pioneer Swim Centre.

### Priority

Complete a feasibility study to develop a new Northern Beaches Aquatic Centre, example of inclusions for consideration:

Cost Estimate to be determined

Medium Term

#### 1. Aquatic Elements:

- New 25m x 25m (8 lane) pool with ramp access and moveable bulkhead - 1,088m<sup>2</sup>
- Indoor Toddlers/Leisure and Learn to Swim Pool - 500m<sup>2</sup>
- Indoor Warm Water Program Pool (including steam, spa) - 500m<sup>2</sup>
- Water Play Splash Pad - 120m<sup>2</sup>
- Tower and Waterslides (x 2 slides, flume entry) - 150m<sup>2</sup>
- Support Facilities - 470m<sup>2</sup>
  - Storage
  - First aid room
  - Aquatic office
  - Wet lounge
  - Plant room

- Aquatic Change Rooms and Amenities - 200m<sup>2</sup>
- Family/Special Needs Change - 60m<sup>2</sup>
- Pool deck showers - 10m<sup>2</sup>.

#### 2. Health and Fitness Centre:

- Program Rooms (Dividable x 2) - 320m<sup>2</sup>
- Gymnasium / weights room - 570m<sup>2</sup>
- Health and Fitness Circulation/stairs - 30m<sup>2</sup>
- Health and Fitness Amenities and Change - 115m<sup>2</sup>
- Testing/ consultation rooms (x 2) - 30m<sup>2</sup>.

<p>3. Entry/ Reception</p> <ul style="list-style-type: none"> <li>• Shared Foyer / Reception / Merchandising - 250m<sup>2</sup></li> <li>• Food and Beverage Areas - 190m<sup>2</sup></li> <li>• Offices / Administration / Staff Rooms - 160m<sup>2</sup></li> <li>• Public Toilets - 90m<sup>2</sup>.</li> <li>• Set aside adjacent land area for the future potential expansion of the Centre.</li> </ul>		
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Pioneer Swim Centre		
Overview		Priority
<p>Pioneer Swim Centre is an ageing, non-contemporary facility mix that is costly to maintain and not attractive to the broader community. Pioneer Swim Centre is not considered an optimum location to service the majority of the northern catchment given its distance from the far northern beaches and broader north-western localities. Northern Beaches is a more central, accessible location.</p> <p>In order to service the full range of aquatic uses, maximise viability and avoid unnecessary competition between centres, Mackay Regional Council needs to ensure better physical separation of and have clear differentiation between its aquatic centres. On this basis, and to avoid unnecessary duplication and competition with Bluewater Lagoon and the proposed new Northern Beaches Aquatic Centre, Pioneer Swim Centre is recommended to become a district, fitness focused aquatic centre focusing on facilities that support aquatic and land based fitness programs and services.</p>		
Redevelop over time Pioneer Swim Centre as an aquatic - fitness centre, example of inclusions for consideration:	Cost Estimate to be determined	Medium Term
<div><div>1. Cover approximately 50% of the outdoor 50m pool to support sun-safe activity.</div><div>2. Indoor Warm Water Program Pool (including steam, spa) - 500m<sup>2</sup>.</div><div>3. Refurbish entry and kiosk.</div><div>4. Outdoor gymnasium (shaded):<div><div>• Soft fall multipurpose area</div><div>• Spin cycle zone</div><div>• Cross-fit zone</div><div>• Weights zone.</div></div></div></div>		

Sarina Swim Centre	
<b>Overview</b>  <p>Given the modest size of the Sarina Swim Centre catchment, its proximity to the new MARC, and its rural location, a 6 lane x 25m outdoor pool adequately supports the local swimming needs of the community. Those members of the community requiring access to increased or more contemporary aquatic facilities are within a reasonable driving distance to the newly opened MARC. On this basis, and in consideration of the relatively low cost to Council of the Sarina Swim Centre, it is important Council continue to negotiate community access with Education Queensland.</p>	<b>Priority</b>
<p>1. Maintain community access to the Sarina Swim Centre.  <i>Refer to 4.3.3 Management Arrangements, Rural and Local Aquatic Centres below for recommended future management approach.</i></p>	Ongoing

Mirani Swim Centre	
<b>Overview</b>  <p>Mirani Swim Centre facilities are consistent with other North Queensland pools located within a rural area. The physical site is close to the town centre and local schools. Those members of the community requiring access to increased or more contemporary aquatic facilities are within a reasonable driving distance to the newly opened MARC.</p>	<b>Priority</b>
<p>1. Maintain current community access to the Mirani Swim Centre.  <i>Refer to 4.3.3 Management Arrangements, Rural and Local Aquatic Centres below for recommended future management approach.</i></p>	Ongoing

### 4.3.3 Future Management Arrangements

Council currently contracts out the management of its aquatic centres and does not currently have the internal expertise to support the contemporary management of the aquatic centres.

Industry trends over the past few years have seen a major drop off in contract management competitive tenders due to a lack of companies tendering for management rights. In the previous decade, two large pool management companies managing scores of public pools predominantly in southern states went into receivership leaving Councils with the problem of making alternative arrangements to manage these centres. This resulted in a lessening of competition for the management of public pools in these states. There are a handful of mid-size firms managing multiple aquatic facilities in Queensland. However, given the market is not fully competitive, leasing Council's aquatic centres to external operators may not necessarily result in the best value for money outcome to Council. In the case of Mackay, however as Council does not have the specialised experience of managing contemporary aquatic and leisure facilities, it is recommended that the current lease management model be retained.

Though these companies initially recorded operating cost savings it was usually due to lower wage rates and their own awards that were not impacted by penalty rates for out of hours and weekend work. Over the years though increasing labour, services and maintenance costs have impacted on the savings and with many aged facilities not attracting new users the operating costs have quickly increased. Therefore, the most common approach to managing



public pools in Queensland has been a lease arrangement or internal Council management. Depending on the scale of facilities, lessees of Council aquatic facilities range from small 'mum and dad' operators to large, national pool management companies.

The future management model chosen for Mackay Aquatic Facilities needs to reflect the need to broaden the base of facilities and use and improve their overall usage and financial performance, including appropriate asset management arrangements. Importantly the future management model should be determined after understanding how much control and responsibility Council wants to retain or alternatively, divest to an operator.

As outlined in section 3.6 of this report there are advantages and disadvantages to all options. A key issue that will impact on the decision is the lack of competitive tendering (low number of companies capable and able to tender for such contracts) that has occurred over the past few years.

The current facilities low level of usage and business, particularly in the urban aquatic centres, is also a critical issue with outdoor pools low usage, lack of programming, low revenue generating activities, high operating losses and the small-scale facilities are not lending themselves to being competitively market tested when they are contracted out or leased.

In order for Council to foster an expanded competitive tender environment the operating arrangement strategies and management conditions outlined in *Urban Area Aquatic Centres* below should be incorporated over the next term of agreements.

Following the implementation of these strategies at the end of the next management terms, Council should be in the best position to better market test the contract/lease management marketplace to see if a lease returns a better sustainable network of facilities than direct Council management.

In recognition of the varying facility mix and scale and surrounding catchments, the framework for the future management of Council's aquatic centres have been classified into:

- Rural District Aquatic Centres; and
- Urban Area Aquatic Centres.

#### **Rural District Aquatic Centres**

Given the small range of facilities and a lower surrounding catchment compared to urban aquatic centres, it is recommended Council continue to maintain its existing management arrangements for the Mirani and Sarina Swim Centres. In particular, the following strategies should be incorporated:

- Maintain the partnership with Education Queensland to ensure ongoing community access to the Sarina Swim Centre;
- Extend the management agreement (sub-lease) with the existing Sarina Swim Centre operator, however expand contract terms to include an increased focus on program development, delivery and reporting;
- Extend the management agreement (lease) with the existing Mirani Swim Centre operator, however expand contract terms to include an increased focus on program development, delivery and reporting; and
- Ensure the Mirani Swim Centre lease continues to incorporate Swim Centre and Caravan Park responsibilities under the one agreement.

## Urban Area Aquatic Centres

Based on Council not having the specialised experience of managing contemporary aquatic and leisure facilities, it is recommended all urban area Aquatic Centres continue to be leased to an experienced operator.

In order for Council to foster an expanded competitive tender environment in future, the following strategies should be a focus of operating arrangements and management conditions over the next term of agreements:

- Increased data collection and reporting to support improved analytics;
- Upgraded/ expanded and improved to attract more users and revenue,
- Have significant ongoing programs and services to attract more regular use; and
- Have more sustainable management and staff practices in place linked to improved business.

Further, the following key principles are recommended under the lease management approach:

- Incorporate into the tender package, Council's expectations on the key operating terms:
  - Management objectives
  - Access Arrangements
  - Alcohol
  - Asset Management
  - Caretaker Residence
  - Catering/ Retail
  - Communication
  - Designated Representative
  - Environmental Management
  - Facility Works
  - Fees and Charges
  - Inspection
  - Insurance
  - Lease Fee/ Subsidisation
  - Marketing
  - Operating Hours
  - Outgoings
  - Performance Management
  - Permitted Use
  - Public Statements
  - Reporting
  - Risk Management
  - Security Bond
  - Security and Supervision
  - Signage and Acknowledgement
  - Software
  - Sponsorship
  - Staff Qualifications and Accreditation
  - Term
  - Water Quality.

- Continue to appoint the one (1) company to manage all of Council's urban area aquatic centres (including Bluewater Lagoon) to support:
  - Economies of scale savings
  - Reduced cost to Council as a result of administrative savings associated with the management of only one contract
  - Minimise the subsidy from Council to the operator
  - Encourage shared staffing across centres
  - Improved capacity to introduce specialist staff across centres (eg. health and fitness, programs, membership, marketing)
  - Increased opportunity to attract capital funding partnership with the operator
  - Include considerations for recommended improved/ expanded facility mix across centres (eg. adventure slides, health and fitness);
- Ensure operator agreement includes a range of measurable performance indicators, including a focus on program development, delivery and reporting.

## Appendix 1 - Demographic Profile and Population Trends

The following section of the report reviews the demographic profile of the Mackay Regional Council area based on information obtained from Remplan Community Profile, an online based company that complete demographic analysis on ABS Census data. Where possible, data relating to the Mackay Regional Council area related to the 2016 Census. Data relating to the Sarina, Mirani and Mackay areas pertain to the 2011 Census.

The population trends indicate that between 2011 and 2016 the population of the Mackay Regional Council increased from 112,798 people to 114,969 people. This equates to an approximate growth of 1.9% of the population (2,171 residents).

### Age Group Population Profile

The age group profile of residents in 2016 compared to the Regional Queensland area and the 2011 Census data was estimated as follows.

**Table 18: Population Age Profile - Mackay Regional Council**

	2016			2011			Change 2011
	Number	%	Regional QLD %	Number	%	Regional QLD %	to 2016
0 to 4	7,757	6.7	6.1	8,132	7.2	6.8	-375
5 to 9	8,195	7.1	6.7	7,779	6.9	6.7	416
10 to 14	7,817	6.8	6.5	8,052	7.1	6.9	-235
15 to 19	7,264	6.3	6.2	7,749	6.9	6.7	-485
20 to 24	6,700	5.8	6.0	7,276	6.5	6.0	-576
25 to 29	7,433	6.5	6.1	8,128	7.2	6.3	-695
30 to 34	8,053	7.0	6.3	7,601	6.7	6.1	452
35 to 39	7,397	6.4	6.1	8,010	7.1	6.8	-613
40 to 44	7,883	6.9	6.7	8,589	7.6	7.1	-706
45 to 49	8,494	7.4	6.9	8,726	7.7	7.1	-232
50 to 54	8,451	7.4	6.8	8,300	7.4	6.9	151
55 to 59	7,918	6.9	6.6	6,777	6.0	6.2	1,141
60 to 64	6,491	5.6	6.0	5,568	4.9	6.0	923
65 to 69	5,162	4.5	5.7	4,044	3.6	4.7	1,118
70 to 74	3,781	3.3	4.3	2,948	2.6	3.5	833
75 to 79	2,659	2.3	3.0	2,209	2.0	2.6	450
80 to 84	1,861	1.6	2.0	1,632	1.4	1.9	229
85 and over	1,647	1.4	1.9	1,278	1.1	1.7	369
Total population	114,963	100	100	112,798	100	100	2,165

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016.

Analysis of the five year age groups of the Mackay Regional Council in 2016 compared to Regional QLD shows that there was a higher proportion of people in the younger age groups (under 15) and a lower proportion of people in the older age groups (65+). Overall, 20.6% of the population was aged between 0 and 15, and 13.1% were aged 65 years and over, compared with 19.3% and 17.0% respectively for Regional QLD.

The major differences between the age structure of the Mackay Regional Council and Regional QLD were:

- A larger percentage of persons aged 30 to 34 (7.0% compared to 6.3%)
- A larger percentage of persons aged 0 to 4 (6.7% compared to 6.1%)
- A smaller percentage of persons aged 65 to 69 (4.5% compared to 5.7%)
- A smaller percentage of persons aged 70 to 74 (3.3% compared to 4.3%)

The largest changes in age structure in this area between 2016 and 2011 were in the age groups:

- 55 to 59 (+1,141 persons)
- 65 to 69 (+1,118 persons)
- 60 to 64 (+923 persons)
- 40 to 44 (-706 persons)

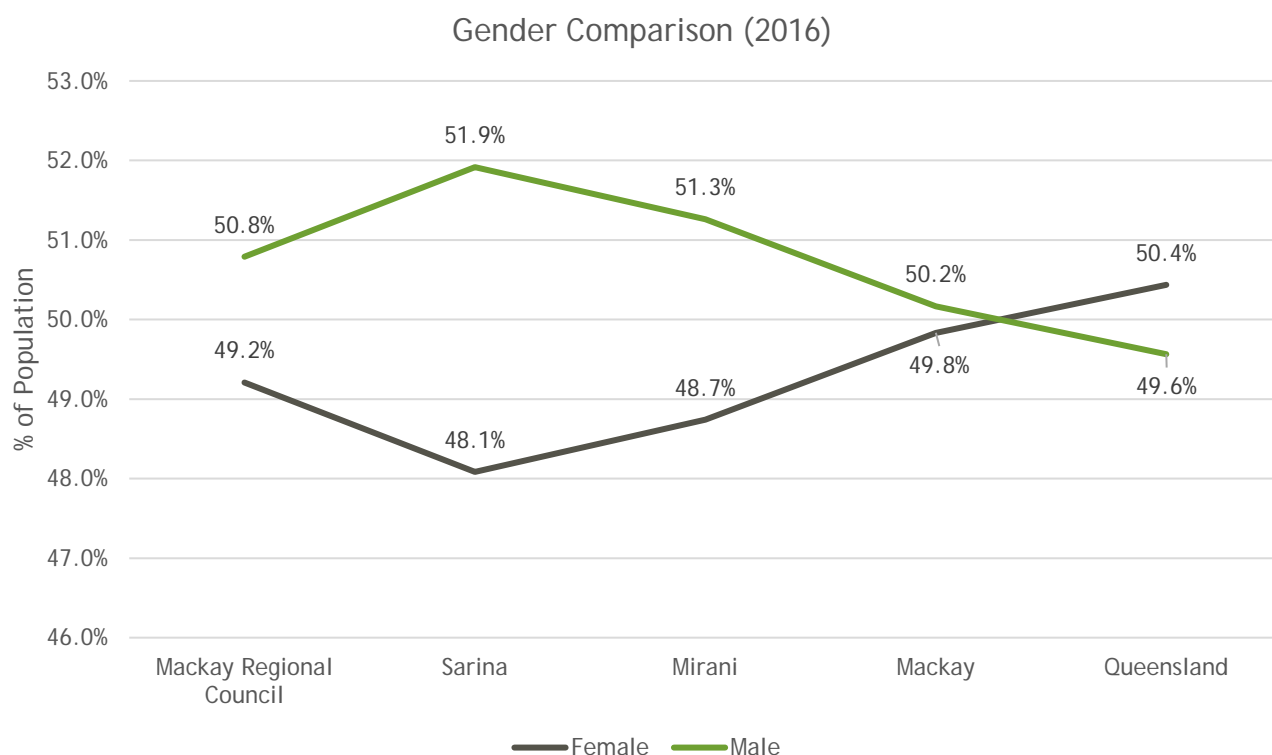
Analysis of the five year age groups of Sarina in 2016 compared to Mackay Regional Council shows that there was the same proportion of people in the younger age groups (under 15) and a higher proportion of people in the older age groups (65+). Overall, 20.6% of the population was aged between 0 and 15, and 15.7% were aged 65 years and over, compared with 20.6% and 13.1% respectively for Mackay Regional Council.

Analysis of the five year age groups of Mirani in 2016 compared to Mackay Regional Council shows that there was a higher proportion of people in the younger age groups (under 15) and a higher proportion of people in the older age groups (65+). Overall, 22.9% of the population was aged between 0 and 15, and 14.2% were aged 65 years and over, compared with 20.6% and 13.1% respectively for Mackay Regional Council.

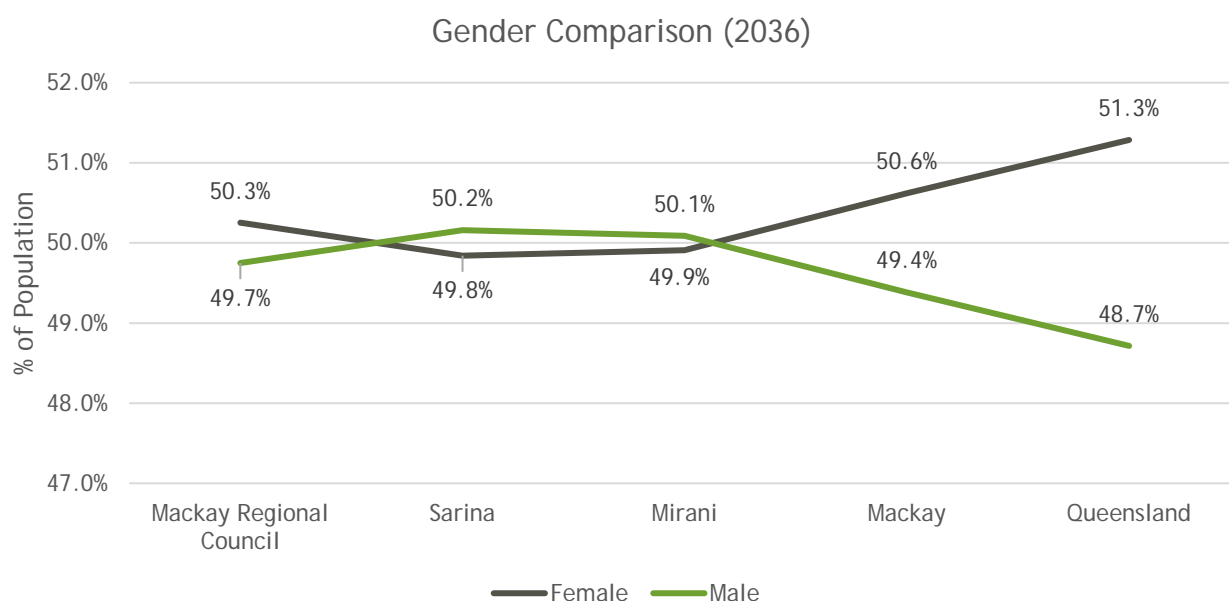
Analysis of the five year age groups of Mackay in 2016 compared to Mackay Regional Council shows that there was a smaller proportion of people in the younger age groups (under 15) and a lower proportion of people in the older age groups (65+). Overall, 14.8% of the population was aged between 0 and 15, and 12.9% were aged 65 years and over, compared with 20.6% and 13.1% respectively for Mackay Regional Council.

### Gender Population Profile

The following details the gender comparison for the Mackay Regional Council area, Queensland, Mackay, Sarina, and Mirani in 2016 and projection for 2036.



There are more males than females within the Mackay Regional Council population which is the opposite to that in Queensland (50.8% and 49.2% compared to 49.6% and 50.4%). The largest disparity between male and female residents occurs in Sarina.



**Figure 36: Gender Population Comparison**

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016; and Queensland Government population projections, 2018 edition; Australian Bureau of Statistics, Population by age and sex, regions of Australia, 2016

By 2036 the gender profile for the Mackay Regional Council population is estimated to shift to more closely follow the population of Queensland (50.3% female and 51.3% female). The largest disparity between male and female residents is projected to occur within the Mackay suburbs.

### Country of Birth

The percentage of the population born overseas and the diversity of the country of origin can give an indication of how diverse the population is within a community.

An analysis of the cultural diversity data within the Mackay Regional Council area shows that there is a lower level of diversity compared to the Regional Queensland area with 20.3% being born overseas compared to 25.7% in Regional Queensland.

The table below details the country of birth of residents in 2011 and 2016.

**Table 19: Most Common Countries of Birth - Mackay Regional Council**

	2016			2011			Change
	Number	%	Regional QLD %	Number	%	Regional QLD %	2011 to 2016
Australia	91,609	79.7	74.3	92,103	81.7	76.8	-494
New Zealand	2,882	2.5	3.9	3,162	2.8	4.1	-280
United Kingdom	2,528	2.2	4.4	2,972	2.6	4.6	-444
Philippines	1,598	1.4	0.8	1,089	1.0	0.6	+509
South Africa	1,112	1.0	0.7	1,246	1.1	0.7	-134
India	589	0.5	0.6	349	0.3	0.4	+240
Zimbabwe	376	0.3	0.2	-	-	0.2	+376
Germany	313	0.3	0.5	345	0.3	0.5	-32
Malta	302	0.3	-	346	0.3	-	-44

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016

Between 2011 and 2016 the percentage of the Mackay population that was born in Australia decreased by 2.0%.

Both Sarina and Mirani have a lower level of diversity than the Mackay region with 17.4% and 17.0% respectively having been born overseas. The suburb of Mackay however has a significantly higher rate of diversity with 37.9% of the population having been born outside of Australia.

### Languages Spoken at Home



The Mackay region has a higher percentage of the population that speaks English only (86.6%) when compared to the Regional Queensland population (84.3%).

The top five languages spoken other than English within the Mackay Council area in 2016 were:

- Tagalog
- Afrikaans
- Filipino
- Mandarin
- Maltese

The top languages spoken in Sarina include Filipino, Thai, Tagalog, Maori and German; in Mirani they are Afrikaans, Swedish, Malayalam, German and Maltese; and in Mackay they are Tagalog, Filipino, Hindi, Mandarin and Punjabi.

### Residents Income Levels

The table below presents the personal weekly income levels of the Mackay residents.

**Table 20: Weekly Individual Gross Income Levels - Mackay Regional Council**

	2016 Number	%	Regional QLD %
Negative Income/ Nil income	8,318	9.1	7.8
\$1-\$149	3,653	4.0	4.0
\$150-\$299	5,981	6.6	7.4
\$300-\$399	6,927	7.6	9.4
\$400-\$499	6,723	7.4	9.1
\$500-\$649	6,769	7.4	8.4
\$650-\$799	6,593	7.2	8.3
\$800-\$999	7,124	7.8	8.4
\$1,000-\$1249	7,168	7.9	8.1
\$1250-\$1499	5,063	5.6	5.2
\$1500-\$1749	4,793	5.3	4.4
\$1750-\$1999	3,425	3.8	2.8
\$2000-\$2999	5,823	6.4	4.0
\$3000 or more	2,667	2.9	2.1
Not stated	10,181	11.2	10.5
Total persons aged 15+	91,204	100	100

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016

Analysis of individual income levels in the Mackay Regional Council in 2016 compared to Regional QLD shows that there was a higher proportion of people earning a high income (those earning \$1,750 per week or more) and a lower proportion of low income people (those earning less than \$500 per week). Overall, 13.1% of the population earned a high income, and 34.7% earned a low income, compared with 8.9% and 37.7% respectively for Regional QLD.

The major differences between the Mackay Regional Council's individual incomes and Regional QLD's individual incomes were:

- A larger percentage of people who earn \$2,000-\$2,999 (6.4% compared to 4.0%)
- A larger percentage of people who earn a negative income/no income (9.1% compared to 7.8%)
- A smaller percentage of people who earn \$300-\$399 (7.6% compared to 9.4%)
- A smaller percentage of people who earn \$400-\$499 (7.4% compared to 9.1%)

The median individual weekly income in Sarina was \$587, Mirani was \$653, and Mackay was \$605, all of which were lower than the median in the Mackay region at \$698.

### Vehicle Ownership

The number of vehicles per household is detailed in the table below.

**Table 21: Vehicle Ownership - Mackay Regional Council**

		2011			
	Mackay Regional Council %	Sarina	Mirani	Mackay	Regional QLD %
No motor vehicles	5.0	5.3	1.8	19.6	6.5
1 motor vehicle	31.0	28.2	28.6	45.6	34.7
2 motor vehicles	39.4	36.7	40.0	21.9	35.1
3 or more motor vehicles	20.6	22.3	23.7	8.2	16.2
Not stated	4.1	7.5	5.9	4.7	7.5
Total households	100.0	100.0	100.0	100.0	100.0

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016

A household's ownership of vehicles can be used as an indicator of an individual's ability to independently access leisure facilities without the reliance on public transport or utilising other modes of transport.

A review of the vehicle ownership in the Mackay Regional Council area indicates that more than nine out of every 10 households (91.0%) own one or more vehicles indicating a high ability to independently access leisure activities. This is higher than Regional Queensland with 86.0%.

This rate is lower in both Sarina and Mackay (87.2% and 75.7% respectively) and higher in Mirani (92.3%). There is also a number of households in the Mackay Regional Council area (5.0%) that identified that they have access to no motor vehicles indicating that there may be a reliance on public transport and non-motorised forms of transport such as walking, bikes, or skateboards. The number of households with access to no motor vehicles is very low in Mirani (1.8%), however significantly higher in Mackay with nearly a fifth of households having no vehicles (19.6%).