

COUNCILLORS JARMAN/PENTREATH

That Council suspend standing orders at 5:49pm

CARRIED

Ms Michelle Rathjen addressed Council in relation to item 6.6.

Ms Kylie Floyd addressed Council in relation to item 6.6.

Ms Kris Munro addressed Council in relation to item 6.6.

Miss Aimee Rankin addressed Council in relation to item 6.6.

Miss Lacey Rankin addressed Council in relation to item 6.6.

Ms Carlie Ryan addressed Council in relation to item 6.6.

Mr Peter Romer addressed Council in relation to item 6.6.

COUNCILLORS JARMAN/MADDISON

That Council resume standing orders at 6:46pm

CARRIED

6.6. CAMPASPE AQUATIC SERVICE REVIEW

Author:

Andrew Cowin, Corporate Strategy Manager

Attachments:

6.6. Discussion Paper Community Submissions

1. Purpose

To affirm the preferred strategic direction for the delivery of aquatic service by the Shire of Campaspe.

2. Recommendation

That Council:

1. Acknowledge that the need to confirm a future direction for the delivery of aquatics services through the Aquatic Services Review has been driven by ageing assets, increasing operational and renewal costs and declining attendances;
2. Acknowledge community concerns raised regarding the options presented in the Aquatics Service Review Discussion Paper, in particular submissions from the communities of Colbinabbin, Lockington, Stanhope and Tongala;

3. Having considered all submissions received to the Aquatics Services Review Discussion Paper, confirm the preferred strategic direction for the future delivery of aquatic services by the Shire of Campaspe as being delivered through facilities at Echuca, Kyabram, Rochester and Rushworth. Facilities are to include a 25m main pool and interactive water play at Kyabram, Rochester and Rushworth. Existing service at Echuca is to be expanded to include interactive water play. Continued service provision from facilities at Colbinabbin, Lockington, Stanhope and Tongala are subject to the outcomes of Community Place Based Plans;
4. Note that officers will prepare an implementation strategy for the Echuca, Kyabram, Rochester and Rushworth aquatics facilities based on the confirmed strategic direction endorsed by Council, inclusive of estimated project costs and a funding strategy, for future consideration by Council;
5. Confirm support for the development of a scope to support the process of Community Place Based Plans for the communities of Colbinabbin, Lockington, Stanhope and Tongala for future consideration by Council;
6. Confirm a maximum timeframe of three years (subject to budget constraints) for the development of Community Place Based Plans in partnership with the communities of Colbinabbin, Lockington, Stanhope and Tongala from the confirmation of the program scope; and
7. Confirm that at the end of the endorsed timeframe for the development of the Community Place Based Plans that should a plan not have been prepared for one or more of the communities of Colbinabbin, Lockington, Stanhope and Tongala that the aquatic facilities in that community be decommissioned.

COUNCILLORS MADDISON/JARMAN

That Council:

1. **Acknowledge that the need to confirm a future direction for the delivery of aquatics services through the Aquatic Services Review has been driven by ageing assets, increasing operational and renewal costs and declining attendances;**
2. **Acknowledge community concerns raised regarding the options presented in the Aquatics Service Review Discussion Paper, in particular submissions from the communities of Colbinabbin, Lockington, Stanhope and Tongala;**
3. **Having considered all submissions received to the Aquatics Services Review Discussion Paper, confirm the preferred strategic direction for the future delivery of aquatic services by the Shire of Campaspe as being delivered through facilities at Echuca, Kyabram, Rochester and Rushworth. Continued service provision from facilities at Colbinabbin, Lockington, Stanhope and Tongala are subject to the outcomes of Community Place Based Plans;**
4. **Note that officers will prepare an implementation strategy for the Echuca, Kyabram, Rochester and Rushworth aquatics facilities in conjunction with the community based on the confirmed strategic direction endorsed by Council, inclusive of estimated project costs and a funding strategy, for future consideration by Council;**
5. **Confirm support for the development of a scope to support the process of Community Place Based Plans for the communities of Colbinabbin, Lockington, Stanhope and Tongala for future consideration by Council. The development of the scope is to be completed by September 2017;**
6. **Confirm a maximum timeframe of three years (subject to budget constraints) for the development of Community Place Based Plans in partnership with the communities of Colbinabbin, Lockington, Stanhope and Tongala from the confirmation of the program scope; and confirm that only essential maintenance funding to be provided for the sole use of the pools at Lockington, Stanhope, Colbinabbin and Tongala until the end of the 3 year period.**

7. Confirm that at the end of the endorsed timeframe for the development of the Community Place Based Plans that should a plan not have been prepared for one or more of the communities of Colbinabbin, Lockington, Stanhope and Tongala that the aquatic facilities in that community be decommissioned.

COUNCILLORS BRADBURY/ZOBEC

That Council suspend standing orders at 6:50pm

CARRIED

COUNCILLORS BRADBURY/PENTREATH

That Council resume standing orders at 7:10pm

CARRIED

Cr Weston foreshadowed an alternate motion should the motion be lost

The MOTION was put to a vote and was **CARRIED**

Those in favour of the motion – Crs Maddison, Howell, Pentreath, Pankhurst, Jarman, Bradbury, Wilson

Those against the motion – Crs Zobec, Weston

3. Conflict of Interest

In accordance with Section 80B of the *Local Government Act 1989*, the officer preparing this report declares no conflict of interest in regards to this matter.

4. Charter of Human Rights

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

5. Instrument of Delegation

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

6. Background

A program of service review was established to ensure that services continue to meet the changing needs of our community whilst considering the long term financial sustainability of the Shire. Services reviewed to date include childcare, places of assembly and the road network. In 2013, the Council commenced a review of aquatic services.

The Aquatics Services Review is to support the long term sustainability of aquatic services and facilities in Campaspe.

The Aquatic Services Review comprises four distinct phases. Phase I, II and III are complete and have incorporated situational analysis and investigation, education and engagement, discussion and review of feedback. More specifically the phases include the following activities:

Phase I – Situation Analysis and Investigation

- General condition assessments of all aquatic facilities and detailed inspections of pool shells, circulation and filtration systems of the Rochester, Kyabram and Tongala Pools.
- Shire wide household survey seeking feedback about usage and perception of Campaspe aquatic facilities.
- Preparation of maintenance plans for each pool.
- Analysis of operational and financial performance of each pool and modelling of projected performance to 2018/19.
- Listing of major challenges that will impact on the capacity to sustain current services in the future.
- The outcomes of this phase provided information and detail for progression to the Education and Engagement activities of Phase II.

Phase II – Education and Engagement

- Sharing the available data and information on the condition and performance of outdoor pools with the community via the publication and distribution of an Aquatic Services “facts and figures” flyer.
- Conduct seven community focus groups sessions at each outdoor pool with more than 250 participants, 113 people nominated to join a Pool Reference Group for their community.
- Online feedback on “facts and figures” publication.
- Formation of reference groups for each pool.

Phase III – Discussion and Review

- 51 people were appointed across the seven Pool Reference Group a single workshop of all PRG's held in July 2015 in Rochester, attended by 27 members.
- Distribution of data and feedback packages to reference groups
- Responses from the reference groups have assisted in the formation of the proposed service models outlined in this Discussion Paper.

Phase IV – Options and Implementation

- Public exhibition of the Discussion Paper which takes into consideration all findings and community feedback from all earlier phases.
- Concludes in the adoption of an Aquatic Services Strategic Direction to guide aquatic services into the future.

This report represents the final stage of phase IV being the adoption of a strategic direction.

7. Content

The essential question posed by the Aquatics Services Review is:

What type of sustainable aquatic facility provision does Council aim to provide to the Campaspe community for the next 15 years?

In determining the preferred strategic direction for aquatic services there are two key cost considerations:

1. Capital costs to replace and repair the facilities based on condition assessments, and

2. Operational running costs to provide the service.

Condition assessments enable a greatly improved understanding of the current condition and expected remaining life of infrastructure that Council manages. Condition assessments enable improved planning including financial planning for asset renewal.

Detailed condition assessments of pool shells, circulation and filtration systems were completed in 2012/13 for five pool locations being:

- Echuca Aquatic Centre
- Kyabram (main and toddler pools)
- Rochester (main and toddler pools)
- Stanhope (learner and toddler pools)
- Tongala (main, learner and toddler pools)

More recently, a condition assessment was undertaken for the Rushworth main pool using the same methodology as the 2012/13 assessments. It should be noted that these assessments did not assess the ancillary pool infrastructure such as change rooms, kiosk buildings, club rooms and supporting infrastructure. These assets were assessed in 2013/14 as part of the building assets assessment.

Plant room condition assessments have recently been completed for Colbinabbin, Kyabram, Lockington, Rushworth and Stanhope pools.

The 2012 assessments identified approximately \$2.95 million in immediately required rectification works and estimated the remaining life of assets. Whilst the 2016 assessment identified approximately \$150,000 in further rectification works to support only short to medium term overall condition improvement.

Since 2009/10, approximately \$3 million in capital renewal funding has been spent across all eight pools. Even with this expenditure the current estimated renewal requirement remains at approximately \$2.6 million.

Based on the combined condition assessment reports, it is anticipated Council would need to spend in excess of \$8.2 million (inclusive of the \$2.6 million of assets currently at intervention) across all eight pools over the next 15 years to support their continued operation. This is on top of the projected \$24.5 million in operational costs over the same period to continue to provide the service.

The condition assessments have identified that over the next 15 years works, including renewal to pool shells at Colbinabbin, Kyabram, Rochester, Rushworth, Stanhope and Tongala would be required. Overall these renewal works will not upgrade or greatly change the existing facility or level of service provided at each pool.

It is critical that when considering the asset renewal backlog (unfunded assets at intervention) identified for aquatics facilities (i.e. the estimated \$8.2 million) that it be done in the context of the overall renewal backlog. The 2016/17 budget forecasts identify that unfunded assets requiring renewal as at 1 July 2016, are forecast at approximately \$12 million. Based on the current long term financial plan, the asset renewal backlog in July 2026 is forecast to grow to approximately \$32 million. Whilst additional and improved data and new condition assessments across all asset class are being undertaken, the renewal backlog and the total assets at intervention continues to grow.

In response to the growing asset renewal backlog, the Aquatic Services Review sought to identify gaps in meeting needs and to consider alternative models of service delivery and facility provision that can improve on quality, relevance, access (for people with a disability) and sustainability. As a consequence, the Discussion Paper outlined three different service delivery models for a Council operated and provided service with the view to affirming the long term strategic direction for the provision of aquatic services.

Each model outlined proposed service standards and consideration was given to:

- The benefits that will be delivered by the service standards
- The types and distribution of aquatic facilities to deliver the service standards
- The capital costs to provide the aquatic facilities to deliver the services standards
- The operating cost to provide the service standards
- The ongoing renewal and maintenance costs
- The impact on existing travel distances for residents to access services and benefits.
- Relative improvement to access for people of all abilities
- Relative improvements to quality and condition and contributions to modernisation of facilities

The three models were compared against the current level of service and facility provision, with cost differences for operational expenditure, maintenance and renewal and capital improvements projected over a 15 year timeframe.

The three options were:

Option A – Regional, District and Local Aquatic Facilities

A three tier service providing Regional, District and Local aquatic facilities. Under this option, all facilities would be retained in their current formats and locations. Capital funds would be allocated to ensure that all facilities are compliant with relevant legislation and guidelines.

Option B – Regional, District and Splash Park Facilities

A three tier service of Regional, District and Community aquatic facilities. Under this option, a significant change to the form of aquatic facilities at Lockington, Stanhope, Colbinabbin and Tongala is proposed. Existing traditional seasonal use pools will be replaced by interactive water play in each of these towns, and facilities at Kyabram, Rochester and Rushworth will be remodelled and upgraded to include 25m main pools and interactive water play. All facilities will maximise access for people with a disability. Interactive water play is also proposed for Echuca.

Option C – Regional and District Aquatic Facilities

A two tier service of Regional and District aquatic facilities. Under this option, all aquatic services will be delivered through facilities at Echuca, Rochester, Rushworth, and Kyabram. Main pools at Kyabram, Rushworth and Rochester would be remodelled as 25m pools and feature interactive water play at each location. All facilities will maximise access for people with a disability. Interactive water play is also proposed for Echuca.

The Discussion Paper outlines that models incorporating community owned/operated aquatic services were considered. However, a community owned/operated aquatic service model was not proposed as an option. Community based service models were considered to pose a significant burden on local communities with respect to OH&S, ongoing costs and liability, including potential personal liability, in the event of an accident or drowning.

Release of the Discussion Paper raised significant concerns within the community about the potential closure of pools, particularly within the communities of Colbinabbin, Lockington, Stanhope and Tongala. Submissions from these communities all proposed alternative models of operation which involved community run or supported facilities. Whilst these models may (with some initial establishment assistance from Council) be able to operate the facilities in the short to medium term and meet the relevant operational guidelines, the models were not able to independently address the issue of funding to support asset renewal and consequently continued to place a reliance on Council to fund asset renewal. Given the broader context of the review and the renewal backlog such a model does not resolve the longer term financial burden on the community.

It is acknowledged from the submissions and community interest in the Discussion Paper, that there is strong community desire to retain pools. However, can the community continue to afford \$2.2 million (\$550,000 in capital renewal and \$1.6 million in operational costs) plus annually to just support the continuation of the existing operation of the aquatic services? With no change to the current level of service provided? And is it appropriate or fair?

No matter the answer, a solution to the ever increasing renewal backlog is required in the short term.

One approach may be the immediate closure of those facilities that require the greatest allocation of funding to support their continued operation over the longer term. Whilst this approach provides an immediate solution and supports a reduction in the required renewal allocation, it fails to adequately consider the concerns of the community nor take a strategic approach to the provision of long term service delivery.

As an alternative, performance targets may be developed across all outdoor facilities and used as triggers for closure where they are not met. Performance targets may be developed around issues such as minimum attendances, annual operating cost and capital renewal allocation. The concern associated with the establishment and implementation of performance targets is the ability of such targets to be influenced by external factors beyond the control of both Council and the community. Factors such as poor attendances resulting from low temperatures. Further, performance targets are not a particularly strategic approach to the provision of determining a long term service.

A long term strategic solution is required and the discussion paper is considered to provide part of that solution. The discussion paper sets out a strategic framework for the future provision of aquatic services. Option C provides the most affordable and sustainable service over the longer term.

However, the Discussion Paper considers the long term strategic provision of aquatic services in isolation to all other services and assets provided by Council. This approach whilst appropriate, neglected to consider that there may be opportunity for financial savings through other services or assets provided by Council. Such as halls, stadiums, roads and bridges, recreation reserves, service centres, library services, etc. Savings may be identified through a reduction or change in the way the service is delivered or consolidation of assets and functions within a community. Reviewing services and assets in each community with involvement of the community to understand their service priorities, is an alternative approach. This approach is particularly appropriate for smaller communities where not all assets are utilised to the same level.

The renewal backlog and imperative to remain financially sustainable in the longer term, is a significant catalyst for Council to have to make a decision about the longer term provision of aquatic services. Option C provides the most affordable and sustainable service over the longer term. It is recommended that Council adopt the framework for long term service provision as proposed in option C. In adopting option C it is recommended that a timeframe of three years be affirmed for the establishment of Community Place Based Plans for the communities of Colbinabbin, Lockington, Stanhope and Tongala. Noting that this timeframe is very much dependent upon budget constraints and may be reduced as a consequence.

To guide the development of the plans a project scope first needs to be affirmed by Council. The scope must identify all project inclusions (being those services and assets currently provided or managed by Council and the level of service provided, that are to be incorporated within the review and the extent or area subject to the review) and more importantly project exclusions. In addition the scope must affirm the minimum value of savings required to be identified within each community.

The plans will require Council and the identified communities to work together to determine the priority services and assets within their community that Council will provide. Importantly, these plans may identify that the aquatic service is the most important service provided by Council to that community. Consequently savings identified through a change in service level or ending of other services or assets will be needed to ensure its continued operation.

In order for this to occur Council will need to allocate appropriate resources (being staff and funding) to support those communities to confirm their priorities. Should, at the end of the three year period, no priorities be identified which result in savings equal to the ongoing operational and renewal costs of the aquatic facility, then the aquatic facility would be closed in line with the adopted Option C.

8. Issues

The Aquatic Services Review has been driven by a number of challenges to the long term sustainability of the service and the facilities.

Issue 1 - Age, Condition and Number of Facilities

The most significant challenge for the Shire of Campaspe is the age of outdoor pool facilities. The current facilities average age is over 50 years, and ranges from 18 to 85 years. As a consequence majority of the facilities are in very poor condition, and reaching the end of their serviceable lives. General condition assessments have been carried out for each pool and at Rochester, Kyabram and Tongala a more concise and detailed inspections have been undertaken. All other pools are to have similar inspections scheduled over the next 24-38 months. This activity to date has clearly indicated that significant and expensive work is required to main all existing facilities in serviceable condition.

Issue 2 - Increasing Operational Costs and Falling Attendances

The main costs associated with running pools include staff, power, water, chemicals, asset maintenance, cleaning, administration and supervision. In past years these costs have risen significantly above CPI. There have been increases to entry fees over recent years and planned for coming seasons, but these provide only minor offset against rising costs. Adding to the net cost of operating pools, there is a nationwide decline in the use of small, cold-water seasonal swimming pools. Campaspe is no exception and has experienced significant declines in attendance at most outdoor pools over the past decade.

Issue 3 - Changing Population and Community Expectations

The Australian and Campaspe population is ageing. The use of cold-water outdoor pools significantly decreases with age, as water temperatures and access become relevant. Corresponding with an ageing population, is also a decrease in younger age groups in many Campaspe towns. These younger groups have been typically the highest users of outdoor swimming pools, however they represent a much lower proportion of the population and will continue to decline further as the overall population changes.

9. Options

Option 1: Affirm option C as the strategic direction for the future delivery of aquatic services by the Shire of Campaspe

This option is recommended by officers.

Adopting a strategic direction for the future delivery of aquatic services by the Shire of Campaspe which considers the long term capital and operational costs is required, should Council wish to remain financially sustainable. This report outlines a way forward which seeks to ensure long term financial sustainability whilst ensuring an appropriate and sustainable level of service.

Option 2: Not affirm a strategic direction for the future delivery of aquatic services by the Shire of Campaspe

This option is not recommended by officers.

Not affirming a strategic direction for the future delivery of aquatic services, fails to address long term financial sustainability. The increasing service and operational costs and widening asset renewal gap means that without changes in the level of service or a reduction in the number of assets means that Council may become financially unsustainable. This report seeks to assess this issue and provide a way forward that involves changes to the level of service provided and discussion with some communities about defining their highest priority services.

Option 3: Affirm an alternative strategic direction for the future delivery of aquatic services by the Shire of Campaspe

This option is not recommended by officers.

The strategic direction presented in this report seeks to achieve a balanced outcome. Deviation from the recommendation may significantly and unduly impact the community either through long term financial burden (including through the continued delivery of the existing service via the existing assets) or the provision of service that does not meet community need.

10. Strategic Planning Environments

Prosperity: The service review supports Strategic Objective #4: *“Campaspe attracts and retains new residents”* in that it seeks to maximise use of existing public infrastructure to accommodate growth.

Place: The service review supports Strategic Objective #3: *“Community infrastructure contributes to our long-term social and economic fabric”* in that it provides direction to enable effective decisions regarding long term use of and investment in aquatic facilities. It will also contribute in the longer term to enhancement of an important community asset that is appropriate, accessible and safe.

People: The service review supports Strategic Objective #1: *“Services support our communities’ health and wellbeing”* in that the service review seeks to plan and provide services that cater for all life stages and meet community need.

Organisation: The service review supports Strategic Objective #1: *“Through respectful conversations with our stakeholders, partners and community, we hold shared goals, and understand each others’ obligations, activities and achievements”* and Strategic Objective #2 *“Service delivery reflects community need and is efficient and effective”* in that the service review has involved significant community conversation around the current service issues and the need to consider alternatives.

The service review also supports Strategic Objective #3 *“Council continues to have the resources to provide services needs by our communities”* in that the review seeks to assess the affordability of the desired service and plan for the longer term context.

11. Consultation

Phases II and III have involved extensive community consultation and engagement. Phase IV involved the culmination of information gathered from previous phases into a Discussion Paper for community comment.

The Discussion Paper was released for community comment from 20 April until 24 June 2016 and promoted via media releases, Council’s Facebook page and information in the Campaspe Times newsletter. A total of 166 submissions were received to the paper.

The key issues arising out the submissions are:

- Community preference for Option A
- Loss of safe swimming venue
- Reduced access to water education
- Loss of socialisation
- Cost and time impact to travel to alternative facility

A number of submissions proposed alternative models of operation which involved community run or supported facilities. The model generally presented sought a continued contribution from Council in the order of \$40,000 per pool to support operational costs and to place a reliance on Council to support/assist with funding for asset renewal. No submissions proposed community operated models that were independently financially sustainable.

A copy of the submissions received is attached for Council’s information and review (Attachment 6.6).