

# Audit & Risk Committee Agenda & Reports

**15 May 2023**

## **Our Vision**

*A City which values its heritage, cultural diversity,  
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable  
and socially cohesive, with a strong community spirit.*

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City of  
Norwood  
Payneham  
& St Peters

10 May 2023

## To all Members of the Audit & Risk Committee

### **Committee Members**

- Mayor Robert Bria (Presiding Member)
- Cr Grant Piggott
- Cr Claire Clutterham
- Ms Stephanie Eldridge (Independent Member)
- Ms Sandra Di Blasio (Independent Member)

### **Staff**

- Mario Barone (Chief Executive Officer)
- Lisa Mara (General Manager, Governance & Civic Affairs)
- Natalia Axenova (Principal Finance Officer)
- Sean Faulkner (Manager, WHS & Risk)
- Skye Grinter-Falzun (Manager, Chief Executive's Office)

### **NOTICE OF MEETING**

I wish to advise that pursuant to Sections 87 and 88 of the *Local Government Act 1999*, the next Ordinary Meeting of the Audit & Risk Committee, will be held in the Meeting Room 1 (Ground Floor), Norwood Town Hall, 175 The Parade, Norwood, on:

**Monday 15 May 2023, commencing at 7.00pm**

Please advise Lisa Mara on 8366 4549 or email [lmara@npsp.sa.gov.au](mailto:lmara@npsp.sa.gov.au) if you are unable to attend this meeting or will be late.

A light meal will be available from 6.30pm.

Yours faithfully



Mario Barone  
**CHIEF EXECUTIVE OFFICER**

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City of  
**Norwood  
Payneham  
& St Peters**

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**VENUE**                                      Mayors Parlour, Norwood Town Hall

**HOUR**

**PRESENT**

**Committee Members**

**Staff**

**APOLOGIES**

**ABSENT**

**TERMS OF REFERENCE:**

*The functions of the Audit & Risk Committee include:*

- (a) reviewing Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council; and*
- (b) proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan; and*
- (c) monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's External Auditor; and*
- (d) proposing, and reviewing, the exercise of powers under Section 130A of the Local Government Act 1999; and*
- (e) liaising with the Council's External Auditor in accordance with any requirements prescribed by the regulations; and*
- (f) reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis; and*
- (g) providing oversight of planning and scoping of the Internal Audit work plan; and*
- (h) reviewing and commenting on reports provided by the person primarily responsible for the Internal Audit function at least on a quarterly basis; and*
- (i) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and*
- (j) reviewing any report obtained by the Council pursuant to Section 48(1) of the Local Government Act 1999; and*
- (k) performing any other function determined by the Council or prescribed by the regulations.*

- 1.        CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON  
          17 APRIL 2023**
  
- 2.        PRESIDING MEMBER'S COMMUNICATION**
  
- 3.        QUESTIONS WITHOUT NOTICE**
  
- 4.        QUESTIONS WITH NOTICE**  
          Nil
  
- 5.        WRITTEN NOTICES OF MOTION**  
          Nil
  
- 6.        STAFF REPORTS**



## 6.1 SAFEWORKS SA SAFETY ALERT - PLAYGROUNDS

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**REPORT AUTHOR:** Manager, WHS & Risk  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4518  
**FILE REFERENCE:** fA24688  
**ATTACHMENTS:** Nil

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### PURPOSE OF REPORT

The purpose of this report is to advise the Audit & Risk Committee of the Council's response to a recent Safety Alert which has been issued by *SafeWork SA*.

### BACKGROUND

On 1 April 2023, *SafeWork SA* issued a playground safety alert following an incident involving a young girl who was seriously injured when they fell off a swing while playing at a playground at an Adelaide Hills primary school. The swing involved in the incident is commonly known as a "*bird's nest*" (or rope basket) swing and can be mounted via two (2) point fixing or pendulum style.

As a result of the accident, *SafeWork SA* issued a safety alert for all those responsible for playgrounds to conduct "*playground risk assessments*".

In the Safety Alert, *SafeWork SA* recommended that assessments ensure that:

- all play equipment is suitable for the ages of children who attend the campus<sup>1</sup>;
- swings, jungle gyms, bridges, adventure areas, nature strips or monkey bars are built in appropriate areas and maintenance is regularly undertaken;
- equipment is installed according to manufacturer's specifications;
- no screws or bolts are protruding;
- inspection checks are conducted by a competent person;
- risks assessments are regularly undertaken and particularly before any new equipment is purchased; and
- adequate "*fall impact protection*" such as ensuring loose fill is at the appropriate depth.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

- Risk Management Policy (2022).
- Asset Management Plan - Recreation and Open Space Infrastructure (2020).

### FINANCIAL AND BUDGET IMPLICATIONS

An annual budget of \$96,000 is allocated for the ongoing maintenance of playground equipment.

Funding for playground renewal is embedded into councils *Recreational & Open Space Asset Management Plan* with annual expenditure determined by asset condition and asset life.

There are no financial and/or budget implications associated with this issue.

### EXTERNAL ECONOMIC IMPLICATIONS

Nil

### SOCIAL ISSUES

Nil

### CULTURAL ISSUES

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<sup>1</sup> This recommendation is not applicable to Council

Nil

## ENVIRONMENTAL ISSUES

Nil

## RESOURCE ISSUES

Nil

## RISK MANAGEMENT

To ensure that the Council manages all of the risks which are associated with operating and maintaining Council owned play spaces, the Council has a playground safety management system consisting of the following:

- systematic documentation and record keeping processes;
- establishment of risk assessment and reporting procedures;
- training of relevant staff; and
- conduct of timely inspections, maintenance and repairs as set out in Australian Standards.<sup>2</sup>

Of note, two (2) City Services staff have been trained to undertake weekly inspections (Level 1) with an additional four (4) staff trained to conduct the detailed operational (Level 2) inspections. These weekly and monthly inspections capture the overall safety of the equipment, foundations and surfaces.

The Council also uses an external contractor to undertake Level 3 inspections which covers all aspects of risk and liability on the play space. Level 3 Inspections are mandatory and must be conducted every twelve (12) months under AS 4685.0:2017 as per AS 4685:2021. These Level 3 inspections also serve as an external audit of the Council's maintenance staff and provides a yearly snapshot of compliance and progress of maintenance works. The inspection requires regular testing of impact attenuating surfaces within the required time lines.<sup>3</sup>

The most recent annual risk assessments were completed in October 2022 by *CCEP - Consulting Coordination*.<sup>4</sup> The findings of these reports inform the City Services Unit maintenance program and City Assets Unit long-term renewal program.

## CONSULTATION

- **Committee Members**  
Not Applicable.
- **Community**  
Not Applicable.
- **Staff**  
The following staff have been consulted in respect to this issue:
  - Manager, WHS & Risk,
  - Manager, City Assets,
  - Project Manager, Assets, and
  - Director, St Peters Child Care Centre & Preschool.
- **Other Agencies**  
Not Applicable.

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<sup>2</sup> Australian Standard 4685.0:2017, *Playground equipment and surfacing, Part 0: Development, installation, inspection, maintenance and operation*

<sup>3</sup> Loose fill is inspected annually with synthetic soft fall inspected every three years.

<sup>4</sup> CCEP Consulting Coordination was the first play safety training organisation in Australia and New Zealand and continues to set the industry standard for compliance and training in both public and private sectors

## DISCUSSION

Following the *SafeWork SA* Safety Alert, a review of Council owned playground facilities was coordinated by the Manager, WHS & Risk. As part of this review, it was confirmed that the Council has four (4) bird's nest-style swings located within the following playgrounds:

- Drage Reserve (pendulum);
- Hannaford Reserve (2-point fixing);
- Payneham Oval (2-point fixing); and
- Syd Jones Reserve (2-point fixing).

A review of the Comprehensive Annual Playground Inspections which has been undertaken by the consultant, CCEP, in late 2022, was also conducted. This review confirmed that there does not appear to be any fall risks will have been identified specifically for the bird's nest-style swings at any of the aforementioned playgrounds. However, as these inspections were undertaken almost six (6) months ago, City Assets staff recommend that the level of loose fill be checked at these four locations and remediated as required. As such, City Services staff subsequently arranged for the soft fall (loose fill) to be topped up on 18 Apr 2023.

In addition, on 4 April 2023, City Services staff - who are responsible for Level 1 and 2 inspections - were reminded to be extra vigilant when conducting their periodic inspections to ensure that the Council could demonstrate that it is proactively managing all threats associated with playground equipment.

## CONCLUSION

The Council has always taken the maintenance and safety of playgrounds and public spaces very seriously. The recent Safety Alert issued by *SafeWork SA*, was however a timely reminder of the risks associated with public play spaces. The Committee should be confident that the Council has in place an appropriate playground safety management system and can demonstrate that it has implemented inspection and maintenance programs to ensure that our local playgrounds are a safe place to play.

## RECOMMENDATION

That the Audit & Risk Committee notes that the Council has in place an appropriate management system which meets the expectations and requirements of the *SafeWork SA* Safety Alert which was issued on 1 April 2023.

## 6.2 PRUDENTIAL MANAGEMENT REPORT – PAYNEHAM MEMORIAL SWIMMING CENTRE

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<b>REPORT AUTHOR:</b>	Manager, City Projects
<b>GENERAL MANAGER:</b>	Chief Executive Officer
<b>CONTACT NUMBER:</b>	8366 4506
<b>FILE REFERENCE:</b>	qA75100
<b>ATTACHMENTS:</b>	A - F

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### PURPOSE OF REPORT

The purpose of this report is to present the Prudential Management Report for the Payneham Memorial Swimming Centre Redevelopment Project, to the Audit & Risk Committee for consideration and recommendation to the Council.

### BACKGROUND

The Payneham Memorial Swimming Centre Redevelopment is a significant project for the City of Norwood Payneham & St Peters. The Project will transform the Payneham Memorial Swimming Centre into a contemporary aquatic facility for swimmers, families, and the wider community.

The Project includes:

- demolition of the existing swimming centre building, pools (outdoor 50 metre, learner's and wading) and associated infrastructure;
- a new swimming centre building with:
  - an entrance foyer and reception area;
  - a staff office area and breakroom;
  - a first aid room;
  - a kiosk/café;
  - male, female and unisex all-access changerooms with showers, toilets and lockers;
  - multipurpose rooms for swimming club and community use;
  - storage areas; and
  - a roof mounted solar panel system;
- an 11 x 20 metre indoor learner's pool;
- an 8 lane, 25 metre indoor lap pool;
- a 10 lane, 50 metre outdoor lap pool;
- a 14 metre tall tower with two outdoor waterslides;
- an outdoor, zero-depth waterplay area (splash pad);
- a plant room with pump and filtration systems; and
- shade shelters, picnic seating and barbeques.

The Council's former Regional Capital Projects Committee was established in October 2020 to assist the Council in the development of Regional Capital Projects. The Regional Capital Projects Committee considered the Project on a number of occasions.

At its meeting held on 27 October 2020, the Regional Capital Projects Committee considered a report on the draft *Patterson Reserve Community & Recreational Precinct Masterplan*, which includes the Payneham Memorial Swimming Centre. The *Masterplan* was prepared by TCL (design consultants). Following consideration of the report, the Committee resolved:

1. *That the report be received and noted.*
2. *That the Regional Capital Projects Committee recommends to the Council that it reaffirm its support for the Council's decision to refurbish the main pool in accordance with the Swimming Centres Long-Term Strategy.*
3. *That a report be resubmitted to the Council at a later date regarding the Tender for the Stage 2 Refurbishment of the main pool which was deferred by the Council at the August 2020 meeting.*
4. *That TCL (Consultants) be instructed to review Options A, B1 and C1 and develop any other options that are required to complete the Masterplan.*
5. *That TCL (Consultants) consult with the existing stakeholders regarding the draft concepts before finalising the draft concepts for the Committee's consideration.*

At its meeting held on 16 December 2020, the Regional Capital Projects Committee was presented with four (4) draft concepts for the Patterson Reserve Community & Recreational Precinct and more specifically, the Payneham Memorial Swimming Centre. Following consideration of the concepts, the Committee resolved the following in relation to the Patterson Reserve Community & Recreational Precinct and the Payneham Memorial Swimming Centre.

*That Concept B2 be recommended to the Council for adoption for the purposes of progressing to the development of a draft Masterplan.*

Subsequently, at its meeting held on 18 January 2021, the Council considered and adopted the Committee's recommendation and in doing so, endorsed Concept B2 as the preferred concept for the future redevelopment of the Payneham Memorial Swimming Centre and more broadly the Patterson Reserve & Community Recreation Precinct.

In January 2021, the Council also prepared a *Business Case* and made an application (refer to **Attachment A**) for the *Local Government Infrastructure Partnership Program (LGIPP)* for the Payneham Memorial Swimming Centre Redevelopment (the Project). The intent of *LGIPP* funding is to deliver economic stimulus projects to drive economic growth and employment in response to the economic downturn that was caused by the COVID-19 pandemic. The Council's application requested \$10 million towards a total estimated project cost at that time of \$24 million, of which the Council proposed to contribute \$14 million.

The *Business Case*, a copy of which is contained in **Attachment B**, outlines the background, strategic alignment and key considerations for the Project, including an analysis of the regional aquatics market and the expected economic impacts, financial costs and health and social benefits.

On 22 March 2021, the Council was advised that it was successful in securing *LGIPP* grant funding of \$5.6 million for the Project. As part of the Council's 2021-2022 Budget, the Council subsequently allocated a total project budget of \$24 million (comprising of \$5.6 million grant funding and \$18.4 million as the Council's allocation). It should be noted that the *LGIPP* was a very competitive grant program, and that the grant funding allocated to the Project is \$4.4 million less than the \$10 million which was requested by the Council in its grant application.

At its third and last meeting held on 21 April 2021, the Regional Capital Projects Committee resolved:

1. *That the draft Masterplan contained in Attachment B be recommended to the Council for adoption.*
2. *The Committee recommends to the Council that Stage 1 of the Payneham Memorial Swimming Centre Redevelopment Project, for the purposes of detail design, construction documentation and construction, should comprise of the following elements:*
  - *50 metre pool with provision for a solid cover;*
  - *new semi-enclosed 25 metre outdoor Learners' Pool;*
  - *new sports and leisure centre providing pool facilities and café, new gym/dry pool training, clubrooms and lettable function areas;*
  - *new leisure pool with interactive waterplay and high platform water slides;*
  - *the installation of shade, barbeques and picnic facilities on grassed embankment; and*
  - *new plant room to service the 50m Pool, new 25m Learners' Pool and the aquatic recreation equipment and facilities.*
3. *That the Committee notes that staff will now progress to the detail design and construction documentation stage of the Project for the Payneham Memorial Swimming Centre Redevelopment.*
4. *That the Committee notes that a suitable consultant will now be engaged to prepare a Prudential Report for the Council's consideration.*

At its meeting held on 3 May 2021, the Council resolved:

*"that the minutes of the meeting of the Regional Capital Projects Committee held on 21 April 2021, be received and that the resolutions set out therein as recommendations to the Council are adopted as decisions of the Council."*

A copy of the *Patterson Reserve Community & Recreation Precinct Masterplan Report* is contained in **Attachment C**. The *Masterplan Report* provides a site history and analysis, summarises past consultation, and details the masterplan design principles, elements and the multiple draft concepts which were developed and considered for the Patterson Reserve and Payneham memorial Swimming Centre. The selected concept for the Payneham Memorial Swimming Centre is illustrated on page 11 of the *Masterplan Report*.

The Council subsequently conducted a tender process for a design consultancy to undertake the detail design and construction documentation for the redevelopment of the Payneham Memorial Swimming Centre. At its meeting held on 26 October 2021, the Council resolved to award the design consultancy contract to Design Worldwide Partnership (DWP Architects).

At its meeting held on 2 May 2022, the Council endorsed the Schematic Design developed by DWP Architects for the Payneham Memorial Swimming Centre. The key differences between the Masterplan and Schematic Design are outlined in **Table 1**.

**TABLE 1: KEY DIFFERENCES BETWEEN MASTERPLAN AND SCHEMATIC DESIGN**

Element	Masterplan (May 2021)	Schematic Design (May 2022)
<b>Main Building</b>	double (2) storey	single (1) storey
<b>25m and Learner's Pools</b>	joined and semi-enclosed	separated and fully enclosed (indoor)
<b>50m Outdoor Pool</b>	existing pool with eight (8) lanes to be refurbished with an optional roof over the entire pool area	new pool with ten (10) lanes to be built with retractable shade structure over shallow end of the pool
<b>Waterslides</b>	attached to main building	freestanding
<b>Waterplay</b>	one (1) outdoor area	indoor and outdoor areas
<b>Plant Room</b>	additional access point from OG Road	shared service access with Payneham Library
<b>Carpark</b>	multi-level carpark building (future)	option to remove existing playground and extend the Payneham Library carpark

The Council is preparing to undertake the redevelopment of the Payneham Memorial Swimming Centre and has allocated a budget of \$24 million for this Project based on preliminary cost estimates prepared in 2021. As set out in Section 48(1) of the *Local Government Act 1999* (the Act), the Council must obtain and consider a report that addresses the prudential issues set out in Section 48(2) of the Act before the Council engages in any project where the expected cost of the project over the ensuing five (5) years is likely to exceed \$4,000,000 (indexed).

Pursuant to Section 48(4) of the Act, the Prudential Report must be prepared by a person whom the Council reasonably believes to be qualified to address the prudential issues required to be addressed by Section 48. To this end, following a call for submissions, Ms Corinne Garrett of UHY Haines Norton, was engaged to prepare the Prudential Report for the Project.

Pursuant to *Section 48(4b)* of the Act, the Council must give reasonable consideration to the Prudential Report. A copy of the Prudential Management Report dated May 2023, which was prepared for the Project, is contained in **Attachment D**.

## RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's *Prudential Management Policy* was endorsed by the Audit Committee on 25 July 2022 and adopted by the Council on 4 July 2022. The purpose of this Policy is to provide guidance to the Council, the community and staff, with respect to the requirements for appropriate due diligence and prudential management of projects.

The Project's relationship to the Council's relevant strategic management plans is addressed on pages 8-10 in the Prudential Management Report.

## FINANCIAL AND BUDGET IMPLICATIONS

In order to establish the initial budget, the Project was benchmarked against other similar proposed aquatic centre upgrade projects. Based upon the assessment at that time, a budget of \$24 million was considered to be sufficient to cover the estimated costs for the development of the detail design and construction documentation, as well as the refurbishment of the main 50 metre main pool and associated infrastructure, the 25 metre pool, aquatic play equipment (including the slides), plant room, the main building, as well as all ancillary features such as fencing, outdoor furniture and landscaping.

Since the budget was established, there have been significant movements in the market and in the rate of escalation that is currently being applied by the construction industry. This suggests that the current budget may be insufficient or at the very least, be put under pressure, particularly when it is compared to similar projects such as the Salisbury Aquatic Centre Project, which has a similar footprint to the Payneham Memorial Swimming Centre. The Salisbury Aquatic Centre Project was originally estimated at \$24-\$25 million in 2021. However, this project was tendered late last year / early 2023 and the project cost was recently announced at \$29.9 million, of which \$7.185 million is *LGIPP* grant funding. The increase in the Salisbury Aquatic Centre Project cost is approximately 20-25% higher than the original estimate.

Based on the current market conditions, it is anticipated that the construction costs for the Payneham Memorial Swimming Centre Redevelopment are very likely to exceed the allocated budget of \$24 million. The most recent cost estimate prepared by WT Partnership (cost consultants) on 20 October 2022 indicated a total construction cost of \$32.6 million.

Through the design process, Value Management has been undertaken in order to deliver the Project as close to the allocated budget as possible. However, it should be noted that the Council's decision, which was made with long-term outcomes in mind, to build a new ten (10) lane 50 metre outdoor pool in lieu of the refurbishing the existing eight (8) lane 50 metre pool, will incur an additional cost which was not factored into the original budget estimate.

When price escalation from January 2021 to mid 2023 is applied to the original budget of \$24 million, tenders in the range of \$30 to \$35 million are considered quite possible at this point in time.

However, notwithstanding the work which has been undertaken to provide accurate estimates, the actual costs for the Project will only be known once tenders are received. At that time, the Council will be in a position to consider options to manage the project costs such as reducing the scope (subject to the agreement of the Treasurer in terms of the impact on the cost finding), changing the specifications or working with the preferred tenderer to achieve savings.

The Project's financial and budget implications are identified and detailed on pages 12-16 in the Prudential Management Report.

It should be noted that whilst the Council budget is set at \$24 million, for the purposes of the Prudential Management Report, the financial modelling has been based upon the latest cost estimate of \$32.6m, which was prepared by WT Partnership (cost consultants) in October 2022. In addition, to assess the impact on the Council's financial position, the modelling has adopted an interest rate of 5.80%. Based on these parameters, the Prudential Review has determined that the Council's Operating Surplus and Asset Renewal Funding Ratios remain within the Council's endorsed targets.

In respect to the Net Financial Liabilities Ratio, this stays within the Council's target until year 5, peaks in year 6, and then reduces to the target limit in year 9 without any other changes to the current Long-Term Financial Plan inputs and assumptions. The Prudential Review identifies this as an element of risk for the Council to consider.

These factors will be considered as part to the future of its Long-Term Financial Plan.

A higher project cost will also result in higher depreciation and finance costs. The Council will need to consider and approve a new budget and adjust its Long-Term Financial Plan for the additional costs, or substantially reduce the scope of works which would lead to delays and possible loss of the Grant.

## **EXTERNAL ECONOMIC IMPLICATIONS**

State and Federal Government stimulus funding for building and infrastructure projects in response to the COVID-19 pandemic has created a large demand for consultants and contractors to undertake work to deliver projects. The high demand together with the general resurgence of the economy (and the consequent inflationary impacts) has resulted in a shortage of labour and materials in the building industry, significant delays to complete work or supply materials and of particular importance, price inflation. In addition, the war in the Ukraine and rising fuel prices, have also contributed to rising material and transport costs.

The Project will create additional jobs during the construction period. It is a requirement of the *LGIPP* Grant Deed for the Council to *"implement an Industry Participation Plan which ensures that capable South Australian small to medium sized enterprises are given full, fair and reasonable opportunity to tender and participate in all elements of the Project."*

New jobs (e.g. lifeguards, kiosk workers) are also anticipated to be created to support the on-going operations and increased participation in swim school programs at the Payneham Memorial Swimming Centre throughout the year.

The economic impact of the Project is further detailed on pages 10-11 in the Prudential Management Report.

## **SOCIAL ISSUES**

Sport and recreation are important components of community life. The social and health benefits of participating in sports and recreation activities such as swimming are well documented.

## **CULTURAL ISSUES**

The Payneham Memorial Swimming Centre is a much-loved community facility. The Swimming Centre opened in 1967 and its aged infrastructure is no longer suitable.

## **ENVIRONMENTAL ISSUES**

The proposed improvements to the Payneham Memorial Swimming Centre will deliver environmental improvements by reducing water loss and hence annual water usage. It is estimated that the operational costs associated with the Swimming Centre will reduce by approximately \$40,000 per year.

The redevelopment of the buildings will ultimately reduce the carbon footprint from this facility. Environmental elements such as solar power and rainwater tanks are incorporated into the design of facilities.

## **RESOURCE ISSUES**

To date, Council staff have managed the Project, including the procurement and management of consultants to prepare the detail design and tender documentation. The construction of the Project will require significant resource allocation from the Council. A consultant will be used to perform the role of Superintendent. Consultants will also be used for construction administration and project management activities as required to supplement the Council's staff resources.

Pages 17-18 in the Prudential Management Report include additional information regarding the Project Management component of the Project.



## RISK MANAGEMENT

Project risks are being managed in accordance with the Council's *Risk Management Policy & Procedure*, and are addressed on pages 16-17 in the Prudential Management Report.

The detailed Project Risk Assessment is included in Appendix D of the Prudential Management Report. The proposed controls have reduced all identified risks within tolerable limits.

## CONSULTATION

Details of the level of consultation undertaken for the Project are included on page 11 of the Prudential Management Plan and within the *Patterson Reserve Community & Recreation Precinct Masterplan Report*. Consultation has included the following key stakeholders.

- **Elected Members**  
The Council has considered this Project on a number of occasions.
- **Community**  
Payneham Swimming Club  
Norwood Swimming Club
- **Staff**  
Former General Manager, Corporate & Community Services  
Former Manager, Finance  
Manager, Swimming Centres  
Manager, Economic Development & Strategy
- **Other Agencies**  
South Australian Government Financing Authority  
Department for Education  
Office of the Industry Advocate  
Royal Life Saving South Australia

## DISCUSSION

The *LGIPP* Grant Deed (refer to **Attachment E**) was executed on 19 January 2022 and forwarded to the Council on 10 February 2022. The Grant Deed requires the Project to be completed by 30 June 2023 or such later date approved in writing by the Treasurer.

On 7 September 2022, Council staff wrote a letter (refer to **Attachment F**) to the South Australian Government Financing Authority (SAGFA) to provide the Treasurer with an update on the status of the Project and to request an amendment to the agreed timeframes for the three (3) Performance Milestones as set out in the Funding Deed. In reply, SAGFA's Contract Manager received and noted the new milestone dates on 9 September 2022.

On 26 October, 2022, Council and SAGFA staff agreed via email correspondence to wait until the tender process and contractor selection is completed so that there is more certainty over the Project schedule prior to formally revising the performance milestone dates for the Grant Deed. At that time, it was anticipated that the tender would be conducted in late 2022. However, this is a very large and complex project and it has required more time than originally anticipated to ensure that the design and documentation will deliver a suitably constructed facility that is responsive to the long-term needs of the community. Additionally, the Council received advice from both building companies and industry consultants, that it should delay going out to tender for construction until the market settles in 2023.

Following further correspondence, the Council's Manager, City Projects contacted SAGFA's Contract Manager in March 2023 to discuss the Project status and the potential implications to the *LGIPP* funding. During a telephone discussion, SAGFA's Contract Manager advised that:

- The grant funding is committed and there is no likelihood of losing the grant funding.
- Several Councils have been unable to meet their Funding Deed requirements, and there are risks that some of the projects may not go ahead due to changing priorities and construction cost escalation (up to 60% increase since 2020). This is a serious concern for the Treasurer.
- The Council's proposed project completion date (i.e. late 2024) is not too far after the deed expiry date (i.e. 30 June 2024) so it is likely that the Treasurer will allow an amendment. However, prior to amending the Funding Deed, the Council will need to:
  - tender the project to confirm costs and program;
  - obtain Council sign-off on the full project cost and commitment to complete the Project; and
  - confirm that the deliverables are the same as agreed in the Funding Deed.
- Other Councils that have obtained funding for swimming centres (i.e. City of Salisbury and District Council of Mount Barker) have also requested amendments to their Funding Deed milestone dates.

On 4 May 2023, SAGFA's Contract Manager informed the Council's Manager, City Projects *"that whilst we have remained in contact, DTF (Department for Treasury and Finance) has flagged that your project has not started, and your Grant Deed achievement dates are no longer achievable. As a result, a formal letter will be sent to your CEO from the Treasurer's Representative for a project status update."*

The tender documentation for the Project is due to be completed during the week of 15 May 2023. Subject to the Audit & Risk Committee's recommendation to the Council, the tender process is proposed to commence on Tuesday, 30 May 2023 and extend for a period of six weeks. A Special Meeting of Council has been scheduled for 28 August 2023 to consider the tenders and award a contract for the construction of the Project.

As set out in the Grant Deed, the Project is required to be physically completed by 30 June 2023 and as such, the Treasurer will be requested to approve a formal amendment to the Funding Deed. The existing and proposed Grant Details and Payment Schedule are indicated in **Table 2**.

**TABLE 2: GRANT DETAILS AND PAYMENT SCHEDULE**

	Payment Claim	Executed Funding Deed	Proposed Amendment
<b>Project Commencement Date</b>	-	19 June 2022	1 September 2023
<b>Performance Milestone 1</b>	\$560,000	15 July 2022	30 September 2023
• Construction commenced physically			
<b>Performance Milestone 2</b>	up to \$2,800,000 less previous payments	19 October 2022	31 December 2023
• Demolition and earthworks completed			
• Construction of buildings and swimming pools commenced	(\$2,240,000)		
<b>Performance Milestone 3</b>	up to \$5,600,000 less previous payments	30 June 2023	31 December 2024
• Practical completion achieved			
• Swimming Centre is open and available for use	(\$2,800,000)		
<b>Last Date to Claim</b>	up to \$5,600,000 less previous payments	30 September 2023	30 March 2025
<b>Expiry Date</b>		30 June 2024	30 June 2025
<b>Eligibility Period</b>		23 March 2021 to 30 June 2023	23 March 2021 to 30 June 2025

## OPTIONS

On the basis of the outcome and recommendations contained in the Prudential Report, there is no reason not to proceed with the construction tender for the Project. After the tenders are received and the actual costs are known, the Council will be in a position to consider options to manage the project costs such as reducing the scope (subject to the agreement of the Treasurer in terms of the impact on the cost findings), changing the specifications or working with the preferred tenderer to achieve savings.

## CONCLUSION

The Prudential Management Report identifies that most prudential issues related to the Project are compliant with Section 48 of the *Local Government Act 1999*.

“Improvement Possibilities” have been identified for the following two (2) prudential issues:

- Development Plan: Planning Consent has been granted. An amended planning application will be lodged if required. Building Consent will be undertaken by Trento Fuller once documentation is complete and then Development Approval will be obtained.
- Project Costs: Project costs may be impacted by site contamination, price escalation and supply issues resulting actual tendered prices being different to cost estimates. Following the receipt of tenders, the Council can consider several options to manage the Project costs.

Two (2) other prudential issues have been flagged as “recommended actions to improve compliance, actions that are not yet complete or an element of risk to consider.” These include:

- Recurrent and Whole-of-Life Costs: Depreciation and Finance costs are included in the Long-Term Financial Plan for a capital cost of \$24m. Revised cost estimates anticipate the project cost could be up to \$32.6m. A higher project cost will result in higher depreciation and finance costs. The Council will need to consider and approve a new budget and adjust the Long-Term Financial Plan for the additional costs, or substantially reduce the scope of works which would lead to delays and possible loss of the Grant.
- The Financial Viability of the Project: The Net Financial Liabilities Ratio stays within the Council's targets until year 5, peaking in year 6 and then reducing to the target limit in year 9 without any other changes to LTFP inputs/assumptions.

As stated previously, these factors will be considered as part to the future of its Long-Term Financial Plan.

The Council must give reasonable consideration to the issues and recommendations contained in the Prudential Management Report prior to engaging a building contractor and undertaking the Project.

## COMMENTS

The Prudential Management Report for the Project has been prepared by Ms Corinne Garrett, a suitably qualified person from UHY Haines Norton. Ms Garrett has assessed the prudential issues of which the Council must be aware and consider for the Payneham Memorial Swimming Centre Redevelopment in accordance with Section 48 of the *Local Government Act 1999*.

The detail design and construction documentation for the Project is practically completed. The tender process for a building contractor is proposed to occur over the next couple of months.

The Committee notes that following the receipt and assessment of tenders, a tender selection report will be prepared for the Council's consideration.

## RECOMMENDATION

1. That the Prudential Management Report for the Payneham Memorial Swimming Centre Redevelopment Project dated May 2023, prepared by Ms Corinne Garrett of UHY Haines Norton, be received and noted.
2. That pursuant to Section 48 (4b) of the *Local Government Act 1999*, the Audit & Risk Committee has given reasonable consideration to the Prudential Management Report and recommends that the Council proceeds with the Payneham Memorial Swimming Centre Redevelopment, subject to approval from the Treasurer of South Australia to amend the Funding Deed for the *Local Government Infrastructure Partnership Program* grant of \$5.6 million for the Project.

# Attachment A

## Prudential Management Report – Payneham Memorial Swimming Centre



City of  
Norwood  
Payneham  
& St Peters

Application ID	9286137
Created	28/01/2021 4:45 PM
Modified	29/01/2021 6:43 PM

**Council**

Council name	City of Norwood Payneham & St Peters
Address entered	175 THE PARADE, NORWOOD, SOUTH AUSTRALIA, 5067

**Council contact officer**

Given name	Keke
Family name	Michalos
Preferred phone	8366 4509
Email	kmichalos@npsp.sa.gov.au

**Joint application details**

Is this a joint application with another council/s?	No
Number of other councils - hidden	1

**Project overview**

Project name	Payneham Memorial Swimming Centre Redevelopment
Project location	194 OG Road, Felixstow, SA, 5070
Project type	Upgrade
Project category	Sport and recreation facilities

<p>Please describe the project in less than 200 words</p>	<p>The Project is defined as the Redevelopment of the Payneham Memorial Swimming Centre which forms part of the broader redevelopment and upgrade of the Patterson Reserve Community &amp; Recreational Precinct. Delivery of the Project will reinforce the Precinct's Regional status and establish a premier aquatic leisure destination. The specific elements of the Project are as follows:</p> <ul style="list-style-type: none"> <li>• The construction of a new semi-enclosed 25 metre, eight lane outdoor Learners' Lap Pool with an all-weather cover;</li> <li>• The construction of a new 2 storey sports and leisure centre providing new amenities, café, gym/dry pool training area, clubrooms and lettable function areas;</li> <li>• The construction of a new plant room to service the refurbished 50 metre pool, new 25 metre pool and the Aquatic Recreational Equipment and Water Play Facilities;</li> <li>• New leisure pools with interactive water play and high platform water slides integrated with the building;</li> <li>• New zero depth splash pad; and</li> <li>• Installation of shade shelters, barbeques and picnic facilities.</li> </ul> <p>As part of the Project, the Council will also refurbish the main 50 metre pool and replace the associated filtration system. These two (2) components will be completely funded by the Council and do not form part of the grant funding application.</p>
<p>Is the project part of a staged development that is not scheduled to commence and is yet to source sufficient funding?</p>	<p>Yes</p>
<p>Yes - provide details</p>	<p>The Payneham Memorial Swimming Centre Redevelopment Project forms Stage 1 of a two (2) stage redevelopment project which will see the Patterson Reserve Community &amp; Recreation Precinct upgraded to reflect its regional status.</p>
<p>Is council seeking an exemption to the minimum project size?</p>	<p>No</p>
<p><b>Number of projects submitted for funding</b></p>	
<p>Has council submitted more than one project for funding?</p>	<p>No</p>

Project priority - indicate the priority of this project compared with other council project applications	1
<b>Project outcomes</b>	
Identify the key outcomes the project will achieve	Future economic growth of the region, Supports the Government's "Growth State" agenda, Improves local infrastructure/facilities, Upgrades key community facilities
Identify the specific outcomes and benefits this project will achieve, in particular the groups/sections of the community which will benefit from the project (200 words max)	<p>The Project will deliver a redeveloped facility with a new 25m open air Learners Pool, water play area, new plant room and new 2 storey sports and leisure building including café, gym and function spaces, usable by the community, swimming clubs and schools. The high quality facility will encourage greater participation in recreational and competitive water activities, benefiting physical and mental health and improving community and social connectedness. The new facility will attract more people and diversify the age and demographic patronage of the swimming centre. The facility will be designed to be fully accessible, including appropriate disability access to all of the aquatic facilities.</p> <p>An increased number of patrons accessing the Swimming Centre, will enhance the economic viability of the facility and will increase visitation to the Council area. The new plant room and filtration system will reduce the environment impacts and the costs associated with maintenance and water loss. The construction phase of the Project will create a total of 133 jobs over a 12 month period. Furthermore, once the new facility is open, an additional 7 Full Time Employment positions will be created, specifically more lifeguards and general employees to service the aquatic elements and the café.</p>

<p>Identify the potential risks to delivery of the project and for the community, including how council intends to mitigate/manage those risks (200 words max)</p>	<ul style="list-style-type: none"> <li>• Not receiving Grant Funding - Council to reduce the scope of the work or stage development.</li> <li>• Existing aquatic facilities have reached the end of their life and are at risk of catastrophic failure - Council to commence the Project as soon as possible to mitigate risk.</li> <li>• Design issues or latent conditions resulting in variations during construction - Undertake soil testing and services investigations during design stage. Ensure quality assurance process during design phase.</li> <li>• Cannot secure a suitable tenderer (quotes exceed budget or insufficient market interest) - Undertake pre-tender cost estimate, 2 stage procurement process and Post Tender value management utilising quantity surveyor.</li> <li>• Weather delays - Ensure contract provisions for weather delays.</li> <li>• Contractor Default - Undertake financial statements review during procurement, retain Bank Guarantee as security.</li> <li>• Asbestos or contaminated materials found on site - Assess whether asbestos is present. Include potential cost in budget. Manage according to regulations. Test suspicious materials.</li> <li>• Aboriginal Heritage found on site - Utilise Aboriginal Monitors during excavation works. Follow Aboriginal Heritage Act.</li> <li>• Design Intent not met - Ensure document control and approval process followed. Prepare design safety plan. Ensure key stakeholders consulted. Comprehensive and clear reporting. Design Team involved in construction stage. Hold points in contract.</li> </ul>
<b>Employment</b>	
<p>Please provide estimated direct full time equivalent (FTE) employment opportunities during construction phase</p>	<p>58</p>



Do you commit to maximising the use of local contractors during the construction phase?	Yes
Yes - provide details	As part of the Council's Procurement Policy, emphasis is on procuring services and purchasing goods and materials from within the Council area where possible and available in the first instance. The Council is committed to engaging local contractors and suppliers and it is anticipated that the local South Australian construction industry has the capability to undertake all potential contracted works to successfully deliver this Project.
Provide estimated additional ongoing direct FTE employment opportunities (after construction phase)	7
Provide the type and location of ongoing direct jobs to be created	<ul style="list-style-type: none"> <li>*Lifeguards</li> <li>*Kiosk/Café Attendants</li> <li>*Swimming Instructors/Fitness Instructors</li> <li>*Receptionist/Customer Service Officers</li> </ul> <p>These positions will be rostered over a 7 day week at the Payneham Memorial Swimming Centre.</p>
Provide estimated additional ongoing indirect employment supported by the project (FTE and type) (if known)	24.25 FTE jobs from the consumption effect
<b>Total project funding</b>	
Total project cost (\$)	\$24,000,000
Grant requested (\$)	\$10,000,000
Your council contribution (\$)	\$14,000,000
<b>Funding from other sources</b>	
<b>Details of council funding</b>	
Existing council planned capital expenditure in 2020-21 (consistent with council's budget) (\$)	\$19,976,695

Identify where the above information is published (including page number)	This is published on Page 43 of the Council's 2020-2021 Annual Business Plan. Planned Capital Expenditure relating to the Swimming Centre includes the refurbishment of the main 50 metre pool, incorporating the installation of a disabled ramp and wet deck. This Project was endorsed by the Council in the 2018-2019 financial year and can be seen on Page 32 of the 2018-2019 Annual Business Plan and Budget. Initial funding was carried forward, with a funding allocation of \$1.65 million in the 2020-2021 Budget. The grant funding application for the Local Government Infrastructure Partnership Program does not include any work relating specifically to the main pool and the scope of work included in the Grant Funding Application has no allocated Council funding at this stage.
Existing council planned capital expenditure in 2021-22 (\$)	\$19,446,393
Identify where the above information is published (including page number)	This is published on Page 33 of the Council's 2021-2031 Long Term Financial Plan. Planned Capital Expenditure relating to the Swimming Centre increased from initial works to include replacement of the plant room and filtration system. The main pool refurbishment is planned in the Council's Long Term Financial Plan and is to commence in 2021-2022. Funding to the value of \$3.2 million is planned, however this amount is subject to adoption of the 2021-2022 Annual Business Plan and Budget. The 2021-2031 Long Term Financial Plan includes funding for the Swimming Centre upgrade. (Page 28). This is based on the scope of works set out in the Swimming Centres Strategy, adopted by the Council in December 2017 and the Concept Plan for the Payneham Memorial Swimming Centre. The scope of the Project includes a semi-enclosed 25 metre eight lane Learners Pool, new plant room, aquatic recreational equipment and a new 2 storey building containing administration, function area, clubrooms and change room.
Revised capital expenditure to include this project 2020-21 (\$)	\$19,976,695
Revised capital expenditure to include this project 2021-22 (\$)	\$30,246,393
<b>Project delivery timeline</b>	
Construction commencement date	6/06/2022

Estimated completion date	30/03/2023
Project delivery timetable	Business Case Appendix Q - Preliminary Program.pdf
Is the project focussed on improving private infrastructure that is likely to increase the private operator's commercial profits?	No
Is the project included in council's 2020-21 budget?	No
Has the project commenced?	No
Is the project for routine asset maintenance?	No
Does the project relate to council administrative premises?	No
Provide details of the support council provided to ratepayers during COVID-19 through the provision of rate rebates and reductions (as distinct from temporary postponement of rates) (200 words max)	<p>Covid-19 relief and support included:</p> <ul style="list-style-type: none"> <li>- Waiver of interest and fines for unpaid rate payments;</li> <li>- Discretionary rate rebate for eligible non-residential property owners;</li> <li>- Up to three month deferment for Home and Community Care Services clients experiencing difficulty paying;</li> <li>- Discretionary rebates for businesses in The Parade Precinct paying the Separate Rate;</li> <li>- Parade Separate Rate not collected for 2020 – 2021. Total amount of \$230,000 fully funded by Council;</li> <li>- Refunds of Outdoor Dining Permit fee for businesses holding these permits who paid in full or a credit for those paying in instalments;</li> <li>- Outdoor Dining Permit Holders required to install bollards associated with outdoor dining had payments deferred for three months;</li> <li>- Financial commitments for sporting clubs and other organisations waived for three months;</li> <li>- Loan and co-contribution agreements deferred and reviewed after 30 June 2020;</li> <li>- Tenancy agreements considered on a case-by-case basis and partial or full waiver of rent payable by relevant tenants;</li> <li>- Timed on-street car parking throughout the City not enforced for 7 months;</li> <li>- 0% rate revenue increase endorsed for 2020 – 2021, except where criteria is not met; and</li> <li>- 1% rate cap to eligible residential and commercial ratepayers introduced for 2020 – 2021.</li> </ul>

Identify where this information can be publicly found, and/or upload evidence	- <a href="https://www.npsp.sa.gov.au/our_services/public_health_and_wellbeing/covid-19-update/support-for-the-community-covid-19">https://www.npsp.sa.gov.au/our_services/public_health_and_wellbeing/covid-19-update/support-for-the-community-covid-19</a> - <a href="https://www.npsp.sa.gov.au/business_and_economy/support-for-the-community-covid-19">https://www.npsp.sa.gov.au/business_and_economy/support-for-the-community-covid-19</a>
Evidence of ratepayer support during COVID-19	NPSP Annual Business Plan 2020-2021 (ref - pg 40).pdf
Business case, declaration, and other supporting project preparation documentation	Profit- Loss- Cash Flow and Balance Sheet Projections.xls, Business Case Appendices A - E.pdf, Business Case Appendices F - G.pdf, Business Case Appendix H - CityPlan 2030 Mid Term Review 2020.pdf, Business Case Appendix I - Economic Development Strategy 2021-2026.pdf, Business Case Appendix J - Open Space Strategy.pdf, Business Case Appendices K - L.pdf, Business Case Appendices M - Q.pdf, Business Case.pdf
I declare that the information I have provided is true and correct and I have read and understood the information provided in the Local Government Infrastructure Partnership Program guidelines	checked
I have uploaded a project delivery timetable	checked
I have uploaded a business case for the project (including financial projections in MS Excel format)	checked
If applicable, I have uploaded other supporting project preparation documentation	checked
I declare that the Mayor and Chief Executive endorse the project and the information contained in this application	checked

# Attachment B

## Prudential Management Report – Payneham Memorial Swimming Centre



City of  
Norwood  
Payneham  
& St Peters





*Business Case*  
**Payneham Memorial Swimming  
Centre Redevelopment**

January 2021



City of  
Norwood  
Payneham  
& St Peters





PAYNEHAM MEMORIAL SWIMMING CENTRE POOLSIDE 2016

### *Kaurna Acknowledgement*

*The City of Norwood Payneham & St Peters acknowledges that this land is the traditional land of the Kaurna people and that we respect their spiritual connection with their country.*

*We also acknowledge the Kaurna people as the custodians of the greater Adelaide region and that their cultural and heritage beliefs are still important to the living Kaurna people today.*

## Business Case

# Payneham Memorial Swimming Centre Redevelopment

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## 1. EXECUTIVE SUMMARY

The City of Norwood Payneham & St Peters is currently planning for the redevelopment of the *Payneham Memorial Swimming Centre*. The Business Case set out in this document provides the rationale and supporting evidence to assist decision makers in their evaluation of the options and deliberations regarding the extent of investment in the *Payneham Memorial Swimming Centre* to ensure the best outcome for the community.

The Project is defined as the Redevelopment of the *Payneham Memorial Swimming Centre Project*, which forms part of the broader redevelopment and upgrade of the regional *Patterson Reserve Community & Recreation Precinct*.

The specific elements of the Project are illustrated on the Concept Plan contained in **Appendix A** and are detailed below:

- new semi-enclosed 25 metre outdoor Learners' Pool;
- new two (2) storey sports and leisure centre providing pool facilities and café, new gym/dry pool training, clubrooms and lettable function areas;
- new leisure pool with interactive water play and high platform water slides integrated with the building;
- the installation of shade, barbeques and picnic facilities on grassed embankment; and
- new Plant Room to service the 50m Pool, new 25m Learners' Pool and the Aquatic Recreation Equipment and Facilities;

The Council's decision to undertake this Project has been based on the age, condition and amenity of the existing pool infrastructure and the associated facilities at the *Payneham Memorial Swimming Centre*, all of which are significant issues. These factors, together with the dated and ageing design is limiting the Council's ability to deliver adequate services and attract additional patrons. The Council also recognises that due to the age of the facility there is a significant absence of disability access, which is disadvantaging an important sector of the community. The inclusion of disability access ramps will facilitate the increased use of the existing facilities as well as support greater independence for all patrons. All of these factors has presented the Council with the opportunity to establish a regional aquatic facility that will stand the test of time.

Prior to determining the recommended option, the Council critically associated and considered all possible options to identify the option which will deliver both longevity and sustainability for the Council in respect to the redevelopment of this important community asset.

The *Payneham Memorial Swimming Centre* is one of the last metropolitan swimming centres to undergo a major redevelopment. As part of the market research which has been undertaken, whilst it was identified that the *Payneham Memorial Swimming Centre* operates in a highly competitive market, the major market which appears to be under serviced is the play and recreation market. The redevelopment strategy adopted by the Council for the *Payneham Memorial Swimming Centre* addresses this market gap within the Eastern Metropolitan Region, while continuing to cater for the needs of the other major aquatics markets, of lap swimming, swimming lessons and club swimming.

The estimated total cost of this Project, based on the Concept Plan is \$24 million. This includes the refurbishment of the main 50 metre pool and the installation of a new filtration system to service the main pool (these two (2) components will be completely funded by the Council and do not form part of the Grant Funding Application), together with the construction of a new plant room, new 25 metre pool, new clubrooms, water play components and ancillary facilities. All of these components combined form Stage 1 of the redevelopment of the *Patterson Reserve Community & Recreation Precinct*.

The proposed redevelopment of the *Payneham Memorial Swimming Centre* is a significant community infrastructure project which can be utilised to provide a short-term boost to the local economy, particularly in the building and construction sector. The construction phase offers the opportunity to use the local labour, as well as sourcing of materials locally where possible. Longer term economic opportunities and benefits provide ongoing employment and flow on effects from a significant financial investment.

Once commissioned, it is anticipated that the local economy would benefit from the direct spend attributed to the construction of the facility and its ongoing operations and maintenance, through various multipliers, associated with employment, increased members and visitor numbers and generally because of the improved recreational facilities. This is likely to have a flow-on benefit associated with improving the liveability of residents and visitors.

It is also anticipated that the redevelopment of the *Payneham Memorial Swimming Centre* will positively impact on community health and wellbeing with the tangential benefits of building community pride and participation, interest in volunteering and generally high levels of community engagement.

Through an injection of \$24 million, it is estimated that the Gross Regional Product will increase by \$16.928 million. Contributing to this is a direct increase in output of \$24 million, 58.13 additional FTE jobs, \$3.115 million more in wages and salaries and a boost in value-added of \$6.373 million.

It is anticipated that this direct expansion in the economy, will deliver flow-on supply-chain effects in terms of local purchases of goods and services, and it is estimated that these indirect impacts would result in a further increase to output valued at \$16.342 million, 51.03 more FTE jobs, \$3.584 million more paid in wages and salaries, and a gain of \$6.431 million in terms of value-added.

The increase in direct and indirect output and the corresponding change in jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under the scenario are expected to further boost output by \$7.199 million, employment by 24.25 FTE jobs, wages and salaries by \$1.731 million, and value-added by \$4.124 million.

Therefore the total output is expected to rise by \$47.541 million. Corresponding to this are anticipated increases in employment of 133.41 FTE jobs, \$8.430 million wages and salaries, and \$16.928 million in terms of value-added.

The proposed new aquatic leisure facility at the *Payneham Memorial Swimming Centre* will service a large proportion of the Eastern Region of Adelaide and will cater for a diverse range of user groups. Investigations have shown that there is a lack of aquatic leisure facilities and the provision of new facilities provides the Council in partnership with the State Government with a unique opportunity to ensure that an appropriate community facility is provided well into the future.

## 2. INTRODUCTION

The City of Norwood Payneham & St Peters is a dynamic and vibrant inner urban municipality with a rich culture and history. The City offers a cosmopolitan lifestyle, which is attractive to residents, businesses and visitors.

The City covers an area of 15.1 square kilometres with a culturally diverse population of approximately 36,750 people.

In recent years, the City has experienced a net growth in population related to an increasing number of dwellings. Population projections indicate that the City is likely to continue to experience population growth over the next 20-30 years.

The largely built up residential character of the City is complemented by a number of commercial and retail precincts, as well as formal areas and pockets of open space, including the River Torrens Linear Park. Its close proximity to the City of Adelaide and its access to good quality retail and commercial spaces, as well as open space and recreational facilities, help to differentiate the City of Norwood Payneham & St Peters from other Local Government Areas, and contribute to the City of Norwood Payneham & St Peters being a desirable place for people to live, work and visit.

As part of its open space and recreational assets the Council owns and operates two (2) swimming facilities, the Norwood Swimming Centre, located in Kensington and the *Payneham Memorial Swimming Centre* located in Felixstow. Whilst the Norwood Swimming Centre is generally surrounded by residential development, the *Payneham Memorial Swimming Centre* forms part of a regional recreational and community precinct, the *Patterson Reserve Community & Recreation Precinct*.

The Council's two (2) Swimming Centres have served the community well over the years, however the infrastructure at both centres is ageing and the trend towards aquatic recreational facilities has evolved significantly since their establishment. The broader community is now seeking a higher standard and expects a greater variety of recreational activities from each individual facility. The establishment and renovation of other aquatic facilities in the Eastern Region of Adelaide (i.e. Burnside, Tea Tree Gully etc.) and more generally throughout Greater Adelaide has also impacted on the long term viability of these two (2) swimming facilities.

In light of these factors the Council has resolved to undertake significant redevelopment at both of its swimming centre facilities to ensure that they remain viable and continue to offer a high standard of aquatic recreational facilities to the community.

Whilst the Norwood Swimming Centre has been considered significantly throughout all of the investigations, analysis and the decision making, the Redevelopment of the *Payneham Memorial Swimming Centre* is the primary focus of this Business Case.

### 3. PURPOSE OF THE BUSINESS CASE

The purpose of this Business Case is to assist decision makers determine the best option for the upgrade of the *Payneham Memorial Swimming Centre*, which forms part of the broader *Patterson Reserve Community & Recreation Precinct*, and to demonstrate that the redevelopment of the *Payneham Memorial Swimming Centre* will deliver a net community benefit to the citizens of the City of Norwood Payneham & St Peters and more broadly Greater Adelaide.

In developing the Business Case, the Council has focused strongly on the social, economic and financial costs and benefits and has taken into consideration the impacts of all of these pillars on the City, the wider Eastern Adelaide Region and the State.

In formulating this Business Case, the Council has undertaken a comprehensive review of all of the elements of the Project including the rationale and the analysis of the potential redevelopment options. Significant investigations have been undertaken by a range of experts (engaged by the Council) on behalf of the Council in regards to the integrity of the existing infrastructure, the need for the facility and/or alternatively an upgrade of the facility, the expectations and needs of the community and most importantly the options available to the Council. The social, economic and financial costs and benefits of undertaking this Project have also been scrutinised to ensure that there is significant merit in proceeding with the Project. The analysis and findings of these investigations are outlined in this Business Case, with the complete set of investigations forming a series of attachments to this Business Case.

Given that the anticipated cost of the Project is estimated at \$24 million (First Order Cost Estimate), the Council's ability to deliver this Project relies strongly on the Council's success in obtaining at least \$10 million in grant funding from the State Government.

Prior to commencing the detail design stage of the Project, the Council will also commission a Prudential Management Report to ensure that in accordance with Section 48 of the *Local Government Act 1999*, it acts with due care, diligence and foresight, it identifies and manages any risk associated with the Project that has not been identified through the previous work undertaken in regards to the *Payneham Memorial Swimming Centre* or in this Business Case, is able to make informed decisions and is accountable for the use of public resources.



PAYNEHAM MEMORIAL SWIMMING CENTRE - MAIN ENTRY



## 4. BACKGROUND

This section provides the background and context for the Business Case for the Redevelopment of the *Payneham Memorial Swimming Centre*.

### 4.1 Payneham Memorial Swimming Centre

The *Payneham Memorial Swimming Centre* is located at 194 OG Road, Felixstow and is bounded by the Payneham Library Complex along the northern boundary, the Third Creek Culvert and Patterson Reserve along the eastern boundary, DXC Technology along its southern boundary and OG Road along the western boundary.

The *Payneham Memorial Swimming Centre*, which opened in the 1967-1968 swimming season, forms part of the broader *Patterson Reserve Community & Recreation Precinct*. The Precinct, which is designated as a Regional Level Community and Recreational facility, also encompasses Patterson Reserve which is home to the East Torrens Baseball Club and the East Torrens Payneham Lacrosse Club, the Payneham Youth Centre, the East Torrens Payneham Sports Clubrooms, the Payneham Library and Community Facilities, the Payneham Library Playground and Third Creek.

**Figure 1** provides an aerial view of the *Patterson Reserve Community & Recreation Precinct* and surrounding arterial roads.

The *Payneham Memorial Swimming Centre* is situated on large grassed grounds south of the Payneham Library within the northwest of the *Patterson Reserve Community & Recreation Precinct*. **Figure 2** provides an aerial view of the *Payneham Memorial Swimming Centre* and its car parking facilities accessible from OG Road.

The *Payneham Memorial Swimming Centre* currently comprises of three (3) pools, a toddler/paddle pool, a learner medium sized pool and an Olympic sized 50 metre by 18 metre pool, which together, provide a range of water depths and configurations.

The *Payneham Memorial Swimming Centre* also contains toilet and change room facilities, barbeques, shade structures and a kiosk.

The facility attracts approximately 75,000 and 80,000 patrons during the swimming season, which runs from October through to mid-April each year. The opening hours for the Swimming Centre are 6.00am to 7.30pm Monday to Friday and 8.00am to 7.00pm, on weekends and public holidays.

Whilst some maintenance work has been undertaken on specific elements within the *Payneham Memorial Swimming Centre* over the years, the Swimming Centre has not been upgraded since it was originally constructed. A Condition Audit of the *Payneham Memorial Swimming Centre* undertaken in 2007 identified that significant work to the facility was required to maintain the service levels.

A subsequent review of the *Payneham Memorial Swimming Centre*, detailed in the *Payneham Swimming Centre Investigation Into Remaining Life 2016* report, undertaken by FYFE Pty Ltd, assessed the structural integrity and remaining life of the pool shells, condition and the remaining life of the pipework associated with the filtration system. Whilst the investigations identified that the shell of the main 50 metre pool at the time was acceptable it could not predict the long term durability, nor could it predict the remaining life of the shell. It did however identify that the Toddlers' Pool was in structurally poor condition and had significant leaks, and that the filtration system and pipe work associated with the pools had reached the end of their life. A copy of the report is contained in **Appendix B**.

*Figure 1: Aerial View of the Patterson Reserve Community & Recreation Precinct*





*Figure 2: Aerial View of the Payneham Memorial Swimming Centre*



## 4.2 Identification of Need

### 4.2.1 Condition and Appearance

The Council recognises that the age, condition and appearance of the existing pool infrastructure and amenities at the *Payneham Memorial Swimming Centre* are significant issues, and that all of these factors, together with the dated and ageing design is limiting the Council's ability to deliver adequate services and attract additional patrons.

In particular, the age and condition of the current filtration system poses a risk that if the Council delays the refurbishment of the main pool and associated infrastructure, there is a risk that in the event of a major breakdown or failure of the filtration system and/or plant, it may not be easily repaired, resulting in a significant impact on the business continuity of the *Payneham Memorial Swimming Centre*.

The Council has undertaken remediation works in an attempt to rectify the damage to the existing main 50 metre pool and the associated amenities, however to date these works have not been successful and this still remains a concern given the expensive ongoing maintenance and repair costs.

The advice received from Crackerjack, (Engineering Consultants), is that a major infrastructure failure would most likely not be repairable and cause significant impact on users with little or no notice. The intent of the proposed redevelopment of the *Payneham Memorial Swimming Centre* is to futureproof the facility for the next 25-30 years.

### 4.2.2 Provision of Sport, Recreation and Leisure Facilities

The Council also recognises that the provision of good quality aquatic recreational facilities delivers a variety of positive health outcomes as well as provides children and young people with the opportunity to learn valuable and potentially lifesaving swimming skills. Through good design the existing Swimming Centre can continue to provide healthy and alternative sport, recreation and leisure activities that are in addition to the traditional sport and recreational facilities generally offered by the Council.

### 4.2.3 Disability Access

Due to the age of the facility there is a significant absence of disability access. In particular the following have been identified as essential elements in the redevelopment of the *Payneham Memorial Swimming Centre*.

- automatic entry doors/gates that are extra wide for wheelchair and mobility devices;
- non-slip flooring throughout the entire complex (not just wet areas);
- accessible toilets with push button/automatic doors;
- grab rails;
- multiple height reception desk;
- guide dog water station;
- charging points for mobility devices – scooters;
- drop-off area located close to the entrance;
- signage with braille and mindful of colour contrasting;
- lift when two (2) storey building is constructed;
- the provision of appropriate disability access to all the swimming pools; and
- the use of the scum gutters with a wet deck entry.



All of these considerations are important in ensuring compliance with Section 23 of the *Discrimination Disability Act, 1992 (DDA)* which requires non-discriminatory access to premises which the public or a section of the public is entitled or allowed to use and is applicable to existing as well as new buildings. Undertaking the proposed redevelopment ensures that the needs of all users are met and the Swimming Centre is fully accessible.

On the basis of these three (3) key factors it is identified that the provision of new facilities through the redevelopment of the *Payneham Memorial Swimming Centre* are critical.

### 4.3 Investigations Undertaken to Date

Since 2015 the Council has commissioned a series of investigations and studies to identify possible options for the future of the *Payneham Memorial Swimming Centre*. The findings have been used to assist the Council in its decision making and ensure that the Council continues to deliver a contemporary regional level aquatic facility that is able to meet the needs of the community.

The purpose of these investigations has been to:

- determine the current needs of the Norwood Payneham & St Peters community in respect to aquatic facilities;
- identify the future role of the *Payneham Memorial Swimming Centre* in the aquatic leisure facility market;
- understand the suitability of the *Payneham Memorial Swimming Centre* as an aquatic leisure facility;
- assess the feasibility of retaining and redeveloping the *Payneham Memorial Swimming Centre* as a regional facility; and
- inform the development of a Masterplan for the *Payneham Memorial Swimming Centre* and more broadly the regional *Patterson Reserve Community & Recreation Precinct*.

Outlined below is an overview of all of the relevant documents.



PAYNEHAM MEMORIAL SWIMMING CENTRE – TEACHING/LEARNER'S AND TODDLER POOLS

### 4.3.1 Swimming Centre Review – Market Research Report

In July 2015 the Council appointed the SGL Consulting Group to undertake market research on both the *Payneham Memorial Swimming Centre* and the Norwood Swimming Centre. The primary objective of this work was to inform the Council's Long Term Strategy for the Swimming Centres.

The primary objective of this Review, was to undertake a complete assessment of the management and operation of the Council's two (2) Swimming Centres, undertake key stakeholder consultation and population/participation analysis and undertake market research on demand and competition in order to determine:

- the feasibility of the Council operating two Swimming Centres in their current form (i.e. no improvement in service levels, amenity or programming), into the future;
- determine the strengths and weakness of each Swimming Centre to determine how best to maximise the utilisation of each facility. (i.e. new and innovative ways of programming); and
- to determine a strategy that incorporates community capacity building and the current and future community needs associated with swimming pools and aquatic recreation.

The investigations found that 91% of respondents who had visited Payneham Swimming Centre lived in postcodes 5069 (Hackney, Maylands, College Park, Evandale, Stepney, St Peters) and 5070 (Royston Park, Payneham South, Payneham, Marden, Firlie, Felixstow, Joslin, Glynde).

Reasons why respondents chose the swimming and aquatic centre visited most often were primarily because it was close to home and/or had good facilities. A high proportion of respondents aged 70+ years also nominated friends/family use it and to attend health and fitness class/program. A high proportion of respondents aged 15 – 29 years also nominated close to work/school.

Further analysis found the most popular reasons for visiting the Norwood and Payneham Swimming Centres were:

- Norwood Swimming Centre – close to home (76%), good facilities (20%) and nice/clean environment (15%).
- Payneham Swimming Centre - close to home (93%) and good facilities (12%).

The results clearly indicated that both the Norwood and the Payneham Swimming Centres have a highly localised catchment, with a substantial portion of the pool users being regular. Adelaide Aquatic Centre is also well used by respondents, and to a lesser degree so is Burnside Swim Centre.

Respondents were asked what is the main activity usually undertaken at the swimming and aquatic centre visited most often.

- overall, the most popular activities are lap/fitness swimming, recreational swimming, taking children to swim lessons and recreational swimming with children;
- lap swimming was the most popular activity for both genders and respondents aged 50+ years;
- recreational swimming was the most popular activity for respondents aged 15 – 29 years; and
- taking children lessons was the most popular activity for respondents aged 30 – 49 years.



A copy of the Swimming Centre Review – Market Research Report is contained in **Appendix C**.

### 4.3.2 Payneham Swimming Centre Investigation Into Remaining Life

In 2016, FYFE Pty Ltd was engaged by the Council to undertake investigations at the *Payneham Memorial Swimming Centre* to determine:

- the remaining life of the shell, including the reinforced concrete and joint sealants of the main 50 metre pool;
- investigate the current condition of the pipework associated with the pool filtration system and report on its remaining life;
- identify other items that may impact on the safety and cost of running the Swimming Centre;
- provide opinions of costs for any remedial works; and
- identify options for long term repair or replacement with opinions of cost.

The investigations undertaken by FYFE included tests to determine the quantum of water leaks and dye tests to identify the source of the water leaks. It was observed during these investigations that the pool shell appeared to be in good condition with it not being identified as the source of the water leaks. The water leaks were identified as occurring in the control joints.

Previous investigations of water leaks at the *Payneham Memorial Swimming Centre* have identified that the pipe systems as being a source of water leaks. The Council has since undertaken remediation work and has replaced all pipework associated with the main 50 metre pool.

The investigations also found that the reinforced concrete of the pool shell showed no sign of deterioration and that within the limitations of the testing methodology the pool concrete was anticipated to have a remaining life greater than 20 years. Notwithstanding this finding, the report also provided an opinion of cost for both the remediation of the water leaks in the main pool shell and the construction of a new pool shell. It was found that a new shell would provide the Council with certainty on the expected life of the pool shell, it would also address all of the shortcomings of the existing facility and allow the Council to develop a whole-of-life maintenance procedure and costings.

The investigations did find that the pool filtration equipment had reached the end of its expected useful life and that the Council should replace the system. The Council has since allocated funding to undertake this work. Whilst it is anticipated that this work will be undertaken at the time of the Redevelopment Project, this work does not form part of the Grant Funding Application.

Through the investigations the following shortcomings were also identified:

**Disability Access** – The investigations found that the *Payneham Memorial Swimming Centre* does not meet disability access requirements and that upgrades to meet these requirements need to be undertaken. This recommendation included disabled access to the pools.

**Toddlers' Pool** – The Toddlers' Pool is a simple shallow body of water, which provides for no play activities for patrons. The Toddlers' Pool is also in structurally poor condition and has significant leaks. An aquatic playground type water feature may be an improvement that can lead to increased patronage.

**Shade** – the investigations identified that there is limited shade at the *Payneham Memorial Swimming Centre* and in particular, there is very limited shade on the grassed areas. The report recommends that the Council should make provision for shade structures at the Swimming Centre in addition to those over the pools. .

A copy of the *Payneham Swimming Centre Investigation Into Remaining Life* is contained in **Appendix B**.

### 4.3.3 Swimming Centre Review – Options Report

In recognition that the condition of the *Payneham Memorial Swimming Centre* increases the Council's exposure to risk in terms of patron safety, environmental performance and increasing operational costs to the Council, the Council commissioned a *Swimming Centres Review* (copy contained in **Appendix D**) in early 2017 to investigate all of the options and to assist in developing a long term strategy which ensures that Council's Swimming Centre assets are:

- managed, maintained and developed in such a way as to meet the current and changing needs of the community; and
- the ratepayer subsidy is maintained at current levels or reduced over a five year period.

The investigations undertaken as part of this report complemented the work undertaken as part of the *Swimming Centre Review – Market Research* (Section 4.3.1).

The primary objective of the *Swimming Centre Review* was to undertake a complete assessment of the management and operation of the Council's two (2) Swimming Centres to determine:

- the feasibility of the Council operating two (2) Swimming Centres in their current form (i.e. no improvement in service levels, amenity or programming);
- a strategy that considers the lifecycle of the Swimming Centres and provides costings for future upgrades, capital works and scheduled programmed maintenance costs;
- a strategy that considers the strength and weaknesses of the swimming centres to determine how best to maximise the utilisation of each facility;
- a strategy that incorporates community capacity building and identifies the current and future community needs associated with the swimming pools and aquatic recreation;
- a marketing and promotional strategy to increase the usage of the *Payneham Memorial Swimming Centre*; and
- an appropriate management structure, which includes the Council's corporate goals, asset plans, recreation plan, Work Health & Safety requirements and risk management issues.

The results of the *Swimming Centre Review* recommended that the Council continue to operate two (2) Swimming Centres (i.e. the Norwood Swimming Centre and the *Payneham Memorial Swimming Centre*) and that the Council focus on the following markets:

- lap swimming;
- swim coaching/squads;
- learn to swim lessons (private, group and school); and
- recreational aquatic play.

Based on the findings of the *Swimming Centre Review* and the subsequent development of the *Swimming Centres Long Term Strategy* (copy contained in **Appendix E** and summarised below), the Council resolved 'in principle' to redevelop the *Payneham Memorial Swimming Centre* as a regional destination incorporating the following elements:

- a 50 metre swimming pool;
- 25 metre learners pool;
- wading pool or splash pad; and
- water play park to cater for the recreational leisure market and in particular the teenage market.



Prior to determining the viability of this option, the Council considered six (6) options for the *Payneham Memorial Swimming Centre*, all of which included potential impacts on the Norwood Swimming Centre. Through this Business Case the six (6) options have again reviewed, taking into consideration the financial and social impacts of all six (6) options.

#### 4.3.4 Swimming Centres Long Term Strategy

The *Swimming Centres Long Term Strategy*, was developed following extensive consultation and engagement with the community to identify the future direction for both swimming facilities. The Swimming Centre Long Term Strategy was adopted by the Council in December 2017.

The objective behind the development of the Strategy was to:

- identify whether or not there was still a demand and/or need to retain both Swimming Centres; and
- to establish the framework upon which to base the future direction of both Centres, to ensure that both Swimming Centres are managed, maintained and developed in an effective manner to ensure that they remain contemporary and are able to meet the changing needs of the community in the future.

The *Swimming Centre Long Term Strategy* recognises the unique character of both of the Council's Swimming Centres, the community which they serve and builds on the strengths of each facility. The Strategy also acknowledges the history and “*sense of place*” associated with both swimming centres, in particular recognising the cultural heritage of the Norwood Swimming Centre and the dynamic, vibrant public space opportunities at the *Payneham Memorial Swimming Centre*, Patterson Reserve and the other community and recreational uses within the Precinct.

The key components contained in the Strategy which has been endorsed by the Council, are set out below:

1. Retention of the two (2) outdoor pool facilities and focus on providing a diverse range of aquatic recreational opportunities with an emphasis on:
  - lap swimming;
  - swim coaching/squads;
  - learn to swim lessons (private, group and school);
  - recreational aquatic play;
  - aquatic fitness; and
  - community and family gatherings.
2. Development of a marketing and promotions plan that provides the community and visitors access to current information on the Council's aquatic recreation opportunities to ensure the longevity and success of the swimming facilities; and
3. Effectively developing and managing the two (2) Swimming Centres with a strong focus on on-going sustainability, customer experience and public safety.



More specifically, the *Swimming Centres Long Term Strategy* states that the *Payneham Memorial Swimming Centre* be retained as an outdoor facility and that the following elements and features be incorporated into the facility.

### Main Pool

Retain and refurbish the 50 metre outdoor swimming pool to meet the needs of the lap swimmers, swimming squads, school carnivals and the general recreational swimmers. The refurbishment of the main pool to include the following:

- the provision of appropriate disability access to the swimming pool;
- the replacement of scum gutters with wet deck entry;
- the installation of a new filtration system and refurbishment of the plant room. Note: The new filtration system includes the replacement of the filtered water return pipe, which delivers clean filtered water to the main pool and the replacement of the soiled water return pipes, which take water from the main pool back to the filtration system; and
- re-tiling of the main pool.

### Teaching/Learners' Pool

The Strategy proposes that the Teaching/Learners' Pool be replaced with a larger pool, which includes a ramp to enable disabled access, to accommodate the demand in the swimming lessons and water safety programs, such as Vac Swim and the Swim and Survive Program.

### Toddler's Pool

The Toddler's Pool be removed and replaced with a splash pad or zero water playground to meet the needs of younger families.

### Water Play Park and Inflatable Obstacle Course

The inclusion of an interactive Water Park and Inflatable Obstacle Course to complement the traditional programs and services offered at the facility, in order to elevate the *Payneham Memorial Swimming Centre* from just a swimming pool to a destination.

A copy of the Swimming Centres Long Term Strategy is contained in **Appendix E**.



PAYNEHAM MEMORIAL SWIMMING CENTRE



## 5. ASSESSMENT OF OPTIONS FOR THE PAYNEHAM MEMORIAL SWIMMING CENTRE

Prior to determining the recommended option, the Council critically considered all available possible options to identify the option which will deliver both longevity and sustainability for the Council in respect to the redevelopment of this important community asset. To be able to accurately consider and critic the options, the *Norwood Swimming Centre* has also been included in the evaluation of the options, as any changes to one (1) facility has the potential to impact on the other facility.

### 5.1 Options

In total there are six (6) possible options for the future of the *Norwood* and the *Payneham Memorial Swimming Centres*.

#### 5.1.1 Status Quo

Under this option, both swimming centres would continue to be maintained and operate under the current arrangements. No major upgrade or renovation would be undertaken; rather repairs and replacement would occur over time.

This option is in effect a deferral strategy, as eventually both the *Norwood* and *Payneham Memorial Swimming Centres* will require major capital expenditures and the cost to continue operating both swimming centres in their current state will eventually outweigh the community benefits.

**The option to retain the status quo is not recommended as it is not financially viable.**

#### 5.1.2 Close Both Swimming Centres

Under this option, both swimming centres would be closed and the properties used for other purposes as determined by the Council.

Closing both swimming centres is by far the best option if finance is the prime consideration. Existing patrons and users could be adequately catered for by existing competing pools. However, the Council's role is about providing facilities to meet the social and cultural needs of the community, whilst a significant driver the financial aspects cannot be considered in isolation. Given the age of the two (2) swimming centres and role that they have played in the overall fabric of the Norwood Payneham & St Peters Community, it is probable that major community opposition would result. **Hence, it was recommended that this option not be considered further.**

#### 5.1.3 Close Norwood Swimming Centre

Under this option, the *Norwood Swimming Centre* would close and the *Payneham Memorial Swimming Centre* would continue to operate in its current format.

The *Norwood Swimming Centre* would be closed, infrastructure demolished or removed and the site rehabilitated and used for other purposes. Works already identified as being required at Payneham would be completed when required and as funds are allocated by the Council. Given the age of the pool, and the current condition of assets at Payneham, the cost to maintain infrastructure and replace plant and equipment will over time increase substantially. In the long term the pools infrastructure will require replacement.

Whilst maintaining one (1) swimming centre presents a more financially viable option it does not take into consideration the social and cultural importance of the Heritage Listed *Norwood Swimming Centre* and the community attachment to the *Norwood Swimming Centre*. **On this basis this option was not recommended.**

#### 5.1.4 Close Payneham Memorial Swimming Centre

Under this option, the *Payneham Memorial Swimming Centre* would close and the *Norwood Swimming Centre* will continue to operate in its current format.

The *Payneham Memorial Swimming Centre* will be closed, infrastructure demolished or removed, and the site rehabilitated and used for other purposes. Works already identified as being required at Norwood will be completed when required and as funds are allocated by the Council. Given the age of the pool, and the current condition of assets at Norwood, the cost to maintain infrastructure and replace plant and equipment will over time increase substantially. In the long term the pools infrastructure will require replacement.

Closing either the *Payneham Memorial* or *Norwood Swimming Centres* will also substantially reduce the cost to the Council. Existing customers and patrons could be adequately catered for by the remaining swimming centre (*Payneham Memorial* or *Norwood*), or existing competing pools. However, it is probable that a community backlash would result. **Hence this option is unlikely to be further considered.**

#### 5.1.5 Upgrade or Redevelop Norwood Swimming Centre

Under this option, the *Norwood Swimming Centre* would be upgraded and the *Payneham Memorial Swimming Centre* will continue to operate in its current format. Potential upgrades include:

- Replacing the 50.4m pool with a new 50m pool;
- replacing the amenities building;
- redeveloping the site with a new outdoor 25m pool plus a small teaching pool and toddlers pool or splash pad and amenities building;
- redeveloping the site with a new indoor 25m pool plus a small teaching pool and toddlers pool or splash pad and amenities building; and
- redeveloping the site as a local park with major splash pad, dry play space, shade, BBQ and picnic facilities.

Works already identified at the *Payneham Memorial Swimming Centre* will be completed when required and as funds are allocated by the Council. Given the age of the pool, and the current condition of assets, the cost to maintain infrastructure and replace plant and equipment will over time increase substantially. In the long term the pools infrastructure will require replacement.

Demand does not exist to justify increasing the available swimming facilities, such as by increasing the swimming season with an indoor pool. Given the proximity of existing competition, it is likely that any redevelopment of the *Norwood Swimming Centre* with new swimming pools will not increase attendances.

Under this scenario the *Payneham Memorial Swimming Centre* will become increasingly uncompetitive given the competition and potential for upgrade of competing facilities. As a result, attendances at best will plateau, and more likely will decrease. Consequently, the operating subsidy provided by the Council will increase.

As the Payneham pools age, the cost to replace or repair the infrastructure, plant and equipment will continue to increase. At some point in the future, the cost to continue operating the pools will outweigh the financial and community benefits delivered to residents.



NORWOOD SWIMMING CENTRE

### 5.1.6 Upgrade or Redevelop Payneham Memorial Swimming Centre

Under this option, the *Payneham Memorial Swimming Centre* would be upgraded and *Norwood Swimming Centre* would continue to operate in its current format. Potential upgrades to the *Payneham Memorial Swimming Centre* include:

- constructing a new indoor 25m pool to complement existing facilities;
- replacing the wading pool with a small splash pad; and
- establishing a water play park with interactive aquatic play features.

This option could include enclosing both of the existing pools. This strategy has been adopted in other locations such as the Adelaide Aquatic Centre and Elizabeth, as well as a number of interstate pools. The major problem with enclosing the pools is that due to the age of the pools, plant and equipment any enclosure of the pools will also require the reconstruction of the pools, plant and equipment, as these assets are already 50 years old and have a limited life. As such, the pools will continue to deteriorate over time and eventually require replacement when the cost to maintain is greater than the cost to replace.

Under this scenario, works already identified as being required at the *Norwood Swimming Centre* would be completed when required and as funds are allocated by the Council. Given the age of the pool, and the current condition of assets at Norwood, the cost to maintain infrastructure and replace plant and equipment will over time increase substantially. In the long term the pools infrastructure will require replacement, although when this is likely to occur is unknown.

Replacing the Wading Pool with a splash pad is a viable option and will achieve a positive outcome, whilst reducing supervision cost.

Demand does not exist to justify increasing available swimming facilities, such as by enclosing the existing pools or constructing an indoor 25m pool. These markets are already catered for by the Norwood and Payneham pools and other competing facilities. The point of difference for the *Payneham*



*Memorial Swimming Centre* is its outdoor environment and amenity. There by constructing a semi-enclosed pool, the Council would be extending the annual use of the pool whilst at the same time not compromising the integrity of the *Payneham Memorial Swimming Centre* and its outdoor advantage.

The major gap in the market is in providing aquatic leisure facilities. A splash pad or water play park will service the aquatic leisure market. Introducing water play features will increase the attraction of the facility to children and families. Depending upon elements developed, this leisure water will not have much impact on directly competing facilities. Potential exists to create a unique attraction for the region.

Due to the capital development cost, lack of demand and increasing operating costs the options of simply enclosing the pools at the *Payneham Memorial Swimming Centre* is not likely to be financially viable.

The recommendations out of this option are to enhance the existing pool infrastructure and replace where required and construct aquatic play elements at the *Payneham Memorial Swimming Centre* – this option maintains existing markets and targets the aquatic leisure market. The overall benefits will depend upon the size and complexity of the aquatic play features.



PAYNEHAM MEMORIAL SWIMMING CENTRE – 50 METRE POOL

## 5.2 Recommended Option

The recommended option is for the Council to continue with the current “two pool strategy” (i.e. retaining both the *Norwood Swimming Centre* and the *Payneham Memorial Swimming Centre* and continue to focus on the following markets:

- lap swimming;
- swim coaching/squads;
- learn-to-swim lessons (private, group and school); and
- recreational aquatic play.

In respect to the *Payneham Memorial Swimming Centre*, it was recommended that it be redeveloped as a **regional destination** incorporating a 50 metre Swimming Pool, Learners Pool and Wading Pool or Splash Pad and Water Play Park, to cater for the recreational leisure market and in particular, the teenage market.

Under this scenario, the *Payneham Memorial Swimming Centre* will continue to provide a 50 metre outdoor swimming pool to meet the needs of lap swimming, swimming squads, school carnivals and general recreational swimming and fitness, plus a teaching/learners pool to meet the swimming lesson market.

The refurbishment of the main 50 metre pool will include:

- installation of a ramp, at the shallow end to allow disabled access;
- replacement of scum gutters with wet deck entry; and
- installation of new filtration system.

The Learners/Teaching Pool is a key element in the *Payneham Memorial Swimming Centre*'s provision of swimming lessons and participation in water safety programs such as, *VacSwim* and *Swim and Survive Program*. To accommodate an increase in swimming lessons, as part of the Centres redevelopment, the Teaching/Learners' Pool will be replaced with a 25 metre pool, which will include a beach entry to enable disabled access.

In addition, redevelopment of the *Payneham Memorial Swimming Centre* will include the introduction of leisure water aimed at not only babies and toddlers but also the older child/ teenage market.

In general, today's expectations are that swimming facilities provide an interactive experience, which includes leisure water, such as splash pads and other interactive water based equipment. As part of the market research undertaken, the recreational market, especially the teenage market was identified as being poorly serviced within the Eastern Region of Adelaide, as a result the strategy for the *Payneham Memorial Swimming Centre* needs to include the development of an interactive water park. The inclusion of a Water Park provides an opportunity for the Council to fill this market gap, and create a water based recreational destination for the region, with the *Payneham Memorial Swimming Centre* becoming a destination venue, rather than just a swimming pool.

Depending on the extent, the elements and the features incorporated into the water park, the cost is estimated to be in the vicinity of \$3.5 million for a reasonably extensive range of elements, such as water slides. It is recognised that under this scenario, supervision and equipment maintenance costs will also increase, however, based on the experience of other public swimming centres which have introduced water play elements, these cost are likely to be offset by an increase in attendances. The Financial Analysis contained in Section 14 of this Business Case, outlines the projected operating costs for the next 10 years.

A water play park has the potential, at a minimum to operate at a breakeven position if the elements included meet the expectations of the target market, that being families especially those with older primary school age to teenage children. To complement the water play park, the Council should also introduce an inflatable obstacle course at the *Payneham Memorial Swimming Centre*.

The operation of the water play park and the obstacle course will be based on session times, with those session times being set towards the target market of the young teenage market. As such the session times will be set around weekends, public and school holidays.

To meet the needs of the families with babies and toddlers, the redevelopment should include the introduction of a splash pad or zero water playground. The use of splash pad's to meet the recreational requirements of the babies and toddler's age group is the expected norm within the aquatics industry and the introduction of a splash pad will increase the attraction value of the *Payneham Memorial*

*Swimming Centre* to families with young children. The splash pad or zero water play-ground would replace the existing toddlers' pool, which no longer retains water and has reached the end of its useful life.

Along with the swimming facilities, the installation of shade and the upgrade of dry land facilities, such as the amenities building, barbeque and picnic facilities will be included in the redevelopment.



PAYNEHAM MEMORIAL SWIMMING CENTRE – TEACHING/LEARNERS' POOL



## 6. PATTERSON RESERVE COMMUNITY & RECREATION PRECINCT MASTERPLAN

In early 2020, the Council recognised that whilst the *Patterson Reserve Community & Recreation Precinct* contains a number of recreational facilities, community facilities and attractions, including the *Payneham Memorial Swimming Centre*, there is no overarching strategy or long term plan outlining the long term potential for this Regional Precinct. In recognition of this, the Council appointed TCL to develop a Masterplan for the entire Precinct, with a focus on the *Payneham Memorial Swimming Centre*.

Historically, the Council has managed the *Patterson Reserve Community & Recreation Precinct* as a set of individual assets without considering opportunities to align services, share facilities and create partnerships. This is reflected in the layout of the Precinct and the absence of clear connections and linkages between the different uses. The development of a Masterplan for the *Patterson Reserve Community & Recreation Precinct* (which includes the *Payneham Memorial Swimming Centre*) has given the Council the opportunity to take a regional approach and look at the whole of the *Patterson Reserve Community & Recreation Precinct* and assess the opportunity to change the uses, amalgamate the uses and even incorporate new recreational uses into the Precinct. In addition, the opportunity of consolidating buildings and uses with any new buildings and facilities has also been considered as part of the masterplanning process.

In developing the Masterplan for the *Patterson Reserve Community & Recreation Precinct*, consideration was specifically given to the contribution that the *Payneham Memorial Swimming Centre* makes to the broader Precinct as well as the connections (both physical and visual) to the adjoining recreational and community land uses.

As the first step in the process of developing the Masterplan, TCL undertook a background analysis and preliminary investigations. The results of this work is outlined in *Background Analysis and Preliminary Investigations Report* contained in **Appendix F**.

Included in the broader Masterplan for the *Patterson Reserve Community & Recreation Precinct* is the detailed Concept Plan for the *Payneham Memorial Swimming Centre*. A copy of the Masterplan for the *Patterson Reserve Community & Recreation Precinct* and the Concept Plan for the *Payneham Memorial Swimming Centre* are contained in **Appendices G and A**, respectively.

### 6.1 Payneham Memorial Swimming Centre Concept Plan

The key features of the Concept Plan for the *Payneham Memorial Swimming Centre*, contained in **Appendix A** are detailed below.

#### 6.1.1 Main 50 Metre Pool

The Masterplan proposes the refurbishment of the main 50 metre pool in its existing location. Provision has been made in the Concept Plan to place a cover over the pool to extend its useability throughout the colder months of the year. This will ensure that the outdoor character of the pool is not compromised. The intent is that the 50 metre pool will include a ramp to enable disabled access, as well as incorporate wet deck entry.

*Note: The work associated with the main 50 metre pool has been funded by the Council and does not form part of the Grant Funding Application.*

#### 6.1.2 Teaching/Learners' Pool

The Concept Plan proposes to demolish the existing Teaching/Learners' Pool and replace it with a newly constructed 25 metre Learners' Pool, which includes a ramp to enable disabled access, to accommodate the demand in the swimming lessons and water safety programs, such as Vac Swim and

the Swim and Survive Program, and potentially extended squad swim season subject to club commitment.

### 6.1.3 Splash Pads/Zero Water Playground

In the Concept Plan the Toddler's Pool is removed and replaced with a splash pads and a zero water playground to meet the needs of younger families. The inclusion of splash pads to meet the recreational requirements of the babies and toddler market is considered essential in the upgrade of the *Payneham Memorial Swimming Centre* to a regional level aquatic facility.

### 6.1.4 Aquatic Water Play Park and Inflatable Obstacle Course

Based on Market Research, the Concept Plan includes an interactive Water Park and Inflatable Obstacle course to complement the traditional programs and services offered at the facility, in order to elevate the *Payneham Memorial Swimming Centre* from just a swimming pool to a destination.

The intent is that both the Water Play Park and the Inflatable Obstacle Course will be based around session times on weekends, public holidays and school holidays.



PAYNEHAM MEMORIAL SWIMMING CENTRE – AUSTRALIA DAY 2018

### 6.1.5 New Plant Room

To address the issue of the ageing condition of the plant room and filtration system and to provide new infrastructure that can cater for all of the aquatic elements within the *Payneham Memorial Swimming Centre*, a new plant room is proposed. The Plant room will accommodate the refurbished main 50 metre pool, the new 25 metre Leaners' Pool and the aquatic recreational and play facilities.

### 6.1.6 New Two Storey Sports and Leisure Centre

The Concept Plan includes the demolition of the existing changeroom facilities and the construction of a new two (2) storey sports and leisure centre, providing facilities and café, new gym/dry pool training, clubrooms and lettable function areas. The amenities building will include family/disabled change rooms and a separate school change area.



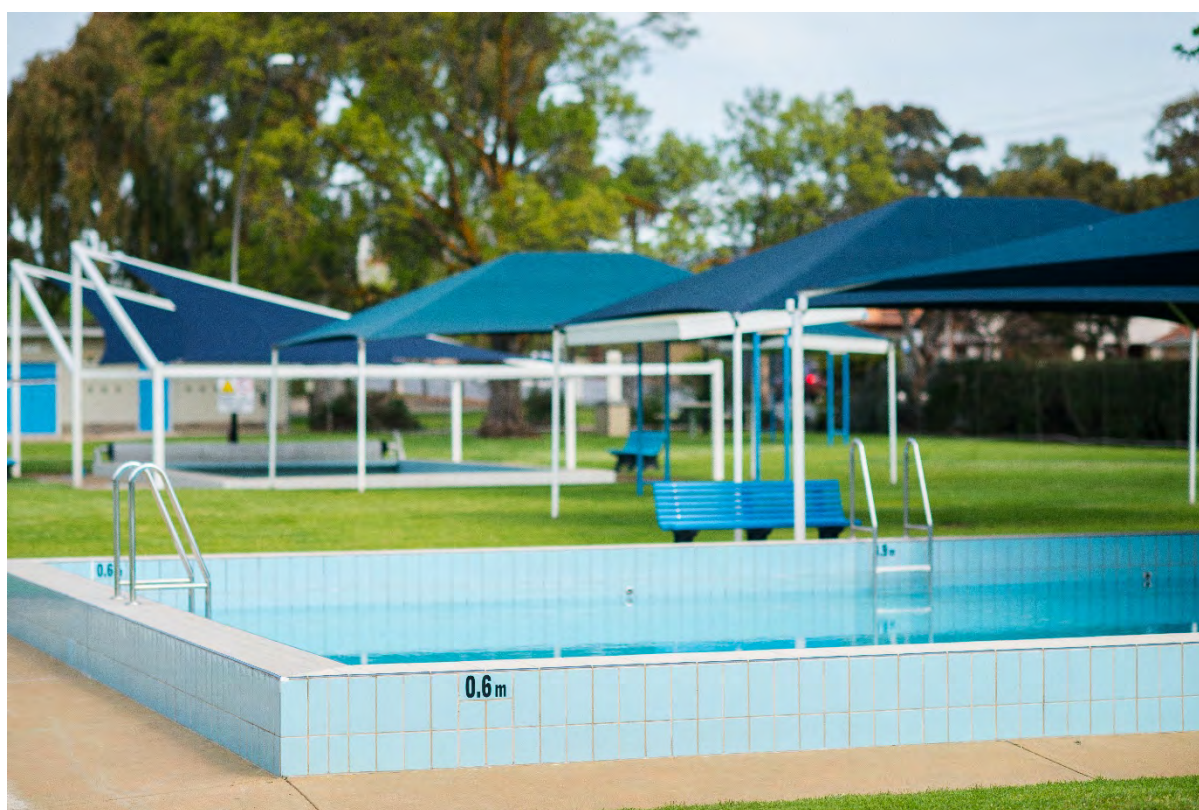
### 6.1.7 Shade

The Concept Plan also incorporates both fixed shade structures and informal shade opportunities (e.g. trees, umbrellas). Included in the design is a cover over the new 25 metre Learner's Pool, which will assist in extending the swimming season and the option for the Council to construct a cover over the 50 metre, should the need arise.

The intention is to construct a shade structure over the 25 metre pool, to create a semi-enclosed pool that can be used during the whole year. The Concept Plan has also given significant consideration to the benefits of constructing a shade structure over the main 50 metre pool to extend the pool season and provide protection from all of the weather elements whilst still giving users the experience of an open air pool.

### 6.1.8 Upgrade of Facilities

The Concept Plan has given significant consideration to the issues of site access and car parking as it is expected that demand will increase once the facilities are upgraded and more recreational opportunities are provided. A new multi-level carpark building accommodating approximately 250 spaces over three (3) levels is proposed. The intent is that the car parking will cater for all of the needs of the *Patterson Reserve Community & Recreation Precinct*. The intent is that the car park will be constructed as part of Stage 2 of the redevelopment of the *Patterson Reserve Community & Recreation Precinct* and therefore does not form part of the grant funding application.



PAYNEHAM MEMORIAL SWIMMING CENTRE

## 7. PROJECT DEFINITION

The Project is defined as the *Redevelopment of the Payneham Memorial Swimming Centre Project*, which forms part of the broader redevelopment and upgrade of the *Patterson Reserve Community & Recreation Regional Precinct*.

Due to the extent and the anticipated cost of this Project, the Council proposes to undertake the redevelopment of the *Patterson Reserve Community & Recreation Precinct* in two (2) stages. The layout of the Precinct, allows the redevelopment of the *Patterson Reserve Community & Recreation Precinct* to be delivered in two (2) distinct stages.

Stage 1 of the Project will comprise of the full redevelopment of the *Payneham Memorial Swimming Centre* and will include the following:

- refurbishment of the main 50 metre pool in its current location with provision for a roof to be constructed at a later date. (Note: the refurbishment of the main 50 metre pool will form part of the Stage 1 construction work but does not form part of the grant funding application);
- replacement of the existing gravity fed sand filtrations system, with a new Neptune Defender Filtration System (Note: the new filtration system will form part of the Stage 1 construction work but does not form part of the grant funding application);
- new Plant Room to service the 50m Pool, new 25m Learners' Pool and the Aquatic Recreational Equipment and Facilities;
- new semi-enclosed eight lane 25 metre outdoor Learners' Lap Pool and Learn to Swim Pool with all-weather lid;
- new two (2) storey sports and leisure centre providing pool facilities, administration, and café, new gym/dry pool training, clubrooms and lettable function areas;
- new leisure pools with interactive water play and high platform water slides integrated with the building;
- zero depth splash pad;
- the installation of shade, barbeques and picnic facilities on grassed embankment; and
- new three (3) storey carpark building to accommodate approximately 250 car parking spaces.

For the purpose of the Grant Application for the *Local Government Infrastructure Partnership Program* (LGIPP) the scope of the Project includes Items 3 to 8 listed above. Items 1 and 2 are already funded by the Council and Item 9 will be constructed as part of Stage 2 of the redevelopment of the *Patterson Reserve Community & Recreation Precinct*.

The specific elements of the Project are illustrated on the Concept Plan contained in **Appendix A** with the new three (3) storey carpark shown on the Masterplan Plan contained in **Appendix G**.

Stage 2 of the Project will focus on the Patterson Reserve component of the redevelopment project. This component will comprise of the following:

- the naturalisation of the Third Creek;
- the demolition of the existing clubrooms in Patterson Reserve and central carpark to increase the area of the playing field;
- the re-orientation of the Patterson Reserve playing fields;

- the construction of new multipurpose clubrooms, incorporating a café, toilets and storage with suspended deck plaza over the creek;
- new sports club change facilities and storage;
- relocation of the Payneham Library Playground to increase the number of at grade carparks;
- central landscaped walkway connecting the Swimming Centre, the Patterson Reserve sports fields and public park with a sculptural marker at entry. Public park to incorporate the relocated memorial garden and new playground; and
- new off street parking with bridge connections over the creek to better link both sides of the Precinct.

For the purposes of this Business Case, the Project only refers to Stage 1.



PAYNEHAM MEMORIAL SWIMMING CENTRE – AUSTRALIA DAY CELEBRATION



## 8. PRIMARY PROJECT DRIVERS

The primary project drivers identified include but are not limited to:

- the location of the existing aquatic and leisure facility, which is within the *Patterson Reserve Community & Recreation Precinct*, a regional level community and recreational facility, which has been identified by the Council as needing significant rejuvenation;
- the existing amenities and in particular the main 50 metre pool and the filtration system reaching the end of their useful life (with increasing operational and capital refurbishment costs) and are at risk of catastrophic failure;
- the urgent need to replace the existing aquatic facilities (i.e. the main 50 metre pool and the associated filtration system) due to the age and condition of the pools and the associated infrastructure and amenities which is resulting in a significant amount of water loss daily (*Note: As part of its 2018-2019 Annual Business Plan, the Council allocated a budget for the refurbishment of the main 50 metre pool. The initial scope of works has since been expanded to include the replacement of the filtration system. The main pool and filtration system has been planned in the Council's Long Term Financial Plan to be undertaken in 2021-2022).*
- the existing Learners' Pool being limited in size and unable to be adequately expanded in its current location and current configuration;
- recognition that due to the age of the infrastructure, the effectiveness of the ongoing repairs is decreasing and the need for ongoing maintenance of the facility is both financially and environmentally unsustainable. There is a high risk of catastrophic failure at the *Payneham Memorial Swimming Centre* which will result in the complete closure of the Swimming Centre;
- recognition that sport and recreational facilities are vitally important for maintaining community cohesion, well-being and identity for communities;
- population growth in the City of Norwood Payneham & St Peters and the surrounding areas (i.e. residential and commercial) demanding more recreational facilities and higher standard facilities; and
- location, number, type and quality of sport and recreation facilities for the community in the long term to support the growth and liveability of the adjoining suburbs and more broadly the surrounding areas.



PAYNEHAM MEMORIAL SWIMMING CENTRE

## 9. STRATEGIC ALIGNMENT

The Project has been developed and planned, aligning with several Key Strategic Plans and documents at a State, Regional and Local level. The following provides a summary of the strategic documents relevant to the Project.

### 9.1 Government of South Australia - Growth State Agenda

In June 2020, the South Australian Government released its Plan for economic growth, the Growth State Agenda. The Plan has been created to respond to the needs of industry and focuses on building South Australia as a place to invest, expand an existing business or create a new business. More specifically the Plan:

- Seeks broad based business collaboration to create more jobs, investment and economic opportunity for the future.
- Aims to grow the South Australian economy at an annual rate of 3%, which will bring the State into line with other parts of the Country.
- Seeks to provide a foundation for more prosperity for South Australians and for achieving a strong economy to match South Australia's enviable lifestyle.
- Seeks to invest in productive infrastructure, with importance placed on directing capital to projects that drive economic activity and growth, boost productivity and enhance liveability and land values.

Through its implementation, the Growth State Agenda will better position South Australia by ensuring that the physical assets and structures that support a broader range of economic activities are in place.

The redevelopment of the *Payneham Memorial Swimming Centre* is one of these projects which will deliver a contemporary aquatic facility that meets the growing and changing needs of the community. It will deliver a recreational and sporting facility in close proximity to the residents of the City of Norwood Payneham & St Peters as well as those of the Eastern Region of Adelaide. This will enhance the liveability of these residential areas which will subsequently increase the land value of the surrounding residential areas.

As a destination, the upgraded *Payneham Memorial Swimming Centre* will contribute the local economy through the increase in the local tourism as the number of visitations to the *Payneham Memorial Swimming Centre* will increase to experience this regional level aquatic facility. The tourism sector is one of the State Government's priority growth sectors and it is recognised that local tourism is just as important in the sustainability of the economy as all other levels of tourism. In addition, the provision of a redeveloped aquatic facility that caters for a range of users will contribute to a healthier community through the provision of recreational facilities and places for people to meet and congregate. Providing facilities and places for people to enjoy, recreate and exercise also contributes to improvements in health, another of the State's priority sectors.

### 9.2 CityPlan 2030: Shaping Our Future

The Council's Strategic Management Plan, *CityPlan 2030: Shaping Our Future*, provides the overarching strategic framework for all of the Council's services, projects and decision-making. *CityPlan 2030* is based on a Quadruple Bottom Line (QBL) approach, applying best practice sustainability principles to guide all decisions as to how the Council plans and delivers its services and facilities. The Council's overarching objective of community well-being is supported by the four (4) pillars of integrated sustainability namely: social equity, cultural vitality, economic prosperity and environmental sustainability.

The redevelopment of the *Payneham Memorial Swimming Centre* delivers on a number of the objectives and strategies within *CityPlan 2030*, and is a project which contributes significantly to the overall objective of community well-being.

In particular, the Outcomes, Objectives and Strategies of the Council's *CityPlan2030: Shaping Our Future – Update 2017* that are relevant to this Project are provided below:

**Outcome 1: Social Equity – An inclusive connected, accessible and friendly community.**

- **Objective 1.1: Convenient and accessible services, information and facilities**

*Strategy 1.1.1: Establish community hubs that integrate social support, health, recreational and commercial services, in multi-purpose spaces.*

*Strategy 1.3.3: Design and provide safe, high quality facilities and spaces for all people.*

- **Objective 1.4: A strong, healthy, resilient and inclusive community.**

*Strategy 1.4.1: Encourage physical activity and support mental health to achieve healthier lifestyles and well-being.*

*Strategy 1.4.3: Encourage the use of spaces and facilities for people to meet, share knowledge and connect with each other.*

**Outcome 3: Economic Prosperity – A dynamic and thriving centre for businesses and services.**

- **Objective 3.2: Cosmopolitan business precincts contributing to the prosperity of the City.**

*Strategy 3.2.3: Promote the City as a visitor destination.*

A copy of the Council's Strategic Management Plan, *CityPlan 2030: Shaping Our Future* is contained in **Appendix H**.

## 9.3 Economic Development Strategy

The *Economic Development Strategy 2021–2026* outlines the Council's strategic direction for economic development over the next five years, in order to strengthen and grow the City's local economy and support businesses, ensuring their long-term sustainability, viability and growth.

The strategic framework established in the *Economic Development Strategy* will strive to deliver four Outcomes that will re-affirm the long held aspiration of increasing economic prosperity and enhancing community well-being in the City of Norwood Payneham & St Peters. In particular, the Outcome, Objective and Strategies of the Council's *Economic Development Strategy 2021–2026* that is relevant to this Project is outlined below:

**Outcome 2: Destination City – a destination with dynamic, cultural, vibrant and attractive precincts.**

- **Objective: Increase the number of people who live, work and visit the City and enhance the community well-being of existing residents, workers and visitors.**

*Strategy 2.1: Showcase and promote the City's attractions and events to facilitate growth in visitation and spending.*

*Strategy 2.3: Facilitate the activation of key spaces and precincts in the City.*

The City of Norwood Payneham & St Peters is a major destination, drawing visitors from a wide geographic area for a diverse range of reasons. One of the attractions in the City is the *Payneham Memorial Swimming Centre*, a place for both leisure and recreational activities.



The visitor economy is extremely important for the City and represents economic activity that relates to attracting and servicing visitors in the City, either on a regular basis or unique visitation, which are destination driven. A key aspect in maintaining strong visitation in the City involves the Council continuing to provide high quality infrastructure. As stated previously in this Business Case, The *Payneham Memorial Swimming Centre* is ageing and the broader community is now seeking a higher standard facility to maintain the level of liveability. To maintain this, there is an ongoing need for improvements in health and well-being, city attractiveness and communities will require better and more connectivity between and within them to increase social cohesion.

Investment in the *Payneham Memorial Swimming Centre* will not only enable the Council to showcase and promote the City's attractions to facilitate growth in visitation and spending, but will also create local jobs during and post construction and contribute to the City's overall gross revenue.

A copy of the Council's *Economic Development Strategy 2021–2026* is contained in **Appendix I**.

## 9.4 Open Space Strategy

The objective of the Open Space Strategy is to provide the Council with information to enable it to pro-actively plan for open space and to ensure that there is equity in respect to access to useful open space and recreational facilities throughout the City. It also ensures that the Council's open space assets maximise the benefits in respect to environmental management, public health and wellbeing, tourism and community capacity building.

The Council's *Open Space Strategy* designates the *Payneham Memorial Swimming Centre* as a Regional Level facility mainly due to its function as a formal sporting facility and its appeal to a wide cross section of the community. This designation makes the *Payneham Memorial Swimming Centre* one of the most significant pieces of community and recreational open space facilities within the City of Norwood Payneham & St Peters.



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The Open Space Strategy also recognises Patterson Reserve as a Regional Level facility because of its size and wide range of facilities that it offers.

The redevelopment of the *Payneham Memorial Swimming Centre* will further enhance its status as a Regional Level facility.

A copy of the Council's *Open Space Strategy* is contained in **Appendix J**.

## 9.5 Playground Strategy

The Council's *Playgrounds Strategy* provides the long term strategic direction for the provision and management of playgrounds within the City. More specifically, the *Playgrounds Strategy* identifies the key issues associated with each of the playgrounds throughout the City and outlines an integrated and strategic framework for the enhancement of these important community assets.

The *Playgrounds Strategy* establishes a hierarchy of playgrounds, which aims to achieve different levels of provision and the best use of resources. The hierarchy ranges from Regional and District level playgrounds, which cater to users from a wide geographic area and generally provide innovative, unique or higher standard play equipment and spaces, through to Neighbourhood and Local play opportunities, which generally cater for the surrounding local area and a smaller number of users. A playground's designated level in the hierarchy will ultimately determine the level of development and the quality of the playground.

The Payneham Library Playground is designated as a Level 3 Neighbourhood Playground, making it one of nine Neighbourhood Level playgrounds within the City. Designation as a Neighbourhood Level Playground assumes that the playground will cater for the local neighbourhood and will generally include standard rather than unique play equipment. However, its designation is more a reflection of its current elements rather than its location and role.

In respect to Payneham Library Playground, the *Playgrounds Strategy* identifies the lack of disability access, fencing too close to the play equipment and lack of connection with the *Payneham Memorial Swimming Centre* and Patterson Reserve as some of the key issues with the playground and its location. It recommends:

- increasing seating; and
- considering whether a playground is better linked to Patterson Reserve and other sport and recreation facilities (e.g. Patterson Reserve or the *Payneham Memorial Swimming Centre*).

Given the Payneham Library Playground's association with the regional level facilities, and its proximity to other playgrounds, consideration has been given to its appropriateness to be retained, relocated and/or potentially incorporated within the *Payneham Memorial Swimming Centre*. The Masterplan proposed that the Playground be relocated adjacent to the Memorial to reflect the Regional status of this Precinct and to increase its usage.

A copy of the *Playground Strategy* is contained in **Appendix K**.

## 9.6 Public Health Plan

The *Public Health Plan* for the Eastern Region sets out the strategic directions to work towards delivering better living and better health. The Masterplan for the *Patterson Reserve Community & Recreation Precinct* and more specifically the Concept Plan for the *Payneham Memorial Swimming Centre*, which was developed and will be implemented will assist in achieving the directions of the *Public Health Plan*, particularly those under the theme of '*Environments for better health*', by creating attractive, more useable and stimulating reserves and recreational facilities. Both the Masterplan and Concept Plan have been developed to maximise the opportunities for active and passive recreation and encourage greater physical activity, social interaction and social cohesion.



A copy of the *Public Health Plan* is contained in **Appendix L**.

## 9.7 Climate Change Adaptation Plan

The Eastern Region Climate Change Adaptation Plan establishes a number of priorities for action, including increasing the areas of open space in key locations and increasing plantings in urban areas to create a greener, cooler space. Once redeveloped the *Payneham Memorial Swimming Centre* will include provisions to assist in reducing and mitigating the impacts of climate change.

A copy of the *Eastern Region Climate Change Adaption Plan* is contained in **Appendix M**.

## 9.8 Access & Inclusion Strategy

In 2019 the South Australian State Government passed the *Disability Inclusion Act 2018 (SA)*. The Act promotes the full inclusion in the community of people with a disability to assist those citizens living with a disability to achieve their full potential as equal citizens through accessible and inclusive service and infrastructure. Subsequently, in 2019 the State Government developed its first Disability Access and Inclusion Plan, *Inclusive SA 2019-2023*, which seeks a whole of government approach to improving the Quality of Life for citizens living with disability.

In line with these legislative requirements the Council has developed the *Access & Inclusion Strategy - A City for All Citizens 2018-2022*, which recognises the importance of family, community, culture and the ability to age in place from birth to 100+ years. The main objective of the Strategy is to improve opportunities for inclusion and better accessibility through the City for citizens of all ages and abilities and backgrounds.

In support of the Access & inclusion Strategy to Council has also developed the Access & Inclusion Policy. The aim of the Council's Policy is to facilitate wellbeing outcomes for citizens of all ages, abilities and backgrounds through accessible and inclusive services, programs facilities and infrastructure. The Strategy and Policy together ensure that citizens with disabilities are not disadvantaged by being deprived of equal opportunity, through stereotyping, prejudice, and misconception or by unnecessary barriers or restrictions.

In particular the Council's Strategy and Policy aim to ensure that:

- all Citizens have the right to contribute to the social, environmental, political, economic and cultural life of the community;
- that all Council facilities and reserves are designed and developed to support all citizens where practical, (subject to heritage, topography and funding constraints) and
- that the needs of citizens with disabilities will be recognised in the development, planning and delivery of services, programs, events and projects.

The Council is committed to supporting and improving access, equity, inclusion and quality of life for citizens of all ages, abilities and cultures. The Council will seek to achieve this outcome at the *Payneham Memorial Swimming Centre* through a number of ways to ensure that all citizens can utilise the facility.

A copy of the Council's *Access & Inclusion Strategy - A City for All Citizens 2018-2022* is contained in **Appendix N**.

## 9.9 Swimming Centres Long Term Strategy

The *Swimming Centre Long Term Strategy*, was developed following extensive consultation and engagement with the community to identify the future direction for both swimming facilities. The *Swimming Centre Long Term Strategy* was adopted by the Council in December 2017.

The objective behind the development of the Strategy was to:

- identify whether or not there was still a demand and/or need to retain both Swimming Centres; and
- to establish the framework upon which to base the future direction of both Centres, to ensure that both Swimming Centres are managed, maintained and developed in an effective manner to ensure that they remain contemporary and are able to meet the changing needs of the community in the future.

Further details regarding the *Swimming Centres Long Term Strategy* are contained in Section 4.3.4 of this Business Case.



PAYNEHAM MEMORIAL SWIMMING CENTRE – POOLSIDE EVENT 2021

## 10. MARKET ANALYSIS

In order to inform the *Swimming Centres Long Term Strategy* and to assist the Council to determine whether to retain both of its swimming centres, a detailed market analysis was undertaken. The results of the Market Analysis are outlined below.

### 10.1 Market Trends

Key trends which may impact on the future viability of the *Payneham Memorial Swimming Centre*:

- a gradual ageing of the population;
- changing employment structures, trading and work hours resulting in flexibility in the times when people recreate;
- a broader range of recreational and leisure options;
- time constraints to recreation and leisure participation;
- greater market segment differentiation;
- demand for high standard and quality of facilities and services;
- desire for activities to be affordable; and
- expectations for universal access.



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## 10.2 Aquatics Market

The aquatics market comprises of at least six (6) distinct segments, each requiring a specific marketing mix to maximise the market share:

- Lap swimming
- Swim coaching/squads
- Learn to swim lessons (private, group and school)
- Recreation and Aquatic Play
- Aquatic Fitness Programs
- Therapeutic and Rehabilitation Programs

## 10.3 Competition

The aquatics market is very competitive, particularly for major markets such as the aquatic education and aquatic fitness markets. In total there are twenty-three (23) pools/ aquatic facilities in which the *Payneham Memorial Swimming Centre* competes against. The twenty-three (23) facilities can be divided into:

- Six (6) public, heated aquatic centres – three of which are indoor facilities and three are outdoor;
- Ten (10) commercial indoor swimming centres;
- Six (6) private schools have swimming pools, with three being indoor; and
- Nine (9) hydrotherapy pools.

Its most significant competitors are:

- the redeveloped Tea Tree Gully Swimming Facility;
- the redeveloped Burnside Swimming Facility;
- the newly built Arc in the Campbelltown City Council, which offer a 25 metre indoor swimming pool;
- the proposed redevelopment of the Adelaide Aquatic Centre;
- the preference for indoor venues with a variety of leisure opportunities; and
- the increasing customer expectations of aquatic leisure facilities, with features like water slides and leisure water impacting on decisions to use a certain facility.

Of the six (6) distinct segments, the only major market sector which appears to be under serviced is the aquatic play and recreation market. The aquatic centres which provide aquatic and recreational facilities and which have been identified as key competitors for the Council are:

- Tea Tree Gully Waterworld;
- Adelaide Aquatic Centre;
- Burnside Swimming Centre;
- Campbelltown Leisure Centre;
- Marion Outdoor Pool; and
- SA Aquatic and Leisure Centre.

## 11. GAP AND DEMAND ANALYSIS

A review of aquatic facilities in the primary and secondary catchment areas has been undertaken for both the Norwood Swimming Pool and the *Payneham Memorial Swimming Centre*, recognising that the primary focus of this Business Case is the *Payneham Memorial Swimming Centre*. The results of the review are summarised in **Table 1** below.

Given the level of competition, both pools are likely to struggle to increase market share in these markets. It is highly unlikely that the two (2) pools will be able to compete in the therapeutic and rehabilitation programs unless an indoor facility is constructed. However, this market is also very competitive. The main gap in the aquatic market is the recreational aquatic play market.

**Table 1: Assessment of Market Offering**

Market Offering	Assessment
Lap Swimming	<p>The Norwood and Payneham Swimming Centres provide adequate lap swimming opportunities over the summer period. The pools directly compete for customers with Burnside, Adelaide Aquatics Centre, Unley and Tea Tree Gully swimming pools and to a lesser extent the commercial and school pools. Many lap swimmers prefer swimming in outdoor pools.</p> <p><b>Lap swimming has adequate facilities in the primary and secondary catchment areas and limited opportunity for growth.</b></p>
Swim Coaching/Squads	<p>The Norwood and Payneham Swimming Centres provide adequate swim coaching and squad swimming opportunities over the summer period. Given that swim clubs prefer to operate year round at one venue, the two pools are at a disadvantage to indoor pools. A major advantage of the Payneham Memorial Swimming Pool is its length (50m) which is the preferred distance for squads.</p> <p>Opportunity for growth will only occur through the provision of a cover over at least one of the pools at the <i>Payneham Memorial Swimming Centre</i> (i.e. 50 metre and 25 metre pools). The cover over the pools will allow the swimming session to be extended.</p> <p><b>Swim coaching/squads have adequate facilities in the primary and secondary catchment areas and limited opportunity for growth.</b></p>
Learn to Swim Lessons	<p>Small seasonal swim schools operate out of the <i>Payneham Memorial Swimming Centre</i>. Much larger swim schools exist at the indoor pools, particularly Adelaide Aquatics Centre, the Campbelltown Aquatic Centre and other commercial pools in the region</p> <p><b>Aquatic education has adequate facilities in the primary and secondary catchment areas and limited opportunity for growth now that the Campbelltown Aquatic Centre has opened.</b></p>

Recreational Aquatic Play	<p>The <i>Payneham Memorial Swimming Centre</i> offers limited recreational aquatic play opportunities for any age group. Tea Tree Gully Waterworld, Burnside and the Adelaide Aquatic Centre have play elements. Most play features are targeted to young children, rather than older children and teenagers.</p> <p><b>The recreational aquatic play market is relatively poorly serviced in both the primary and secondary catchment areas.</b></p>
Aquatic Fitness Programs	<p>The <i>Payneham Memorial Swimming Centre</i> provides adequate programming opportunities over the summer period. The pools which directly compete for customers with Payneham Pool are Burnside, Adelaide Aquatic Centre, Unley and Tea Tree Gully swimming pools and to a lesser extent the commercial and school pools.</p> <p><b>Whilst adequate facilities in the primary and secondary catchment areas exist, opportunities for growth are highly dependent upon the quality of instruction and range of programs offered. A key issue is to maintain water temperature at a level which allows classes to be conducted for up to one hour.</b></p>
Therapeutic and Rehabilitation Programs	<p>Neither the Norwood nor the Payneham Swimming Centres offer Therapeutic or Rehabilitation programs due to the pool water temperature. Nine hydrotherapy pools are located in the primary and secondary catchment area.</p> <p><b>Therapeutic and rehabilitation programs are unlikely to be financially sustainable in a seasonal pool.</b></p>

Key points to note are that the Payneham and Norwood Swimming Centres combined currently cater for four (4) of the six (6) major aquatic market segments.

The *Payneham Memorial Swimming Centre* caters primarily for the lap swimming and swimming coaching/squads markets. To a lesser extent it also provides aquatic education classes for schools and individuals.

Due to inadequate facilities both Swimming Centres (i.e. Norwood and Payneham) are unable to compete effectively in the recreational aquatic play (no facilities for children or teenagers), aquatic fitness programs (water temperature and length of season) and therapeutic and rehabilitation programs (water temperature and pool depth).

The Estimated Residential Population (ERP) of the City of Norwood Payneham & St Peters in 2016 was 36,396. This is forecast to grow to 37,150 by 2021 and 40,063 by 2036, resulting in an overall increase of 10.1 percent between 2016 and 2036. This compares to the forecast growth of 18.2 per cent across the Greater Adelaide Region. Interestingly more recent projections in 2019 for the City of Norwood Payneham & St Peters have estimated the ERP to be 37,056, which suggests that the population numbers are growing much faster than was anticipated.

Whilst the number of children aged 5 – 19 is expected to increase, the number of older adults aged over 55 years will increase by 2036. This suggests that aquatic centres will increasingly be expected to service the needs of a broad age group. However, catering for the aquatic needs of an older age group

will require warm, relatively shallow (maximum chest depth), programmable water space. The preference is for indoor water space and a rehabilitation and/or spa or relaxation pool.

In summary, the current pools do not fully cater for the major aquatic markets, and are unlikely to meet the needs of the growing older adult population. Therefore a focus on the aquatic recreational market to cater for the school age and teenage market will be a more viable option.



PAYNEHAM MEMORIAL SWIMMING CENTRE

## 12. KEY CONSIDERATIONS

The factors which need to be considered in determining the best long term aquatics strategy for the *Payneham Memorial Swimming Centre* are briefly outlined below.

### 12.1 Asset Condition

The *Payneham Memorial Swimming Centre* was built in 1967 (54 years ago). Over the years, a range of refurbishments have been undertaken to maintain the infrastructure in good order. A condition audit in 2007 identified works required to be undertaken. Whilst some works have been completed to improve the functionality of the main 50 metre pool, there is still a significant amount of work required to ensure that the site remains safe and financially viable and environmentally responsible. In addition, full accessibility to the site has still not been addressed.

In 2013, another review recommended works to reduce or stop substantial water leaks, this work includes:

- replacement of the joint sealants in the main pool; and
- replacement of the Toddler's Pool with a new Toddler's Pool or children's water playground.

In 2016, FYFE Pty Ltd, was engaged by the Council to assess and predict the remaining life of the shell of the main 50 metre pool, investigate the current condition of the pipework associated with the pool filtration system, identifying other items that may impact on the safety and cost of running the Swimming Centre and identifying options for long term repair and replacement. It was found that the pool shell showed no signs of deterioration however the pool filtration equipment is at the end of its expected life and should be replaced. The general pool facility does not meet disabled access requirements and the Centre has limited shade.

The major problem with the *Payneham Memorial Swimming Centre* is the water leak and the need to replace the Toddlers' Pool. On the positive side the facility has:

- Extensive grass areas.
- Three (3) pools – main, learners and toddlers (although the learners and toddlers pools need replacing).
- Shade over both pools and grass areas.
- Adequate room for an amenities building.
- Range of water depths and configurations to cater for multiple aquatic markets.

Given the age and condition of the *Payneham Memorial Swimming Centre* and the limited, but unknown life of the main 50 metre pool and associated infrastructure and also given the appearance of its facilities and the amount of land available, including car parking there is significant potential for redevelopment or upgrading to meet contemporary aquatic market needs.





PAYNEHAM MEMORIAL SWIMMING CENTRE

## 12.2 Refurbishment Works and Associated Costs

In the 2010-2011 and 2011-2012 financial years respectively, approximately \$420,000 was spent at the *Payneham Memorial Swimming Centre* to undertake urgent works to replace the main pipe and associated works to address a water leakage. This work improved the situation but did not rectify the problem.

As a result of the amount of water loss which was still being experienced due to the age and condition of the infrastructure, in December 2017, the Council endorsed the refurbishment of the main 50 metre pool as a matter of priority, in order to “future proof” the pool for the next twenty-five (25) to thirty (30) years. It was decided that due to the extent of work required, the refurbishment would be undertaken in two (2) stages, to minimise the interruption to the regular twenty four (24) week swimming season.

In May 2018, the Council appointed South Pacific Commercial Aquatics Pty Ltd at a cost of \$388,000 to undertake the *Payneham Memorial Swimming Centre Main Pool – Filtered Water Pipework Replacement*, as Stage 1 in the refurbishment of the main 50 metre pool. This stage of the Project included the replacement of the filtered water return pipe, which delivers clean filtered water to the main pool and the replacement of the “soiled” water return pipes, which takes water from the main pool back to the filtration system. This work was completed in October 2018.

Following completion of the Stage 1 works, the Council appointed a Consultant to undertake the preparation of the Detail Design and Construction Documentation for the remainder of the Main Pool Refurbishment Works (Stage 2), which includes:

- the provision of appropriate disability access to the main 50 metre swimming pool;
- the replacement of the scum gutters with a wet deck entry; and

- the re-tiling of the main pool.

As part of its 2018-2019 Budget, the Council allocated \$2,092,000 to undertake the Stage 2 Works. However, the initial scope of work was expanded to include the replacement of the existing gravity fed sand filtration system with a Neptune Defender Filtration system. The main pool refurbishment and filtration replacement is now planned to be undertaken in 2021-2022.

By way of comparison, a new 50 metre pool constructed on a “green field site” incorporating similar finishes to those included in the main 50 metre Pool at *Payneham Memorial Swimming Centre* would cost between \$4,200,000 and \$5,000,000 dependant on the selection of plant, materials and finishes.

Given the similarity in the cost, through the detail design stage of the project, serious consideration will need to be given to the option of constructing a brand new 50 metre pool over the option of undertaking the Stage 2 refurbishment work.

In summary, if the *Payneham Memorial Swimming Centre* and in particular the pools, continue to function in their current form, operating losses have a high probability of increasing. In addition, it is likely that at some point in the near future the Council will be required to allocate substantial funds for capital replacement or upgrades.

### 12.3 Community Expectations

A postcode survey of the *Payneham Memorial Swimming Centre* found that the catchment although broad was highly localised.

Feedback received from the community, through the Swimming Centre Review undertaken in 2017, is that there is a clear expectation that the *Payneham Memorial Swimming Centre* will continue to operate, with predominately outdoor pools.



PAYNEHAM MEMORIAL SWIMMING CENTRE

### 13. ECONOMIC ANALYSIS

The proposed redevelopment of the *Payneham Memorial Swimming Centre* is a significant community infrastructure project and can be utilised to provide a short-term boost to the local economy, particularly in the building and construction sector. The construction phase offers the opportunity to use the local labour force, as well as sourcing of materials locally where possible. Longer term economic opportunities and benefits provide ongoing employment and flow on effects from a significant financial investment. The longer term effects are discussed in more detail in the Financial Analysis section of this Business Case.

It is anticipated that the local economy would benefit from the direct spend attributed to the construction of the facility and its ongoing operations and maintenance, through various multipliers, associated with employment, increased members and visitor numbers and generally because of the improved recreational facilities. This is likely to have a flow-on benefit associated with improving the liveability of residents and visitors.

There are a range of indirect benefits of the Project, through attraction and retention factors, which positively impact on the local workforce through the improved amenity and experiential recreation areas. Improving the offerings for the people that live, work and visit the City of Norwood Payneham & St Peters through modern services and facilities will encourage the development of strong local communities and contribute to the attraction of residents to the area.

It is also anticipated that the redevelopment of the *Payneham Memorial Swimming Centre* will positively impact on community health and wellbeing with the tangential benefits of building community pride and participation, interest in volunteering and generally high levels of community engagement. This positive community atmosphere will, in turn, provide an improved experience for those visiting the new facilities. Beyond the quantifiable economic benefits, there would also be numerous additional benefits, for the local community stemming from the redevelopment of the *Payneham Memorial Swimming Centre* project, including:

- **Population Attraction:** the redeveloped facility will act to attract future residents to the community, helping to grow the area and maintain a vibrant community. It will subsequently contribute to an increase in land value.
- **Increased Community Wellbeing:** health, sports and leisure activities are an important facet of community wellbeing, not only through the positive physical health benefits, but also through numerous mental health benefits. Community pride and community cohesion would also be enhanced through this Project.
- **Increased participation in sport and recreation:** the provision of facilities leads to an increase in physical activity levels and participation in physical activity. Increased participation in sport and recreation will make individuals, families and the community healthier.
- **Health benefits:** there are numerous individual and community health benefits that the new facilities would support. Healthier people provide lower cost and lower burden for the public health system.

Financially, the City of Norwood Payneham & St Peters understands and can ensure it has the required funds to maintain and operate the new facilities as well as its other current assets. This is demonstrated in the Financial Analysis section of the Business Case. As required under the *Local Government Act 1999*, the Council maintains Asset Management Plans and will ensure that the new facilities are included in its Asset Management Plans once built.

The First Order Cost Estimates (contained in **Appendix O**) for the redevelopment of the *Payneham Memorial Swimming Centre* Project, as outlined in this Business Case are estimated to be



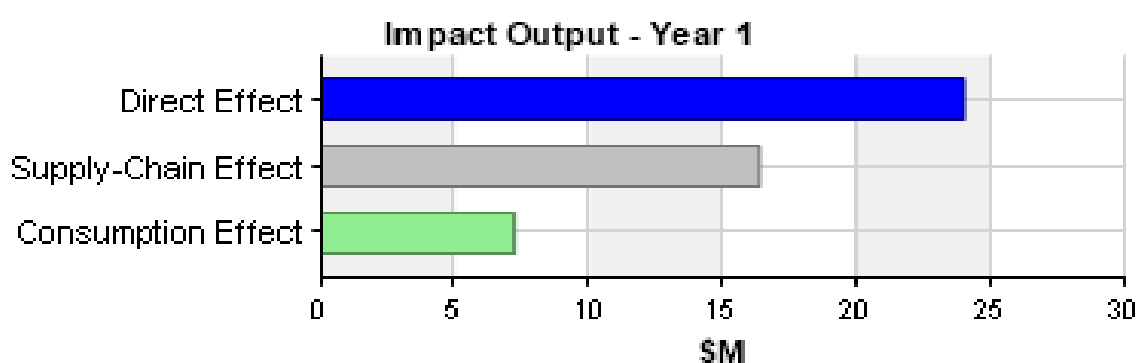
approximately \$21 million. This investment together with the Council's allocation of \$3.2 million for the refurbishment of the main pool, brings the projected total investment for the Stage 1 of the Project to \$24 million.

In order to understand the economic impacts of the investment on this Project, two (2) scenarios have been modelled, the Economic Impact of Investing \$20 million and the Economic Impact of Investing \$24 million. For the purposes of the economic modelling, it has been assumed that the construction stage of the redevelopment of the *Payneham Memorial Swimming Centre* will be completed within 9 months. The results of this modelling is outlined below.

### 13.1 Economic Impact of Project - \$24 Million Investment

Under this scenario and based on the First Order Cost Estimate of \$24 million, the redevelopment of the *Payneham Memorial Swimming Centre* will inject \$24 million into the local construction industry over a 12 month period. The estimated cost includes the refurbishment of the main 50 metre pool and replacement of the filtration system.

#### 13.1.1 Impact on Output



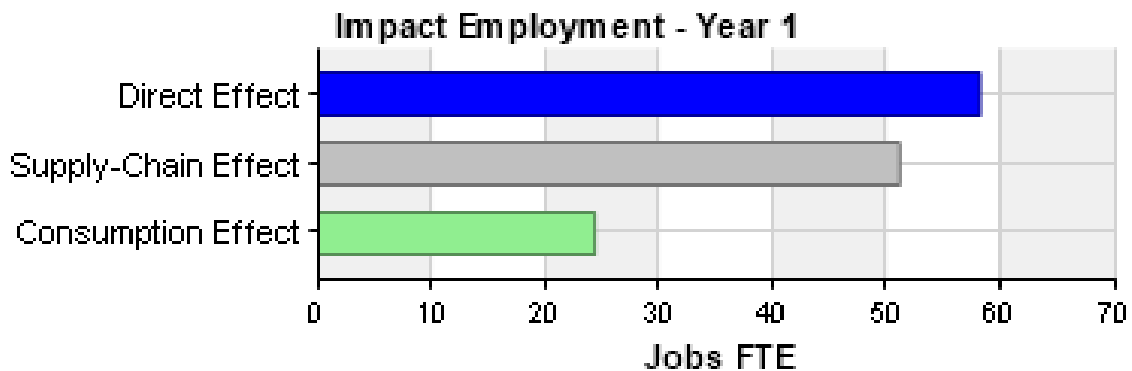
Source: Remplan

	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	\$24.000	\$16.342	\$7.199	\$47.541	1.681	1.981

From a direct increase in output of \$24 million it is estimated that the demand for intermediate goods and services would rise by \$16.342 million. This represents a Type 1 Output multiplier of 1.681. These supply-chain effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy. The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$7.199 million.

Total output, including all direct, supply-chain and consumption effects is estimated to increase by up to \$47.541 million. This represents a Type 2 Output multiplier of 1.981.

### 13.1.2 Impact on Employment



Source: Remplan

**NOTE:** Employment figures have been adjusted to full time equivalent (FTE) based on a 35 hour work week.

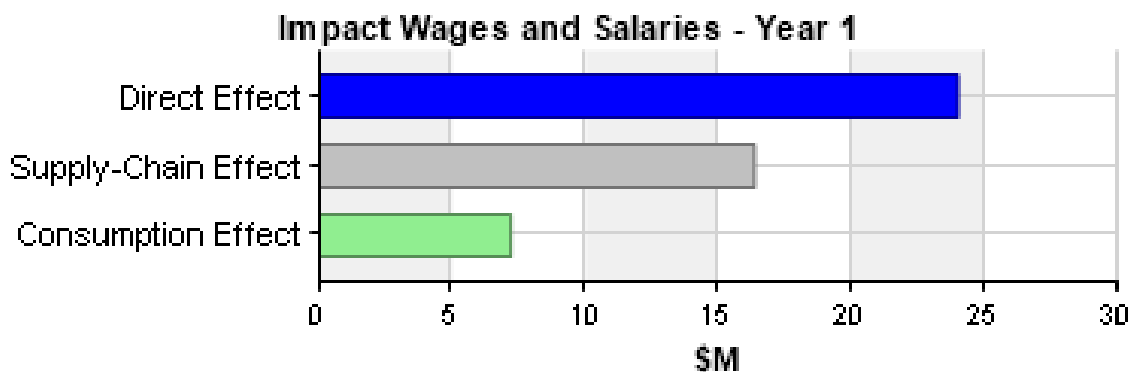
	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	58.13	51.03	24.25	133.41	1.878	2.295

From a direct increase in output of \$24 million the corresponding creation of direct jobs is estimated at 58.13 FTE jobs. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 51.03 jobs. This represents a Type 1 Employment multiplier of 1.878.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 24.25 FTE jobs.

Total employment, including all direct, supply-chain and consumption effects is estimated to increase by up to 133.41 FTE jobs. This represents a Type 2 Employment multiplier of 2.295.

### 13.1.3 Impact on Wages and Salaries



Source: Remplan



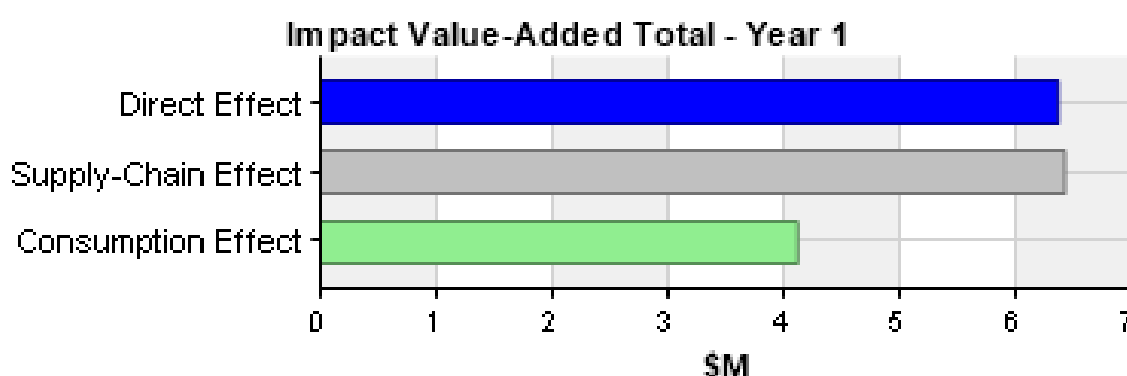
	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	\$3.115	\$3.584	\$1.731	\$8.430	2.151	2.706

From a direct increase in output of \$24 million it is estimated that direct wages and salaries would increase by \$3.115 million. From this direct impact on the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the net increase in wages and salaries of \$3.584 million paid to workers. This represents a Type 1 Wages and Salaries multiplier of 2.151.

The net increase in direct and indirect output and the corresponding jobs in the economy are expected to correspond to an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to result in an overall increase in wages and salaries by \$1.731 million.

Total wages and salaries, including all direct, supply-chain and consumption effects is estimated to increase by up to \$8.430 million. This represents a Type 2 Wages and Salaries multiplier of 2.706.

#### 13.1.4 Impact on Value-Added



Source: Remplan

	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	\$6.373	\$6.431	\$4.124	\$16.928	2.009	2.656

From a direct increase in output of \$24 million, the corresponding increase in direct value-added is estimated at \$6.373 million. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$6.431 million. This represents a Type 1 Value-added multiplier of 2.009.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$4.124 million.

Total value-added, including all direct, supply-chain and consumption effects is estimated to increase by up to \$16.928 million. This represents a Type 2 Value-added multiplier of 2.656.

### 13.1.5 Impact Summary of a \$24 Million Investment

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
<b>Output (\$M)</b>	\$24.000	\$16.342	\$7.199	\$47.541	1.681	1.981
<b>Employment (Jobs FTE)</b>	58.13	51.03	24.25	133.41	1.878	2.295
<b>Wages and Salaries (\$M)</b>	\$3.115	\$3.584	\$1.731	\$8.430	2.151	2.706
<b>Value-added (\$M)</b>	\$6.373	\$6.431	\$4.124	\$16.928	2.009	2.656

Under this scenario Gross Regional Product is estimated to increase by \$16.928 million. Contributing to this is a direct increase in output of \$24 million, 58.13 additional FTE jobs, \$3.115 million more in wages and salaries and a boost in value-added of \$6.373 million.

From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to output valued at \$16.342 million, 51.03 more FTE jobs, \$3.584 million more paid in wages and salaries, and a gain of \$6.431 million in terms of value-added.

These supply-chain effects represent the following Type 1 economic multipliers:

Impact	Type 1 Multipliers
Output	1.681
Employment	1.878
Wages and Salaries	2.151
Value-added	2.009

The increase in direct and indirect output and the corresponding change in jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under the scenario are expected to further boost output by \$7.199 million, employment by 24.25 FTE jobs, wages and salaries by \$1.731 million, and value-added by \$4.124 million.

Under this scenario, total output is expected to rise by \$47.541 million. Corresponding to this are anticipated increases in employment of 133.41 FTE jobs, \$8.430 million wages and salaries, and \$16.928 million in terms of value-added.

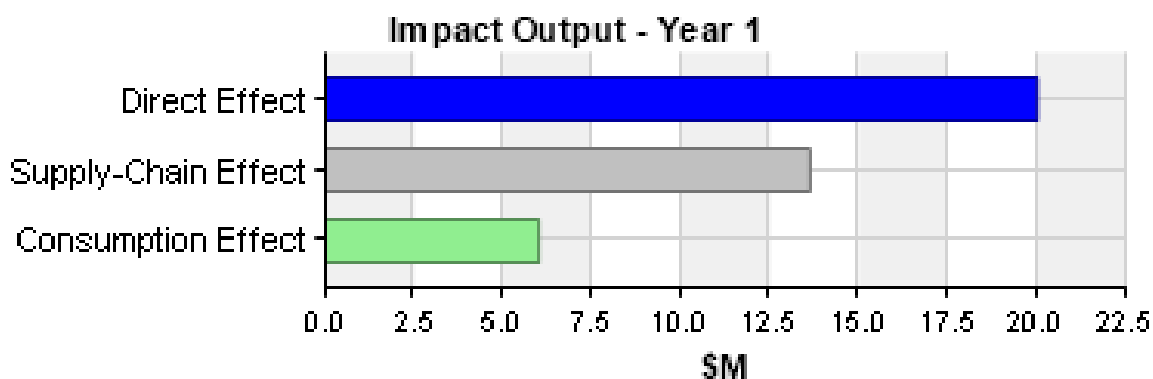
The total changes to economic activity represent the following Type 2 economic multipliers:

Impact	Type 2 Multipliers
Output	1.981
Employment	2.295
Wages and Salaries	2.706
Value-added	2.656

## 13.2 Economic Impact of Project - \$20 Million Investment

This scenario is based on the Council identifying cost savings and delivering the construction of the Project, including the refurbishment of the main 50 metre pool and the associated filtration system, with a total budget of \$20 million. Based on this scenario, the redevelopment of the *Payneham Memorial Swimming Centre* will inject \$20 million into the local construction industry over a 12 month period.

### 13.2.1 Impact on Output



Source: Remplan

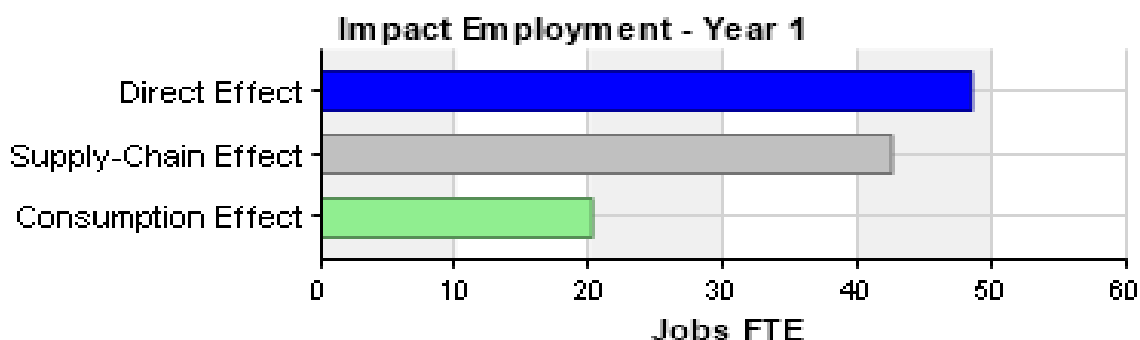
	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	\$20.000	\$13.619	\$5.999	\$39.618	1.681	1.981

From a direct increase in output of \$20 million, it is estimated that the demand for intermediate goods and services would rise by \$13.619 million. This represents a Type 1 Output multiplier of 1.681. These supply-chain effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$5.999 million.

Total output, including all direct, supply-chain and consumption effects is estimated to increase by up to \$39.618 million. This represents a Type 2 Output multiplier of 1.981.

### 13.2.2 Impact on Employment



Source: Remplan

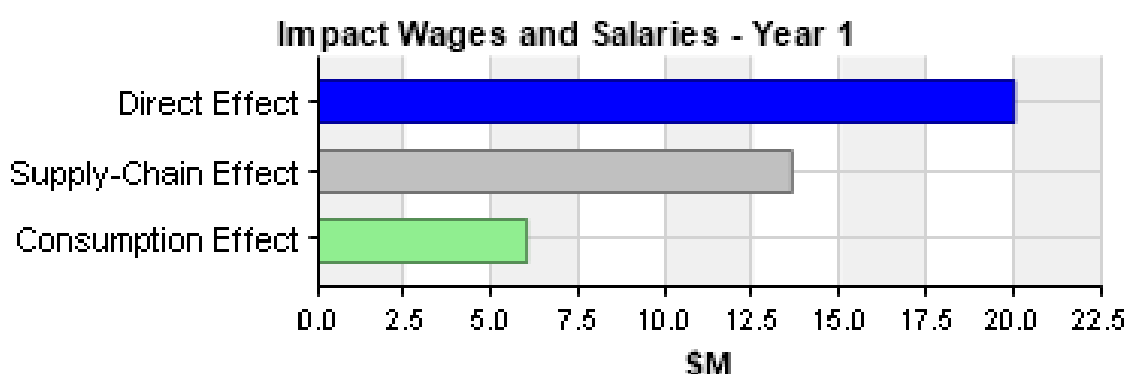
	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	48.44	42.52	20.21	111.17	1.878	2.295

From a direct increase in output of \$20 million the corresponding creation of direct jobs is estimated at 48.44 FTE jobs. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 42.52 jobs. This represents a Type 1 Employment multiplier of 1.878.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 20.21 FTE jobs.

Total employment, including all direct, supply-chain and consumption effects is estimated to increase by up to 111.17 FTE jobs. This represents a Type 2 Employment multiplier of 2.295.

### 13.2.3 Impact on Wages and Salaries



Source: Remplan

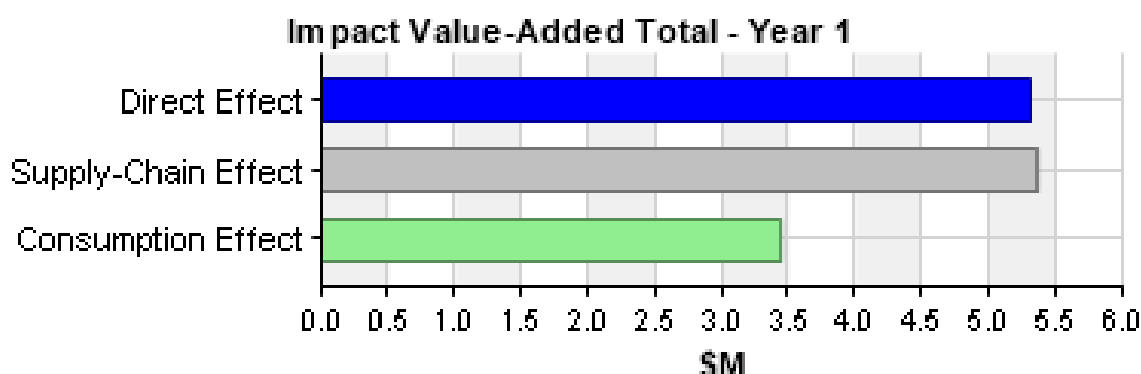
	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	\$2.596	\$2.987	\$1.443	\$7.025	2.151	2.706

From a direct increase in output of \$20 million it is estimated that direct wages and salaries would increase by \$2.596 million. From this direct impact on the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the net increase in wages and salaries of \$2.987 million paid to workers. This represents a Type 1 Wages and Salaries multiplier of 2.151.

The net increase in direct and indirect output and the corresponding jobs in the economy are expected to correspond to an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to result in an overall increase in wages and salaries by \$1.443 million.

Total wages and salaries, including all direct, supply-chain and consumption effects is estimated to increase by up to \$7.025 million. This represents a Type 2 Wages and Salaries multiplier of 2.706.

#### 13.2.4 Impact on Value-Added



Source: Remplan

	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Year 1</b>	\$5.311	\$5.359	\$3.437	\$14.107	2.009	2.656

From a direct increase in output of \$20 million the corresponding increase in direct value-added is estimated at \$5.311 million. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$5.359 million. This represents a Type 1 Value-added multiplier of 2.009.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$3.437 million.

Total value-added, including all direct, supply-chain and consumption effects is estimated to increase by up to \$14.107 million. This represents a Type 2 Value-added multiplier of 2.656.

#### 13.2.5 Impact Summary a \$20 Million Investment

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type Multiplier 1	Type Multiplier 2
<b>Output (\$M)</b>	\$20.000	\$13.619	\$5.999	\$39.618	1.681	1.981
<b>Employment (Jobs FTE)</b>	48.44	42.52	20.21	111.17	1.878	2.295
<b>Wages and Salaries (\$M)</b>	\$2.596	\$2.987	\$1.443	\$7.025	2.151	2.706
<b>Value-added (\$M)</b>	\$5.311	\$5.359	\$3.437	\$14.107	2.009	2.656



Under this scenario Gross Regional Product is estimated to increase by \$14.107 million. Contributing to this is a direct increase in output of \$20 million, 48.44 additional FTE jobs, \$2.596 million more in wages and salaries and a boost in value-added of \$5.311 million.

From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to output valued at \$13.619 million, 42.52 more FTE jobs, \$2.987 million more paid in wages and salaries, and a gain of \$5.359 million in terms of value-added.

These supply-chain effects represent the following Type 1 economic multipliers:

Impact	Type 1 Multipliers
Output	1.681
Employment	1.878
Wages and Salaries	2.151
Value-added	2.009

The increase in direct and indirect output and the corresponding change in jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under the scenario are expected to further boost output by \$5.999 million, employment by 20.21 FTE jobs, wages and salaries by \$1.443 million, and value-added by \$3.437 million.

Under this scenario, total output is expected to rise by \$39.618 million. Corresponding to this are anticipated increases in employment of 111.17 FTE jobs, \$7.025 million wages and salaries, and \$14.107 million in terms of value-added.

The total changes to economic activity represent the following Type 2 economic multipliers:

Impact	Type 2 Multipliers
Output	1.981
Employment	2.295
Wages and Salaries	2.706
Value-added	2.656

### Disclaimer

*All figures, data and commentary presented in this report are based on data sourced from the Australia Bureau of Statistics (ABS), most of which relates to the 2016, 2011, 2006 and 2001 Censuses.*

*Using ABS datasets and an input / output methodology industrial economic data estimates for defined geographic regions are generated.*

## 14. FINANCIAL ANALYSIS

As outlined earlier in this Business Case, the objective of the *Swimming Centres Strategy* adopted by the Council is to ensure that:

- the Council's Swimming Centre assets are managed, maintained and developed in such a way that will effectively meet the current and changing needs of the community; and
- the ratepayer subsidy is maintained at current levels or reduced over the next five (5) years.

The purpose of this Project is to redevelop the *Payneham Memorial Swimming Centre* and construct the elements outlined below as Stage 1 of the broader upgrade to the *Patterson Reserve Community & Recreation Precinct*.

- refurbishment of the main 50 metre pool, which includes installation of disabled ramp and wet deck;
- replacement of the existing gravity fed sand filtration system, with a new Neptune Defender Filtration System;
- semi-enclosed eight lane 25 metres Learners Pool;
- new two (2) storey building containing administration, function area, clubrooms/training facilities and change room, separate school change areas and café;
- interactive Water Park, including water slides;
- splash pad or zero water playground;
- construction of new plant room to cater for the main 50 metre pool, 25 metre Learners' Pool and Aquatic Play equipment; and
- the installation of shade and the upgrade of facilities, such as barbeque and picnic facilities.

Once completed the redeveloped *Payneham Memorial Swimming Centre* will meet an identified market gap by creating a water based recreational destination for the Eastern Region. In addition, the year round utilisation of the facility, in particular the covered 25 metre swimming pool, will provide additional water space to meet the demand for club and squad swimming and learn-to-swim programs.

It should be noted that the scope of works, for which grant funding is sought, excludes the refurbishment of the main 50 metre pool, which incorporates the installation of a disabled ramp and wet deck and the replacement of the existing gravity fed sand filtration system, with a Neptune Defender Filtration System. These elements are estimated at \$3.2 million. As such, the cost estimate for the works subject to the funding application is \$20.8 million. Notwithstanding this, the Financial Analysis undertaken for this Project is based on a total Project cost of \$24 million. A copy of the First Order Cost Estimate is contained in **Appendix O**.

### 14.1 Financial Sustainability

Whilst seeking to achieve the outcomes and objectives set out in the Council's Strategic Management Plan *CityPlan 2030: Shaping the Future* and the *Swimming Centres Strategy*, the Council is aware of its responsibilities to be financially sustainable. Financial sustainability means having a financial position capable of meeting long term service and infrastructure levels and standards, which are acceptable to the community, without substantial increases in rates or cuts to services.

The Council's long term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues.

Financial sustainability also implies equity between generations, to ensure that today's ratepayers pay only for their share of the City's assets. Intergenerational equity is primarily achieved by funding the cost of renewing and replacing assets through revenue sources including rates. This means the cost of replacing assets which benefit existing ratepayers are being funded by those ratepayers.

## 14.2 Funding Strategy

In undertaking the Project, the Council is mindful that the Funding Strategy needs to meet the Council's overall financial objectives and that where potential exists, the future operations of the Swimming Centre are financially viable, where financial viability can be defined by the ability to generate sufficient income to meet operating expenses, financial obligations and to provide the potential for future growth.

In line with the Council's *Treasury Management Policy*, the construction costs associated with the redevelopment will be funded via debt funding, offset by any grant funding received. Borrowings required to finance the redevelopment will be sourced from the Local Government Finance Authority.

As part of its 2018-2019 Annual Business Plan, the Council endorsed the refurbishment of the main 50 metre pool, which incorporates the installation of a disabled ramp, wet deck and retiling of the main pool. The initial scope of works has since been expanded to include the replacement of the existing gravity fed sand filtration system, with a Neptune Defender Filtration System. The main pool refurbishment and filtration replacement has been planned in the Council's Long Term Financial Plan to be undertaken in 2021-2022. The Funding allocated, subject to adoption of the 2021-2022 Annual Business Plan and Budget is \$3.2 million.



PAYNEHAM MEMORIAL SWIMMING CENTRE

Whilst the proposed works associated with the construction of the main 50 metre pool works are outside the scope of this funding application, the capital costs and associated debt funding has been included in the financial projections contained in **Table 2: Forecast Profit & Loss for the 10 year period ending 30 June 2031** to provide a holistic picture of the financial impact of the entire redevelopment.

The financial projections, are based on the assumption that the Council is successful in its grant funding application for 50% (equivalent to \$10 million) of the redevelopment cost of the following elements:

- new semi-enclosed eight lane 25 metres Learners' Pool;

- new two (2) storey building containing administration, function area, clubrooms/training facilities and change room, separate school change areas and café;
- interactive Water Park, including water slides;
- splash pad or zero water playground and
- the installation of shade and the upgrade of facilities, such as barbeque and picnic facilities.

### 14.3 Financial Projections

The financial projections have been based on benchmarked attendance levels from similar swimming facilities. Given the proposed upgraded facilities and the increase in features and operating hours, it is anticipated that there will be a significant uplift in demand across all market segments, which include;

- Lap swimming;
- Swim coaching/squads;
- Learn to swim lessons (private, group and school);
- Recreational aquatic play;
- Aquatic fitness; and
- Community and family gatherings.

In particular, given the proposed increase in water space and the year round utilisation of the 25 metre pool, demand is anticipated to grow in the swim coaching and squads market and learn-to-swim programs, with the forecast increase in revenue being driven by lane hire and membership from swimming clubs and fees from learn-to-swim programs. Revenue generated from learn-to-swim programs are forecast to grow over the first two (2) years. The gradual increase in attendances and revenue from learn-to-swim programs is reflective of the:

- time required to inform the community of the new facility and the provision of year round swim lessons; and
- time required for the registration and administrative processes, such as enrolment and grading of participants swimming ability.

The redevelopment has been designed to create a water based recreational facility for the Eastern Region. As such, given the additional features, in particular the water slides and water play park, General Admission entries is forecast to double from current attendance levels in the first two (2) years of operations due to the attractiveness of the new facility, with attendances stabilising at 90% of the year one (1) attendances for the remainder of the forecast period.

### 14.4 Profit and Loss Forecast

The financial analysis contained in **Table 2: Forecast Profit & Loss for the 10 year period ending 30 June 2031** demonstrates that following the redevelopment, the daily operations of the Swimming Centre is financially viable, with forecast revenues exceeding the direct operational costs, with the operating surplus contributing to the financial obligations with regard to interest costs and depreciation, with a break even position after interest and depreciation being forecast from 2028-2029 (year seven (7) of operations). Operating surpluses are forecast from 2028-2029.

### 14.5 Cashflow Forecast

As set out in **Table 3: Cashflow Statement for the 10 year period ending 30 June 2031**, cash generated from operating activities is forecast to be positive from 2022-2023 (year one (1) of operations). While there is a positive cash flow from operations following the redevelopment, the cash



generated is not sufficient to meet the annual principal loan repayments on the required borrowing to fund the redevelopment. As such, the cash shortfall in funding, will be required to be met by Rate Revenue or Cash Reserves.

In addition to operational repairs and maintenance, major infrastructure assets, such as the water play elements require ongoing capital replacement to ensure the Centre remains fit for purpose and continues to meets the community's on-going needs. The redeveloped *Payneham Memorial Swimming Centre* asset will be managed in line with its own Infrastructure and Asset Management Plan, which sets out the Council's approach to the management of the assets over its lifecycle. This includes construction, maintenance, operations, renewal and replacement or upgrade.

Future capital replacement, on a like-for like basis, will be funded by Rate Revenue via the depreciation expense charged against the asset. Future asset upgrades will be funded via borrowings, accumulated surpluses, grant funding or a combination thereof.

Given that the proposed redevelopment is based on the replacement of each element and construction of new elements, with the exception of the main 50 metre pool, which will be fully refurbished, no allowances for asset replacement has been provided for over the ten (10) year forecast period.



PAYNEHAM MEMORIAL SWIMMING CENTRE



Table 2: Forecast Profit &amp; Loss for the 10 year period ending 30 June 2031

2018-2019	2019-2020		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>													
146	129	Admission Fees	145	-	695	709	723	681	694	710	726	743	759
133	127	Program fees	154	-	798	1,061	1,317	1,320	1,343	1,454	1,487	1,520	1,555
58	46	Other Income	53	-	160	163	166	170	173	178	182	187	191
<b>337</b>	<b>302</b>	<b>Total Income</b>	<b>352</b>	<b>-</b>	<b>1,653</b>	<b>1,939</b>	<b>2,236</b>	<b>2,224</b>	<b>2,268</b>	<b>2,342</b>	<b>2,395</b>	<b>2,450</b>	<b>2,505</b>
<b>Expenditure</b>													
401	389	Employee Expenses	372	-	916	1,026	1,140	1,091	1,113	1,125	1,124	1,124	1,124
178	190	Materials, contracts & other expenses	181	-	430	439	448	457	466	475	485	495	505
<b>579</b>	<b>579</b>	<b>Total Operating Expenses</b>	<b>553</b>	<b>-</b>	<b>1,347</b>	<b>1,465</b>	<b>1,587</b>	<b>1,547</b>	<b>1,578</b>	<b>1,600</b>	<b>1,609</b>	<b>1,619</b>	<b>1,629</b>
<b>(242)</b>	<b>(277)</b>	<b>Operating Surplus/Deficit before Interest &amp; Depreciation</b>	<b>(201)</b>	<b>-</b>	<b>306</b>	<b>474</b>	<b>648</b>	<b>676</b>	<b>690</b>	<b>742</b>	<b>786</b>	<b>830</b>	<b>876</b>
-	-	Finance Costs	-	152	286	310	290	270	249	228	206	184	161
-	-	Depreciation, Amortisation & Impairment	-	-	440	653	634	616	599	583	568	553	540
<b>(242)</b>	<b>(277)</b>	<b>Operating Surplus/(Deficit)</b>	<b>(201)</b>	<b>(152)</b>	<b>(420)</b>	<b>(489)</b>	<b>(276)</b>	<b>(210)</b>	<b>(158)</b>	<b>(69)</b>	<b>12</b>	<b>93</b>	<b>175</b>
		Net gain/(loss) on revaluation of assets		-	161	226	223	220	217	215	212	209	197
		Amounts received specifically for new or upgraded assets	-	-	8,775	1,625	-	-	-	-	-	-	-
<b>(242)</b>	<b>(277)</b>	<b>Net Surplus</b>	<b>(201)</b>	<b>8,623</b>	<b>1,366</b>	<b>(263)</b>	<b>(53)</b>	<b>10</b>	<b>59</b>	<b>146</b>	<b>224</b>	<b>302</b>	<b>372</b>

Table 3: Cashflow Statement for the 10 year period ending 30 June 2031

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flow from Operating Activities</b>											
Receipts											
User Charges	299	-	1,493	1,776	2,069	2,054	2,095	2,164	2,213	2,263	2,314
Other Income	53	-	160	163	166	170	173	178	182	187	191
Payments											
Employee Costs	(372)	-	(916)	(1,026)	(1,140)	(1,091)	(1,113)	(1,125)	(1,124)	(1,124)	(1,124)
Contractual services & materials	(181)	-	(430)	(439)	(448)	(457)	(466)	(475)	(485)	(495)	(505)
Finance payments	-	(152)	(286)	(310)	(290)	(270)	(249)	(228)	(206)	(184)	(161)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>(201)</b>	<b>(152)</b>	<b>20</b>	<b>164</b>	<b>358</b>	<b>406</b>	<b>441</b>	<b>514</b>	<b>580</b>	<b>646</b>	<b>715</b>
<b>Cash Flows from Investing Activities</b>											
Receipts											
Amounts specifically for new or upgraded assets	-	8,775	1,625	-	-	-	-	-	-	-	-
Payments											
Expenditure on new/upgraded assets	(1,000)	(18,000)	(5,000)	-	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(1,000)</b>	<b>(9,225)</b>	<b>(3,375)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>											
Receipts											
Proceeds from Borrowings	1,000	9,225	3,375	-	-	-	-	-	-	-	-
Payments											
Repayments of Borrowings		(28)	(312)	(672)	(783)	(803)	(823)	(844)	(865)	(887)	(909)
<b>Net Cash provided by (or used in) financing Activities</b>	<b>1,000</b>	<b>9,197</b>	<b>3,063</b>	<b>(672)</b>	<b>(783)</b>	<b>(803)</b>	<b>(823)</b>	<b>(844)</b>	<b>(865)</b>	<b>(887)</b>	<b>(909)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>(201)</b>	<b>(179)</b>	<b>(291)</b>	<b>(507)</b>	<b>(425)</b>	<b>(396)</b>	<b>(382)</b>	<b>(330)</b>	<b>(285)</b>	<b>(240)</b>	<b>(194)</b>
Cash & cash equivalents at beginning of period	-	(201)	(381)	(672)	(1,179)	(1,604)	(2,000)	(2,383)	(2,712)	(2,997)	(3,237)
<b>Cash &amp; cash equivalents at end of period</b>	<b>(201)</b>	<b>(381)</b>	<b>(672)</b>	<b>(1,179)</b>	<b>(1,604)</b>	<b>(2,000)</b>	<b>(2,383)</b>	<b>(2,712)</b>	<b>(2,997)</b>	<b>(3,237)</b>	<b>(3,431)</b>

### 14.5.1 Key Assumptions Underpinning Cashflow Projections

The underlying assumptions applied to develop the projections and the financial statements contained on the flowing pages are set out in **Table 4** below.

**Table 4: Key Assumption Used In Financial Analysis**

Item	Assumption	Source
<b>Funding</b>	The Council will be successful in obtaining Grant funding equivalent to 50% of construction costs.	Base assumption
<b>Operating Hours</b>		
Summer Season (October to March)	26 weeks 90 hours per week 7 days per week	Current Operating Hours
Winter Season (April to September)	26 weeks 48 hours per week 6 days per week	Base assumption
<b>CPI</b>	2.0%	10 year average Adelaide CPI
<b>Borrowing Rate</b>	2.5%	Current borrowing rate
<b>Swimming Lessons (Attendances per week)</b>	1,000	
<b>Admissions (per annum)</b>	100,000	Benchmark similar facilities
<b>Cash flow timing</b>	Annual Financial Year ended 30 June	Base assumption

As set out in **Table 5: Balance Sheet for 10 Year Period**, the financial analysis and delivery of this Project is based on the assumption that the Council is successful in receiving grant funding equal to 50% or \$10 million of the redevelopment costs (excluding the cost of refurbishing the main 50 metre pool and replacing the filtration system servicing the main pool). Should the Council not receive the grant funding, while the Council will remain committed to the redevelopment of the *Payneham Memorial Swimming Centre* through the delivery of the Council's *Swimming Centres Strategy*, the scope of the development would be scaled back, for example, single storey administration building and the delivery of the Project will be staged over a number of financial years, subject to available funding determined by the Council through its Long Term Financial Plan and its Annual Budget Process.

TABLE 5: Balance Sheet for the 10 year period ending 30 June 2031

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>											
<b>Current Assets</b>											
Cash & cash equivalents	(201)	(381)	(672)	(1,179)	(1,604)	(2,000)	(2,383)	(2,712)	(2,997)	(3,237)	(3,431)
Trade & other receivables											
<b>Total Current Assets</b>	<b>(201)</b>	<b>(381)</b>	<b>(672)</b>	<b>(1,179)</b>	<b>(1,604)</b>	<b>(2,000)</b>	<b>(2,383)</b>	<b>(2,712)</b>	<b>(2,997)</b>	<b>(3,237)</b>	<b>(3,431)</b>
<b>Non-current Assets</b>											
Infrastructure, Property, Plant & Equipment	-	16,500	23,721	23,293	22,882	22,486	22,104	21,736	21,380	21,036	20,693
Other Non-current Assets	1,000	2,500	-	-	-	-	-	-	-	-	-
<b>Total Non-current Assets</b>	<b>1,000</b>	<b>19,000</b>	<b>23,721</b>	<b>23,293</b>	<b>22,882</b>	<b>22,486</b>	<b>22,104</b>	<b>21,736</b>	<b>21,380</b>	<b>21,036</b>	<b>20,693</b>
<b>Total Assets</b>	<b>799</b>	<b>18,619</b>	<b>23,049</b>	<b>22,114</b>	<b>21,278</b>	<b>20,486</b>	<b>19,722</b>	<b>19,024</b>	<b>18,383</b>	<b>17,799</b>	<b>17,262</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Trade & Other Payables											
Borrowings	28	312	672	783	803	823	844	865	887	909	932
<b>Total Current Liabilities</b>	<b>28</b>	<b>312</b>	<b>672</b>	<b>783</b>	<b>803</b>	<b>823</b>	<b>844</b>	<b>865</b>	<b>887</b>	<b>909</b>	<b>932</b>
<b>Non-current Liabilities</b>											
Long-term Borrowings	972	9,886	12,589	11,806	11,003	10,181	9,337	8,472	7,586	6,677	5,745
<b>Total Non-current Liabilities</b>	<b>972</b>	<b>9,886</b>	<b>12,589</b>	<b>11,806</b>	<b>11,003</b>	<b>10,181</b>	<b>9,337</b>	<b>8,472</b>	<b>7,586</b>	<b>6,677</b>	<b>5,745</b>
<b>Total Liabilities</b>	<b>1,000</b>	<b>10,197</b>	<b>13,261</b>	<b>12,589</b>	<b>11,806</b>	<b>11,003</b>	<b>10,181</b>	<b>9,337</b>	<b>8,472</b>	<b>7,586</b>	<b>6,677</b>
<b>Net Assets</b>	<b>(201)</b>	<b>8,422</b>	<b>9,788</b>	<b>9,525</b>	<b>9,472</b>	<b>9,482</b>	<b>9,541</b>	<b>9,687</b>	<b>9,911</b>	<b>10,213</b>	<b>10,585</b>
<b>Equity</b>											
Accumulated Surplus	(201)	8,422	9,627	9,138	8,862	8,653	8,494	8,425	8,437	8,530	8,705
Asset Revaluation Reserve	-	-	161	386	609	830	1,047	1,262	1,474	1,683	1,880
<b>Total Equity</b>	<b>(201)</b>	<b>8,422</b>	<b>9,788</b>	<b>9,525</b>	<b>9,472</b>	<b>9,482</b>	<b>9,541</b>	<b>9,687</b>	<b>9,911</b>	<b>10,213</b>	<b>10,585</b>

## 15. BENEFITS

The provision of the new aquatic leisure centre at the *Payneham Memorial Swimming Centre* (which forms part of the *Patterson Reserve Community & Recreation Precinct*) is expected to drive a diverse range of interrelated economic, social, and environmental benefits that will accrue to users as well as the community more broadly.

Research show that sport and recreational activities are associated with a diverse range of health and social benefits for participants, including:

- improved physical health;
- improved social inclusion;
- reduced crime and anti-social behaviour;
- improved education and work participation; and
- improved early child development.

The broader community benefits include:

- stimulating the local economy by providing employment opportunities during the construction and operational phases;
- underpinning economic development by providing vital social infrastructure that will address a community need for aquatic leisure services and in turn support projected population and economic growth; and
- lowering public health costs by offering access to a comprehensive range of aquatic leisure services and lifting participation rates in sports and recreation in the community.



### 15.1 Socio-economic Benefits

A dynamic and vibrant community is reflected by the level of social interaction between individuals and groups within the community. Youth clubs, groups, associations and facilities provide valuable meeting places where members of a community can interact. A major responsibility of Council is to ensure that appropriate infrastructure is available, and operational within the financial constraints of the local community.

General community benefits from recreation and sport facilities, programs and services include:

- reduced health care costs;
- enhanced community identity;
- increased community integration;



- deterrent effect on inappropriate behaviour;
- improved social fabric and community development opportunities;
- direct and indirect employment opportunities;
- economic activity through construction and productive engagement;
- economic activity through revenue generated by participation in recreation activities that are user pay (selected programs); and
- economic activity generated by capital developments.

People with special needs in the community may also require assistance to eliminate barriers to participation. Additionally, a growing number of disaffected or alienated people within the community who have no interest in participating in recreational activities and are socially isolated can be catered for in this environment and build resilience.

Further research into the socio-economic benefits focuses on the health and productivity benefits, community benefits, and short term economic opportunities.

## 15.2 Health & Productivity Benefits

Community connectedness is extremely important in fostering positive health and productivity outcomes and also addresses issues of isolation. Correlations between loneliness, isolation and mental and physical health issues of individuals (including issues related to lack of exercise, obesity or smoking) are present, resulting in subsequent impacts on overall community wellbeing. For this reason, the *Payneham Memorial Swimming Centre* redevelopment is a very important addition to the facilities provided for the City of Norwood Payneham & St Peters community as it provides an alternative place and avenue for participants to connect and participate in recreational activities.

Being physically active:

- protects against mental health problems;
- decreases depression in older adults;
- reduces the symptoms of post-natal depression;
- is as effective as medication for mild to moderate anxiety and depression; and
- improves self-esteem and cognitive function in young people.

Research has shown that playing sport 1-3 times a week reduces psychological stress by approximately 34% and by approximately 46%, when played 4 or more times a week, people who participate in sports clubs and organised recreational activity enjoy better mental health

This emphasises the importance for people to have access to quality sporting and community infrastructure to ensure that community members have the best opportunity to participate in physical activity and events, in turn reducing their chances of disease, mental health, depression and obesity.

Healthy, fit members of the community are more likely to be productive, with increased output due to attitude and motivation changes from positive leisure experiences ultimately improving their quality of life. They are subsequently better equipped to deal with the physical demands of their job and to cope with stress and mental pressure.

On a local level, projects such as the redevelopment of the *Payneham Memorial Swimming Centre*, offer the opportunity for the community to enjoy a more active and healthier lifestyle by utilisation of the activities and services offered at the redeveloped facility. With increased opportunity for people to be more active comes an improved likelihood of better health outcomes – both in terms of physical fitness

as well as the improved mental wellbeing typically associated with increased opportunities to engage in social interactions.

The flow-on benefits to the local economy also point to improved worker productivity when the workforce is engaged in more physical activity, there is a lower burden on the local health system due to conditions associated with inactivity and an improvement to the liveability of the local area strengthening the ability to attract and retain a robust local workforce.

### 15.3 Community Benefits

Local sporting clubs, such as swimming clubs, have played a key role in communities all across Australia by providing better physical and mental health outcomes for people of all ages. They also help teach critical values, cooperation, leadership, teamwork, and help in overcoming adversity. It is now highly recognised by all levels of government that sport and recreation are integral to bringing people together and improving community cohesion, social capital and resilience. This is likely to encourage more people to get involved in sports and activities that can use the new facilities and to become more physically active. In addition to the physical health benefits from the various sport related activities offered by the existing facilities, the redeveloped facilities will also offer acknowledged benefits in terms of connectedness and wellbeing.



## 16. COST-BENEFIT ANALYSIS

A Cost-Benefit Analysis differs from a financial analysis in that a financial analysis focuses on revenue flows, capital and operating costs for the Council, while a Cost-Benefit Analysis broadens the analysis to include non-market values, and to capture the economic impact on all relevant stakeholders instead of those directly related to the Project. Many of these are not financial in nature, and while the economic analysis quantifies impacts in dollars, these are a measure of social welfare, not financial value. The Cost-Benefit Analysis of the six (6) project options originally considered by the Council, required an incremental assessment relative to the base case and involved the following steps:

- identification of the community of interest for the Project;
- identification of relevant incremental economic, social and environmental costs and benefits applicable to each option;
- quantification of the identified incremental costs and benefits, where possible; and
- comparing and contrasting the quantified costs against the benefits.

If the operating costs associated with the new facilities do not remain relative to the current operational costs and should these increase substantially, then it is expected that the economic benefit to cost ratio would become negative. Also impacting the economic benefit is the assumptions made regarding the increase in operational revenue based on the new facilities. Should this increase in revenue also not eventuate from more usage of the new facilities then it is expected that the economic benefit to cost ratio would become negative. It is recognised that many of these types of facilities are run at a loss and are subsidised by Council revenue based on the community and social benefits that the facility delivers. The objective of the redevelopment of the *Payneham Memorial Swimming Centre* is to minimise the amount that the Council subsidises the cost of operating the Centre.

On the basis of the social, cultural and environmental returns the City of Norwood Payneham & St Peters would be justified in proceeding with this investment given the benefits it will bring to its local community, but noting that the Council will need to operate the new facility within a normal current expenditure profile and also increase its incoming revenue.

In summary, the new aquatic centre is assessed in respect to delivering benefits for local community members. While these community benefits were not assessed to outweigh the full extent of the project costs across the majority of the options which have been examined. Whilst significant financial investment is required many of the benefits are not quantifiable though deliver significant social and community benefits. On this basis, it can be argued that the Project will provide an excellent return on investment of \$24 million.

## 17. RISK ASSESSMENT

An assessment of potential Project risks has been undertaken based on risks identified for similar projects and the particular characteristics of this Project. The purpose of a risk assessment is to ensure that the major risks associated with redeveloping the *Payneham Memorial Swimming Centre* and the impact and likelihood of these risks occurring are identified and properly managed by and for the Council. The risk assessment involves the following steps:

1. **Risk identification** – listing risks by number and description.
2. **Risk categorisation** – assigning each risk to an impact category (i.e. Financial, Safety, Environment, Reputation and Service Delivery) and project phase (i.e. Concept, Design, Procurement, Construction and Operation).
3. **Inherent Risk Assessment** – analysing the risk likelihood (i.e. probability of the event occurring during the life of the project) and consequence (i.e. Insignificant, Minor, Moderate, Major, or Catastrophic) to determine the overall risk rating.
4. **Risk Mitigation** – identifying controls to reduce the likelihood that a threat will occur (preventative action) and/or reduce the impact of a threat that does occur (contingency action).
5. **Residual Risk Assessment** - analysing the risk likelihood and consequence post mitigation to determine the overall residual risk rating and effectiveness of controls.

The Overall Risk Likelihood is defined in **Table 6**.

**Table 6: Overall Risk Likelihood**

LIKELIHOOD	DEFINITION
<b>Almost Certain</b>	The event is currently occurring or is expected to occur at some stage over the life of the Project (i.e. over 75% probability)
<b>Likely</b>	The event is likely to occur during the life of the Project (i.e. probability between 50%-75%)
<b>Possible</b>	The event may possibly occur during the life of the Project (i.e. probability between 25%-50%)
<b>Unlikely</b>	The event is unlikely to occur in the life of the Project (i.e. probability between 0%-25%)
<b>Rare</b>	The event will only occur in exceptional circumstances (i.e. probability close to zero)

The Consequences for each Risk Category are defined in **Table 7**.

Table 7: Risk Categories and Consequences

Risk Rating		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
RISK CATEGORIES	Financial	Financial impact (expenditure or revenue) <\$10,000; or budget variation manageable in the short term.	Financial impact (expenditure or revenue) between \$10k-\$100k; or budget variation manageable without impact on bottom line of budget absorbed over current financial year.	Financial impact (expenditure or revenue) between \$100k-\$500k; or impact on budget beyond current financial year but manageable within next financial year.	Financial impact (expenditure or revenue) between \$500k-\$3m or impact on budget with recovery over proceeding two or three financial years.	Financial impact (expenditure or revenue) >\$3m; or impact on budget with recovery over proceeding three or more financial years.
	Safety	Injuries requiring localised treatment/first aid; or incidence of non-treatment injuries.	Injury requiring professional medical intervention; or injury involving lost time in the work place.	Routine and follow up medical attention after initial medical treatment; or hospital admission as an inpatient for 1-2 days	Temporary disability; or hospital admission as an inpatient for >3 days	Permanent disability; or long term hospital admission; or death.
	Environment	Minor adverse event that can be remedied immediately.	Isolate instances of environmental damage requiring effort to fix in the short term and reversible.	Adverse events that cause widespread damage but reversible in the short to medium term.	Significant adverse event causing widespread damage which may be reversed through appropriate remedial action in the medium term.	Major adverse environmental event requiring continuing long term remedial attention.
	Reputation	No media attention; or a number of adverse local complaints; or increase use of staff resources to manage the event.	Localised community concern; or media coverage but not adverse.	State wide adverse media attention; or detrimental inter-governmental relationships.	National adverse media attention; or ongoing inter-governmental disagreement	Prolonged adverse media attention; or irreparable damage to government relations; or Mayor, Councillors, or CEO forced to resign.
	Service Delivery	Interruption to a service not requiring any further remedial action and with minimal impact on customers.	Interruption to a service requiring further remedial action and with moderate impact on customers.	Interruption to core business function or essential service with significant customer impact for up to 48 hrs.	Interruption to core business function or essential service for 2-7 days.	Interruption to core business function or essential service for more than 7 days.

The Council's Overall Risk Rating is summarised in **Table 8**, and enables each identified risk to be assigned a risk rating of either 'Low', 'Medium', 'High', or 'Extreme' on the basis of the consequence of the risk to the City of Norwood Payneham & St Peters.



Table 8: Overall Risk Rating

Overall Risk Rating		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Moderate	High	Extreme	Extreme	Extreme
	Likely	Moderate	High	High	Extreme	Extreme
	Possible	Low	Moderate	High	High	Extreme
	Unlikely	Low	Low	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate

The Council's risk assessment has been captured in a Project Risk Register (contained in **Appendix P**). The Council will monitor and manage these risks in a structured way, so any potential threat to the delivery of outputs (level of resourcing, time, cost and quality) and the realisation of outcomes/benefits determined by the Council are appropriately managed to ensure the Project is completed successfully.

Risk Management is an iterative process that should be built into the management processes for any Project. It must be closely linked with Issues Management, as untreated issues may become significant risks. When the Project is endorsed and/or funded to proceed to the Design Phase, the next step will be to update the Project Risk Register and prepare a Risk Control Plan which will assign a priority and responsible officer and allow the Council to track the status and re-assess the effectiveness of controls.



PAYNEHAM MEMORIAL SWIMMING CENTRE

## 18. GUIDING PRINCIPLES

The Guiding Principles for the detail design and construction of the *Payneham Memorial Swimming Centre* are as follows:

- **Maximise Accessibility and Inclusiveness:** to ensure that the *Payneham Memorial Swimming Centre* is easy to access and from a design perspective incorporates contemporary universal design elements to meet the needs of all stakeholders.
- **Diversity and a Wide Range of Services:** to develop a Swimming Centre that provides a mix of programs and services that cater for the diverse needs of the Norwood Payneham & St Peters community and more broadly the Eastern Region of Adelaide.
- **Aim to Achieve Very High Levels of Usage to maximise community benefit:** the design should facilitate a very high level of participation in leisure, recreational and sporting activities at the Swimming Centre.
- **Ensure Capacity for Future Growth:** the Swimming Centre should be designed to accommodate future demand for aquatic leisure services.
- **Deliver as a Priority in the Shortest Possible Time:** to ensure that the Project is delivered in an efficient and effective manner to minimise the impact of the construction closure on the existing users and with the objective of providing community services as soon as practicable.
- **Financial Sustainability:** to design and construct a facility that maximises the financial performance of the Swimming Centre from an operational perspective and reduce the overall Council subsidy per visit.
- **Provision of Existing Services:** to deliver a range of experiences building on those already provided at the *Payneham Memorial Swimming Centre* and ensuring that the existing services for the local catchment are maintained.
- **Integration:** ensuring that the Payneham Memorial Swimming Centre is integrated into the regional level Patterson Reserve Community & Recreation Precinct.



PAYNEHAM MEMORIAL SWIMMING CENTRE

## 19. PROCUREMENT STRATEGY

### 19.1 Overview

This section outlines the Procurement Model for the delivery of the detail design and documentation and the construction stages of the *Payneham Memorial Swimming Centre Redevelopment* Project, taking into consideration the Project risks.

Numerous issues factor into a procurement decision, including the size of the Project, complexity of the Project, Project type and overall delivery schedule.

### 19.2 Procurement Approach

The assessment of the Procurement options has considered:

- program and procurement objectives;
- previous procurement assessments and processes undertaken; and
- market assessment, experience and capacity.

### 19.3 Program Objectives

The estimated capital value of the Project is approximately \$24 million (based on the First Order Cost Estimate), which is a high value Project within Council's overall works program. Therefore the proposed Project has a number of key attributes including, but not limited to:

- proposed program implementation timeframe of 24 months (design and construction of the Project);
- works which are to be completed in the context of high community expectations for a quality facility; and
- the Project is expected to be funded from multiple sources, including a combination of Council financing, as well as potential State Government grant funding (up to \$10 million).

### 19.4 Procurement Objectives

The key objectives of the Procurement Strategy are:

- to maintain and deliver a high quality design;
- to enable increased focus on quality of the construction works;
- effective interface management, including effective interface between the project design and construction;
- to enable cost effective risk allocation and value for money (deliver on budget); and
- timing considerations (deliver on time).

The adopted Procurement Strategy will be delivered in accordance with the Council's Procurement Guidelines, which aim to:

- achieve value for money and continuous improvement in the provision of services for the community;
- ensure resources are used efficiently and effectively to improve the overall quality of life of the people in the community;
- achieve compliance with relevant legislative requirements; and
- achieve high standards of fairness, openness, probity, transparency, risk management and accountability.

### 19.5 Procurement Approach

#### 19.5.1 Procurement Design Consultants

Due to the value of the Project, procurement of Design Consultants will be undertaken as a two (2) stage process, namely Open Registrations of Interest initially, resulting in a short-list of between three



(3) and five (5) suitably experienced and qualified Design Team of Consultants and then progressing to a Select Tender, in accordance with the City of Norwood Payneham & St Peters Procurement Policy.

The Registration of Interest Criteria for Design Consultants will include:

- Registrant's Details;
- Company profile;
- Experience and Expertise relevant to the Project;
- Design Team including all necessary Sub-Consultants;
- Quality Management;
- Insurances;
- Work Health, Safety and Risk Management; and
- Referees.

The Registrations of Interest will be weighted against the Registration of Interest Criteria and will be assessed by the Project Steering Group (PSG). A short-list of Consultants will then be invited to submit Fixed Lump Sum Tenders for the designated design services.

The Tendering Criteria for Design Consultants will include the following:

- Tender Form – Formal Offer;
- Tenderer's Details;
- Scope of Design Services;
- Preliminary Program;
- Registration & Insurances;
- Quality Management;
- Work Health, Safety and Risk Management;
- Professional Fees;
- Hourly Rates for Additional Services;
- Confirmation of the Design Team; and
- Value added Services offered.

The Tenders will be assessed against the Tendering Criteria by the Project Steering Group before a Consultant Team is awarded the Design Services Contract. Due to the value of the contract, the appointment of the successful Consultant Team will be determined by the Council.

The Preliminary Program contained in **Appendix Q** outlines the time frames for the Procurement of the Design Consultants.

### 19.5.2 Procurement of Building Contractor

At the conclusion of the Design Consultants' Design Development Phase, the Council will commence Open Registrations of Interest from Building Contractors.

The Registration of Interest Criteria for Building Contractors will include:

- Registrant's Details;
- Company Profile;
- Experience and Expertise;
- Key Contractor Personnel
- Key Preferred Sub-Contractors;
- Construction Methodology;
- Tentative Program;
- Quality Management;
- WH & S Procedures;
- Environmental Management;
- Licences and Insurances;
- Financial Capacity; and
- Referees.

The Registrations of Interest will be weighted against the Registration of Interest Criteria and will be assessed by the Project Steering Group (PSG). A short-list of Building Contractors will then be invited to submit Fixed Lump Sum Tenders for the Works.

The Tendering Criteria for Building Contractors will include the following:

- Tender Form – Formal Offer including Detailed costs;
- Tenderer's Details;
- Key Contractor Personnel;
- Proposed Sub-Contractors;
- Program & Methodology;
- Financial Capacity;
- Licences;
- Insurances;
- Quality Assurance;
- WH & S Procedures; and
- Environmental Management.

The Tenders will be assessed against the Tendering Criteria by the Project Steering Group before a Building Contractor is awarded the Contract for the Works. Due to the value of the contract, the appointment of the successful Building Contractor will be determined by the Council.

The Preliminary Program contained in **Appendix Q** outlines the time frames for the Procurement of Building Contractor outlined above.

This Procurement Approach will:

- maintain control of the design with the City of Norwood Payneham & St Peters and their Consultants, therefore ensuring the Masterplan and detailed design intent is delivered and high quality design is ensured;
- obtain value for money by allowing for competitive tendering on all phases of the Project;
- allow for flexibility in the Project program and staging while still ensuring strict contractual completion dates;
- provide the City of Norwood Payneham & St Peters with a fixed guaranteed price for the Project; and
- allow the design team to work with the contractor to ensure control of quality is maintained while including construction sequencing and buildability into the design process.

## 19.6 Procurement Assessment

Due to the value of the Project the Registrations of Interest will be assessed by the appointed Project Steering Group and the assessment and approval of the Select Tenders will be undertaken by the full Council.

In order to minimise costs, the Project Steering Group will ensure that the Design and Construction phases are well planned, since phases occur separately. Lack of coordination can prolong the Project, which may in turn increase overall costs. The timing of the detailed project design and costings is a key consideration, as Council aims to commence the construction works by 6 June 2022.

## 19.7 Project Management

The Project will be overseen by a dedicated Project Steering Group (PSG) and managed by a nominated Project Manager (PM).



It is anticipated that specialist legal advice will be engaged in the drafting of the formal construction contract. An independent Superintendent will also be engaged to manage contract requirements and to certify and assess all installations.



PAYNEHAM MEMORIAL SWIMMING CENTRE



## 20. PROJECT SCHEDULING

A Preliminary Program for the detail design and documentation and the construction phases of the Project has been developed. The program anticipates that the construction of the Project will commence in 6 June 2022 and is expected to take approximately nine (9) months to complete. It is noted that the Program has been developed with the assumption that all of the work will be delivered as one package. A copy of the Preliminary Program is contained in **Appendix Q**.

The Program is based on the Council receiving grant funding of \$10 million. Due to the significant cost of the Project, the Council proposes to undertake a thorough Procurement Process, which includes both a Registration of Interest and Select Tender process for the Detail Design and Construction stages of the Project.

Prior to commencing the Detail Design and Construction Document stage of the Project, the Council will commission a Prudential Management Report to ensure that it acts in accordance with Section 48 of the Local Government Act 1999 and is able to make informed decisions and is accountable for the use of public resources.



PAYNEHAM MEMORIAL SWIMMING CENTRE

## 21. CONCLUSION

The *Payneham Memorial Swimming Centre* has been a valuable community asset for over 50 years. However, the facility is now nearing the end of its useful life, the existing pools and in particular the main 50 metre pool, leak substantially and are generally tired and in need of a major redevelopment or replacement. The Swimming Centre itself requires a substantial amount of work to ensure its long term, financial viability, sustainability and ongoing compliance with current standards and regulations for the provision of public pools and aquatic facilities. The lack of disability access is a major concern for the Council.

The proposed new aquatic leisure centre at the *Payneham Memorial Swimming Centre*, detailed in this Business Case will service a large proportion of the Eastern Region of Adelaide and will cater for a diverse range of user groups. The investigations, market research and consultation undertaken by the Council has shown that there is a lack of aquatic leisure facilities and the provision of new facilities provides the Council, in partnership with the State Government, with a unique opportunity to ensure that an appropriate community facility is provided well into the future.

Detailed investigations indicate that despite the age of the main 50 metre pool, the shell of the pool appears to be in good condition and refurbishment of the main pool is a viable option. However, whilst a total replacement of the pool does not appear to be required, the engineering condition reports prepared for the pool and associated facilities recommends a series of capital works to enable the pool to meet contemporary standards and provide a safe and compliant facility for the next 20 to 25 years. Due to the urgency of this work the Council has allocated sufficient funding to undertake this work as a matter of priority.

The new 25 metre Learners Pool and new aquatic recreational facilities add to both the viability and functionality of the Swimming Centre, which will deliver positive revenue and community service benefits. The proposed new two (2) storey sports and leisure centre will complement the aquatic facilities.

The design of the new *Payneham Memorial Swimming Centre* will be highly scrutinised and will be subject to Design Excellence, and compliance with environmental standards will be highly scrutinised.

Whilst the intent is to undertake the redevelopment as a complete package, should the Council not be successful in obtaining Grant Funding there may also be an opportunity to stage the works as Council funds become available or the Council is successful in obtaining grants. In the event that the works are staged it is most likely that the Project will be more costly to implement over the long term as the economies of scale of delivering the entire project as a complete package are diminished. Also some rework is likely to be required if works are staged.

It is recognised that whilst the Council could implement a lower cost option or reduce the scope of the work, the recommended option which has been adopted by the Council, delivers an asset that recognises the gap in the aquatic market and aligns with the expectations of the community. It will also ensure that the facility meets all contemporary standards and regulations.

When everything is considered, the decision to undertake the redevelopment of the *Payneham Memorial Swimming Centre* cannot be based simply on a financial argument. As a highly valued community asset, the *Payneham Memorial Swimming Centre* has served the Norwood Payneham & St Peters Community for generations. The opportunity to upgrade the facility and elevate it to a well-recognised regional destination will ensure that it becomes an icon for the residents of the Eastern Adelaide Region and beyond. An investment in the pool will ensure this valuable community asset is retained and meets the needs of the community for next 20-25 years.



*City of*  
**Norwood  
Payneham  
& St Peters**

# Attachment C

## Prudential Management Report – Payneham Memorial Swimming Centre



City of  
Norwood  
Payneham  
& St Peters



# Patterson Reserve Community & Recreation Precinct

## Masterplan Report

May 2021



Client:



City of Norwood Payneham & St Peters  
175 The Parade,  
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Authors:



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Report No: A2003 Patterson Reserve Community & Recreation Precinct

Rev	Description	Date	By	Checked	Approved
1	Draft Issue	03.03.21	PA/AL/SB	AL	SB
2	Revised Draft Report	31.03.21	PA/AL	AL	DS
3	Final Draft Report	12.04.21	AL	AL	DS
4	Approved Report	13.05.21	AL	AL	DS

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  - 2.2 Walking the Site
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    - A.1 Landscape Site Analysis
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    - A.3 Site Inspection Report
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## 1.0 INTRODUCTION

The City of Norwood Payneham & St Peters is a dynamic and vibrant inner-urban municipality with a rich culture and history. In recent years, the City has experienced a net growth in population related to an increasing number of dwellings, albeit with decreasing household size. As part of its open space and recreational assets, the Council owns and operates two swimming facilities, the Norwood Swimming Centre, located in Kensington, and the Payneham Memorial Swimming Centre located in Felixstow. Whilst the Norwood Swimming Centre is generally surrounded by residential development, the Payneham Memorial Swimming Centre forms part of a larger recreational and community precinct, the Patterson Reserve Community and Recreation Precinct.

Although both Swimming Centres have served the community well over the years, the infrastructure at both centres is ageing and the trend towards aquatic recreational facilities has evolved significantly since their establishment. The community is now seeking a higher standard and expects a greater variety of recreational activities from each facility.

In light of these factors, the Council has resolved to undertake significant redevelopment of the Payneham Memorial Swimming Centre to ensure that it remains viable and continues to offer a high standard of aquatic recreational facilities to the community.

### Payneham Memorial Swimming Centre

On average, the Payneham Memorial Swimming Centre attracts approximately 75,000 and 80,000 patrons during the swimming season, which runs from October through to mid-April.

The City of Norwood Payneham & St Peters has engaged the TCL consultant team to develop a detailed Masterplan for the future redevelopment of the Payneham Memorial Swimming Centre, as well as some guidance of opportunities to integrate the Centre within the wider Patterson Reserve Community and Recreation Precinct.

This report is a summary of the Masterplanning process undertaken and puts forward design proposals for the master planning of both the Centre and the Precinct.

The report assesses the site in detail by highlighting the current inherent strengths and weaknesses, such as its accessibility to users and general fitness for purpose.

The appendices also summarise the consultation undertaken by the Council.

Included in the Appendix is a copy of the report prepared by Aquatic One, which assesses the options and limitations for the redevelopment of the existing pool structures and associated plant and equipment.





## 2.0 CONTEXT

### 2.1 Site History

The proposal to construct a full-sized outdoor Olympic swimming pool in one of the then faster-growing urban areas in eastern Adelaide was first put forward in late 1964. Funds were obtained over the following years with the City of Payneham securing contributions from the local community through organisations such as the Payneham RSL and St Peters and Payneham Rotary Clubs, and a site in Felixstow adjacent Third Creek was acquired for the project.

The Payneham Memorial Swimming Pool was officially opened by Payneham Mayor, Max Redden, on 10 February 1968, and dedicated to honouring soldiers of the area who had served in combat. Playing fields, lawns and gardens were also developed on the site as a “joint recreation scheme” for the growing local population.

The Payneham Swimming Club was established at the pool when a club based at the Adelaide City Baths originally known as the ‘Richardson’s Industries Patriotic Club’, and later the ‘Chrysler Swimming Club’, relocated to the newly opened pool following the demolition of the City Baths in 1969. The Club produced many champion swimmers through the seventies and more recently nurtured the talents of Olympic silver medallist Glen Beringen and Commonwealth Games gold medallist Martin Roberts.





## 2.2 Walking the Site

Identifying the characteristic attributes are best appreciated by walking the site, providing an important foundation to assess how each unique Masterplan strategy can reinforce and enhance the core positive qualities of the place, while ensuring site weaknesses are appropriately addressed. At Payneham Memorial Swimming Centre, the following qualities demand attention:



### Sense of Arrival

- The site lacks a strong sense of arrival due to the unassuming architecture of the buildings, the dominance of the featureless bituminised carpark surrounding the entry point, and minimal entrance signage.
- The site lacks a visual presence on its only street frontage along OG Road and signage is poor at the carpark entry.



### Community Facility

- The Centre is popular with its local community and receives high visitation on hot summer days.
- The facility is affiliated with local suburban swimming clubs, and houses meeting rooms for club meetings.
- Baseball & Lacrosse Clubhouse is increasingly popular, with training and games on week nights and weekends.



### Parkland Setting

- Generous wide open lawns surrounding the main pool and two children's pools create a strong parkland quality for the site, allowing good sightlines for supervision.
- A small number of large mature trees are located within the lawns providing good shade for pool users.



### Accessibility and Code Compliance

- Upgrades to the main pool and associated buildings will form part of the development, improving pool accessibility and functionality.
- Accessible parking spaces in the carpark need to be reviewed for compliance with current standards.
- Baseball & Lacrosse Clubhouse require a review & upgrade of facilities.



### Aging and Underutilised Buildings

- The Swimming Centre & Baseball / Lacrosse buildings are in average condition, are functional but eg. the Swim Centre offers opportunities to improvements the efficiency of staff operations, particularly in the entry, kiosk, first aid and storage spaces.
- Modernisation of the change room facilities is required to better accommodate regular family and school groups visitors.



### Fragmented Community Precinct

- The Centre is located centrally within a precinct of fragmented community assets, including the Council library, a youth centre, a community primary school, a memorial garden and several sports fields and club facilities.
- Each facility operates independently of each other without any sense of being part of an integrated and connected community precinct.



## 3.0 KEY DESIGN MOVES

In proposing the masterplan, a series of key design moves have been identified to guide further and more detailed planning and design.

### The Patterson Reserve Community & Recreation Precinct

1. *Create a park entrance with an activated central axis.*
2. *Relocate and upgrade the Baseball and Lacrosse clubrooms along the central axis.*
3. *Maintain and protect significant trees.*
4. *Enhance the Third Creek corridor and connection to local path networks.*
5. *Provide adequate parking to meet a variety of needs.*

### Payneham Memorial Swimming Centre

1. *Create a new entrance in a park setting.*
2. *Maintain an open-air/outdoor swimming experience for the community and its user groups.*
3. *Create a new two-storey Sports and Leisure Centre.*
4. *Consolidate a new 25m lap pool and learn to swim under a semi-enclosed roof for year-long use.*
5. *Extend the swimming centre water activities to entice teenagers and younger patrons.*
6. *Provide a diverse range of shade options for patrons.*
7. *Provide adequate parking to meet the needs of an enhanced facility.*



## Precedent Images

The following images are examples of the desired character for the landscape, built form and aquatic elements that are envisioned for the Patterson Reserve Community & Recreation Precinct and Payneham Memorial Swimming Centre.





## 4.0 THE MASTERPLAN

### 4.1 The Patterson Reserve Community & Recreation Precinct

The Masterplan for the Patterson Reserve Precinct seeks to draw together several community assets within the area including the sports fields, play facilities, the Library, Youth Centre and the Payneham Memorial Swimming Centre. Seen holistically, new landscaping unifies the Third Creek culvert with a new axial pathway connecting OG Road to the centre of the precinct.

Highlighted by a large-scale sculptural marker at the OG Road site entry and the adjacent new entrance to the Swim Centre, the axial path features a relocated memorial garden and a new playground which replaces the existing playground adjacent to the library. At the pivotal location at the intersection of the path and Third Creek, is a new clubroom building with dedicated toilets, café, storage and broad decking across the creek culvert.

A new multilevel carpark services the reserve, its sports fields, and the new Swim Centre with approximately 250+ spaces, while retaining the existing form of the private open-air carparking off OG Road.

In the reserve, dated facilities have been demolished and relocated to the clubroom building, to increase the number and variety of playing fields. Significant trees across the reserve have been retained and provide shading for both park spaces and sports field audiences.

The demolition of the playground along Turner Street allows the off-street parking along Turner Street is to be increased and rationalised and new club change rooms and storage space to be provided.

Existing library building, carparking increased and play-ground relocated

New pool plantroom, with access off OG Road

New 2-storey sports and leisure centre, providing pool facilities and cafe, new gym/dry pool training, clubrooms and lettable function areas

New entry marker and axial landscaped walkway connecting to Patterson Reserve, incorporating new memorial garden and playground

Existing private carpark

New multilevel carpark building, (approx. 250+ spaces over 3 levels)

New off-street parking (approx. 35 spaces) with bridge connection to existing library carpark


Existing youth centre building

New sportsclub change facilities and storage building

New clubrooms, incorporating cafe, toilets and storage facilities, with suspended deck plaza area over culvert

Reorientated Patterson Reserve playing fields - existing clubrooms and carpark relocated to increase area for playing fields

Third Creek culvert (note: dashed line indicates conceptual scope of potential future widening and naturalisation of waterway)

 Payneham Memorial Swimming Centre Project Area





## 4.2 Payneham Memorial Swimming Centre

The Payneham Memorial Swimming Centre is reordered to ensure the centre has a far greater street presence along OG Road alongside the Payneham Community Library.

A new two-storey sports and leisure centre building provides an administrative base and a range of new facilities. The new purpose-made, architecturally-designed building will be the central focus of the site as the single point of entry and exit, providing all change facilities, as well as a café, gym and dry pool training equipment, multisport clubrooms and lettable function areas, and a dedicated access point to the new water slides and other water park play activities incorporated into the site. A large overhanging roof form provides shelter and shade at the most active portion of the site and encloses a new 8-lane, 25m learn-to-swim pool along with dedicated school changerooms and all associated plant rooms and circulation spaces.

The existing 50m 8-lane lap pool is substantially upgraded, with an option to extend the roof form over the large pool in the future, providing year-round swim facilities to all pools.

High platform waterslides and multi-use water play facilities, including zero-depth splash pads for toddlers, provide a range of offerings for children and adults of all ages and abilities.

The 50m pool and play areas are surrounded by lawn and ornamental planting, creating a park setting within the wider open public reserve. The retained existing trees and new shelters and umbrellas allow for flexible shading options across the site.

Shade structures and barbeques  
on grassed embankment

New pool plantroom, with access  
off OG Road

New semi-enclosed and  
roofed 25m 8-lane lap pool  
and learn-to-swim pools

New 2-storey sports and leisure centre,  
providing pool facilities, new gym/dry  
pool training, clubrooms and lettable  
function areas

Zero-depth splash pad

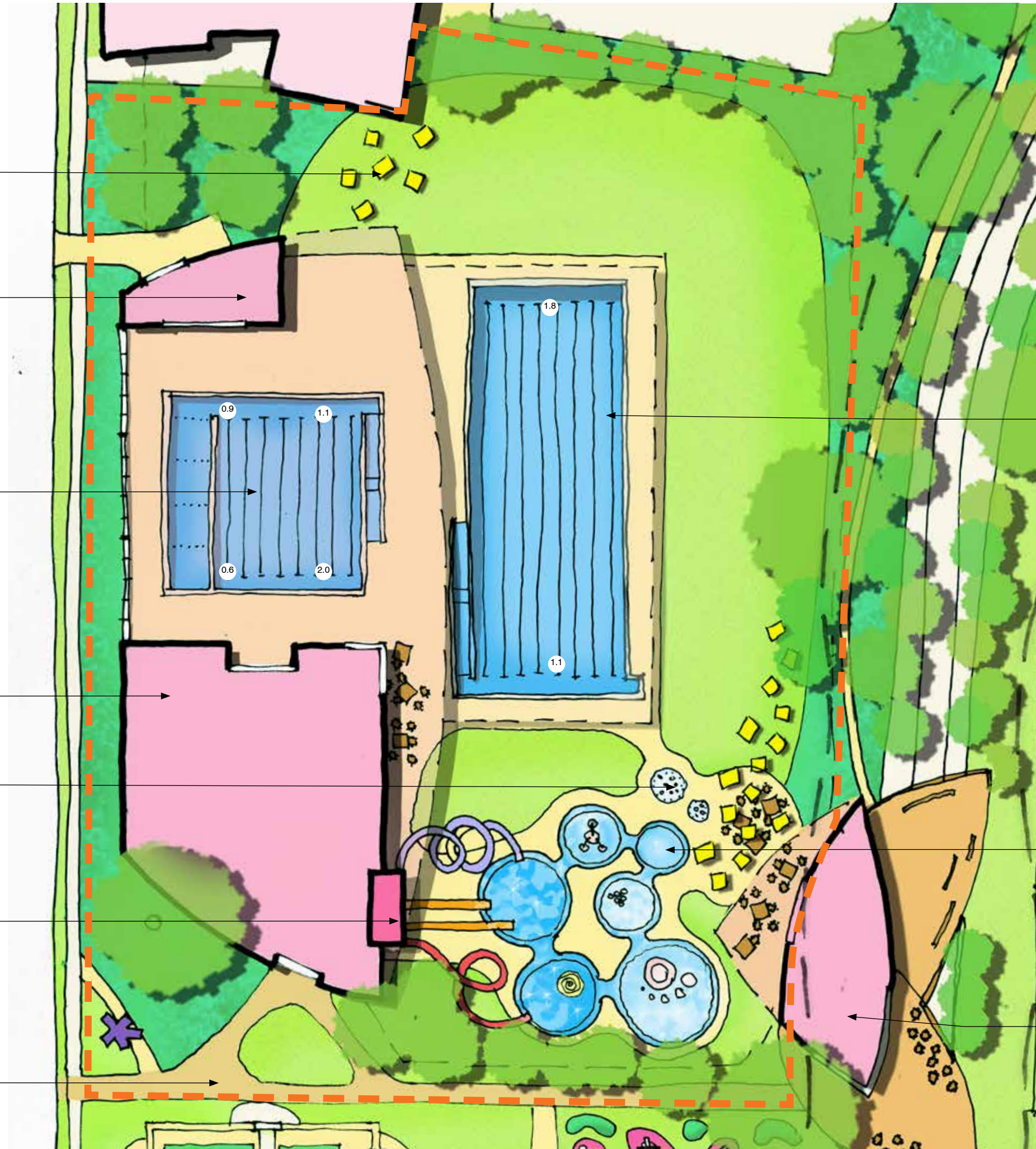
High platform water slides

Central landscaped walkway  
accessing swim centre, sports  
fields and public park, with sculp-  
tural marker at entry

Existing 50m pool upgraded  
in existing location (optional  
roof over shown dashed)

New leisure pools with  
interactive waterplay and high  
platform water slides integrated  
with building

New community  
multipurpose sports  
clubroom/cafe building  
servicing public park, sports  
clubs and swim centre, with  
shared kitchen and toilets,  
and decks over Third Creek to  
connect to sports fields



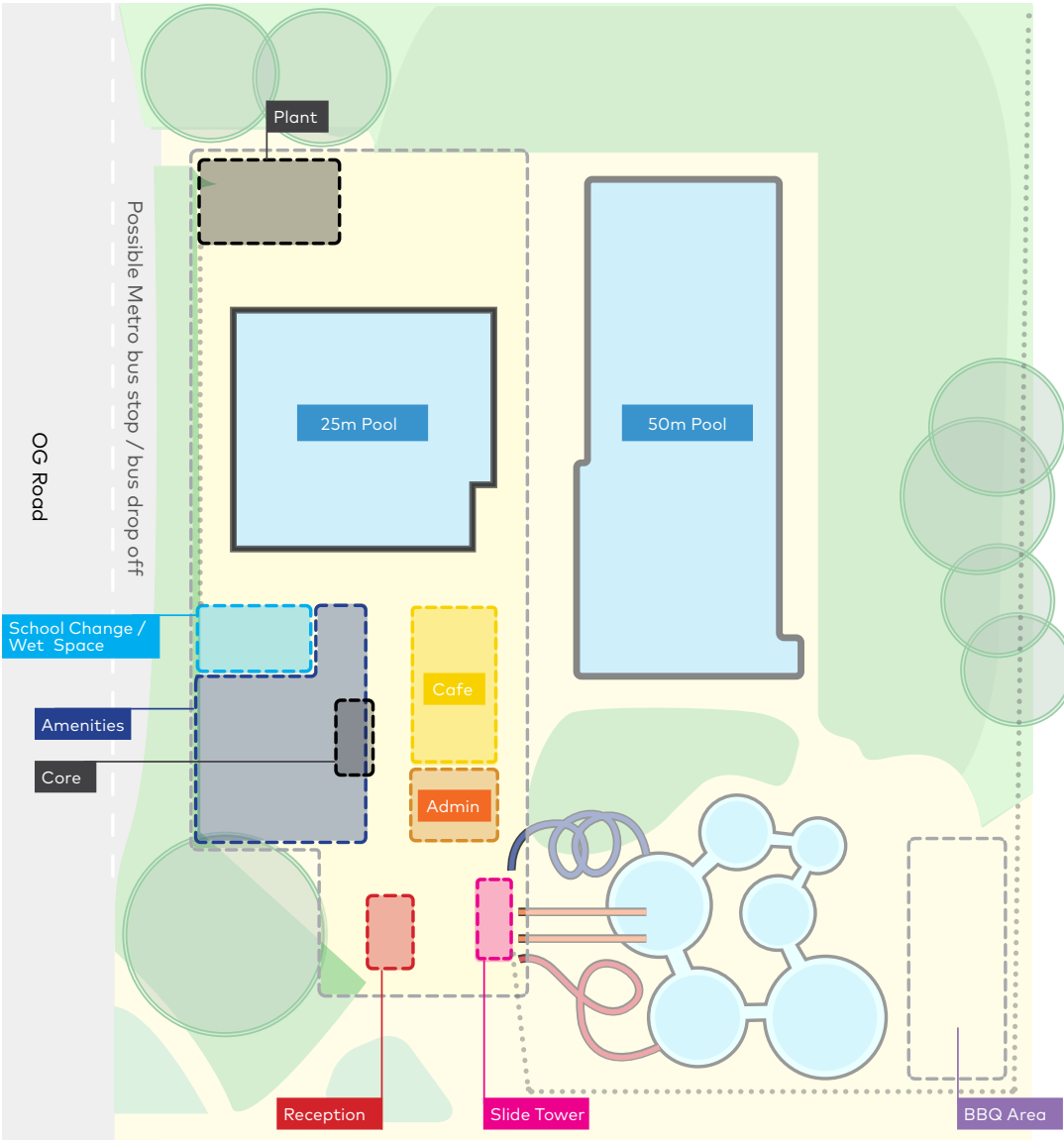


# 5.0 MASTERPLAN ELEMENTS

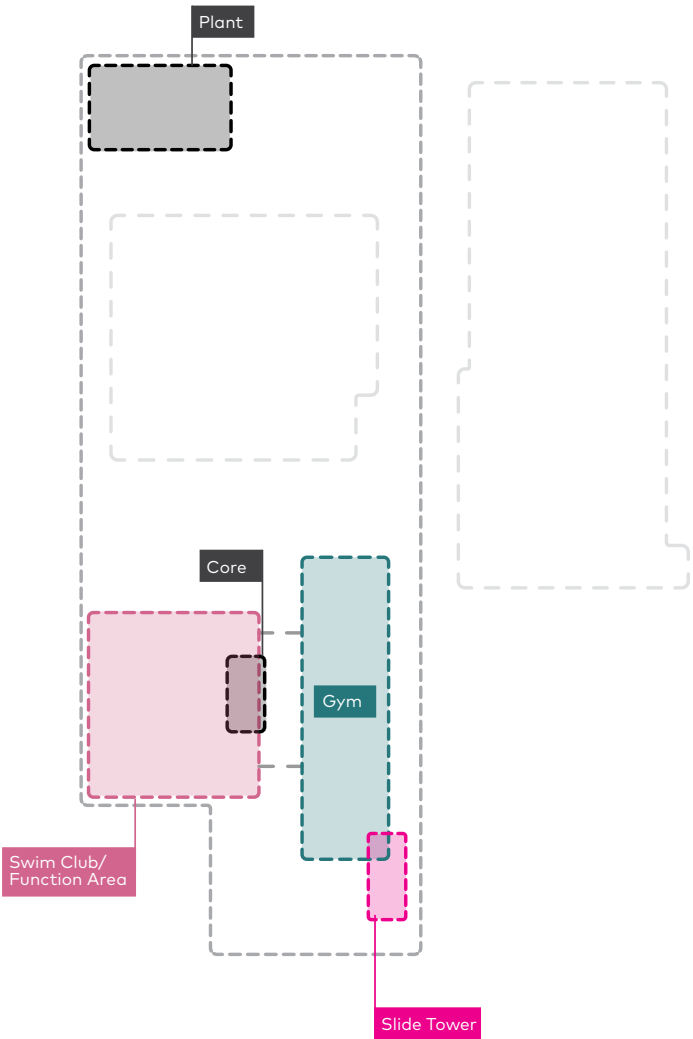
## 5.1 Architectural Schematic Spatial Arrangement

The following diagram provides a schematic floor plan arrangement for the proposed building facilities for both the ground floor and first floor. This is to be read in conjunction with the adjacent Building Area Analysis that provides approximate floor area requirements.

Ground Floor Plan



First Floor Plan



Building Area Analysis

<i>*all areas approximate only</i>	
<b>Payneham Memorial Swimming Centre</b>	
Existing facility	Area*
Entrance	115
Administration areas	63
Toilets and change room	350
Café and storage	125
Swimming club	118
External plant room (upgraded)	127
	<b>898</b>
<b>Option B2</b>	
Area*	
Steel framed car park 250 cars (G, 1 and 2)	6000
New external plant room	160
Double storey facility	1500
Entry (ground floor)	170
New toilets / change rooms (ground floor)	340
School change / wet function space (ground floor)	80
New café and storage	140
New hydrotherapy and gym facilities (first floor)	290
New swim club and letable function areas (first floor)	200
Outdoor terrace (first floor)	-
Slide tower	80
Storage	200
New roof cover for new 25m pool	1800
3m high Palisade fence to OG road	
	<b>10960</b>

5.2 Aquatic Elements

The aquatic elements intended for the facility are described in the following section. The general sizing, specifications or design intent of the elements have been obtained from the briefing information provided by the client.

50m Pool

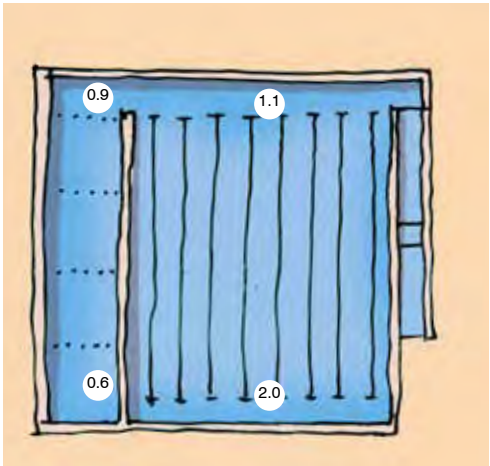
The 50m pool is an existing reinforced concrete lap pool, consisting of 8 swimming lanes. The pool is 1.1m deep at the shallow end, grading down to 1.8m at the deep end. Start blocks are placed at the deep end of the pool, with access provided through ladders along the side walls. No form of compliant disabled access if provided. The pool structure and finishes will be upgraded as part of an existing project, however the filtration equipment will be located in the new equipment room.



The general properties of the pool are as follows.

Element	Value	Comment
Length	50,275 mm	Obtained from the survey, the pool is a 55 yard pool
Width	18,500 mm	Obtained from the survey
WSA	930 m²	Nominal pool area
Depth	~1.5m	Average depth. Pool grades from 1.1m to 1.8m
Pool Volume	1,350m³	Nominal pool volume

25m Pool



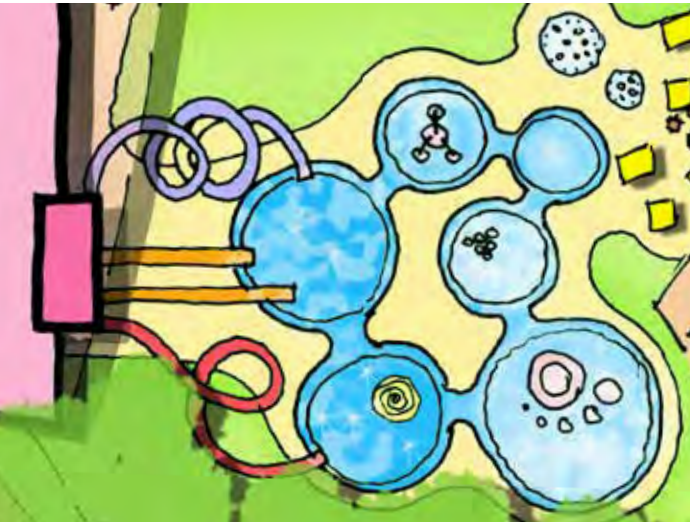
The 25m pool is a reinforced concrete multi-use pool, consisting of 8 lap lanes, 5 learn-to-swim areas and a disabled access ramp. The pool is 1.1m deep at the shallow end, grading down to 2.0m at the deep end.

The general properties of the pool are as follows.

Element	Value	Comment
Length	25m	Nominal pool length
Width	25m	Nominal width, consisting of 20m of lap lanes and 5m of LTS area. Dividing wall and ramp excluded
WSA	655 m²	Nominal pool area
Depth	~1.4m	Average depth
Pool Volume	885m³	Nominal pool volume

Leisure Pool / Water slides

The Leisure Pool is a combination of zero-depth splash pads, shallow water leisure pools and dry-deck runout waterslides. As the design of the waterplay is preliminary only, determining surface area statistics does not provide a large benefit at this point as filtration system sizes relate to feature flow instead. Typical feature flows are currently selected, with appropriate waterplay designs to be developed accordingly.



The general properties of the pool are as follows.

Element	Value	Comment
Nominal Size	750m²	Approximated from plan
Waterslide Flow	180 L/s	45 L/s per flume, four flumes
Waterplay Flow	50 L/s	Nominal flow for a variety of waterplay elements.



## Water Treatment System

### Introduction

The following section discusses the elements pertaining to the swimming pool's filtration, sanitation and circulation systems.

### Water Treatment System Methodologies

There are numerous different swimming pool filtration, sanitation and circulation system options available; the correct system for a particular installation depends on several factors specific to each site and installation. The design is currently too preliminary to allow for accurate comparisons, however for the sake of equipment room sizing and services coordination, the types of equipment utilized are provided below.

### Filtration System

#### Ultrafine Filtration



Figure 5: Typical commercial-grade ultrafine filter

A perlite-based ultrafine pool filter provides a high level of filtration performance, a moderate level of maintenance and a higher capital cost, however the capital cost can be balanced at times by the reduced footprint over sand filters. It involves coating a large number of small filter 'tubes' or 'candles' inside a pressure vessel with a thin (~10mm) coating of perlite filter media; a white powdered substance commonly used in agriculture. The perlite media mechanically removes particles from the pool water. The filter is 'regenerated' on a daily basis to redistribute the media inside the filter, and cleaned on a monthly basis by dislodging the media from the filter, discharging to sewer and vacuuming in new media.

### Pumping System

Stainless steel end-suction centrifugal circulation pumps are proposed for this project, as they are commercial-grade, high-efficiency, suitable for the duties required and have a long lifespan. Pumps are to be fitted with seal flush kits to reduce the likelihood of detritus becoming lodged in the mechanical seal and interrupting lubrication.

All pumps drawing directly from unfiltered water sources (such as balance tanks or direct from pools) are fitted with pre-pump strainers to remove large suspended detritus and fibers prior to pumping. Pre-pump strainers are designed to be inspected as a daily item, reducing the likelihood of mechanical damage to pumps, while lowering the load on the filtration and sanitation systems. Pre-pump strainers to be used shall be of HDPE construction, with an SS316 basket for longevity and shall contain an inspection port to streamline daily inspections.

### Sanitation System Concept

The recommended sanitation system for this pool consists of three primary elements; a chlorine dosing system, a pH correction system and an automatic water chemistry controller.

#### Controller

Providing an automatic water chemistry controller is critical to ensure consistent water quality parameters in the pool. This is a device which continually measures the chlorine and pH levels of the pool water, and then automatically regulates the operation of the chlorinator and pH correction equipment. There are a wide range of automatic water chemistry controllers available, however the key features recommended for the controller are;

- Measurement of free available chlorine;
- Integrated flow switch to prevent dosing in to a static system;
- Continual measurement and dosing control;
- Multiple replaceable probes (instead of a single combined probe);
- Alarm and fault warnings;

Providing a web-module or similar integrated connection to allow the controller to SMS or email out when it detects a fault (such as a low chlorine warning) is a useful feature as well, especially in scenarios where the pool is only visited daily for maintenance.

#### Chlorinator

The chlorine dosing system provides the primary oxidizer for the swimming pool to sanitize the system.

A liquid chlorine dosing system is proposed for this project, due to the low capital cost, high capacity and simple maintenance. These systems involve a dosing pump and a storage tank of liquid sodium hypochlorite (chlorine). The liquid is pumped from the tank and delivered in to the returning filtered water stream. The system is simple, cheap and easy to maintain, however

does involve storing a corrosive liquid. Additionally liquid chlorine must be continually purchased and refilled, nominally on a weekly or fortnightly basis. Suitable risk mitigation measures must be adopted to ensure safety is maintained.

#### pH Correction Equipment

The pH of the pool water plays a significant part in the effectiveness of the sanitizer used. Continual pH correction equipment is required to ensure a stable pH level.

A dry acid dosing system (sodium bisulphate) is proposed for this project, due to the low capital cost, moderate maintenance and reduction in associated risks when compared to a liquid system, such as reduced fumes and reduced spill potential. These systems involve a dosing pump drawing from a mixing tank, where dry sodium bisulphate powder is added and mixed with water to form a liquid acid. The liquid is pumped from the tank and delivered in to the returning filtered water stream. The system is simple, relatively cheap and easy to maintain, however does require regular refilling of the tank. The acid is also not compatible with liquid chlorine, so must be kept separate with the potential for mixture of the substances reduced. The acid storage must be continually purchased and refilled, nominally on a weekly or fortnightly basis. Suitable risk mitigation measures must be adopted to ensure safety is maintained.

#### UV System

As the 25m pool is an indoors pool in an air conditioned space, ongoing control of combined chlorine levels is important to maintain good water quality as well as detectable minimizing smells from the pools. It is recommended to provide the filtration system with a medium-pressure UV unit to assist in this regard.

### Heating System

Heating for the pool is proposed via dedicated pool heat pumps, where heat energy is taken from the atmosphere by passing large volumes of air through a refrigerant process, and transferring it to the pool water. This provides the best outcome for lifecycle cost of the system. While the capital cost of heat pumps is high, heating is a major operational cost for pools and the major energy savings offered by the refrigerant process far outweigh the initial expense in a relatively short period of time. Heat pump footprint requirements, noise emission and air circulation requirements must be closely considered.

Where mains-source heater units are provided (such as heat pumps or gas heaters), thermal pool blankets are required in accordance with the energy efficiency requirements of the current edition of the National Construction Code. For the thermal calculations, it's assumed that the blankets will have a minimum R value of 0.13 and will be used when the pools are closed.

EQUIPMENT ROOM SPATIAL ALLOWANCES

Equipment Room Spatial Allowances

Based on the preliminary design, a nominal equipment room spatial plan has been developed. The plan involves four key elements:

- 1. Primary pool equipment room, housing the majority of the pumping, filtration and sanitation equipment.
- 2. Secondary leisure pool circulation room, located at the base of the waterslide start tower that house the waterslide and leisure pool circulation pumps.
- 3. External heater court
- 4. External truck bund for chlorine deliveries, as well as a truck turning bay as trucks must be able to drive out forwards from chemical delivery bunds.

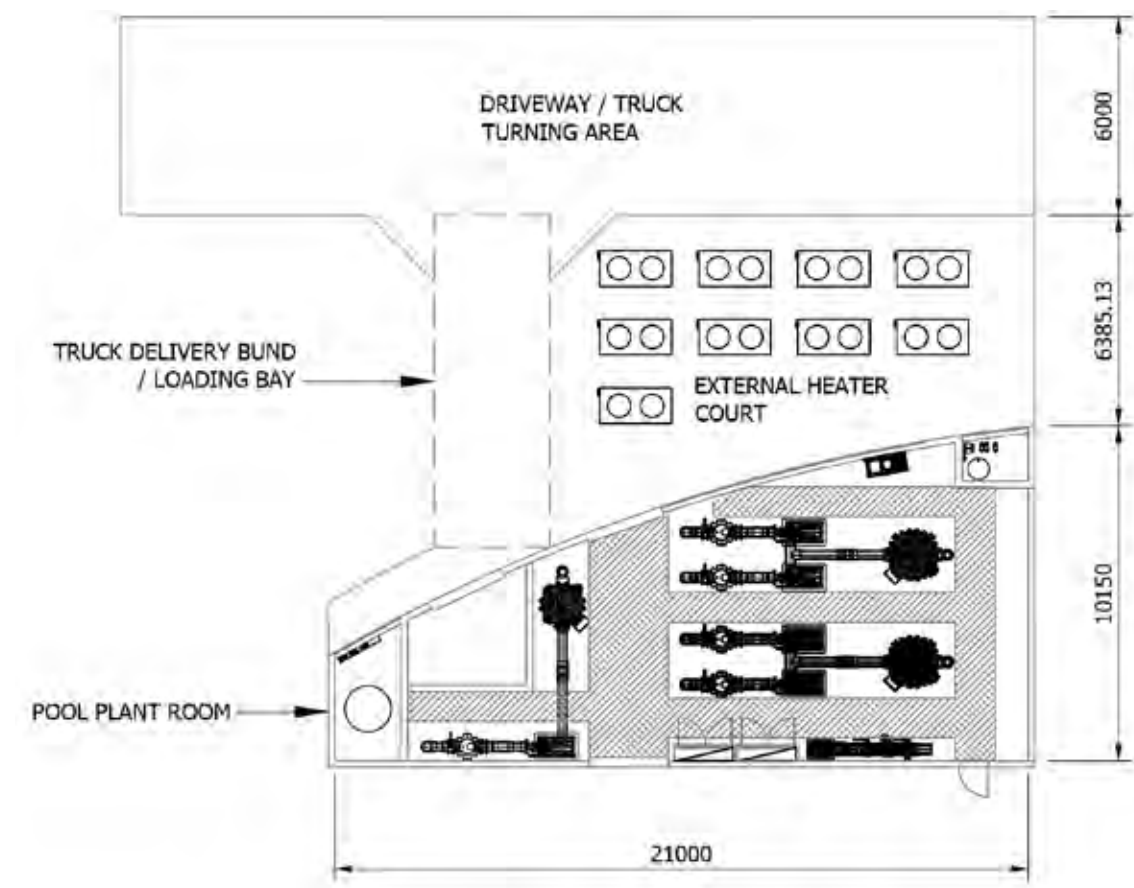


Figure 6: Overall Equipment Area Plan

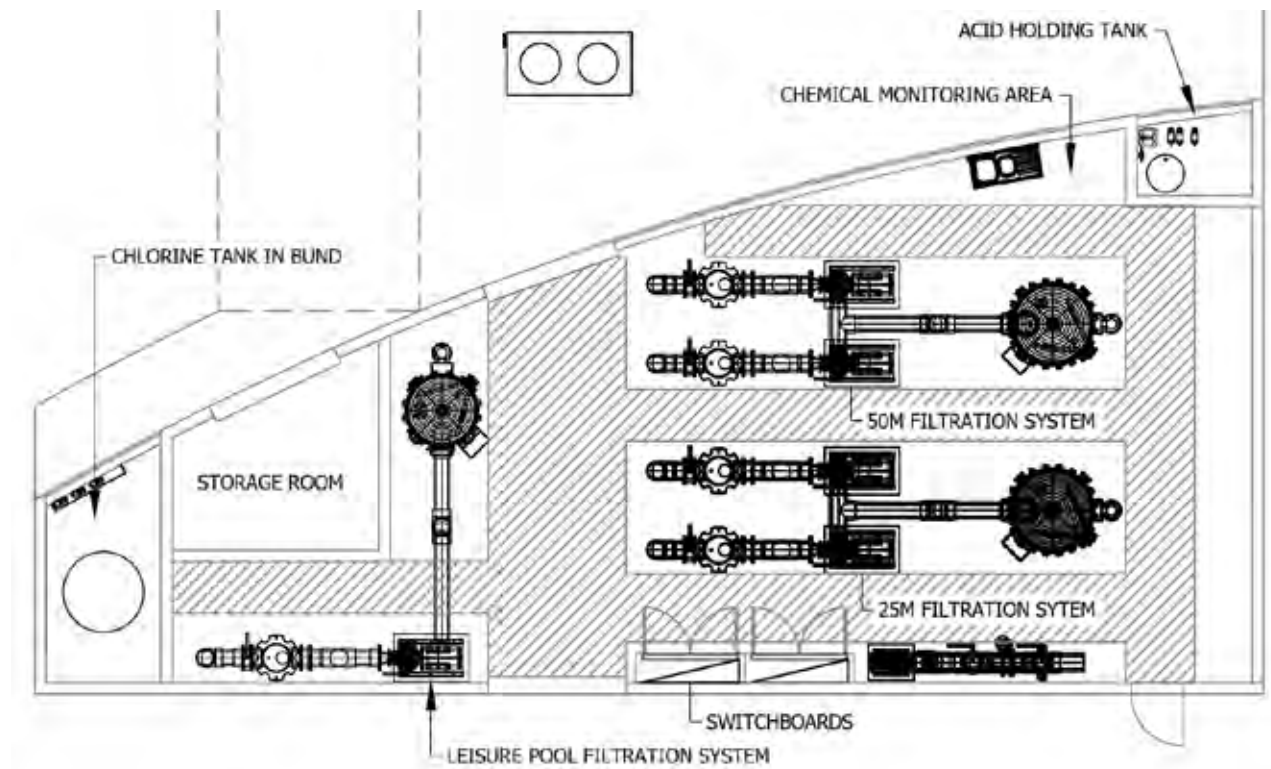


Figure 7: Pool Plant Room General Plan

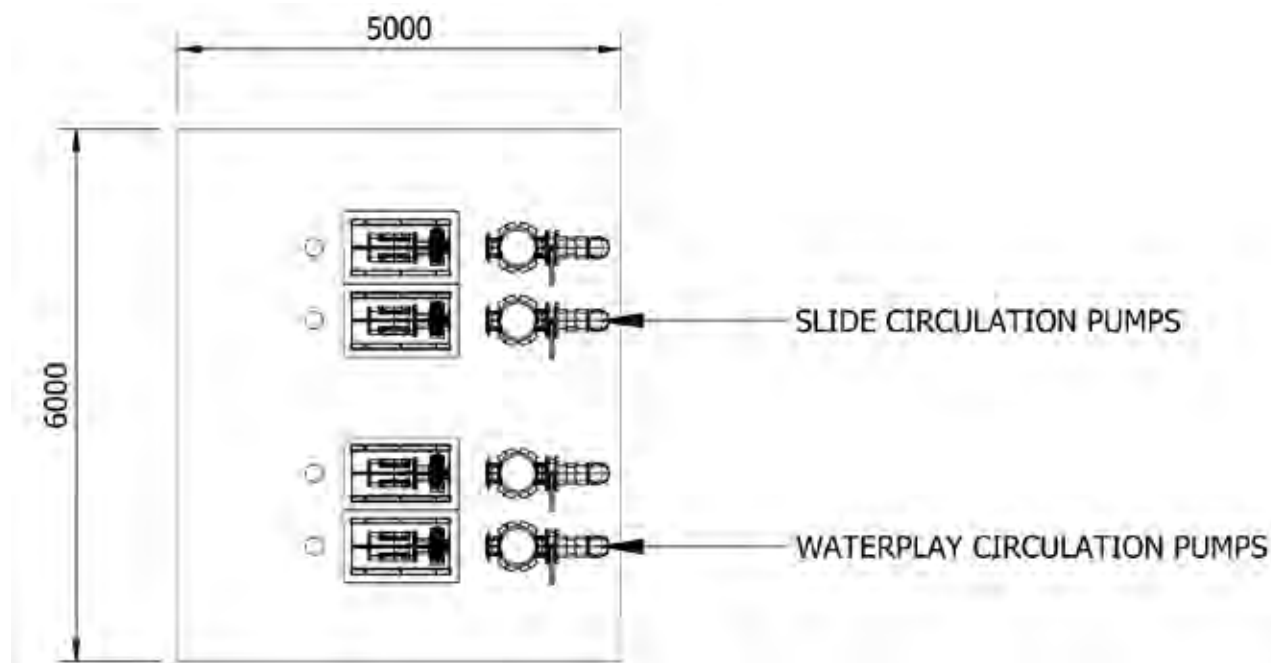


Figure 8: Leisure Pool Local Pumping Room



Key notes of consideration for the plant spatial allowance are as follows:

- The layout shown is minimum sizing required; if more length of width is available, then it is advisable to include to provide a spacious plant room.
- A minimum vertical clearance of 4,100mm is required inside the pool plant room to fit in the required filters and associated pipework.
- Access to the room is currently provided by 2400w roller doors to the loading area and 25m concourse, with a personnel door to the pool concourse also. This is nominal only, and additional access may be required.
- Three storage areas are provided within the layout of the room; one for liquid chlorine, one for acid and one for incidental chemicals. No storage area is provided for pool blankets, pool cleaning equipment etc.
- A backwash holding tank is currently not shown, and will likely be constructed below the ground as an extension of the 25m pool balance tank.
- The size of the driveway and truck bund is nominal only for general magnitude sizing, and will require Architectural input to confirm suitability.

Preliminary Services Coordination

Preliminary designs to allow for high-level coordination of the required mains services have been undertaken. The results are provided within this section. It must be noted that whilst every attempt is made to be accurate, all the loads, quantities and the like provided in this section are preliminary only for the purpose of general magnitude review. Aquatic One reserves the right to review and update the values as the design develops.

Electrical Load

The pool contractor will provide a pool control panel / switchboard in the pool plant room, which in turn will provide power and control to all the recirculation equipment associated with the pool water treatment system. The pool control panel will power and control all the filtration, sanitation and heating equipment pertaining to the pool. The anticipated electrical loads for the system is provided in the table below.

Element	Nominal Draw
Pool Filtration Systems	280A Three Phase
Pool Heating Systems	700A Three Phase
Leisure Feature Pumps	170A Three Phase

The above power draws are peak power figures based on the nominal motor/equipment motor sizes or stated power draw figures, and include a 20% preliminary-stage design oversize. Actual experienced loads may be

lower, however a more detailed design is required to facilitate. Ancillary elements to be provided by the electrical contractor and covered in the electrical consultant's documentation include:

- General power outlets in the equipment room;
- General lighting in the equipment room;
- General power around the pool area itself for the connection of cleaning equipment;
- Equipotential bonding of conductive items in the pool area as per AS3000

Mains Water Load

The pools are supplied with automatic top-ups to maintain minimum water levels in the system. The nominal size of a mains water connection to be provided to the pool equipment room through an RPZ protected source is provided below. The hydraulic contractor is to provide this connection to the pool equipment room, finished at an isolation valve. The pool contractor will continue the connection to the pool systems including the provision of all water level sensing equipment and actuated valves.

Pool	Make-up Size
All pools	DN50

Additional water supply requirements include:

- Plant Room – DN12 water supply to the sink
- Plant Room – DN25 tepid water supply to the safety shower
- Plant Room – General hose cocks in the equipment room for maintenance
- Pool Concourse – General hose cocks around the water elements for cleaning and maintenance purposes

Stormwater Load

Outdoor pools are subject to stormwater loading. Whilst small incidental amounts of rainfall can typically be retained within the system, under constant or large rainfall, pool water will be discharged from the Leisure Pool system through a gravity overflow, to prevent the pool system from flooding. Anticipated maximum flows, nominal overflow pipe sizes and approximate locations of the overflows are nominated in the table below.

Pool	Nominal Flow	Nominal Pipe Size	Location
Leisure Pool	35 L/s	DN225	Balance Tank

The hydraulic contractor is to provide appropriate connection points, into which the pool contractor will discharge their overflows. Suitable location for discharge (eg, stormwater vs sewer) depends on the requirements of the local water authority and the project specifics, and is to be confirmed by the hydraulic consultant.

In addition to this, all stormwater not landing in the pools (such as on concourses) must be directed away from the pools and captured separately. As for the 25m pool, it is not subjected to rainfall. It is still recommended to provide an overflow from the pool, to prevent the pool from flooding and causing damage to surrounding elements in the event that the make-up system fails in the open position. The overflow need only be 50mm in size, and whether it discharges to sewer or stormwater will depend on local authority requirements. The hydraulic consultant is to confirm.

Sewer Load

The pool filtration systems primary interaction with the sewerage system onsite are as follows:

- Filter backwash cleaning cycle, where volumes of water are expelled to sewer from the filters;
- Floor wastes in each equipment room, capturing flow from spills or incidental leaks;
- General trade wastes around each equipment room for incidental flows from air relief valves, pressure relief valves and the like. It's anticipated that each equipment room will require at least one tundish.
- Trade waste for each heater unit, to capture condensate drains from the heaters.
- Pool drainage points, to allow the pools to be drained under gravity for maintenance. Location of the drains is typically provided near the pool itself, depending on appropriate levels and access.

During filter cleaning cycles, the filter volume is dumped into an on-site storage tank, where it is then pumped to sewer at a controlled rate. A tundish in the equipment room capable of receiving pool filter waste water containing perlite it to be provided by the hydraulic contractor, rated at 1 L/s. The local water authority will require consultation to determine what acceptable limits are appropriate for this site for discharging chlorinated water to the sewerage and stormwater systems.

Ventilation

Ventilation will be required to the following primary areas:

- Pool plant room – sufficient mechanical ventilation to maintain air quality and temperature in accordance with local OSH legislation and NCC requirements. This is often provided at a nominal flow rate of 10 room air volume changes per hour, however is subject to review by the Mechanical Consultant.
- Balance tanks – nominal 100mm vent pipe to atmosphere
- Chemical storage room – As required to ensure chemical fumes are extracted to the building exterior.
- Heat pump – As the heat pumps are located externally, no additional ventilation is required. The potential noise impact of the heat pumps on neighboring areas must be considered.

## 5.3 Engineering

Several items relating to civil, geotechnical and traffic engineering design will need to be considered in the detail design stage of the Project. These have been itemised below.

### Civil

As the site is directly adjacent to Third Creek, any new buildings will need to be above the 1 in 100 year flooding event (typically finished floor levels are set at least 300 mm above this level). FMG has reviewed the existing flooding information and the eastern sports fields do flood during larger events. It should also be noted that the masterplan indicates an option for the creek to return to a more natural creek, which will likely impact the flooding risk to the adjacent buildings. This will need to be further investigated once the flood naturalisation plans are further developed.

During the redesign, subsurface drainage for the sports fields can also be considered to better drain these areas. The subsurface drainage will reduce the likelihood of the pitches to become waterlogged and unusable.

To reduce the impact on the environment, it is recommended that stormwater from carparks etc. which may be likely to incidental oil spills, be directed to some form of treatment (GPT / oily water separator) prior to discharge to the Council's stormwater infrastructure.

### Geotechnical

Due to the location of the site, it is likely that the entire site is situated on reactive to highly reactive clays, but a full geotechnical study would be required to determine this as the close proximity to the creek may indicate that the site may be more alluvial in nature. Highly reactive clays expand with the addition of moisture and contract as the soil dries. This is further exacerbated with the inclusion of trees around the site infrastructure. The impact of reactive soils is that structural and civil elements need to be designed to take this into account.

The level of the watertable will also need to be determined in the geotechnical investigation as this may affect the design of civil and structural elements.

### Traffic

The site is located adjacent to OG Road, which is under the care and control of the Department of Infrastructure and Transport (DIT). As this is the case, a Traffic Impact Statement is likely to be required if new carparks etc. are to be constructed. This is due to the increase in traffic demand that will be generated, which may cause impacts on queuing along in OG Road, even if the carparks are accessed via Turner street. Additionally, any new relocated bus stop will need to be worked through with DIT.

### Other items – access, trees and recycled water

The existing site has poor access for ambulant patrons. An example of this is the lack of conforming disabled parking close to the entrance of the facility. These items should be improved and addressed as part of the next design phase of the project.

With regard to trees, there appear to be several regulated and significant trees on site. An arborist report needs to be considered to determine the impact of these trees on the future development.

Recycled water is supplied to the Patterson Reserve and Payneham Memorial Swimming Centre for irrigation purposes. The recycled water is drawn from the Third and Fourth Creek outlets to the River Torrens and treated prior to pumping and distribution through ERA water's pipe network. Recycled water should continue to be used for irrigation purposes.



## 6.0 APPENDICES

- A**     **Analysis of Payneham Memorial Swimming Centre Site**
  - A.1 Landscape Site Analysis
  - A.2 Comparative Analysis
  - A.3 Site Inspection Report
- B**     **Past Consultation Outcomes**
- C**     **Draft Masterplan Options**



# Appendix A | Analysis of Payneham Memorial Swimming Centre Site

## Appendix A.1 | Landscape Site Analysis

### Functional Areas

The Centre features a major building spine along the southern boundary of the site with major visitor facilities consolidated together. Plant buildings and related equipment has been built on the north eastern corner of the site where maintenance vehicles can easily access the compound via the library carpark.

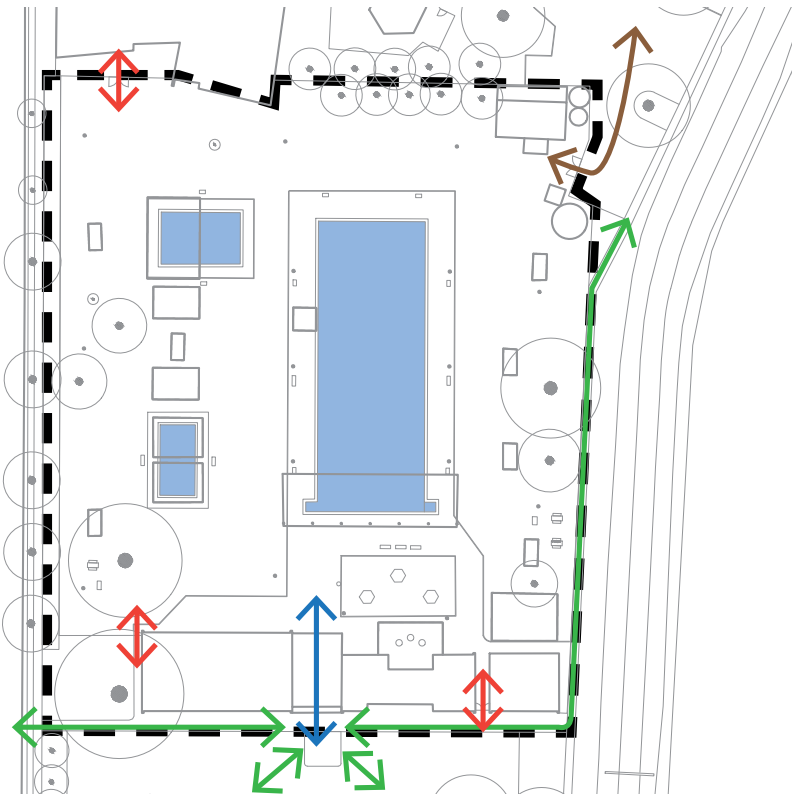
- Plant Equipment
- Changing Rooms
- Ticketing
- Offices / Staff Facilities
- First Aid
- Storage
- Kitchen / Kiosk
- Swim Club



### Access

Access into the Centre is through the central entry foyer / ticketing area - allowing ease of surveillance and staffing. Service access is provided on the southern and north western sides of the site, while a maintenance gate is provided in the north eastern corner which adjoins the library carpark for plantroom maintenance and deliveries. Pathways on the western and eastern sides of the site provide access to bus drop off and an adjacent public off-street carpark respectively.

- Maintenance
- Public
- Service / Staff
- Links to carparking and bus drop off



### Shade & Shelter

The Centre provides many shading options throughout the site. Advanced trees dot the site, while an arrangement of impermeable and semi-permeable shade structures line the eastern and western lawns. All the pools feature some form of shade structure, while the primary building spine has breakout areas that feature extended shade areas.

- Tree Shade 1280m<sup>2</sup>
- Permeable Shade 525m<sup>2</sup>
- Impermeable Shade 389m<sup>2</sup>

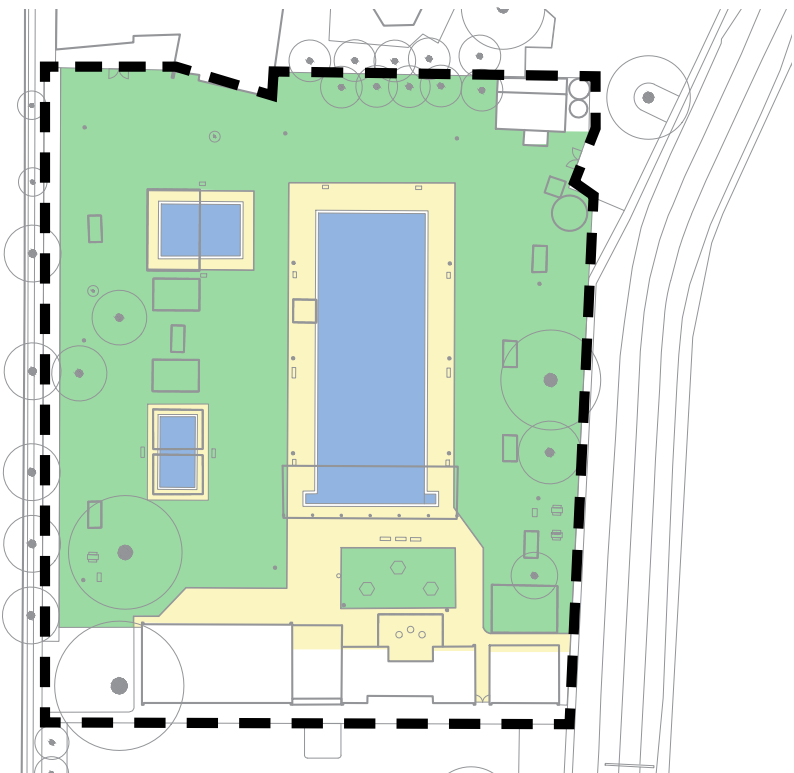


### Surfaces

The site features generous grassed areas and concrete paved concourse around pools and buildings.

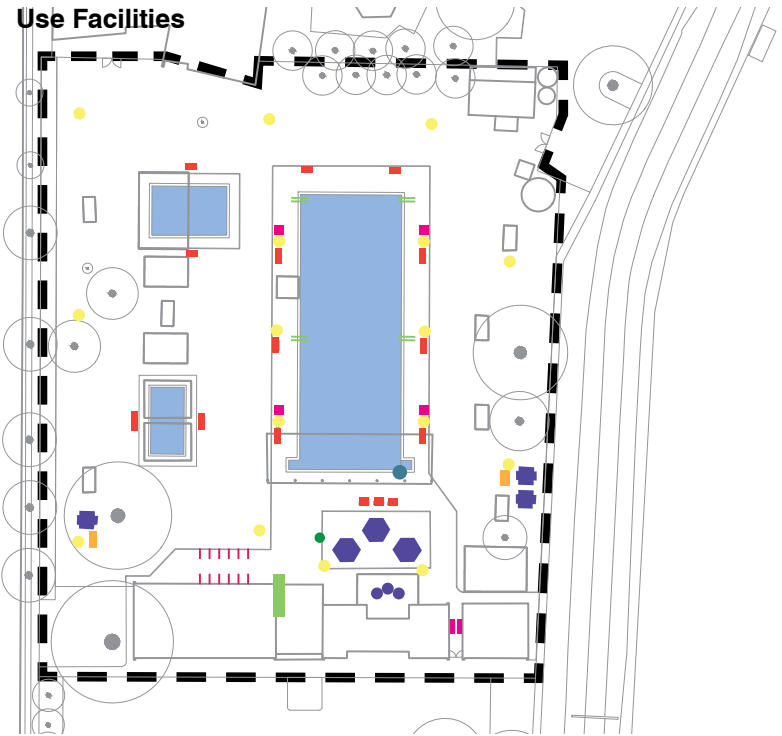
The perimeter lawns are relatively open and popular especially during summer, and offer good opportunities for events to occur.

- Pavement - 1600m<sup>2</sup>
- Grass - 5700m<sup>2</sup>



Site fixtures have been scattered around the site in a reactive way. There is little consistency in colour, form or style between all the items.

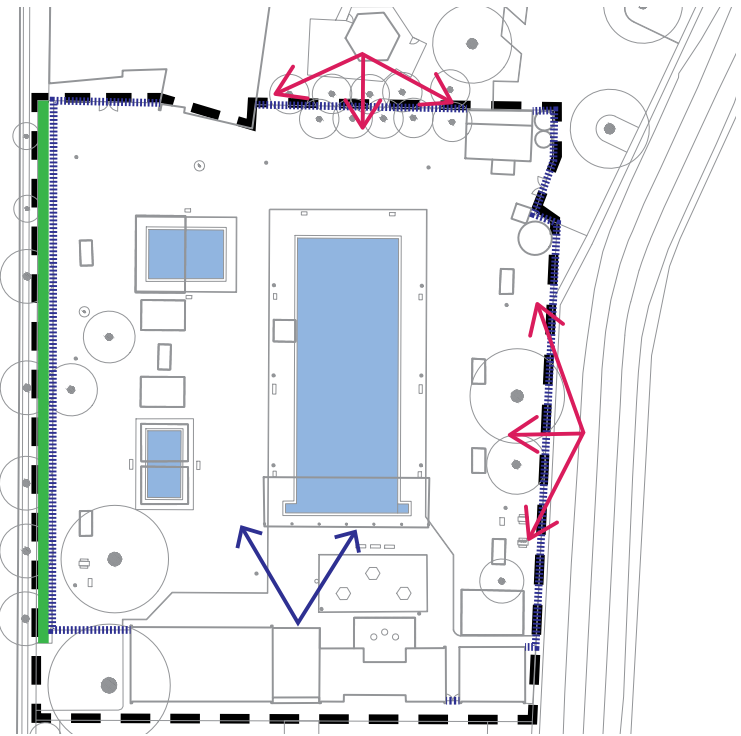
- Seat / Bench
- Picnic Setting
- Light Pole
- Water Fountain
- || Bike Rack
- Pool Access Lift
- || Pool Ladder / Step
- Bins



**Views & Boundaries**

Views within the Centre are largely uninterrupted, with little vegetation or structures to obstruct views across the site. The tall hedge on the western boundary provides a visual barrier to OG Road, while on the eastern side a permeable 'cyclone' fence provides unobscured views to the vegetation and footpath alongside the Third Creek culvert. The open fence fails to prevent overlooking views into the site along the eastern side.

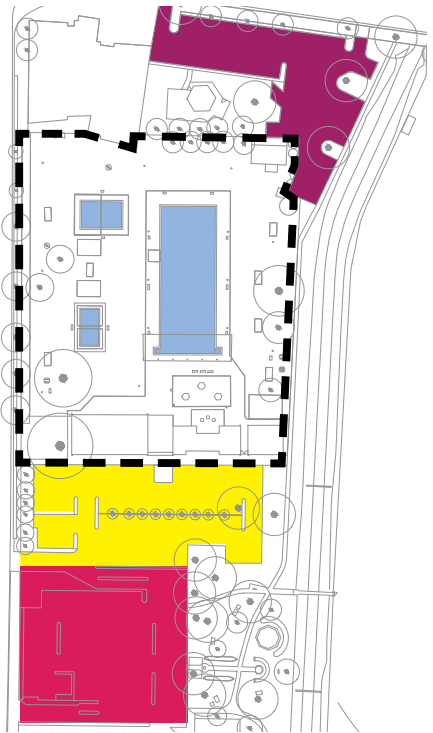
- ➔ Framed View
- Overlooking
- Visual Barrier
- ▤ Permeable Fence



**Carparking**



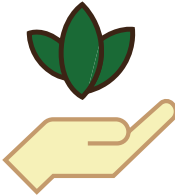


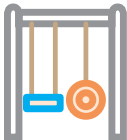




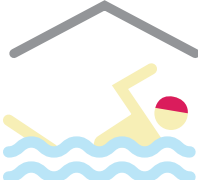












Dedicated off-street parking for the Centre is provided on the southern side of the property. On the northern side a public carpark associated with the library is often used as overflow parking by pool patrons. There is a lack of definition between this carpark and an adjacent private carpark which creates confusion for pool patrons.

- Dedicated Off-Street Parking
  - 2 accessible parks
  - 93 standard parks
- Nearby Public Off-Street Parking
  - 2 accessible parks
  - 64 standard parks
- Private Carpark (not accessible to pool patrons)



Appendix A.2 |  
Comparative Analysis

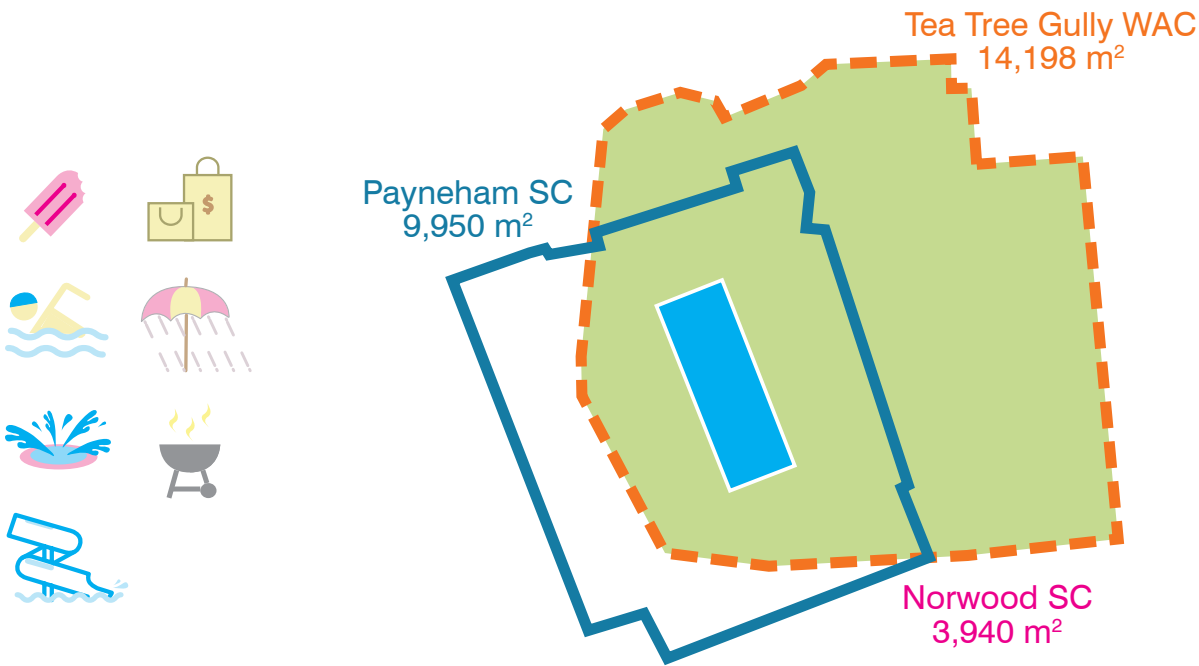
Facilities provided at swim centres are varied across the state and country. The following pages provide an easy-reference review of the types of facilities available at a variety of different swim centres across Adelaide and Australia, to assist understanding the sorts of opportunities available at Payneham, or a gap in the offerings provided in the local leisure market.

				
Sauna	Character	Sustainable	Natural Shade	Outdoor Swimming
				
Playground	Sauna	Sports / Gym	Shade Structures	Barbeque
				
Indoor Swimming	Aquatic Sports	Learn to Swim	Community	Coaching
				
Spa	Slides	Splashpad	Lap Swimming	Aquatic Fitness
				
	Accessible	Kiosk	Staff	



Tea Tree Gully Waterworld Aquatic Centre

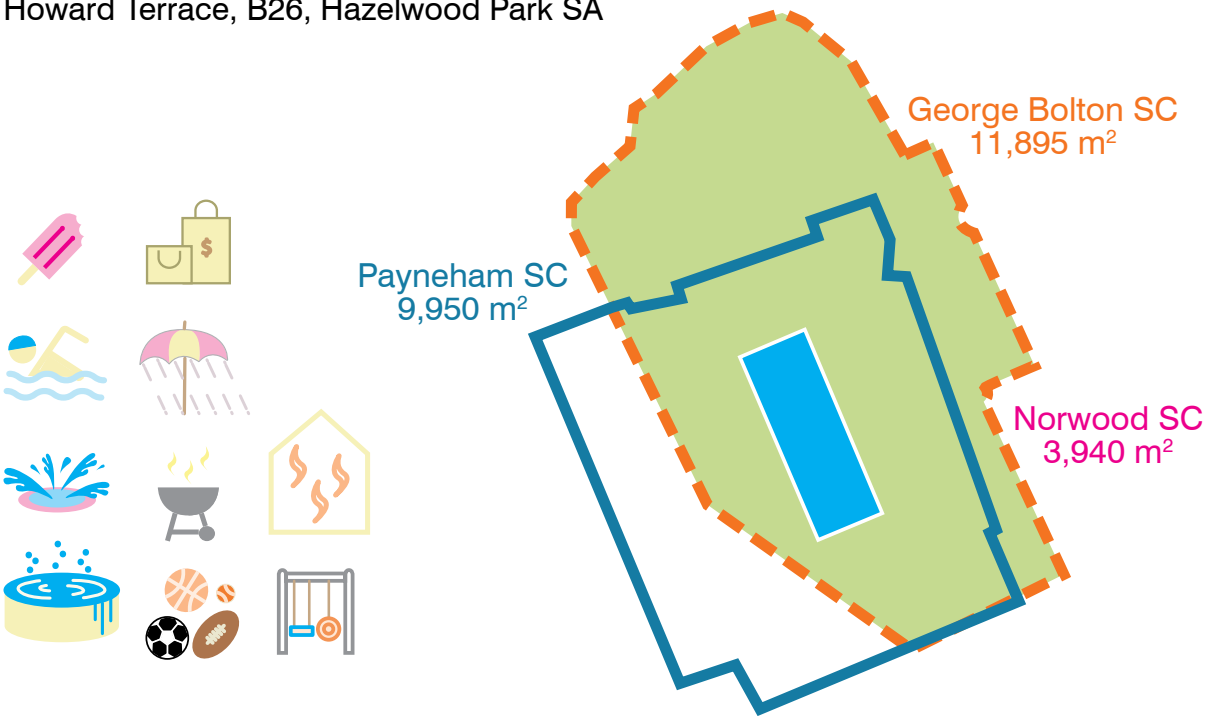
Golden Grove Road, Ridgehaven SA





George Bolton Swimming Centre Burnside

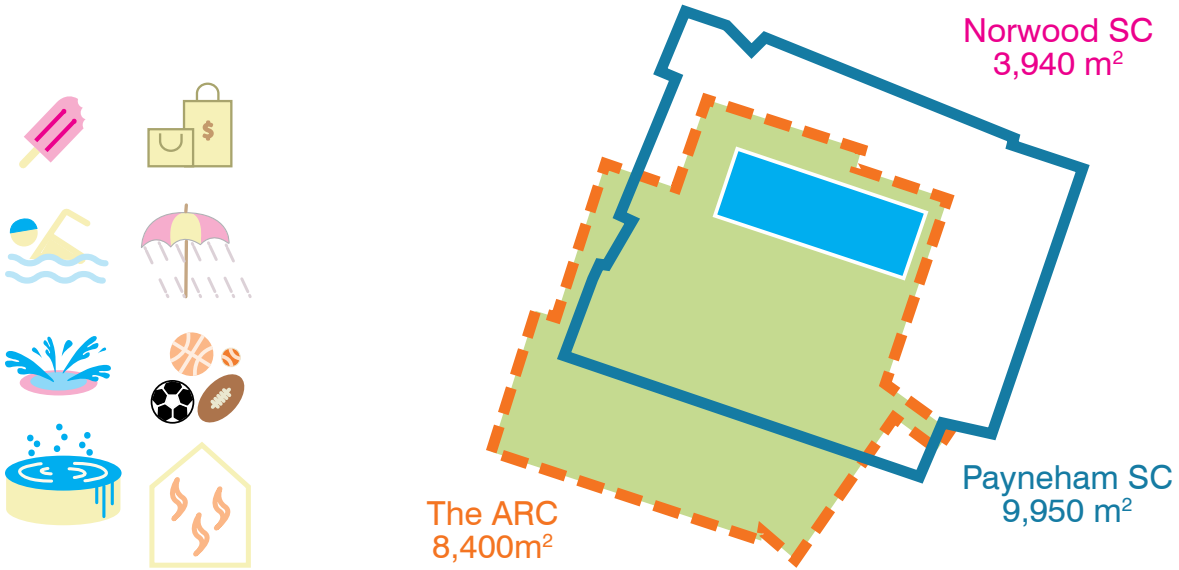
Howard Terrace, B26, Hazelwood Park SA





The ARC Campbelltown

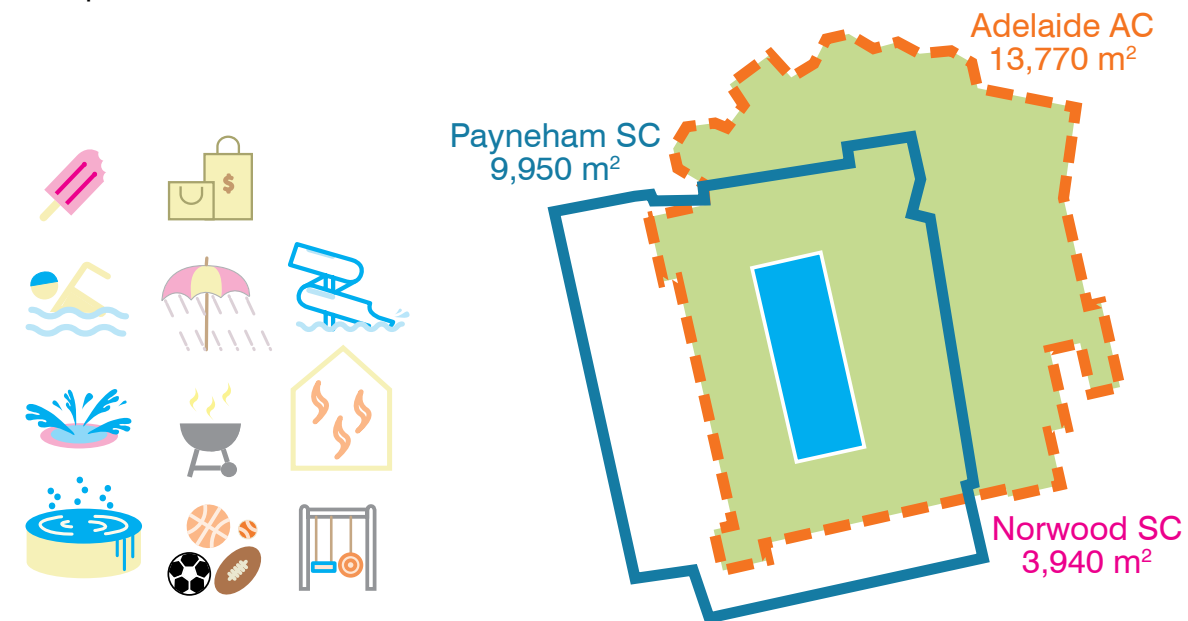
19 Kenwyn Drive, Campbelltown SA  
Car park numbers: 250





# Adelaide Aquatics Centre

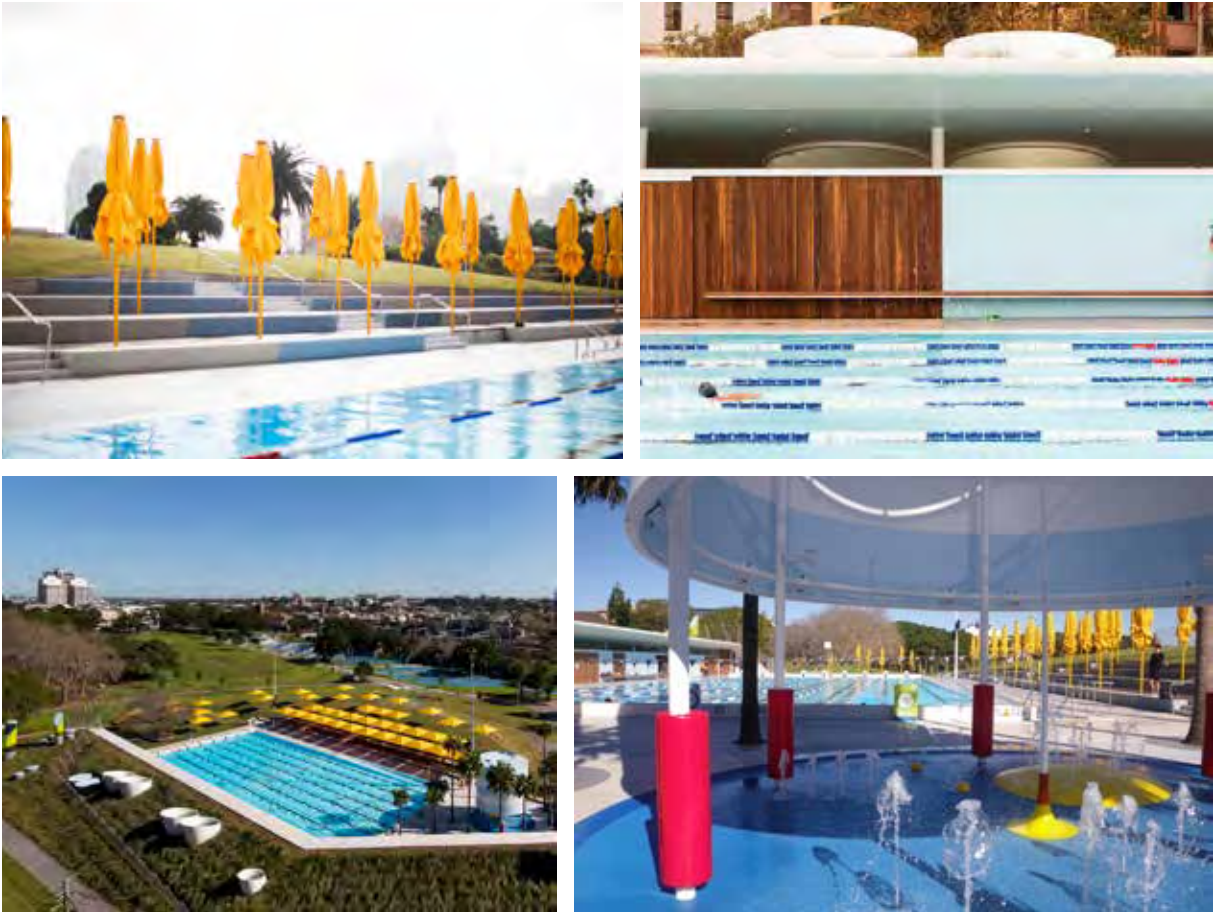
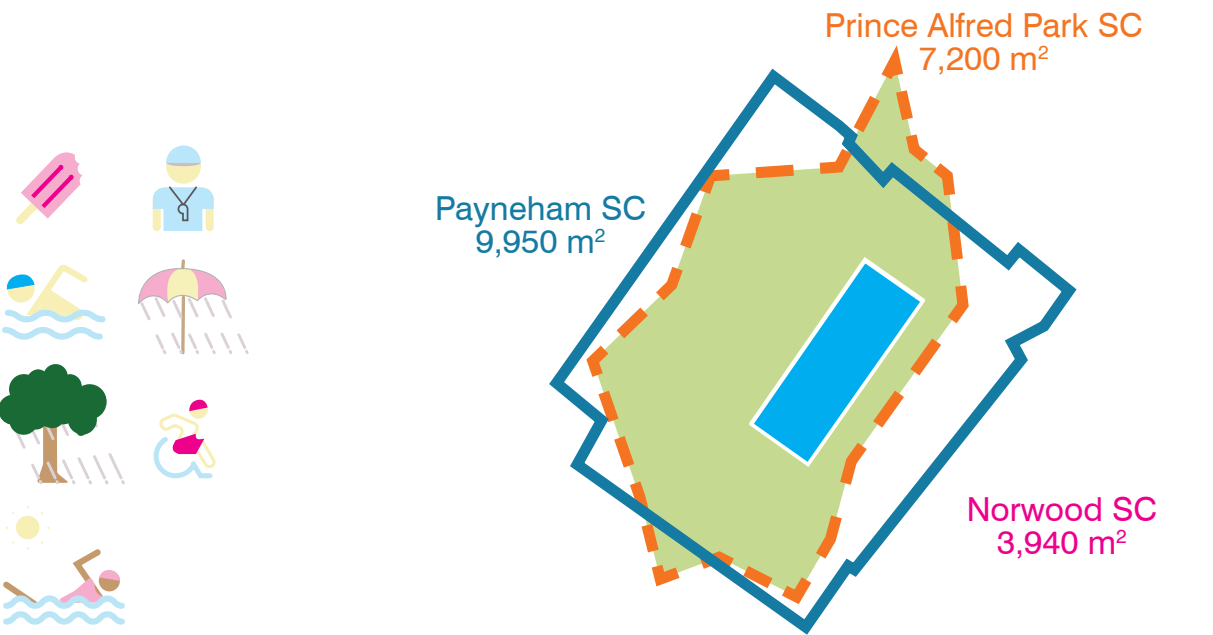
Jeffcott Road, North Adelaide SA  
Car park numbers: 400





Prince Alfred Park Swimming Centre

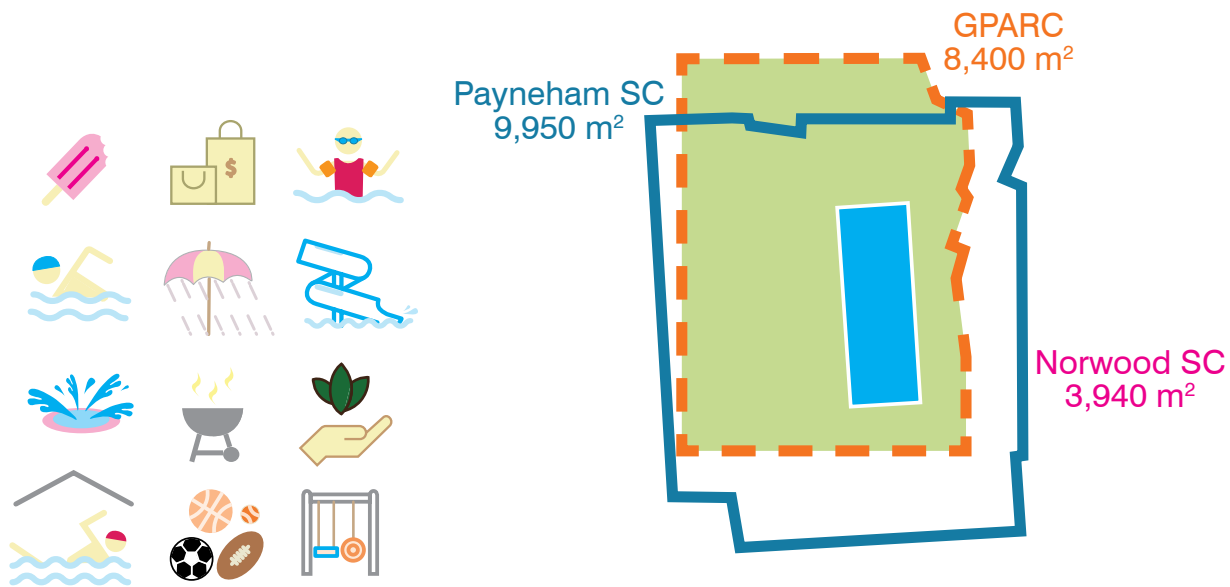
105 Chalmers St, Surry Hills NSW





Gunyama Park Aquatic and Recreation Centre

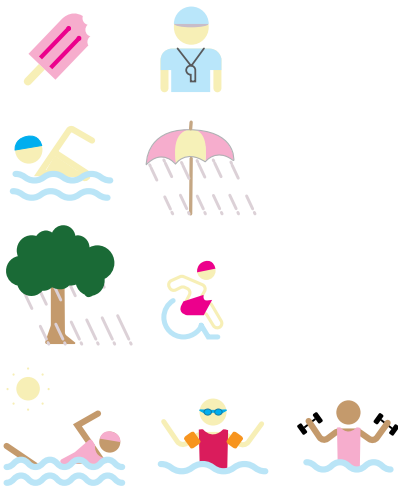
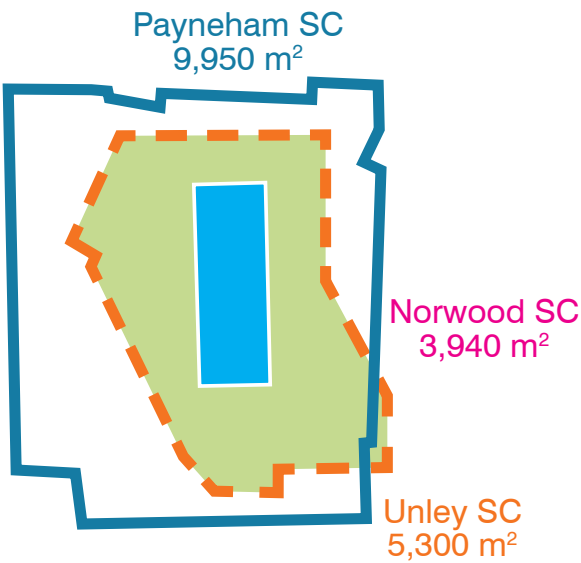
17 Zetland Avenue, Zetland NSW





Unley Swimming Centre

Ethel Street, Forestville SA  
Car park numbers: 100







# Site Inspection Report

AQ1-0073-DR2, REVISION A

## Payneham Swimming Centre

T.C.L

### PROJECT DETAILS

**Project:** Payneham Swimming Centre  
**Area:** Overall  
**Client:** T.C.L  
**Reference:** AQ1-0073-DR2, Revision A

### REVISION SCHEDULE

Revision	Date	Description	By
A	31/01/20	For Review	LB

## SUMMARY



Figure 1: Payneham Swimming Centre (Courtesy Google Maps, 2020)

The Payneham Swimming Centre is a publically accessible swimming centre located in Felixstow, South Australia. Constructed in 1968, the centre contains an 8-lane 50m lap swimming pool, a medium-depth learner pool and a shallow kids wading pool. The centre is aging, and has been targeted for refurbishment to maintain operation of the facility. Aquatic One has been engaged by T.C.L to review the centre from an aquatics perspective and provide input in to options and limitations for the redevelopment. Redevelopment works on some of the aquatic elements onsite including the 50m pool, learner pool and filtration systems are engaged to be undertaken later this year. The target of the masterplanning works is to look beyond this period.

Aquatic One's scope of work focuses primarily around the swimming pool water treatment systems, structures and finishes. Whilst elements such as the building structure materials, mechanical ventilation and pool structure systems may be touched on, they are generally excluded from the scope of works.

## SYSTEM DESCRIPTIONS

A representative from Aquatic One attended site on 23<sup>rd</sup> January 2020 to undertake an inspection of the existing aquatic elements. General descriptions of the aquatic elements are provided below.

### 50M POOL



Figure 2: 50m Pool

#### General Description

The 50m pool is a reinforced concrete lap pool, consisting of 8 swimming lanes. The pool is 1.1m deep at the shallow end, grading down to 1.8m at the deep end. Start blocks are placed at the deep end of the pool, with access provided through ladders along the side walls. No form of compliant disabled access is provided. Large light fittings are placed along one side of the pool. The pool is finished with commercial pool tiles.

#### Water Circulation

Filtered water is delivered to the pool through a series of floor returns along the length of the pool. Soiled water is removed through scum gutter channels to the length of each side wall, flowing to the combined balance tank under the equipment room floor.



### Filtration System

All three pools are currently serviced by a single filtration system onsite, located in a plant room in the north-eastern corner of site. This system is targeted for replacement as part of the works, resulting in the provision of a new ultrafine filtration system for the 50m pool and another for the Learner's pool. This second system is apparently designed to be suitable for use on a larger 25m lap pool at a later date, but is being ramped down to operate with the Learner's Pool in the interim period.

### LEARNER'S POOL



*Figure 3: Learner Pool*

### General Description

The Leisure Pool is a small rectangular pool, located to the west of the deep end of the 50m pool. The pool is 600mm deep at both ends, sloping to 900mm deep in the middle. The pool is fully tiled throughout.

### Water Circulation

Filtered water is delivered to a series of floor returns across the centre of the pool. Soiled water overflows scum gutters at each end of the pool, flowing back to the common system balance tank.

### WADING POOL



*Figure 4: Wading Pool*

### General Description

The Wading Pool is a small rectangular pool, located to the west of the shallow end of the 50m pool. The pool is shallow, and fully tiled throughout.

### Water Circulation

Filtered water is delivered to a series of floor returns across the centre of the pool. Soiled water overflows scum gutters at each end of the pool, flowing back to the common system balance tank.



## SITE OBSERVATIONS

### 50M POOL GENERAL ITEMS



*Figure 5: 50m Pool Entry Steps*

#### Observations

Key observations from the inspection are as follows:

- The pool circulation system is poor. The gutters were flooring towards the end, and the single row of floor returns does not provide good circulation in an 8-lane pool.
- The current scum gutter system presents an ankle entrapment risk.
- No form of compliant disabled access is provided.
- Movement in the pool concourse is observed, with the operators reporting notable leaking from the pool.

The redevelopment works proposed for the pool are understood to be targeted to address the above items. Plans of the works have not yet been sighted.

#### Additional Photographs



*Figure 6: 50m Scum Gutter Removal system*



*Figure 7: Scum gutter outlets at ends of channel*



## LEARNER POOL GENERAL ITEMS



Figure 8: Learner Pool

### Observations

Key observations from the inspection are as follows:

- The scum gutter system presents a risk of ankle entrapment to patrons.
- The high walls to the pool present a non-compliant access point, requiring patrons to step up approximately 400mm on to the hob to access the pool ladders.

It's understood that the pool is not receiving significant works during the redevelopment. As a result, issues with the pool will generally not be addressed at this point in time.

## Additional Photographs



Figure 9: Step up to pool hob



Figure 10: Floor returns in pool



WADING POOL GENERAL ITEMS



Figure 11: Wading Pool

Observations

The wading pool is very dated, and contains notable structural failure. The northern end of the pool has sunk approximately 50mm, with the operators blocking the outlets from this end of the pool to encourage water flow over both ends. The tiling is the original tiling, and is in poor condition.

It's understood that this pool is being demolished as part of the refurbishment works, so no further commentary is provided.

Additional Photographs



Figure 12: Movement in pool structure at central joint



Figure 13: Concourse subsidence in corner of pool



## COMBINED POOL FILTRATION SYSTEM



Figure 14: Gravity Filter Wall

### Observations

The filtration system is undersized and outdated for the facility, and presents several non-conformances with current standards. It's understood that these items are to be addressed through the replacement of the filtration system and reconfiguration of the chemical storage systems in the upcoming redevelopment works. No further commentary is provided.

## DISCUSSION

### NON-CONFORMANCES WITH CURRENT STANDARDS

For the Payneham Swimming Centre, the target for development has been focused around increasing teenage patronage and presenting a modern aquatic centre. The currently planned development works are understood to address the primary non-conformances of the pools, including:

- Lack of disabled access to the 50m pool;
- Poor circulation in the 50m pool;
- Combined filtration system;
- Sinking structure and poor condition of the wading pool;
- Overall swimming pool construction and water flow system designs, resulting in poor water circulation, with the exception of the Learner's Pool;
- Equipment room layouts, system sizing and locations.

As only the aquatic elements are being redeveloped, non-conformances with the rest of the centre such as bathroom access are not being addressed.

### NEW MULTI-FUNCTION POOL

The operators have expressed a desire for the next stage of works to contain a multi-use indoor pool, allowing for year-round learn to swim classes and general swimming. Key aspects of this pool include:

- 25m lap length;
- 8 lanes;
- Combined leisure pool with spray features;
- Indoor location in a climate controlled environment, allowing year-round use;
- Good sight lines from the entry kiosk to increase supervision potential.

The current development works include for the provision of a new filtration system suitable for this future multi-function pool, however discussions with the facility operator indicates that the proposed filtration system may only be suitable for a 6 lane 20m pool. A final plan for the multi-function pool should be developed and compared against the current filtration system design to ensure suitability.

### HEATING SYSTEM

Currently, the facility is heated using gas-fired pool heaters. It's understood that a gas heating system is to remain as part of the development. Typically speaking,

whilst the capital cost is cheaper, gas heating has a higher whole-of-life cost than electric heat pump heating due to the lower energy efficiency of a gas heater. When a pool is seasonal and not used in winter, the benefits of a heat pump system are reduced, however if the facility is to go to year-round operation, adoption of electric heat pumps should be considered.

### POOL RISK CLASSIFICATIONS VS LOCATION

Currently, the facility contains intrinsic risks built in to the facility from its general layout. The learner's pool has low visibility due to the high edge of the pool and contains water deep enough to warrant as a drowning risk, however is located at a point farthest from the kiosk. During periods of low patronage when only two staff members are on, maintaining a constant visual observation of this pool is difficult.

When undertaking masterplanning activities for the new centre, strong consideration must be given towards connectivity between high risk facilities and points of natural supervision.

### WATERSLIDES

One suggested element from the previous masterplanning was the integration of high waterslides in to the facility. Waterslides can be inviting elements to patrons, popular during peak periods, however present several challenges;

- Slides involved the uncontrolled movement of patrons, introducing intrinsic risk in to a facility.
- Observation and patron control is required for tall commercial slides to minimize the potential for collisions. This increases operator requirements, typically involving at least two operators being required during slide periods.
- The slides are a costly element from a capital perspective and consume notable footprint onsite, however have a relatively low patron soakage compared to waterplays and pools.

This is not to say slides are not suitable, however due consideration should be given the ensuring they are the best fit. South Australian Aquatic and Leisure Centre has had a series of waterslides installed since 2012 and is located approximately 20km from Payneham; it would be prudent to obtain feedback from them as to how successful their slides have been.

### YOUTH INTEGRATION

One target of the redevelopment is to attract the younger teens in to the facility. Zero-depth waterplays and splashpads are typically targeted more towards younger patrons, as well as aquativity structures. Deeper leisure / lagoon waters with aquatic activities may be considered suitable for the young teen market.

Jamberoo Action Park is an aquatic amusement park located 1 hour south of Sydney. The facility hosts a variety of different aquatic elements, including commercial waterslides, lazy rivers, jumping pools, a wave pool, slippery logs and the like. The facility is popular with a wide variety of patrons, however appears to resonate with teenagers. Engaging with the facility to obtain feedback on which facilities teenagers utilize the most may be prudent to target the direction for the development.

Based on purely visual considerations when visiting the facility previously, some of the more popular elements with teenagers includes the large commercial waterslides (each element costing approximately \$5m), the lazy river and 'The Rock'; a deep leisure pool fitted with medium-drop slides and a jumping ledge. As with any aquatic amusement device style attraction, additional risks are introduced, however an element such as a lagoon pool with a lazy river attached may provide a large patron soakage attractive to teenagers whilst still providing elements usable by all ages.

### GENERAL SITE CONSIDERATIONS

In addition to the pool elements, the following items were identified for consideration during the inspection.

#### *Bus Parking*

Busses are regularly dropping patrons off to the facility for school events. Currently the busses park on OG road, with children walking along the road to access the entrance. As part of the development it may be an option to relocate the facility entry area and provide a buss pull-off area for safer unloading.

#### *Main Facilities Building*

The aquatic centre is a part of a larger community hub, involving the baseball club over the creek and the library at the northern end of the centre. Each node of the hub is provided with separate car parking, facilities and entry points.

Tying the nodes together with common spaces has been discussed as a potential option. Some of these elements include:

- Reconstructing the aquatic centre entry and facilities building to sit at the opposite end of the site, sharing the carparking with the library and allowing for a connecting pathway to the baseball fields to be provided.
- Integrating clubhouse facilities for the baseball field in to the new facilities building.
- Providing a wide open space spanning the existing stormwater culvert to open connectivity between the three centres. The current narrow access bridge is unwelcoming and adds little value, delivering people to the back of a playing field.
- Provision of separate income-inviting elements such as café's, gyms or sports shops to activate the area.
- Access to change and bathroom facilities across the park.



# Appendix B | Past Consultation Outcomes

A six week consultation period between Wednesday 1 March 2017 and Sunday 9 April 2017 was undertaken by the City of Norwood Payneham and St. Peters.

This process involved:

- Advertisements placed in local Messenger newspapers
- Promotional posters placed at both Swimming Centre, on the Parade, and at each of the Customer Service Centres
- A dedicated page on the Council’s website provided access to:
  - Options fact sheets outlining each of the proposals
  - Concept design drawings
  - Question and answer page
  - On-line feedback form
- Information sessions held at Swimming Centre
- Hard copy feedback forms
- Dedicated email contact address
- Concept Designs on display at Swimming Centre and Norwood Town Hall

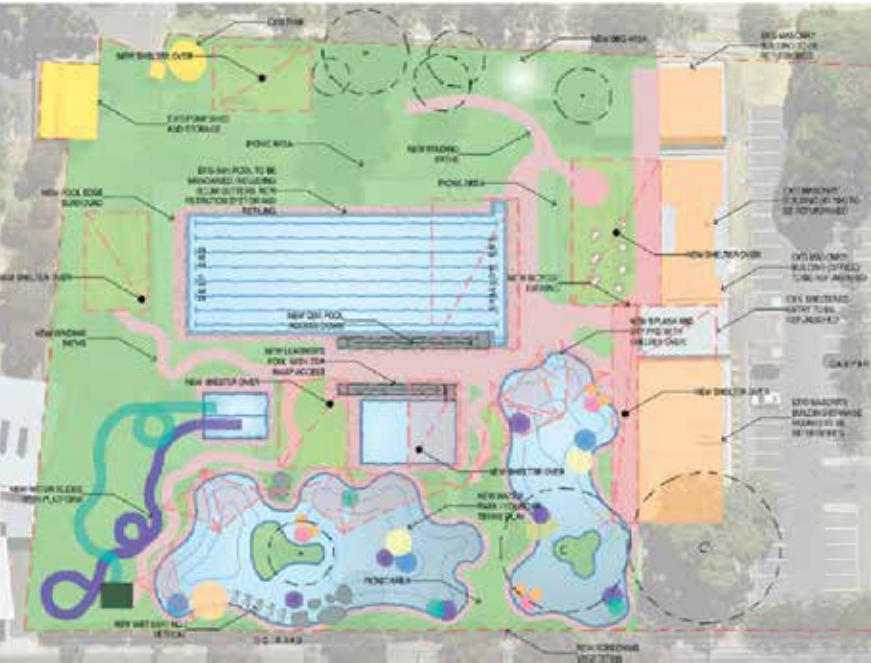
Public participation in the consultation program:

- Information sessions - Payneham Memorial: 15 attended
- 176 submissions were recieved on-line, by email or feedback form

Extracted from the City of Norwood Payneham & St Peters “Swimming Centres Long Term Strategy”  
Swimming Centres Review “Redevelopment Options Consultation for Norwood Swimming Center and Payneham Memorial Swimming Centre”

Payneham Memorial Swimming Centre  
(one option only)

- Refurbishment of the existing 50 metre outdoor swimming pool plus a teaching/ learners pool to meet the swimming lesson market.
- Replacing the toddler’s pool with an interactive splash pad.
- New interactive water park targeting to the teenage recreational market.
- An inflatable obstacle course to complement the water play park
- Additional shade and the upgrade of dry land facilities.



Consultation Results

Key outcomes of the community engagement and consultation program were:

1. The Council's current two pool strategy was supported by 97% of respondents.
2. 92% of respondents were supportive of the proposed redevelopment option of the Payneham Memorial Swimming Centre.
3. Support for the Norwood Swimming Centre redevelopment options were:
  - Option 1: Complete Redevelopment - 12%
  - Option 2: Minor maintenance of the main pool - 32%
  - Option 3: Major refurbishment of the main pool - 57%
4. Major points noted in the feedback relating to Norwood Swimming Centre were:
  - Strong emphasis on retention of a 50 metre pool
  - Primary use of Norwood is for lap swimming and that primary focus of lap swimming needs to be retained
  - Some of the respondents who support the retention of the 50 metre pool also want to see splash play elements
  - Retention of the history of the Swimming Centre needs to be retained
5. Based on these comments, the preferred option was *Option 3 - Major refurbishment of the main pool*, which proposed:
  - Lining the existing pool shell with heavy duty steel or fibreglass (e.g. Myrtha pool) lining
  - Re-configuring of the filtration system, including installation of a new plant room
  - Replacement of the balance tank, to bring it up to the minimum standard
  - Provision of ramp access for persons with disabilities to the swimming pool
  - Replacement of the Learners/Teaching pool, with a larger pool, which will include a beach entry to enable disabled access
  - An inflatable obstacle course, to be used on weekends and school holidays
  - Installation of additional shade, barbeque and picnic facilities
  - Refurbish existing amenities buildings, consistent with the site's heritage

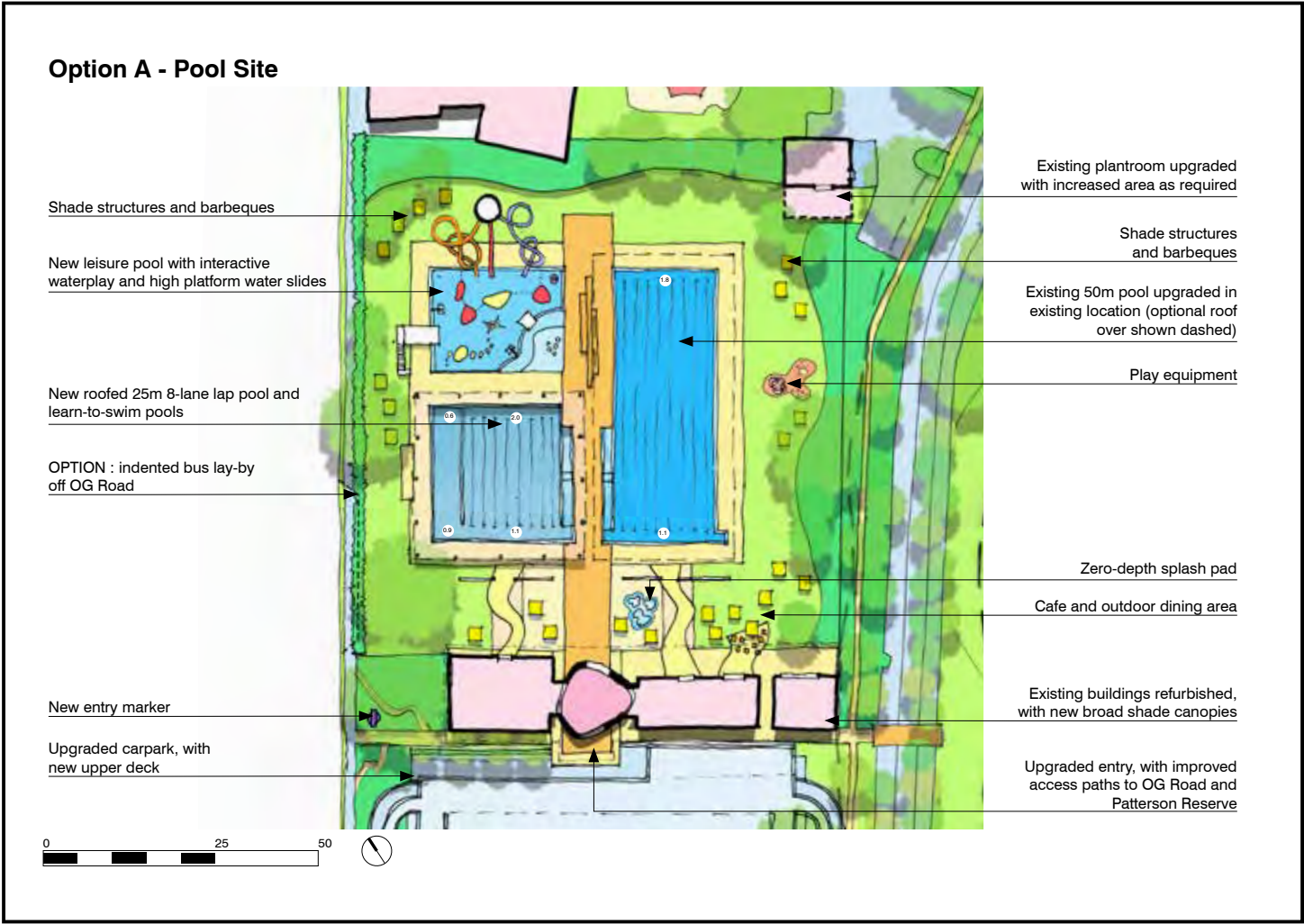
Key Stakeholder Groups:

- Swimming Lessons Providers
- Regular User Groups
- Carnival User Groups
- Occasional Pool Users Groups
- Residents Associations

# Appendix C | Draft Masterplan Options

Five draft Masterplan options for the Patterson Reserve Community & Recreational Precinct and the Payneham Memorial Swimming Centre were developed for the Council’s consideration. Options A revitalises the existing buildings and facilities, which would result in the least amount of change and cost to the Council. Options B1 and B2 propose a new main building adjacent to OG Road with different locations and configurations for the aquatic facilities and plantrooms. Options C1 and C2 further rethink the location and configuration of buildings and aquatic facilities along Turner Street and OG Road, resulting in the greatest amount of investment for the council.

## Draft Masterplan Option A

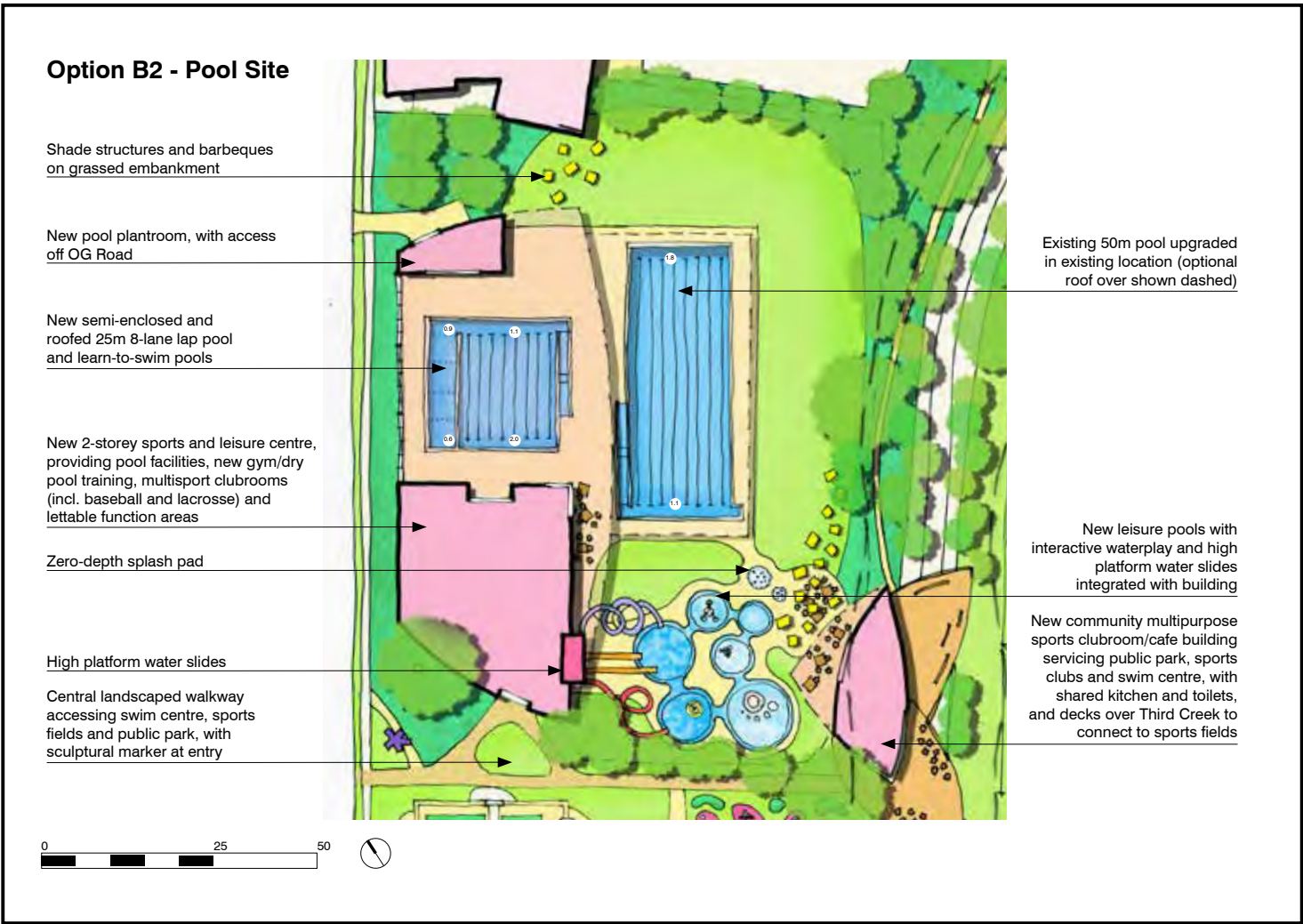




Draft Masterplan Option B1



Draft Masterplan Option B2



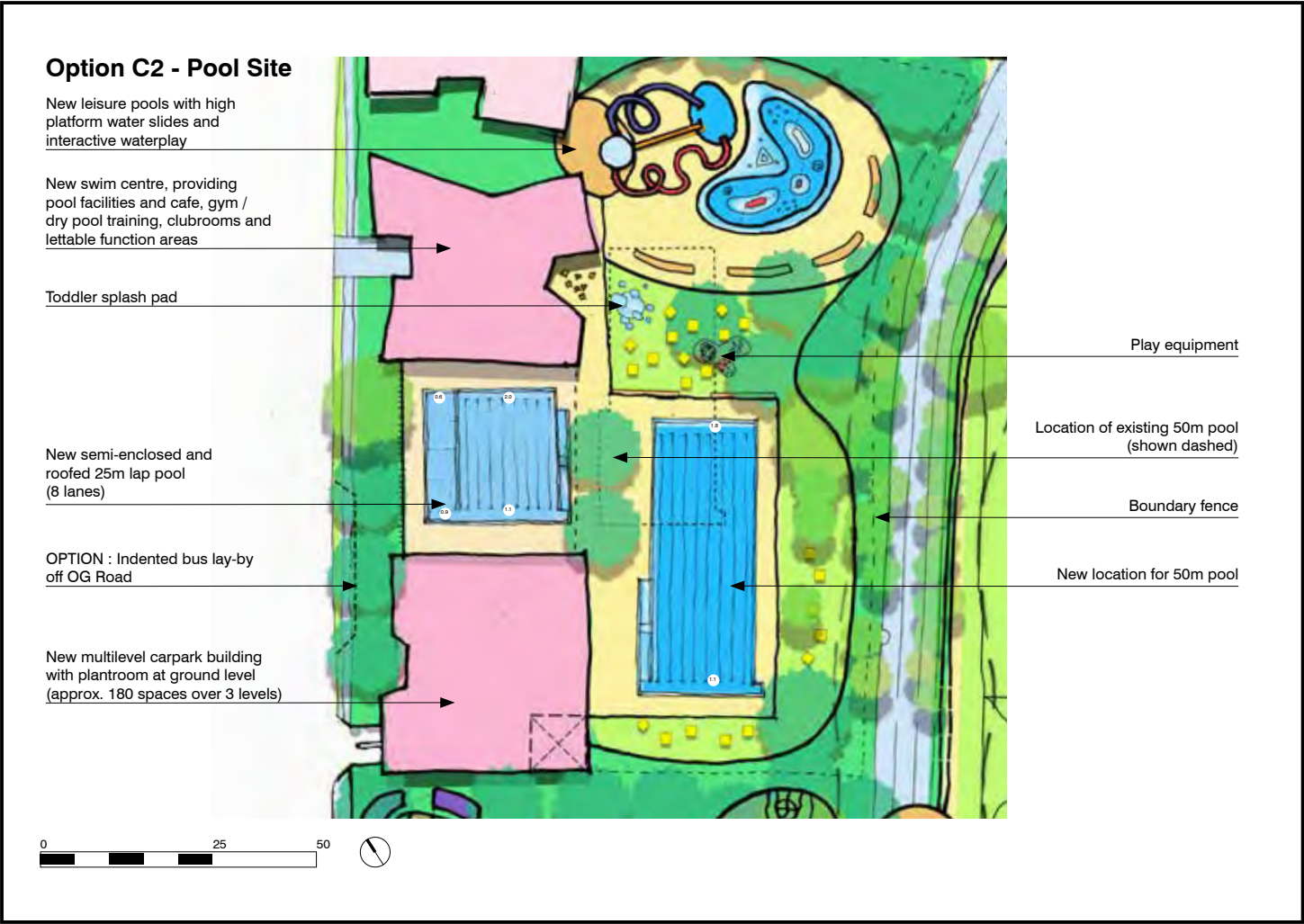


Draft Masterplan Option C1





Draft Masterplan Option C2



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# Attachment D

## Prudential Management Report – Payneham Memorial Swimming Centre



City of  
Norwood  
Payneham  
& St Peters



# Payneham Memorial Swimming Centre

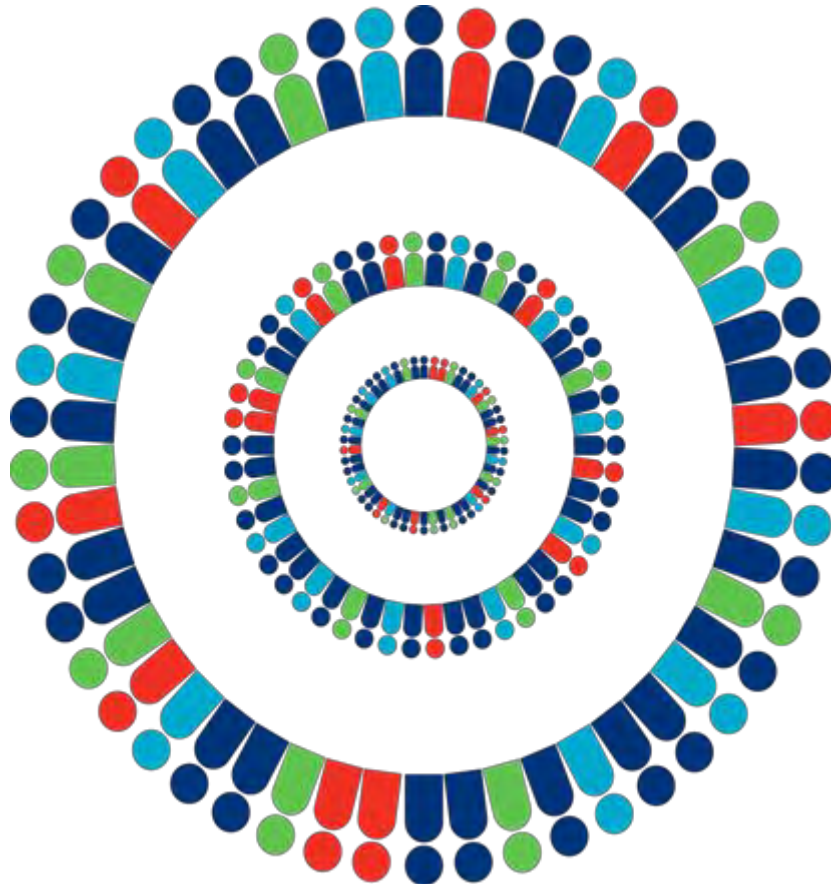
City of Norwood Payneham & St Peters

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## Prudential Management Report

*May 2023*





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## EXECUTIVE SUMMARY

### Abbreviations

Annual Business Plan	ABP
City of Norwood Payneham & St Peters	NPSP
Local Government Finance Authority	LGFA
Local Government Price Index	LGPI
Long-Term Financial Plan	LTFP

### Introduction and Description of Project

The Payneham Memorial Swimming Centre Redevelopment is a significant project for the City of Norwood Payneham & St Peters (NPSP). The redevelopment will transform the Payneham Memorial Swimming Centre into a regional aquatic facility for swimmers, families, and the wider community.

The scope of the Project includes:

- demolition of the existing swimming centre building, pools (outdoor 50 metre, learner's and wading) and associated infrastructure;
- a new swimming centre building with:
  - an entrance foyer and reception area;
  - a staff office area and breakroom;
  - a first aid room;
  - a kiosk/café;
  - male, female and unisex all-access changerooms with showers, toilets and lockers;
  - multipurpose rooms for swimming club and community use;
  - storage areas; and
  - s roof mounted solar panel system;
- an 11 x 20 metre indoor learner's pool;
- an 8 lane, 25 metre indoor lap pool;
- a 10 lane, 50 metre outdoor lap pool;
- a 14 metre tall tower with two outdoor waterslides;
- an outdoor, zero-depth waterplay area;
- a plant room with pump and filtration systems; and
- shade shelters, picnic seating and barbeques.

The current approved budget is \$24m, of which \$5.6m is to be contributed by the State Government through the Local Government Infrastructure Partnership Program. Current economic, building industry and supply conditions may result in higher costs, which will only be known once tenders are received. See the section 'Project Financial Impact' in this report for discussion on potential costs.

### Purpose and Scope of this Report

**The *Local Government Act 1999* (The Act), Section 48 (S48) *Prudential Requirements for certain activities* applies. This section sets out that Councils must have certain policies and procedures in place relating to prudential management and obtain a report that addresses prudential issues where the expected capital cost of the Project over the ensuing five years is likely to exceed \$4,000,000 (indexed).**

This report addresses the prudential issues set out within the Act concerning the prudential considerations for this Project.

**Appendix A** sets out the complete legislation requirements.

## Summary of Findings

The following table provides a summary of the assessment of the Project against the requirements of S48 of the *Local Government Act 1999*. The comments are rated and reported as being Compliant (C) in green, Possibility for Improvement (IP) in yellow or Recommended Actions (RA) in orange.

Report Headings	Legislation: Local Government Act 1999	Comments	
		Rating	Description
		C	The Project is compliant with the relevant section of the Act, or there is no issue.
		IP	Improvement Possibility
		RA	Recommended actions to improve compliance, actions that are not yet complete or an element of risk to consider.
Prudential Policies	S48 (aa1)	C	The Council's Prudential Policy is current and gives guidance on when the preparation of a Prudential Report is required.
	S48 (a1)	C	There are currently no regulations relating to S48 of the <i>Local Government Act 1999</i> .
Requirement for a Prudential Report	S48 (1) & S48 (3) & S48 (6d)	C	The Project is not for road construction, maintenance or drainage works and is above the Prudential threshold. Therefore, a Prudential Report is required.
Relationship to Strategic Management Plans	S48 (2)(a)	C	The Project has a sound relationship with the Council's Strategic Plan and other Council plans and strategies.
Development Plan	S48 (2)(b)	IP	Planning Consent has been granted. An amended planning application will be lodged if required. Building Consent will be undertaken by Trento Fuller once documentation is complete and then Development Approval will be obtained.
Economic Impact	S48 (2)(c)	C	<ul style="list-style-type: none"> <li>The redevelopment will have a significant economic impact for the area.</li> <li>There is not expected to be any negative impact on businesses in the area during construction, nor any impact on competing businesses in the area once open and operating.</li> <li>The Council is following its Procurement Policy and Guidelines.</li> </ul>
Consultation	S48 (2)(d)	C	The Council undertook consultation six years ago for the Swimming Centres Long Term Strategy, which might mean some elements may not be current. However, the Swimming Centre redevelopment was included in the current Annual Business Plan consultation.
Project Costs	Not included as an assessment in S48 but included as integral component of assessing the financial viability of the project	C	An experienced Cost Consulting firm has estimated project costs.
		IP	Project costs may be impacted by site contamination, price escalation and supply issues resulting actual tendered prices being different to cost estimates. Following the receipt of tenders, the Council can consider several tender options to manage the Project costs.

Report Headings	Legislation: Local Government Act 1999	Comments	
		Rating	Description
		C	The Project is compliant with the relevant section of the Act, or there is no issue.
		IP	Improvement Possibility
		RA	Recommended actions to improve compliance, actions that are not yet complete or an element of risk to consider.
Revenue Projections and Risk	S48 (2)(e)	C	The Council has successfully secured grant funding of \$5.6m. Market trends and competition have been analysed and considered, and there is ongoing historical income from the pools. This reduces the likelihood of diminished ongoing revenue.
Recurrent and Whole-of-Life Costs	S48 (2)(f) & Project Costs	C	Recurrent costs have been identified
		RA	Depreciation and Finance costs are included in the LTFP for a capital cost of \$24m. Revised cost estimates anticipate the project cost could be up to \$32.6m. A higher project cost will result in higher depreciation and finance costs. The Council will need to consider and approve a new budget and adjust the LTFP for the additional costs, or substantially reduce the scope of works which would lead to delays and possible loss of the Grant.
The Financial Viability of the Project	S48 (2)(g)	C	The effect on the Council's Key Financial Indicators with the inclusion of the \$32.6m cost of this project is: <ul style="list-style-type: none"> <li>• The Operating Surplus Ratio remains within the Council's targets; and</li> <li>• The Asset Renewal Funding Ratio remains within the Council's targets.</li> </ul>
		RA	The Net Financial Liabilities Ratio stays within the Council's targets until year 5, peaking in year 6 and then reducing to the target limit in year 9 without any other changes to LTFP inputs/assumptions
Risks	S48 (2)(h)	C	The Project risk register is reasonable and aligns with the Council's Risk Framework. With additional controls noted, all identified risks are within tolerable limits.
Project Management	S48 (2)(i)	C	The Project is being managed by Council staff who have professional qualifications and experience in Architecture, Landscape Architecture, Planning and Project Management within Local Government. There is a project plan in place.
Sale or Disposition of Land	S48 (2)(j)	C	There is no sale of land involved in this Project.
Qualifications of Author	S48 (4)	C	The experience and qualifications of the lead author and associated firm are included in Appendix B.
Independence of Author	S48 (4a) & S48 (6a) & S48 (6c)	C	The lead author and the firm UHY Haines Norton declare they have no interest or conflict of interest in the Project and are independent
Council Consideration of the Report	S48 (4b)	C	This report will be presented to the Council's Audit & Risk Committee in May 2023, and then to the Council in June 2023.



Report Headings	Legislation: Local Government Act 1999	Comments	
		Rating	Description
		C	The Project is compliant with the relevant section of the Act, or there is no issue.
		IP	Improvement Possibility
		RA	Recommended actions to improve compliance, actions that are not yet complete or an element of risk to consider.
Public Inspection of the Report	S48(6)	C	There is no reason to prevent the disclosure of this report.

## SPECIFIC PROJECT DOCUMENTATION & RELATED POLICIES & PLANS

Several Council documents have been accessed and considered in compiling this report. The associated documents and relevant plans are listed below.

- Annual Business Plan 2022-2023
- Asset Management Plan – Buildings Infrastructure - 2020
- Business Case – Payneham Memorial Swimming Centre Redevelopment – January 2021
- City Plan 2030: Shaping Our Future – Mid Term Review 2020
- Cost Estimate Reports
- Council reports, agendas and minutes
- Economic Development Strategy 2021-2026
- Governance Procurement Policy
- Local Government Infrastructure Partnership Program – Grant Funding Deed
- Long-Term Financial Plans
- Patterson Reserve Community & Recreation Precinct Masterplan Report – May 2021
- Plan SA – Decision Notification Form Granted for Planning Consent
- Project Management Plan
- REMPLAN Report – October 2022
- Risk Management Policy – October 2020
- Risk Management Procedure
- Risk Assessments
- Swimming Centres Long Term Strategy

## ADDRESSING LEGISLATED PRUDENTIAL ISSUES

All discussion in this section relates to the legislated requirements of Section 48 of the Local Government Act 1999. There are no related regulations.

### Prudential Policies

**S48 (aa1) requires that a council develop and maintain prudential management policies, practices, and procedures for assessing projects.**

**S48 (a1) requires that these policies, practices and procedures are consistent with any regulations made for the purposes of this section.**

The assessment of projects is to ensure that the Council:

- acts with due care, diligence, and foresight;
- identifies and manages risks associated with a project;
- makes informed decisions; and
- is accountable for the use of Council and other public resources.

The Council has an up-to-date Prudential Policy, which is available on its website.

C	<b>S48 (aa1) Note:</b> The Council's Prudential Policy is current and gives guidance on when the preparation of a Prudential Report is required.
C	<b>S48 (a1) Note:</b> There are currently no regulations relating to S48 of the <i>Local Government Act 1999</i> .

### Requirement for a Prudential Report

**S48 (1) requires the Council to obtain and consider a report that addresses the prudential issues set out in subsection (2) of S48 before the Council engages in any project where the expenses are calculated to be higher (for the next five years) than 20% of Council's operating expenditure (for the past five years) or where the expected capital cost of the project over the next five years will exceed \$4,000,000 (indexed), or where Council considers appropriate.**

**S48 (3) provides that a Prudential Report is not required for work in relation to road construction or maintenance, or drainage works.**

**S48 (6d) sets out the calculation of the indexing used to determine the current value of \$4,000,000.**

Subsection (6d) states that the indexing of the \$4,000,000 commences on 1 January 2011 and is adjusted by CPI for the September quarter each year.

Indexing this figure to September 2022 results in a threshold of \$5,489,861.26.

The budget for the Project is \$24m, and the capital cost is expected to be at least \$28m, based upon the scope and cost estimates. This is above the threshold outlined in S48 (2). The Project is not road construction, road maintenance or drainage works. Therefore, the Project requires a Prudential Report.

C	<b>S48 (1), S48 (3) and S48 (6d) Note:</b> The Project is not for road construction, maintenance or drainage works and is above the Prudential threshold. Therefore, a Prudential Report is required.
---	---

### Relationship to Strategic Management Plans

**S48 (2) (a) requires the Prudential Report to address the relationship between the Project and relevant strategic management plans.**

#### **City Plan 2030**

The redevelopment of the Payneham Memorial Swimming Centre assists in achieving the following Objectives and Strategies from the Council's Strategic Management Plan, *City Plan 2030: Shaping Our Future – Mid Term Review 2020*.

- Objective 1.1: Convenient and accessible services, information, and facilities.
  - Strategy 1.1.1: Establish community hubs that integrate social support, health, recreational and commercial services in multipurpose spaces.
  - Strategy 1.1.2: Maximise access to services, facilities, information, and activities.
  - Strategy 1.1.3: Design and provide safe, high-quality facilities and spaces for all people.
- Objective 1.4: A strong, healthy, resilient and inclusive community.
  - Strategy 1.4.1: Encourage physical activity and support mental health to achieve healthier lifestyles and well-being.
  - Strategy 1.4.3: Encourage the use of spaces and facilities for people to meet, share knowledge and connect with each other.
- Objective 3.2: Cosmopolitan business precincts contributing to the prosperity of the City.
  - Strategy 3.2.3: Promote the City as a visitor destination.

### ***Annual Business Plan***

The Payneham Memorial Swimming Centre Redevelopment is included in the Council's Annual Business Plan (ABP) for 2022-2023 at \$24m, with \$5.6m funded by the State Government through the Local Government Infrastructure Partnership Program.

### ***Asset Management Plans***

The Payneham Memorial Swimming Centre Redevelopment is included in the Council's 2020 Asset Management Plan – Buildings Infrastructure.

### ***Long Term Financial Plan***

The Project's impact on the Long-Term Financial Plan is discussed in the Recurrent and Whole-of-Life costs section of this report.

### ***Other Council Strategies and Plans***

#### ***Economic Development Strategy***

The Council's *Economic Development Strategy 2021-2026* outlines the Council's strategic direction for economic development to strengthen and grow the local economy and support businesses.

- Objective: Increase the number of people who live, work and visit the City and enhance the community well-being of existing residents, workers and visitors
  - Strategy 2.1: Showcase and promote the City's attractions and events to facilitate growth in visitation and spending
  - Strategy 2.3: Facilitate the activation of key spaces and precincts in the City.

#### ***Swimming Centres Long-Term Strategy***

The Council's *Swimming Centres Long Term Strategy* sets out the direction for the Norwood Swimming Centre and the Payneham Memorial Swimming Centre. The key components within the Strategy include:



- Retention of two outdoor pool facilities and providing diverse aquatic recreational opportunities, including:
  - Lap swimming;
  - Swim coaching/squads;
  - Learn to swim lessons;
  - Recreational aquatic play;
  - Aquatic fitness; and
  - Community and family gatherings.

C

**S48 (2) (a) Note:** The Project has a sound relationship with the Council's Strategic Plans and other Council plans and strategies.

## Development Plan

**S48 (2) (b) requires that the Prudential Report address the objectives of the Development Plan in the area where the Project is to occur.**

In March 2021, the *Planning, Development and Infrastructure Act 2016* replaced the *Development Act 1993*. At this time, Council Development Plans were replaced by the *Statewide Planning and Design Code*.

The Project has been granted Planning Consent. The Authority is the City of Norwood Payneham & St Peters.

Building Consent will be undertaken by Trento Fuller, who are part of the Council's Consultant Team.

Once the Building Consent is granted, Development Approval will be sought from the relevant Authority.

IP

**S48 (2) (b) Note:** Planning Consent has been granted. An amended planning application will be lodged if required. Building Consent will be undertaken by Trento Fuller once documentation is complete and then Development Approval will be obtained.

## Economic Impact

**S48 (2) (c) requires that the Prudential Report addresses the expected contribution of the Project to the economic development of the local area, the impact that the Project may have on businesses carried on in the proximity and, if appropriate, how the Project should be established in a way that ensures fair competition in the marketplace.**

### Economic Impact

The economic analysis contained within the Business Case estimates that a project cost of \$24m will result in a total benefit of \$47.541m with an increase in employment of 133.41 full-time equivalents (FTE) jobs, \$8.430m in wages and salaries and \$16.928m in value added.

Remplan has been used to undertake the economic analysis. This is a common economic modelling system which is used in Local Government. The Remplan analysis was updated in October 2022, based on a revised project cost of \$30m, resulting in a total benefit of \$55.1m, an increase in employment of 135 FTE jobs, \$9.36m in wages and salaries and \$18.8 in value added.

### Impact on Businesses in the Area

The Council does not expect that the Project will negatively impact businesses in the area during construction.

The Council is aware that it is not to unfairly compete with private enterprises (i.e. private swim schools) under the *Government Business Enterprises Act 1996*, and will take this into account when setting the fees and prices for access to and activities/services offered by the facility.

### Ensuring Fair Competition in the Marketplace

Procurement will be undertaken in two stages. Stage 1 is Registration of Interest (ROI) which has been completed. Stage 2 is a Select Tender process which will be conducted between May to August 2023.

The Council has a *Procurement Policy & Procurement Policy Guidelines*, which are available on the its website. The *Procurement Policy & Procurement Policy Guidelines* were adopted by the Council in August 2022, and will be due for review in July 2024.

The Council's *Procurement Policy & Procurement Policy Guidelines* provide for the Registration of Interest and Select Tender processes.

C	<p><b>S48 (2) (c) Notes:</b></p> <ul style="list-style-type: none"> <li>• The redevelopment will have a significant economic impact for the area.</li> <li>• There is not expected to be any negative impact on businesses in the area during construction, nor any impact on competing businesses in the area once the Centre open and operating.</li> <li>• The Council is following its Procurement Policy and Procurement Policy Guidelines.</li> </ul>
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### Consultation

**S48 (2) (d) requires that the Prudential Report addresses the level of consultation within the local community, including contact with persons who may be affected by the Project and the representations that they have made, and the means by which the community can influence or contribute to the Project or its outcomes.**

#### Community Consultation

The Business Case states that Grant funding conditions restrict the available timeframe for community consultation for the Project. However, community consultation was undertaken as part of developing the *Swimming Centres Long Term Strategy*. We note that the consultation for the *Swimming Centres Long Term Strategy* extended from March to April 2017, and is almost six years old.

However, the Payneham Memorial Swimming Centre Redevelopment was included in the Council's Draft Annual Business Plan for 2022-2023, which was released for community consultation. In addition, the Council has undertaken consultation with key stakeholders including the Payneham and Norwood Swimming Clubs, the Department for Education and Royal Life Saving South Australia and incorporated the functional requirements of these organisations into the design.

C	<p><b>S48 (2) (d) Note:</b> The Council undertook consultation six years ago for the Swimming Centres Long Term Strategy, which might mean some elements may not be current. However, the Payneham Memorial Swimming Centre Redevelopment was included in the current Annual Business Plan consultation.</p>
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## Project Financial Impact

### *Project Costs*

The Council has considered the cost versus the benefit of refurbishing the 50m pool instead of building a new pool and determined that whilst a refurbished pool would be approximately \$600,000 lower in cost, the longevity of a new pool and lower long-term maintenance costs make building a new pool more financially prudent.

The project costs have been estimated by an international Cost Consulting firm with an office in Adelaide and experienced in a range of commercial and government projects.

The estimated total project costs as at 20 October 2022, is \$32,622,325 (ex GST) and will deliver all of the following elements:

- demolition of the existing swimming centre building, pools (outdoor 50 metre, learner's and wading) and associated infrastructure;
- a new swimming centre building with:
  - an entrance foyer and reception area;
  - a staff office area and breakroom;
  - a first aid room;
  - a kiosk/café;
  - male, female and unisex all-access changerooms with showers, toilets and lockers;
  - multipurpose rooms for swimming club and community use;
  - storage areas; and
  - a roof mounted solar panel system;
- an 11 x 20 metre indoor learner's pool;
- an 8 lane, 25 metre indoor lap pool;
- a 10 lane, 50 metre outdoor lap pool;
- a 14 metre tall tower with two outdoor waterslides;
- an outdoor, zero-depth waterplay area;
- a plant room with pump and filtration systems; and
- shade shelters, picnic seating and barbeques.

The estimated project costs could be impacted by:

- the actual quantity of intermediate and low-level contaminated waste material which is required to be excavated, treated and/or disposed; and
- impacts due to price escalation or supply issues of:
  - timber;
  - structural steel;
  - steel reinforcement;
  - PVC pipes and fittings;
  - precast concrete;
  - electrical cables; and
  - electrical transformers.

The final costs will only be known once tenders are received. At that time, the Council can consider several options to manage the Project costs such as reducing the scope, changing the specifications, working with the preferred tenderer to achieve savings or not proceeding with the Project.



C	<b>Note:</b> An experienced Cost Consulting firm has estimated project costs.
IP	<b>Note:</b> Project costs may be impacted by site contamination, price escalation and supply issues resulting actual tendered prices being different to cost estimates. Following the receipt of tenders, the Council can consider several tender options to manage the Project costs.

### *Funding*

The Council has secured *Local Government Infrastructure Partnership Program* Grant funding of \$5.6m for this project, which applies to the project's aquatic components, including the 25m pool, aquatic play equipment and plant room.

The remaining costs of the project will be sourced from borrowings undertaken by the Council through the Local Government Finance Authority.

### *Revenue Projections and Risk.*

**S48 (2) (e) requires that the Prudential Report address the Project's revenue projections and potential financial risks.**

The Council must abide by the grant funding agreement. Not abiding by this agreement could result in requiring to grant funding to be returned.

There will be ongoing income from users of the pools. The Business Case has considered market trends, competitors such as swimming pools in other Local Government Areas and population growth and notes that the redeveloped Swimming Centre will meet a gap in the market by creating a year-round swimming facility for the Eastern Region, that includes a 50m outdoor pool, waterslides and zero-depth waterplay area. The Business Case also noted that year-round use of the indoor 25m and learner's pools will provide additional water space to meet the demand for club and squad swimming and learn-to-swim programs. This analysis diminishes the risk of the Council not achieving ongoing user charge income from the pools.

C	<b>S48 (2) (e) Note:</b> The Council has successfully secured grant funding of \$5.6m. Market trends and competition have been analysed and considered, and there is ongoing historical income from the pools. This reduces the likelihood of diminished ongoing revenue.
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### *Recurrent and Whole-of-Life costs*

**S48 (2) (f) requires that the Prudential Report address the recurrent and whole-of-life costs associated with the Project, including any costs arising from the proposed financial arrangements.**

The Business Case includes a Profit and Loss and Cash Flow projection for the period ending 30 June 2031. The Business Case was prepared in January 2021 and included a number of assumptions. The following assumptions are affected by the changed economic situation as detailed below:

- Business Case inflation at 2.0%, the (Local Government Price Index) for Sept 2022 was 6.7%, and the CPI for Adelaide for Sept 2022 was 8.4%. Inflation is expected to be higher than 2% for the next few years.

- Business Case borrowing rate at 2.5%. Current Cash Advance Debenture rates with LGFA is 5.80% (2<sup>nd</sup> May 2023). As well as increased interest rates, increased capital costs will result in higher finance costs than forecast.
- That grant funding is received of 50% or \$10m of the estimated project costs. Actual Grant funding confirmed is \$5.6m.
- Depreciation is based on the capital expenditure of \$24m. The final capital costs will only be known once tenders are received. There is a significant trend in cost escalation at the moment brought about by a shortage of contractors and materials that will impact the final cost. Higher capital costs will increase depreciation costs.
- We note that the Employee expense line does not increase by inflation from 2029 to 2031.

The Business Case forecasts an operating deficit until 2028 and a surplus from 2029. Inflating the employee costs from 2029 to 2031, increasing inflation forecasts, finance costs, and depreciation will mean that it is unlikely that the Centre will create an ongoing surplus.

The Council's current LTFP includes the following:

- The Payneham Memorial Swimming Centre will be closed during construction and there will be an expected uplift in income and expenditure once the Centre is open;
- There will be limited impact due to the closure as the Council also has the Norwood Swimming Centre, and a number of programs will be relocated from the Payneham Memorial Swimming Centre to the Norwood Swimming Centre;
- The uplift in income and expenditure is expected in the 2024/25 financial year;
- A capital cost of \$24m, which is \$8.6m short of the new estimated project cost of \$32.6m. The Council is expecting delays in other capital projects, so the projects are not expected to occur concurrently, thereby minimising the effect on the LTFP;
- Depreciation is included on the capital cost of \$24m at an estimated 2%;
- The Cash Advance Debenture rate for borrowing is estimated at 4.5% (note the rate as of 2 May 2023 is 5.80%); and
- Historical operating costs for the facilities are included in the LTFP.

<b>C</b>	<b>S48 (2) (f) Note:</b> Recurrent costs have been identified.
<b>RA</b>	<b>Note:</b> Depreciation and Finance costs are included in the LTFP for a capital cost of \$24m. Revised cost estimates anticipate the project cost could be up to \$32.6m. The Council will need to consider and approve a new budget and adjust the LTFP for the additional costs, or substantially reduce the scope of works which would lead to delays and possible loss of the Grant.

### *Project's Financial Viability and impact on the Financial Position of the Council*

**S48 (2) (g) requires that the Prudential Report address the Project's financial viability and the short and longer-term estimated net effect of the Project on the financial position of the Council.**

In general, Council swimming pool facilities struggle to be profitable in financial terms. The Business Case sets out the Social, Economic and Health benefits expected from the redevelopment of the Payneham Memorial Swimming Centre.

The Council's LTFP considers the impact of all Council services on the longer-term financial position of the Council. The capital costs of the project and finance and depreciation costs are included in the

Council's updated LTFP for a project cost of \$24m. Revised estimated costs of \$32.6m will impact the finance and depreciation costs.

We have revised the Key Financial Ratios within the updated LTFP to reflect the additional estimated increase of \$8.6m in project costs with corresponding additional finance and depreciation costs.

### Operating Surplus Ratio

The Operating Surplus Ratio measures the difference between operating income and operating expenses for the year. An operating surplus arises when operating revenue exceeds operating expenses, and an operating deficit occurs when revenue is less than expenses.

The Operating Surplus Ratio expresses the operating surplus (or deficit) as a percentage of operating revenue.

The Council has a target range of an upper limit of 10%.

The Council's Operating Surplus Ratio, including depreciation and finance costs for this Project at a total of \$32.6m, is forecast in the table below.

Year	1	2	3	4	5	6	7	8	9
<b>With \$32.6m Project</b>	-0.2%	0.2%	0.6%	1.6%	2.7%	2.9%	2.8%	3.2%	4.1%

The interest rate used is 5.80%. This rate has been used for the whole LTFP period. This rate could increase in the short term and is likely to then decrease over the period.

The Council initially has a small deficit and then retains an operating surplus position. This is within the target range for this ratio.

### Net Financial Liabilities Ratio (NFL)

A positive ratio means a level of debt, whilst a negative ratio means the Council has more financial assets than liabilities.

This ratio is calculated using the Council's total liabilities less financial assets as a percentage of total operating income.

The Council has a maximum of 100% in its Long-Term Financial Plan.

The impact on the Net Financial Liabilities Ratio, including additional borrowing for the estimated \$32.6m, is estimated in the table below.

Year	1	2	3	4	5	6	7	8	9
<b>With \$32.6m project</b>	99.5%	89.5%	88.0%	94.0%	104.0%	112.8%	110.7%	105.7%	100.0%

The Council stays within its target ranges with the inclusion of the Project until year 5 (2026/27). The NFL ratio then exceeds the Council's target of 100% until year 5, peaking in year 6 (2027-28) and then reducing to the target limit in year 9.



### Asset Renewal Funding Ratio (previously Asset Sustainability Ratio)

This ratio is calculated using the Council's expenditure on renewal/replacement of assets as a percentage of the renewal levels required in the Asset Management Plans.

A ratio of 100% means that the Council is fully funding its Asset Management Plans.

The Council's target is a range between 90% and 110%.

The LTFP shows that this ratio is within the Council's targets.

<b>C</b>	<b>S48 (2) (g) Note:</b> The effect on the Council's Key Financial Indicators with the inclusion of the \$32.6m cost of this project is: <ul style="list-style-type: none"> <li>The Operating Surplus Ratio has a slight deficit in year 1 and an ongoing surplus after that and remains within the Council's targets; and</li> <li>The Asset Renewal Funding Ratio remains within the Council's targets.</li> </ul>
<b>RA</b>	<b>Note:</b> The Net Financial Liabilities Ratio stays within the Council's targets until year 5, peaking in year 6 and then reducing to the target limit in year 9 without any other changes to LTFP inputs/assumptions.

### Risks

**S48 (2) (h) requires that the Prudential Report address the risks associated with the Project and the steps that can be taken to manage, reduce or eliminate those risks (including the provision of periodic reports to the Chief Executive Officer and the Council).**

#### Council's Risk Framework

The Council has a *Risk Management Policy and Procedure* to guide the identification, assessment and management of risks. The *Risk Management Procedure* describes project risk as the risks associated with Project Management that will affect milestones connected to delivering a specific project.

The Council's Risk Likelihood and Consequence tables are included in **Appendix C**. Likelihood and Consequence are applied to the following Risk Matrix to determine the level of risk.

	Catastrophic	Major	Moderate	Minor	Insignificant
Almost Certain	Extreme 1	Extreme 4	High 8	High 10	Substantial 15
Likely	Extreme 2	Extreme 5	High 9	Substantial 14	Medium 20
Possible	Extreme 3	High 7	Substantial 13	Medium 19	Low 23
Unlikely	High 6	Substantial 12	Medium 17	Low 21	Low 24
Very Unlikely	Substantial 11	Medium 16	Medium 18	Low 22	Low 25

The Council's Risk Tolerance is set out in the following table;

Level	Endorsing Authority	Tolerance
Extreme	CEO / Elected Members	<b>Intolerable</b> – Exposure to the risk would normally be immediately discontinued except in extreme circumstances. The decision to tolerate residual risk at this level must be made by the CEO and/or the elected members.
High	General Managers	<b>Intolerable without treatment</b> – The decision to tolerate residual risk at this level must be made by the relevant General Manager. Risk controls must be applied as part of a documented risk management plan that is continuously monitored and reviewed.
Substantial	Managers	<b>Tolerable with continual review</b> – Unnecessary exposure to the risk must be discontinued as soon as is reasonably practicable and long-term exposure would only be considered in exceptional circumstances. The decision to tolerate residual risk at this level must be made by the relevant Manager / Event Organiser
Medium	Supervisor / Team Leader	<b>Tolerable with periodic review</b> – Exposure to the risk may continue provided it has been appropriately assessed, controlled and is subject to periodic review to ensure the risk does not increase. The decision to tolerate residual risk at this level must be made by relevant Supervisor and/or Team Leader.
Low	Worker	<b>Acceptable with Periodic Review</b> – Exposure to the threat is acceptable for Team Members / Workers without additional risk controls but is subject to periodic review to ensure the risk does not increase.

### Risk Assessments

The Project Risk Register is attached in **Appendix D**.

The risk identification, assessment and mitigating controls seem reasonable and aligns with the Council's Risk Framework.

With additional controls, all identified risks are within tolerable limits.

<b>C</b>	<b>S48 (2) (h) Note:</b> The Project Risk Register is reasonable and aligns with the Council's Risk Framework. With additional controls noted, all identified risks are within tolerable limits.
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### Project Management

**S48 (2) (i) requires that the Prudential Report address the most appropriate mechanisms or arrangements for carrying out the Project.**

Council staff will be managing the Project. These staff have professional qualifications and experience in Architecture, Landscape Architecture, Planning and Project Management within Local Government.

The Project Milestones are shown below.

TASK:	COMPLETE BY:
Design Consultancy	May 2023
Tender	July 2023
Building Consent	July 2023
Development Approval	August 2023
Report to Council and Approval	August 2023
Award Contract	August 2023
Contractor mobilisation	September 2023
Construction	October 2023 to December 2024

C	<b>S48 (2) (i) Note:</b> The Project is being managed by Council staff who have professional qualifications and experience in Architecture, Landscape Architecture, Planning and Project Management within Local Government. There is a project plan in place.
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### Sale or Disposition of Land.

**S48 (2) (j) requires that the Prudential Report address the valuation of any land that will be sold or disposed of.**

There is no sale of land involved in this Project.

C	<b>S48 (2) (j) Note:</b> There is no sale of land involved in this Project.
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### Qualifications of Author

**S48 (4) requires that the Prudential Report be prepared by a person whom the Council reasonably believes to be qualified to address the prudential issues of the Project.**

UHY Haines Norton has been engaged to complete the Prudential Report with the lead author, Corinne Garrett, a firm employee.

Detailed information about UHY Haines Norton and the lead author can be found in **Appendix B**.

C	<b>S48 (4) Note:</b> The experience and qualifications of the lead author and associated firm are included in Appendix B.
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### Independence of Author

**S48 (4a) requires that the Prudential Report must not be prepared by a person who has an interest in the relevant Project.**

**S48 (6a), S48 (6b) and S48 (6c) detail what an interest would be.**

Neither the lead author, Corinne Garrett, nor the firm UHY Haines Norton has any interest or conflict of interest in this Project.



C

**S48 (4a), S48 (6a), S48 (6b) and S48 (6c) Note:** The lead author and the firm UHY Haines Norton declare they have no interest or conflict of interest in the Project and are independent.

### Council Consideration of the Report

**S48 (4b) requires that the Council must give reasonable consideration to a Prudential Report and must not delegate the requirement to do so.**

This report will be presented to the Council's Audit & Risk Committee in May 2023 and to the Council at its meeting in June 2023.

C

**S48 (4b) Note:** This report will be presented to Council's Audit & Risk Committee in May 2023, and then to the Council in June 2023.

### Public Inspection of the Report

**S48 (6) allows the Council to protect its commercial value or avoid disclosing the financial affairs of a person by considering part or all of a Prudential Report in confidence and keeping associated documents in confidence.**

This report will be available for inspection as part of the agendas of the Audit & Risk Committee and Council meetings.

C

**S48 (6) Note:** There is no reason to prevent disclosure of this report.

## APPENDIX A – Legislation Detail

### Section 48 – Prudential requirements for certain activities.

- (aa1) A council must develop and maintain prudential management policies, practices, and procedures for the assessment of projects to ensure that the Council –
- (a) Acts with due care, diligence, and foresight; and
  - (b) Identifies and manages risks associated with a project; and
  - (c) Makes informed decisions; and
  - (d) Is accountable for the use of Council and other public resources.
- (a1) The prudential management policies, practices and procedures developed by the Council for the purposes of subsection (aa1) must be consistent with any regulations made for the purpose of this section.
- (1) Without limiting subsection (aa1), a council must obtain and consider a report that addresses the prudential issues set out in subsection (2) before the Council –
- (b) engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership, or other similar body) –
    - (i) where the expected operating expenses calculated on an accrual basis of the Council over the ensuing five years is likely to exceed 20 percent of the Council's average annual operating expenses over the previous five financial years (as shown in the Council's financial statements); or
    - (ii) where the expected capital cost of the Project over the ensuing five years is likely to exceed \$4,000,000 (indexed); or
    - (iii) where the Council considers that it is necessary or appropriate.
- (2) the following are prudential issues for the purposes of subsection (1);
- (a) The relationship between the Project and relevant strategic management plans;
  - (b) The objectives of the Development Plan in the area where the Project is to occur.
  - (c) The expected contribution of the Project to the economic development of the local area, the impact that the Project may have on businesses carried on in the proximity and, if appropriate, how the Project should be established in a way that ensures fair competition in the marketplace.
  - (d) The level of consultation within the local community, including contact with persons who may be affected by the Project and the representations that have been made by them, and the means by which the community can influence or contribute to the Project or its outcomes.
  - (e) If the Project is intended to produce revenue, revenue projections and potential financial risks.
  - (f) The recurrent and whole-of-life costs associated with the Project including any costs arising out of proposed financial arrangements.

- (g) The financial viability of the Project and the short and longer term estimated net effect of the Project on the financial position of the Council.
- (h) Any risks associated with the Project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the Council)
- (i) The most appropriate mechanisms or arrangements for carrying out the Project.
- (j) If the Project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the *Land Valuers Act 1994*
- (2a) The fact that a project is to be undertaken in stages does not limit the operation of subsection (1)(b) in relation to the projects as a whole.
- (3) A report is not required under subsection (1) in relation to-
  - (a) road construction or maintenance; or
  - (b) drainage works.
- (4) A report under subsection (1) must be prepared by a person whom the Council reasonably believes to be qualified to address the prudential issues set out in subsection (2)
- (4a) A report under subsection (1) must not be prepared by a person who has an interest in the relevant Project (but may be prepared by a person who is an employee of the Council).
- (4b) A council must give reasonable consideration to a report under subsection (1) (and must not delegate the requirement to do so under this subsection)
- (6) However, a council may take steps to prevent the disclosure of specific information in order to protect its commercial value or to avoid disclosing the financial affairs of a person (other than the Council).
- (6a) For the purposes of subsection (4a) a person has an interest in a project if the person, or a person with whom the person is closely associated, would receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect detriment or a non-pecuniary detriment if the Project were to proceed.
- (6b) A person is closely associated with another person (the relevant person)
  - (a) If that person is a body corporate of which the relevant person is a director or a member of the governing body; or
  - (b) If that person is a proprietary company in which the relevant person is a shareholder; or
  - (c) If that person is a beneficiary under a trust or an object of a discretionary trust of which the relevant person is a trustee; or
  - (d) If that person is a partner of the relevant person; or
  - (e) If that person is the employer or an employee of the relevant person; or
  - (f) if that person is a person for whom the relevant person has received or might reasonably be expected to receive a fee, commission, or other reward for providing professional or other services; or



- (g) If that person is a relative of the relevant person.
- (6c) However a person or a person closely associated with another person will not be regarded as having an interest in a matter:
  - (a) By virtue only of the fact that the person
    - (i) Is a ratepayer, elector, or resident in the area of the Council; or
    - (ii) is a member of a non-profit association, other than where the person is a member of the governing body of the association or organisations or
  - (b) In a prescribed circumstance.
- (6d) In this section, \$4,000,000 (indexed) means that that amount is to be adjusted for the purposes of this section on 1 January of each year, starting on 1 January 2011, by multiplying the amount by a proportion obtained by dividing the CPI for the September quarter of the immediately preceding year by the CPI for the September quarter 2009.
- (6e) In this section –
  - Employee** of a council includes a person working for the Council on a temporary basis;
  - Non-profit association** means a body (whether corporate or unincorporated) –
    - (a) That does not have as its principal object or 1 of its principal objects the carrying on of a trade or the making of a profit; and
    - (b) That is so constituted that its profits (if any) must be applied towards the purposes for which it is established and may not be distributed to its members.
- (7) The provisions of this section extend to subsidiaries as if a subsidiary were a council subject to any modifications, exclusions or additions prescribed by the regulations.

## APPENDIX B – UHY Haines Norton

UHY Haines Norton Adelaide is a respected firm of Chartered Accountants and Consultants. The antecedents have provided extensive professional services to clients in various industries, including Local Government, for nearly 70 years.

The firm is part of the Australasian UHY Haines Norton network. Across each of our independent offices, partners and staff provide various mainstream and specialist services to clients across many market segments in the public and private sectors. The network is structured to share experience and resources for the benefit of our clients.

The Adelaide firm has one managing partner and twenty staff who combine experience gained in Australia and overseas both within the firm and from employment with major international accounting firms. Our philosophy is to provide informed professional advice and practical services. We also aim to provide direct contact between the most senior members of our firm and the management groups of our clients.

The firm has extensive specialist skills in servicing Local Government entities in various areas, including financial management, financial reporting, governance, internal and external audit, risk management, due diligence, and prudential reports.

Our lead author for this report is Corinne Garrett, Local Government Consulting Manager. Corinne's qualifications and experience are detailed below.

### Qualifications

- Master of Laws, Enterprise Governance – Bond University
- Graduate Certificate in Internal Auditing,  
-Institute of Internal Auditors
- Bachelor of Business (Financial Planning), RMIT
- Diploma AICD Company Directors Course,  
-Australian Institute Company Directors
- Executive Management Program, SA Local Government Managers Association
- Professional Management Program, the University of Adelaide, Graduate School of Business
- Auditing Occupational Health and Safety Management Systems, SAI Global
- Management Systems Auditing, SAI Global

### Professional Memberships

- AICD      Member, Australian Institute of Company Directors
- IIA        Professional Member, The Institute of Internal Auditors Australia
- FIPA      Fellow, Institute of Public Accountants
- RMIA      Risk Management Institute of Australasia

### Experience

Corinne has been with our firm since 2012, following an extensive career in Local Government spanning over 28 years. She has in-depth knowledge of financial management processes, procedures, and risk management.

Corinne oversees the Local Government Consulting division of UHY Haines Norton Adelaide. She has a wealth of experience in this sector, which provides her with a clear understanding of the legislative and compliance processes and requirements faced in the sector.

Corinne's experience spans governance, finance, administration, and strategic planning. Corinne has experience developing annual business plans, annual reports, and community consultation material. She has also worked closely with elected members of Local Government and Audit Committees, developing and implementing long-term financial plans, policies, and compliance measures.

Corinne also has a deep understanding of the vital role of internal and external audits in organisations and audit committees. She has had extensive involvement in working with audit committees and ensuring critical review areas are undertaken to assist the committee in discharging their obligations.

Corinne has undertaken an extensive range of projects in the Local Government, including:

- Section 48 Prudential Reviews
- Rating Procedures
- Rating Reviews
- Financial Management – Overview, mentoring, training, reporting, budgeting
- Analysis of Costs and Services
- Internal Financial Controls Reviews
- Internal Audits
- Development of Risk Management Framework and Business Continuity Plan
- Business Analyst Projects
- Assessment of financial risks, creation of workflows, procedure and financial reporting, Annual Business Plans and Budget Development
- Review of Information Technology Capacity
- Review of Long-Term Financial Plans
- Training Programs on Financial Management – LGA and Municipal Training
- Elected Member training in finance and budgeting for fifteen councils.

Corinne is a past member of the Revenue Professionals Board and an independent member of Audit Committees for the City of Onkaparinga and Highbury Landfill Authority, an Independent Chair of the Audit Committee for the City of Prospect, and a member and Vice Chair of the SA Chapter Committee of the Australian Institute of Internal Auditors. Corinne was a Board Member of Statewide Superannuation until its merger with Hostplus at the end of April 2022 and remains a member of the Transition Committee for Hostplus.



## APPENDIX C – Council's Risk Tables

### Risk Types

Risk Type	Description
<b>Strategic</b>	<p>Risks associated with high level strategic goals that align to the Council's Strategic, Annual and Business Plans. Strategic risks may affect the achievement of the Council's corporate objectives. They are key issues for the management and impinge on the whole business rather than a business unit. These risks can be triggered from within the business or externally.</p> <p>In other words they may prevent the organisation from achieving its strategic goals.</p>
<b>Operational</b>	Risks associated with departmental functions and daily operations to deliver essential services. Often the risks are cost overruns, supply chain/logistic issues, employee issues, fraud, WHS, non-compliance to policies and procedures.
<b>Project</b>	Risks associated with Project Management that will affect milestones connected to delivering a specific project.

### Risk Categories

Category	Description
People	Risks relating to personal safety, morale and workforce management. Includes payroll issues.
Financial	Risks associated with budgetary requirements, allocation and costs associated with maintenance / repair of plant, infrastructure and equipment
Services / Programs	Risks linked to the Council's ability to successfully deliver essential services and/or achieve objectives
Reputation	Risks associated with the delivery of State/Local Government legislation and meeting the Council's overall strategic goals
Environment	The risks arising from the management of the environment when applying the Council services and functions
Regulatory	Risks relating to compliance with legislative and policy framework

### Risk Likelihood

Level	Probability	Description
Almost Certain	1 in 10	Is expected to occur in most circumstances. Frequent or regular occurrence
Likely	1 in 100	Will probably occur in most circumstances. Has occurred several times before
Possible	1 in 1000	Could occur at some time. Is sporadic but not uncommon
Unlikely	1 in 10,000	Not likely to occur during the event. Would require a combination of circumstances for it to occur
Very Unlikely	1 in 100,000	Would only occur in exceptional circumstances

## Risk Consequences

Impact Category	Consequence (Impact) Level				
	Catastrophic	Major	Moderate	Minor	Insignificant
People	Incident resulting in death, permanent disability or Multiple Serious Personal Injury (SPI). High staff turn-over and/or loss of multiple senior staff members	Incident resulting in SPI and long-term disability (>30 days) Wide-spread morale issues Multiple staff vacancies throughout Team or loss of senior staff member	Incident resulting in SPI requiring immediate admission to hospital for treatment or short term disability (<30 days) Staff vacancies from one area	Incident resulting in injury requiring follow-up medical treatment Localised poor moral Key staff absence >2 days	Incident resulting in MPI requiring First Aid Treatment only Short term drop in morale Short term staffing vacancy
Financial	Over \$1 Million or >35% of project budget	\$500k – \$1 Million or 25-35% of project budget	\$250k - \$500k or 15-24% of project budget	\$5k - \$250k or 5-14% of project budget	<\$5,000 or <5% project budget
Services / Programs	>90% service disruption  Multiple community impacts	51-90% service disruption (between 1-2 days) Significant staff effort to resolve	11-50% service disruption Specific management effort / focus (< 1 day),	< 10% service disruption Management effort required to coordinate resolution	Minor disruption to service delivery (< 4 hours) Local Supervisor to control remediation
Reputation	Potential National Media attention. Major public outcry Irreparable damage to reputation	Regional or State wide media / political attention Wide spread public interest Significant complaints (11+)	Significant local media / political attention Local Community interest 5-10 complaints	Moderate local media attention. Community Concern – little adverse effect 3-5 complaints	Some local media interest  1-2 complaints
Environment	Major environmental impact Irrecoverable environmental damage	Environmental damage affecting portion of the City Long term issue	Environmental damage restricted to localised area Medium term issue	Minor environmental damage restricted to immediate area requiring coordinated response	Minor short-term environmental impact Response coordinated by local business units
Regulatory	Non-compliance results in exposing Council to severe penalties and litigation.	Non-compliance results in penalties being applied.	Medium term non-compliance Regulator involved, findings / penalties are possible	Some temporary minor non-compliance that can be rectified within 48 hours No penalties	Very minor regulatory or statutory breaches which can be quickly resolved internally





## Project Risk Assessment

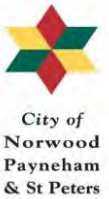
Department:	Chief Executives Office	Project Name:	Payneham Memorial Swimming Centre	Date Created:	28-Nov-22
Section / Unit:	City Projects	Project Description:	Demolition of existing Swimming Centre and construction of new building, indoor 25 metre and learner's pools, an outdoor 50 metre pool, water play area and waterslides	Start Date / Time:	
Location:	OG Road, Felixstow			Finish Date / Time:	
Project Manager:	Manager, City Projects			Budget:	\$24 million

Risk #	(What, When & Why)	INHERENT CONTROLS & RISKS							ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK			Risk Owner(s) (Who is Responsible)		
		Risk Consequence (Simple description - i.e. what the outcome will be?)		Existing Likelihood Controls	Existing Impact Controls	Likelihood ( <a href="#">See definitions</a> )	Impact Level ( <a href="#">See Impact Definitions</a> )	Inherent Risk Level ( <a href="#">Link to Risk Matrix</a> )	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood ( <a href="#">see definitions</a> )	Revised Impact Level ( <a href="#">See Impact Definitions</a> )	Residual Risk Level ( <a href="#">Link to Risk Matrix</a> )			
1	Tendered prices are in excess of the Council's existing budget	People		> Prepare Prudential Management Report > Procurement process, risk assessment identifying contingency needs > Prepare detailed cost estimates > Identify cost savings > Adjust the timing of tender in consultation with builders to maximise competition		Almost Certain	People		> Present Prudential Management Report to Audit Committee >Work with tenderers to identify cost savings > Ensure clear and comprehensive reporting to Council with options to increase budget (e.g. additional borrowings, rate increase) or reduce and/or adjust the scope	> Increase budget > Reduce or adjust scope	Likely	People		CEO		
		Financial	additional funding required				Financial	Major				Extreme 4	Financial		Minor	Substantial 14
		Services	project aborted or delayed				Services	Major				Extreme 4	Services		Minor	Substantial 14
		Reputation	local / state media coverage				Reputation	Major				Extreme 4	Reputation		Minor	Substantial 14
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	
2	Design cannot achieve an acceptable Project outcome within the Council's existing budget	People		> Prepare Prudential Management Report > Procurement process, risk assessment identifying contingency needs > Prepare detailed cost estimates > Identify cost savings		Almost Certain	People		> Present Prudential Management Report to Audit Committee >Work with tenderers to identify cost savings > Ensure clear and comprehensive reporting to Council with options to increase budget (e.g. additional borrowings, rate increase) or reduce and/or adjust the scope	> Increase budget > Adjust scope	Likely	People		CEO		
		Financial					Financial					Financial			Financial	
		Services	project aborted or delayed / scope reductions				Services	Major				Extreme 4	Services		Minor	Substantial 14
		Reputation	local / state media coverage				Reputation	Major				Extreme 4	Reputation		Minor	Substantial 14
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	
3	Conditions of stage government grant funding not being met	People		> Liaising with State Government re: program and providing regular updates		Possible	People		> Amend Grant with Minister's approval >Utilise contractor's program to update realistic milestones		Unlikely	People		CEO		
		Financial	Council loses grant				Financial	Major				High 7	Financial		Major	Substantial 12
		Services	Project cannot proceed				Services	Major				High 7	Services		Major	Substantial 12
		Reputation	local / state media coverage				Reputation	Moderate				Substantial 13	Reputation		Moderate	Medium 17
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	
4	Escalating costs / inflation in tender prices	People		> Adjust the timing of tender in consultation with builders to maximise competition > Lump sum tender procurement method		Likely	People		> Work with tenderers to identify escalation risks and controls > Execute a Fixed Lump Sum Price contract that isn't subject to rise and fall > Ensure early procurement of goods and materials by contractor		Possible	People		Manager, City Projects		
		Financial	variations				Financial	Minor				Substantial 14	Financial		Minor	Medium 19
		Services					Services					Services			Services	
		Reputation					Reputation					Reputation			Reputation	
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	
5	Non-compliance with Aquatic facility safety standards and operational requirements	People		>Design to AS >Independent Audit of design by RLS		Unlikely	People		>obtain building certification >engage superintendent		Very Unlikely	People		Manager, City Projects		
		Financial	variations, increased operational costs				Financial	Minor				Medium 19	Financial		Minor	Low 22
		Services	limitations on use				Services	Major				High 7	Services		Major	Medium 16
		Reputation	local / state media coverage				Reputation	Moderate				Substantial 13	Reputation		Moderate	Medium 18
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	

Signature of Project Manager : \_\_\_\_\_

Project Risk Assessment

D29



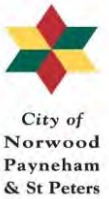
Department:	Chief Executives Office	Project Name:	Payneham Memorial Swimming Centre	Date Created:	28-Nov-22
Section / Unit:	City Projects	Project Description:	Demolition of existing Swimming Centre and construction of new building, indoor 25 metre and learner's pools, an outdoor 50 metre pool, water play area and waterslides	Start Date / Time:	
Location:	OG Road, Felixstow			Finish Date / Time:	
Project Manager:	Manager, City Projects			Budget:	\$24 million

		INHERENT CONTROLS & RISKS							ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK					
Risk #	(What, When & Why)	Risk Consequence (Simple description - i.e. what the outcome will be?)		Existing Likelihood Controls	Existing Impact Controls	Likelihood ( <a href="#">See definitions</a> )	Impact Level ( <a href="#">See Impact Definitions</a> )		Inherent Risk Level ( <a href="#">Link to Risk Matrix</a> )	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood ( <a href="#">see definitions</a> )	Revised Impact Level ( <a href="#">See Impact Definitions</a> )		Residual Risk Level ( <a href="#">Link to Risk Matrix</a> )	Risk Owner(s) (Who is Responsible)
6	Prudential report recommends not to proceed with the project or spend additional unbudgeted funds	People		>Provide all required info to consultant preparing the Prudential Issues Report		Unlikely	People		>Prudential report to be presented to audit committee and Council		Unlikely	People			CEO	
		Financial					Financial					Financial				
		Services	project doesn't proceed				Services	Major				Substantial 12	Services	Major		Substantial 12
		Reputation	local / state media coverage				Reputation	Moderate				Medium 17	Reputation	Moderate		Medium 17
		Environment					Environment					Environment		Environment		
		Regulatory					Regulatory					Regulatory		Regulatory		
		7	Shortage of staff resources to operate the PMSC post construction				People	staff vacancies				>Identify staff requirements for post construction operation		Likely		People
Financial				Financial		Financial										
Services	limitations on facility use			Services	Major	Extreme 5	Services	Major	Substantial 12							
Reputation	local / state media coverage			Reputation	Moderate	High 9	Reputation	Moderate	Medium 17							
Environment				Environment		Environment		Environment								
Regulatory				Regulatory		Regulatory		Regulatory								
8	Inadequate / Improper Asset Maintenance and Renewal			People		> documentation review by asset managers and PMSC Manager		Possible	People		> Maintenance and Operations Manuals to be provided by Contractor > Assets to be registered and included in Council's annual maintenance program					Unlikely
		Financial	Increased operational / unplanned maintenance costs	Financial	Minor				Medium 19	Financial		Minor	Low 21			
		Services	limitations on facility use	Services	Major				High 7	Services		Major	Substantial 12			
		Reputation	local / state media coverage	Reputation	Moderate				Substantial 13	Reputation		Moderate	Medium 17			
		Environment		Environment					Environment			Environment				
		Regulatory		Regulatory					Regulatory			Regulatory				
		9	Latent conditions and existing services not identified	People					> Detailed survey undertaken > Undertake soil testing and services investigations during design > Consultation with services authorities			Possible	People			
Financial	variations increasing costs			Financial	Minor	Medium 19	Financial	Minor			Medium 19					
Services				Services		Services		Services								
Reputation				Reputation		Reputation		Reputation								
Environment				Environment		Environment		Environment								
Regulatory				Regulatory		Regulatory		Regulatory								
10	Asbestos or contaminated materials found on site			People	human exposure	> Identify asbestos from building register > Undertake contamination testing > Develop Construction Environmental Management Plan		Likely			People		Minor	Substantial 14	> Implement Construction Environmental Management Plan	
		Financial	variations increasing costs	Financial	Minor				Substantial 14	Financial	Insignificant	Medium 20				
		Services		Services					Services		Services					
		Reputation	local / state media coverage	Reputation	Moderate				High 9	Reputation	Insignificant	Medium 20				
		Environment		Environment					Environment		Environment					
		Regulatory		Regulatory					Regulatory		Regulatory					

Signature of Project Manager : \_\_\_\_\_

Project Risk Assessment

D30



Department:	Chief Executives Office	Project Name:	Payneham Memorial Swimming Centre	Date Created:	28-Nov-22
Section / Unit:	City Projects	Project Description:	Demolition of existing Swimming Centre and construction of new building, indoor 25 metre and learner's pools, an outdoor 50 metre pool, water play area and waterslides	Start Date / Time:	
Location:	OG Road, Felixstow			Finish Date / Time:	
Project Manager:	Manager, City Projects			Budget:	\$24 million

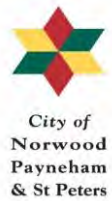
Risk #		INHERENT CONTROLS & RISKS							ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK			Risk Owner(s)  (Who is Responsible)		
		Risk Consequence  (Simple description - i.e. what the outcome will be?)		Existing Likelihood Controls	Existing Impact Controls	Likelihood  ( <a href="#">See definitions</a> )	Impact Level  ( <a href="#">See Impact Definitions</a> )		Inherent Risk Level  ( <a href="#">Link to Risk Matrix</a> )	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood  ( <a href="#">see definitions</a> )	Revised Impact Level  ( <a href="#">See Impact Definitions</a> )		Residual Risk Level  ( <a href="#">Link to Risk Matrix</a> )	
11	Damage to a regulated tree	People		> Obtain development approval > Prepare tree protection plan		Possible	People			> Safeguard regulated tree to avoid damage caused by construction. > Utilise arborist to supervise works near regulated trees	Possible	People		Project Manager		
		Financial	fine to Council or Contractor				Financial	Insignificant				Low 23	Financial		Insignificant	Low 23
		Services					Services						Services			
		Reputation	local community interest				Reputation	Moderate				Substantial 13	Reputation		Insignificant	Low 23
		Environment	Loss of habitat / canopy or death of tree				Environment	Moderate				Substantial 13	Environment		Insignificant	Low 23
		Regulatory					Regulatory						Regulatory			
		12	Adverse environmental impacts on Patterson Reserve Precinct				People					> Contractual requirements > Assess environmental accreditation of contractors			Possible	People
Financial	variations			Financial	Minor	Medium 19	Financial	Insignificant	Low 23							
Services	Staff resources to control remediation			Services	Insignificant	Low 23	Services	Insignificant	Low 23							
Reputation	local community interest			Reputation	Moderate	Substantial 13	Reputation	Minor	Medium 19							
Environment	dust, sediment, noise affecting residents and businesses			Environment	Minor	Medium 19	Environment	Insignificant	Low 23							
Regulatory				Regulatory			Regulatory									
13	Incorrect / unrealistic public expectations			People		> add project information to website > install project information signage > provide project information in Look East and other Council publications		Likely	People		> continue to update website and provide information in Council publications > Letterbox residents in local area with regular updates > Keep elected members informed via monthly updates					Possible
		Financial		Financial						Financial						
		Services		Services						Services						
		Reputation	local community interest	Reputation	Moderate				High 9	Reputation		Moderate	Substantial 13			
		Environment		Environment						Environment						
		Regulatory		Regulatory						Regulatory						
		14	Inadequate car parking for users following redevelopment	People					> include additional car parking near Library in project scope > discuss future car park use with adjacent landowner			Likely	People			
Financial	loss of revenue due to limited use of facility			Financial	Moderate	High 9	Financial	Insignificant			Low 23					
Services				Services			Services									
Reputation	widespread community interest			Reputation	Major	Extreme 5	Reputation	Moderate			Substantial 13					
Environment				Environment			Environment									
Regulatory				Regulatory			Regulatory									
15	Changes in scope of project are not reconsidered against planning consent which delays the granting of Development Approval			People		>Private Certifier review of Planning Approved Plans vs Building Approved Plans should identify changes requiring approval > Landscape Plan is required by Planning Condition 5 to be provided to the Assessment Manager prior to DA being granted		Likely			People			>Ensure amended planning application is lodged if required. >Ensure plandscape plan is prepared and lodged prior to DA		Unlikely
		Financial		Financial						Financial						
		Services		Services						Services						
		Reputation	delays causing widespread community interest	Reputation	Minor				Substantial 14	Reputation	Minor	Low 21				
		Environment		Environment						Environment						
		Regulatory		Regulatory						Regulatory						

Signature of Project Manager : \_\_\_\_\_



Project Risk Assessment

D31



Department:	Chief Executives Office	Project Name:	Payneham Memorial Swimming Centre	Date Created:	28-Nov-22
Section / Unit:	City Projects	Project Description:	Demolition of existing Swimming Centre and construction of new building, indoor 25 metre and learner's pools, an outdoor 50 metre pool, water play area and waterslides	Start Date / Time:	
Location:	OG Road, Felixstow			Finish Date / Time:	
Project Manager:	Manager, City Projects			Budget:	\$24 million

Risk #		INHERENT CONTROLS & RISKS							ADDITIONAL CONTROLS NEEDED		RESIDUAL RISK			Risk Owner(s) (Who is Responsible)		
		Risk Consequence (Simple description - i.e. what the outcome will be?)	Existing Likelihood Controls	Existing Impact Controls	Likelihood ( <a href="#">See definitions</a> )	Impact Level ( <a href="#">See Impact Definitions</a> )	Inherent Risk Level ( <a href="#">Link to Risk Matrix</a> )	Additional Likelihood Controls	Additional Impact Controls	Revised Likelihood ( <a href="#">see definitions</a> )	Revised Impact Level ( <a href="#">See Impact Definitions</a> )	Residual Risk Level ( <a href="#">Link to Risk Matrix</a> )				
16	Conditions of Planning Consent (relating to approved plans, stormwater management and detention, tree protection use of driveways/carparks, landscaping plan ) not adhered to	People		> Architect to be provided copy of conditions of Planning Consent with instructions to ensure sub consultants review and report back > Landscape Plan is required by Planning Condition 5 to be provided to the Assessment Manager prior to DA being granted		Unlikely	People				Unlikely	People		Project Manager		
		Financial					Financial					Financial				
		Services					Services					Services				
		Reputation	non compliance causing widespread community interest				Reputation	Minor				Low 21	Reputation		Minor	Low 21
		Environment					Environment					Environment				
		Regulatory					Regulatory					Regulatory				
17	Contractual Issues with Head Contractor	People		> Undertake due diligence (financial and performance) investigations on the contractors prior to appointment		Possible	People		> Engage experienced contract law solicitors to prepare the contract and tender documents > Engage experienced superintendent who can act independently as per the contract when required > Tender/Contract documents to include all relevant reports/information (i.e. prelim site report, asbestos report, subsequent testing results, CEMP, RMP etc)		Possible	People		Manager, City Projects		
		Financial	Delays, EOTs, claims for unsubstantiated variations, difficult working relationship				Financial	Major				High 7	Financial		Moderate	Substantial 13
		Services					Services					Services			Services	
		Reputation	widespread community interest				Reputation	Moderate				Substantial 13	Reputation		Minor	Medium 19
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	
18	Contractor causes damage to surrounding properties - mainly Council owned i.e. Library building/carpark/trees, pool carpark and trees, footpaths, street trees/signage, stormwater infrastructure etc	People		Undertake a dilapidation inspection and prepare a report to ensure the starting condition is identified		Possible	People		> regular on site inspections of surrounding council property to note any damages and raise ASAP with contractor		Possible	People		Project Manager		
		Financial	cost of remediation/taking action/cost recovery				Financial	Minor				Medium 19	Financial		Insignificant	Low 23
		Services					Services					Services			Services	
		Reputation	community interest				Reputation	Insignificant				Low 23	Reputation		Insignificant	Low 23
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	
19	Complaints (and possibly legal action) from tenderers about the tender process and selection process leading to legal action and possible delays to the project	People		> SA Tenders used for tendering > Architect to keep track of and manage all RFIs > Tender conditions to be clear as to whether and when non-conforming tenders can be considered		Unlikely	People		> Engage an experienced probity consultant to oversee the probity issues associated with the tender and tender selection process		Unlikely	People		Manager, City Projects		
		Financial	costs of legal advice, legal action, possible costs/damages of losing the matter				Financial	Minor				Low 21	Financial		Insignificant	Low 23
		Services					Services					Services			Services	
		Reputation	reputational damage, community interest in project timing delayed				Reputation	Minor				Low 21	Reputation		Insignificant	Low 23
		Environment					Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	
20	Complaints about noise and truck traffic etc from early morning concrete pours	People		> contractors normally do a letterbox drop prior to the event > Council to include such details in the Communications Plan and post timely information on all available and relevant media		Likely	People		Ensure Contractor provides notices to surrounding properties and organises trucks to be parked in areas where residents are less likely to be disturbed		Unlikely	People		Project Manager		
		Financial					Financial					Financial			Financial	
		Services					Services					Services			Services	
		Reputation	community interest and unrest				Reputation	Minor				Substantial 14	Reputation		Insignificant	Low 23
		Environment	Noise				Environment					Environment			Environment	
		Regulatory					Regulatory					Regulatory			Regulatory	

Signature of Project Manager : \_\_\_\_\_

# Attachment E

## Prudential Management Report – Payneham Memorial Swimming Centre



City of  
Norwood  
Payneham  
& St Peters

**OFFICIAL**

10 February 2022

The Corporation of the City of  
Norwood, Payneham & St Peters  
175 The Parade  
NORWOOD SA 5067

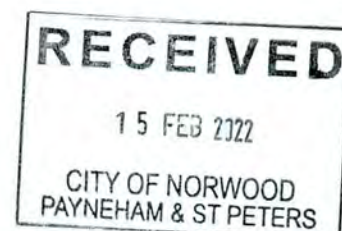
THE CORPORATION OF THE CITY OF NORWOOD, PAYNEHAM & ST PETERS –  
LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP PROGRAM Grant  
Deed Executed

Please find enclosed your executed Grant Deed for your records.

Yours sincerely



Judy Graf  
SENIOR ADMINISTRATION OFFICER,  
COMMERCIAL ADVISORY, SAFA





DATED THE 19 DAY OF JANUARY 2021

**LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP PROGRAM**

**GRANT DEED**

**BETWEEN**

**THE TREASURER  
("Treasurer")**

**-AND-**

**THE CORPORATION OF THE CITY OF NORWOOD PAYNEHAM & ST PETERS  
("Grantee")**

**GRANT DEED**  
**LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP PROGRAM**

**DEED** made on 19 JANUARY

202 2

**BETWEEN:**

**THE TREASURER OF SOUTH AUSTRALIA** ("Treasurer")

**AND:**

**THE PARTY NAMED IN ITEM 2 OF ATTACHMENT 1** ("Grantee")

**IT IS AGREED**

- A. The Local Government Infrastructure Partnership Program ("the Program") has been established to support the Grantee spending on agreed infrastructure projects.
- B. The Grantee has applied for, and the Treasurer has agreed to provide, assistance in the form of a grant ("Grant") to the Grantee for the Purpose.
- C. The Treasurer and Grantee agree that the Grant will be provided on the terms and conditions of this Deed.
- D. This Deed comprises this Execution Page, the Grant Details (Attachment 1), the Project Details (Attachment 2), the Additional Obligations (Attachment 3), the Payment Schedule (Attachment 4), the Standard Terms and Conditions (Attachment 5), the Acquittal Form (Attachment 6), Claim Notice (Attachment 7), and Reports (Attachment 8).

**EXECUTED AS A DEED**

**THE COMMON SEAL** of **THE TREASURER** )  
 was affixed in the presence of )



Rachael Covegate

Witness

Print Name: RACHAEL COVEGATE

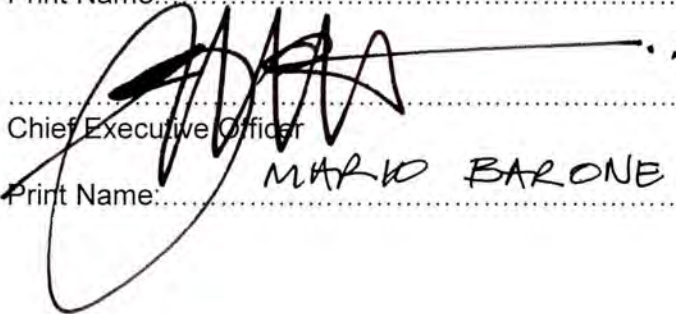
THE COMMON SEAL of THE CORPORATION OF THE CITY OF NORWOOD PAYNEHAM & ST  
PETERS )

was hereunto affixed, in the )  
presence of: )



Principal Member

Print Name: ROBERT BRIA



Chief Executive Officer

Print Name: MARIO BARONE





## Attachment 1 - Grant Details

Item 1	<b>Treasurer</b>	The Treasurer a body corporate pursuant to the <i>Administrative Arrangements Act, 1994 (SA)</i> State Administration Centre, 200 Victoria Square, Adelaide, SA, 5000
Item 2	<b>Grantee</b>	The Corporation of the City of Norwood Payneham & St Peters 175 The Parade, Norwood, South Australia 5067 ABN 11 390 194 824
Item 3	<b>Grantee's Business</b>	The operations and undertakings of the Grantee under the <i>Local Government Act 1999 (SA)</i>
Item 4	<b>Project Commencement Date</b>	19 June 2022
Item 5	<b>Project Completion Date</b>	30 June 2023 or such later date approved in writing by the Treasurer
Item 6	<b>Last Date to Claim</b>	30 September 2023 or such later date approved in writing by the Treasurer
Item 7	<b>Expiry Date</b>	30 June 2024
Item 8	<b>Grant (GST exclusive)</b>	The lesser of: <ul style="list-style-type: none"> <li>\$5,600,000 (GST exclusive); and</li> <li>50% of Eligible Expenditure incurred in completing the Project.</li> </ul>
Item 9	<b>Eligibility Period</b>	The period commencing on 23 March 2021 and ending on the Project Completion Date
Item 10	<b>Conditions Precedent to Deed</b>	<p>The Grantee must provide:</p> <ul style="list-style-type: none"> <li>evidence to the satisfaction of the Treasurer that the Grantee has sufficient Other Funding to complete the Project;</li> <li>evidence to the satisfaction of the Treasurer that the Grantee has obtained all Authorisations and Approvals required for the Project;</li> <li>copies of all Material Contracts.</li> </ul> <p>The Public Works Committee has made inquiries and its final report has been presented to its appointing House or published.</p>
Item 11	<b>Insurances</b>	The Grantee warrants that it is a member of the Local Government Association Mutual Liability Scheme (Scheme) and is bound by the rules of the Scheme pursuant to the provisions of the <i>Local Government Act 1999 (SA)</i> and in the event that the Grantee ceases to be a member of the Scheme it will immediately, pursuant to provisions of the <i>Local Government Act 1999 (SA)</i> , effect public liability insurance to a minimum level of cover of fifty million dollars (\$50,000,000.00).

Item 12	Authorised Representatives	<p><b>Treasurer:</b> Director, Risk and Commercial Advisory, SAFA</p> <p><b>Grantee:</b> Keke Michalos, Manager, Economic Development and Strategic Projects</p>
Item 13	Addresses for Notices	<p><b>Treasurer:</b> South Australian Government Financing Authority Level 5, State Administration Centre, 200 Victoria Square Adelaide SA 5000 Email: SAFAIndustryAssistance@sa.gov.au</p> <p>or as otherwise notified in writing.</p> <p><b>Grantee:</b> The Corporation of the City of Norwood, Payneham and St Peters 175 The Parade, Norwood, SA 5067 PO Box 204 Kent Town, SA 5071 Email: KMichalos@npsa.gov.au</p>
Item 14	Form of Funding Acknowledgement	<p>During the Term, the Grantee must:</p> <ul style="list-style-type: none"> <li>• if required by the Treasurer, display signage acknowledging the support of the Program in relation to the Project at a location or locations agreed by the Grantee and the Treasurer until the Expiry Date unless otherwise agreed by the Treasurer in writing; and</li> <li>• invite the Treasurer and the Minister for Planning and Local Government to attend any formal opening of the Project.</li> </ul>

## Attachment 2 - Project Details

Item 1	Project	<p>The Project is the Payneham Memorial Swimming Centre Redevelopment, to be constructed at the Project Location in accordance with the Project Documents. The Project includes the following works (including approximate dimensions where specified):</p> <ul style="list-style-type: none"> <li>• Construct a new semi-enclosed 25 metre, eight lane Learners' Pool with an all-weather cover;</li> <li>• Construct a new two storey building containing administration, function area, clubrooms/training facilities and change room, separate school change areas and café;</li> <li>• Construct interactive water play area and high platform water slides integrated with the building;</li> <li>• Construct a new plant room to service the refurbished 50 metre pool, 25 metre Learners Pool and water play equipment;</li> <li>• Construct a new zero depth splash pad;</li> <li>• Install shade shelters, barbeques and picnic facilities forming part of the broader redevelopment and upgrade of the Patterson Reserve Community &amp; Recreational Precinct;</li> <li>• For the avoidance of doubt, the Project excludes the refurbishment of the main 50 metre pool, which incorporates the installation of a disabled ramp and wet deck and the replacement of the existing gravity fed sand filtration system.</li> </ul>
Item 2	Project Location	<ul style="list-style-type: none"> <li>• 188 OG Road, Felixstow, South Australia 5070</li> <li>• 194 OG Road, Felixstow, South Australia 5070</li> </ul> <p>Certificate of Title:</p> <ul style="list-style-type: none"> <li>• CT Volume 5859 Folio 643</li> <li>• CT Volume 5386 Folio 506</li> <li>• CT Volume 5744 Folio 453</li> </ul>
Item 3	Material Contracts	<ul style="list-style-type: none"> <li>• Any Approvals or Authorisations required for the Project.</li> <li>• Any building, construction, works and supply, including equipment supply, contracts and agreements necessary for the Project.</li> <li>• Any finance, grant, loan and security documents entered into by the Grantee in respect of Other Funding.</li> <li>• Any agreement between the Grantee and any other contributors to the Project.</li> </ul>



### Attachment 3 – Additional Obligations

#### 1.1 Industry Participation Policy

- 1.1.1 The Grantee must implement an Industry Participation Plan (IPP) which ensures that capable South Australian small to medium sized enterprises are given full, fair and reasonable opportunity to tender and participate in all elements of the Project;
- 1.1.2 Prior to commencement of construction of any part of the Project, the Grantee must obtain written approval of the Industry Advocate to the IPP prepared in relation to the Project;
- 1.1.3 The Grantee must provide an Industry Participation Report ("**IPP Report**") to the Treasurer and the Industry Advocate, in respect of each Industry Participation Reporting Period within two weeks of the end of each period.
- 1.1.4 The Grantee must attend any meeting scheduled by the Industry Advocate during the Term to review how the IPP is being implemented and advanced, and for this purpose, the Grantee must provide all information and documents reasonably requested by the Industry Advocate. The Industry Advocate must give the Grantee not less than ten (10) Business Days' notice of any such meeting.
- 1.1.5 The Grantee will apply the South Australian Industry Participation Policy to other contracts associated with the Project and the tendering of work packages by the head contractor engaged by the Grantee.
- 1.1.6 In this clause:
  - (a) "Industry Advocate" has the meaning set out in the *Industry Advocate Act 2017* (SA).
  - (b) Industry Participation Reporting Period is:
    - (i) the period between the Commencement Date and the date six (6) months after the Commencement Date;
    - (ii) each subsequent six (6) month period during the Term;
    - (iii) the period from the conclusion of the Industry Participation Reporting Period prior to the Expiry Date, until the Expiry Date; and
    - (iv) where the Term is for a period less than six (6) months, the entire Term.

## Attachment 4 – Payment Schedule

Date for Achievement	Performance Milestones	Amount of Payment (excluding GST)
15 July 2022	<b>Performance Milestone 1</b> The Grantee must provide evidence to the Treasurer's satisfaction that: <ul style="list-style-type: none"> <li>• construction of the Project has commenced physically at the Project Location; and</li> <li>• the Grantee has submitted a Claim Notice in accordance with Attachment 7.</li> </ul>	\$560,000
19 October 2022	<b>Performance Milestone 2</b> The Grantee must provide evidence to the Treasurer's satisfaction that: <ul style="list-style-type: none"> <li>• earthworks, site clearance and demolition of existing amenities building and plantroom is complete as described in the Project Documents;</li> <li>• construction of the new amenities building and new 25m Learners Pool has commenced;</li> <li>• works as described in the Project Documents are certified by an external project consultant, project engineer, quantity surveyor or similar;</li> <li>• the Grantee has incurred Eligible Expenditure totalling at least twice the amount claimed [under this Deed (in aggregate)] at the date of the Claim Notice;</li> <li>• the Grantee has provided a Performance Milestone Report in accordance with Attachment 8; and</li> <li>• the Grantee has submitted a Claim Notice in accordance with Attachment 7.</li> </ul>	Up to \$2,800,000 less previous amounts claimed
Last Date to Claim	<b>Performance Milestone 3</b> The Grantee must provide evidence to the Treasurer's satisfaction that: <ul style="list-style-type: none"> <li>• construction of new amenities building (double storey sports and leisure centre including clubrooms and lettable function areas) is complete;</li> <li>• new plantroom, new semi-enclosed eight lane 25m Learners' Pool is complete;</li> <li>• new aquatic play areas, installation of shade, bbqs and picnic facilities are complete;</li> <li>• practical completion of the Project as described in Attachment 2 has been achieved on or before the Project Completion Date, including as evidenced by provision of a certificate of practical completion by an external project consultant, project engineer, quantity surveyor or similar;</li> <li>• the redeveloped Payneham Memorial Swimming Centre is open and available for use;</li> <li>• the Grantee has incurred aggregate Eligible Expenditure totalling at least twice the amount claimed under this Deed (in aggregate) at the date of the Claim Notice;</li> <li>• the Grantee has submitted a Claim Notice in accordance with Attachment 7; and</li> <li>• the Grantee has provided the Project Completion Report in accordance with Attachment 8.</li> </ul>	Up to \$5,600,000 less previous amounts claimed
<b>Total Grant Ex GST</b>		<b>Up to \$5,600,000</b>

## Attachment 5 - Standard Terms & Conditions

### AGREED TERMS

#### 1. THE TERM

The Term of this Deed commences on the Commencement Date and continues until the Expiry Date, unless terminated earlier.

#### 2. CONDITIONS PRECEDENT

The rights and obligations of the parties under this Deed, including the obligation of the Treasurer to provide the Grant or any part of the Grant, are subject to the Treasurer being satisfied that the conditions precedent specified in Attachment 1, if any, have been complied with to the Treasurer's satisfaction, unless expressly waived by the Treasurer in writing.

#### 3. AUTHORISED REPRESENTATIVES

- 3.1 The Representatives named in Attachment 1 are authorised to act on behalf of the Parties and are responsible for overseeing the effective administration of the Deed. The Representatives have authority to:
- (a) exercise all of the powers and functions of the Party they represent under this Deed other than the power to amend this Deed; and
  - (b) bind the Party they represent under this Deed in relation to any matter arising out of or in connection with this Deed.
- 3.2 A notice served on a Representative is taken to be notice to the Party they represent.
- 3.3 A Party may vary or revoke an authorisation at will, and nothing in this clause 3 shall prevent a Party from exercising any of its rights and powers under this Deed.

#### 4. PAYMENT OF GRANT

- 4.1 The Grantee may only make a claim for an instalment of the Grant for Eligible Expenditure incurred for the Project.
- 4.2 Unless expressly waived by the Treasurer in writing, the obligation of the Treasurer to provide the Grant, or any instalment of the Grant, is subject to the Treasurer:
- (a) receiving, in all things to the complete satisfaction of the Treasurer:
    - (i) a Claim Notice in the form prescribed in Attachment 7 on or before the Last Date to Claim;
    - (ii) all Reports due at the date of the Claim Notice; and
    - (iii) documentary evidence that the Grantee has sufficient Other Funding.
  - (b) being satisfied that:
    - (i) the Grantee has, in all respects, complied with the terms and conditions of this Deed;
    - (ii) the Grantee has achieved the relevant Performance Milestone by the date for its achievement specified in Attachment 4;
    - (iii) an Event of Default has not occurred or is not occurring;
    - (iv) an Insolvency Event has not occurred;
    - (v) the Grantee's representations and warranties in this Deed are true in all material respects, and not misleading, when made or repeated; and
    - (vi) the Grantee has satisfied or complied with such other requirements (if any) specified in Attachment 1.
- 4.3 If the Treasurer is not satisfied that one or more of the requirements of clause 4.2 have been satisfied then the Treasurer may, by way of written notice to the Grantee, terminate or suspend the Treasurer's

obligations to provide the Grant, or any other obligations under this Deed.

- 4.4 Payment of any instalment of the Grant will be made to the Grantee's bank account specified in a Claim Notice which must be to an ADI and in the name of the Grantee.
- 4.5 The Grantee must ensure that it can properly account for the Grant received under the Deed.

#### 5. GST

- 5.1 The parties acknowledge that compliance with this Deed may give rise to a Taxable Supply and that any consideration or payment obligation in this deed, including the payment of the Grant, is exclusive of GST unless stated otherwise.
- 5.2 The Grantee represents that:
- (a) the ABN shown in Attachment 1 is the Grantee's ABN; and
  - (b) it is registered under the GST Act.
- 5.3 The Parties agree that this Deed satisfies the requirement for a written agreement specifying the supplies to which the Recipient Created Tax Invoice ("RCTI") relates.
- 5.4 The Treasurer will provide a RCTI and where relevant an Adjustment Note, to the Grantee within 30 days of the making, or determining of the value, of the Taxable Supply.
- 5.5 The Grantee must not issue a Tax Invoice in respect of a Taxable Supply or, where relevant, an Adjustment Note in respect of an Adjustment Event.
- 5.6 If an Adjustment Event arises in respect of a Taxable Supply under this Deed the Parties must do all things necessary to make sure that the Adjustment Event may be properly accounted for, including the issue of an Adjustment Note.

#### 6. REPAYMENT OF UNALLOCATED FUNDS

- 6.1 If the Grantee has not expended all of the Grant for the Purpose by the Project Completion Date, it must notify the Treasurer of the unexpended amount and may submit a written request for retention or carryover of unexpended amounts specifying:
- (a) the amount to be retained or carried over; and
  - (b) the purpose for which the unexpended amount will be used.
- 6.2 The Treasurer may consider the Grantee's request and notify the Grantee in writing whether it:
- (a) agrees that the Grantee may retain or carry over all or part of the unexpended amount; or
  - (b) requires the Grantee to repay all or part of that amount as notified by the Treasurer to the Treasurer within 30 days of receipt of the notice from the Treasurer.

#### 7. REPRESENTATIONS AND WARRANTIES

- 7.1 The Grantee represents and warrants to the Treasurer that:
- (a) it is duly qualified and properly accredited to carry on the Business and Project;
  - (b) it has the power (without restriction or condition), Approvals and Authorisations to enter into this Deed and perform its obligations under this Deed and will continue to have the power to perform its obligations under this Deed;
  - (c) an Insolvency Event has not occurred and there are no threatened actions or proceedings before any court or other body which will or are likely to materially adversely affect the financial position of the Grantee or its ability to perform its obligations under this Deed;



- (d) there are no threatened actions or proceedings before any Court or other body which will or are likely to materially adversely affect the financial position of the Grantee, its ability to perform its obligations under this Deed or to undertake and complete the Project;
  - (e) it is not in material default under any law, indenture, mortgage, trust deed, agreement or other instrument or arrangement by which it is bound;
  - (f) this Deed constitutes legal, valid and binding obligations on the part of the Grantee which are enforceable against it in accordance with its terms;
  - (g) it has or will have available, sufficient Other Funding to complete the Project;
  - (h) all information provided by the Grantee in the Application and to the Treasurer in accordance with this Deed, is true and correct in all material respects at the time it was provided, and there are no material facts known to the Grantee relating to it which could or might affect the willingness of the Treasurer to enter into an agreement with the Grantee on terms similar to the terms of this Deed which have not been disclosed to the Treasurer; and
  - (i) it does not have any interests or obligations that conflict with its interests or obligations under this Deed.
- 7.2 The Grantee acknowledges that the representations and warranties made in this clause 7 have induced the Treasurer to agree to provide the Grant to the Grantee.
- 7.3 The Grantee acknowledges that each of the above representations and warranties shall survive the execution of this Deed and the provision of the Grant under this Deed and will be correct and complied with in all material respects on the date of this Deed, the dates of any Claim Notices and the dates of payment of the Grant and thereafter are repeated by reference to the circumstances existing at the time of such repetition except that each reference to financial statements or accounts shall be construed as a reference to the then latest available financial statements or accounts.
- 8. OBLIGATIONS**
- 8.1 All obligations under this Deed will apply for the duration of the Term.
- 8.2 The Grantee must comply with the Additional Obligations (if any) specified in Attachment 3.
- Purpose**
- 8.3 The Grantee must use the Grant solely for the Purpose.
- Business**
- 8.4 The Grantee must, during the Term, carry on and maintain its Business in the State of South Australia.
- Project**
- 8.5 The Grantee must commence the Project by the Project Commencement Date unless otherwise agreed in writing by the Treasurer.
- 8.6 The Grantee must complete the Project by the Project Completion Date unless otherwise agreed in writing by the Treasurer.
- 8.7 The Grantee must achieve each Performance Milestone by the date for achievement of that Performance Milestone specified in Attachment 4.
- 8.8 If the Grantee becomes aware of the possibility of a delay, which may prevent the Grantee from complying with clauses 8.5, 8.6 or 8.7, the Grantee must promptly notify the Treasurer in writing of:
- (a) the detail and likely extent of the delay and the Grantee's proposed strategies to manage the consequences of the delay; and
  - (b) any request for an extension of time where such a request is necessary and reasonable in the circumstances.
- 8.9 The Treasurer may in its absolute discretion, consent to a request for an extension of time provided that:
- (a) the Grantee uses its best endeavours to minimise the delay and recover lost time;
  - (b) where requested by the Treasurer, the Grantee provides a plan indicating in detail the steps the Grantee proposes to take to minimise the impacts of the delay; and
  - (c) the Grantee complies with such other conditions imposed as part of the Treasurer's consent.
- 8.10 The Grantee must comply with, and must undertake the Project in compliance with, all applicable laws, rules and regulations and orders of any governmental authority.
- Keep Informed**
- 8.11 The Grantee must immediately notify the Treasurer in writing if it defaults in fully performing, observing and fulfilling any provision of this Deed, there occurs an Insolvency Event or it becomes aware of any representation or warranty made, repeated or deemed to be made or repeated by the Grantee in this Deed proving to be untrue in any material respect.
- 8.12 The Grantee must immediately inform the Treasurer of any significant changes to the nature and/or scope of the activities conducted by the Grantee which would impact on the Purpose, the Project, the Other Funding or the Grantee's ability to comply with its obligations under this Deed or the financial position of the Grantee.
- Project Assets**
- 8.13 The Grantee must not Deal With any real or personal property in relation to which the Grant has been applied by the Grantee without the prior written consent of the Treasurer, which shall not be unreasonably withheld.
- 8.14 If at any time prior to the Expiry Date the Grantee Deals With any real or personal property in relation to which the Grant has been applied (referred to in this clause 8.14 as "**the Property**"):
  - (a) the Treasurer may by notice in writing given to the Grantee demand that the Grantee pay to the Treasurer a monetary amount (not exceeding the amount of the Grant) which is equivalent to the monetary payment or value received by or to be paid to or for the benefit of the Grantee in connection with the assignment, transfer, conveyance, sale, disposal or removal of the Property; and
  - (b) the Grantee must then pay to the Treasurer the amount demanded by the Treasurer within the time stipulated by the Treasurer for payment.
- 9. REPORTING AND RECORD KEEPING**
- 9.1 During the Term the Grantee must keep all records (including original receipts and invoices) relating to the conduct and management of the Project, and necessary to provide a complete, detailed, up-to-date and accurate record and explanation of:
- (a) progress of the Project;
  - (b) the application of the Grant;
  - (c) incurred Eligible Expenditure; and
  - (d) Other Funding.
- 9.2 The Grantee must provide the Reports and other documents as specified in Attachment 8, and must attend meetings as reasonably required by the Treasurer.

**10. FINANCIAL REPORTING AND AUDITING**

- 10.1 On the date specified in Attachment 8, the Grantee must provide an Acquittal Form in relation to the expenditure of all funds under this Deed:
- (a) certifying that the Grant has been properly spent on the Purpose in accordance with the requirements of the Deed; and
  - (b) signed by the Grantee's Representative.
- 10.2 Not later than each 31 October during the Term, the Grantee will provide to the Treasurer a copy of its annual report and financial statements and any other documents relevant to its operations, including management accounts if requested, prepared in accordance with the Australian Accounting Standards and signed by the Grantee's Chief Executive Officer and audited by a qualified independent auditor.
- 10.3 The Grantee agrees the Treasurer may direct that the financial accounts of the Grantee be audited at the Treasurer's cost, and the Treasurer may specify the minimum qualifications that must be held by the person appointed to conduct the audit.
- 10.4 The financial statements referred to in clause 10.2 must be prepared in accordance with Australian Accounting Standards and where this Grant or the sum of grants provided by the Treasurer over a Financial Year is in excess of \$1 million (GST exclusive), they must be in the form of General Purpose Financial Statements.
- 10.5 If the audit discloses that the Grantee has applied the Grant for a purpose other than the Purpose then the Grantee will be required to reimburse the Treasurer the costs of the audit.

**11. INSPECTION**

The Grantee must allow any officer or person authorised by the Treasurer on the giving of reasonable notice, to enter the premises of and to inspect the operations of the Grantee (including equipment, premises, accounting records, documents and information) and interview the Grantee's employees, agents and contractors on matters pertaining to the Project or the operations and reporting obligations of the Grantee under this Deed.

**12. PUBLICITY**

- 12.1 The Grantee must not make any public announcements or media releases about this Deed or the Project without the prior written consent of the Treasurer.
- 12.2 The Grantee will acknowledge the Grant by the Treasurer in any advertising, publicity or promotional material relating to this Deed in the manner specified in Attachment 1.
- 12.3 The Grantee will participate in promotional or publicity activity in relation to this Deed as is reasonably required by the Treasurer.

**13. OTHER FINANCIAL ASSISTANCE**

- 13.1 The Grantee must give the Treasurer full details of any financial assistance for activities in connection with the Project which the Grantee expects or receives from another source or agency (be it government or otherwise) after the date of this Deed, including the amount and source of the funding, any relevant agreements and the name of the program under which it was provided, within thirty (30) days of receiving notice that the other financial assistance has been approved.
- 13.2 The Grantee acknowledges and agrees that the Grantee must contribute at least 50% of the Eligible Expenditure from its own funds. Own funds excludes any third party funding, being funding from the State Government of South Australia and/or non-Government funding, required to complete the Project.
- 13.3 The Treasurer may reduce the amount of the Grant to reflect the amount of the other financial assistance referred to in clause 13.1.

**14. INSURANCE**

- 14.1 The Grantee must effect and maintain the insurance specified in Attachment 1 during the Term.
- 14.2 The Grantee must apply any monies received for any claim against a policy of insurance required by this Deed to be maintained, towards the repair or replacement of the property insured, unless the Treasurer approves otherwise.

**15. DEFAULT AND TERMINATION**

- 15.1 The following are Events of Default:
- (a) the Grantee breaches any of its obligations or undertakings under this Deed and has not rectified such breach within the time frame specified in a notice given in writing by the Treasurer to the Grantee requiring rectification of the breach;
  - (b) any representation or warranty made, repeated or deemed to be made or repeated by the Grantee in this Deed proves to be untrue in any material respect;
  - (c) an Insolvency Event occurs, or threatens to occur;
  - (d) if a secured party enforces its rights in relation to any asset of the Grantee;
  - (e) if there is a Material Adverse Effect in relation to a Material Contract or the condition or stability of the Grantee;
  - (f) if the Grantee determines to cease to complete the Project; or
  - (g) if the Other Funding is not available for any reason.
- 15.2 The Grantee undertakes that it will promptly inform the Treasurer in writing upon the Grantee becoming aware of, or when the Grantee ought reasonably to have become aware of, the happening of an Event of Default.
- 15.3 If an Event of Default occurs the Treasurer may, then notwithstanding any previous delay or waiver on the Treasurer's part, upon giving written notice to the Grantee:
- (a) require the Grantee to immediately pay the Repayment Amount to the Treasurer as liquidated damages upon demand by the Treasurer;
  - (b) withhold the portion of the Grant not already paid;
  - (c) withhold future funding from the Grantee; and/or
  - (d) terminate this Deed.
- 15.4 If pursuant to clause 15.3 the Treasurer requires the Grantee to pay the Repayment Amount to the Treasurer then the Grantee agrees to make such repayment in full within 14 days of receipt of a written demand from the Treasurer.
- 15.5 The Grantee acknowledges that:
- (a) the Treasurer has concluded that it is in the interests of the public of the State of South Australia that the Treasurer should provide the Grant to the Grantee but only upon the terms and conditions of this Deed;
  - (b) it is essential to the purpose for which the Grant is advanced pursuant to this Deed that:
    - (i) the Grantee uses the Grant for Eligible Expenditure incurred for the Project; and
    - (ii) the Grantee does not permit an Event of Default to occur;
  - (c) if an Event of Default occurs the extent of the loss or damage sustained by the Treasurer will be extremely difficult to assess or quantify accurately or to otherwise determine precisely;
  - (d) the Repayment Amount represents a genuine pre-estimate by the Treasurer of the compensation which the Treasurer believes is fair and reasonable; and
  - (e) any amounts payable to the Treasurer pursuant to this clause 15 are not and will not

- be construed or deemed to be a penalty payable by the Grantee for the purposes of any applicable legal rule or norm.
- 15.6 The Grantee enters into the obligation to pay the Repayment Amount with the intention that it is a legally binding, valid and enforceable contractual provision against the Grantee.
- 15.7 The Treasurer and the Grantee intend to exclude, to the extent permissible, the application and operation of any legal rule or norm, whether statutory or common law, relating to:
- the characterisation as penalties of liquidated amounts payable under a contract on a breach occurring; or
  - the enforceability or revocability of such liquidated amounts.
- 15.8 The Grantee's obligation to pay the Repayment Amount to the Treasurer shall not be subject to any set off or counterclaim by the Grantee and the Repayment Amount shall be paid by the Grantee to the Treasurer free and clear of any withholding of whatever nature.
- 15.9 Any amount due and payable by the Grantee to the Treasurer pursuant to:
- this Deed; or
  - any other agreement that the Grantee may have with the Crown;
- may be set off against any amount due and payable by the Treasurer to the Grantee under this Deed.
- 16. NOTICES**
- 16.1 Any notice, request, approval, consent or other communication to be given or served pursuant to this Deed must be in writing and addressed and signed as the case may be, as specified in Attachment 1.
- 16.2 A notice, request, approval, consent or other communication must be delivered by hand, sent by prepaid post or email, or transmitted by facsimile.
- 16.3 A notice, request, approval, consent or other communication will be deemed to be received:
- if delivered by hand, upon delivery;
  - if sent by pre-paid ordinary post within Australia, upon the expiration of seven (7) Business Days after the date on which it was sent;
  - if sent by email, on the Business Day on which it is sent if sent before 5:00pm on that Business Day and the sender does not receive a message from its internet service provider or the recipient's mail server indicating that it has not been successfully transmitted, otherwise on the next Business Day.
- 17. CONTRACT DISCLOSURE**
- 17.1 The Treasurer may disclose this Deed and/or information in relation to this Deed in either printed or electronic form, and either generally to the public or to a particular person as a result of a specific request.
- 17.2 Nothing in this clause derogates from:
- the Grantee's obligations under any provisions of this Deed; or
  - the provisions of the *Freedom of Information Act 1991 (SA)*.
- 18. COMPLIANCE WITH LAWS AND POLICIES**
- 18.1 The Grantee must comply with the laws in force in the State of South Australia in performing its obligations under this Deed.
- 18.2 The Grantee must comply with any policies notified by the Treasurer in writing at the Commencement Date.
- 19. COSTS**
- 19.1 The Grantee must pay, on the basis of a full indemnity, any costs incurred by the Treasurer in enforcing the Treasurer's rights under this Deed.
- 19.2 Each Party will bear its own costs of and incidental to the negotiation, preparation and execution of this Deed.
- 20. GOVERNING LAW AND JURISDICTION**
- 20.1 This Deed is governed by the laws in the State of South Australia.
- 20.2 The courts of the State of South Australia have exclusive jurisdiction in connection with this Deed.
- 21. ENTIRE DEED**
- The Deed constitutes the entire Deed between the Parties in respect of the matters dealt with in this Deed and supersedes all prior Deeds, understanding and negotiations in respect of the matters dealt with in this Deed.
- 22. NO ASSIGNMENT**
- 22.1 The Grantee must not assign, encumber or otherwise transfer any of its rights or obligations under this Deed without the written consent of the Treasurer.
- 22.2 Subject to any contrary legislative intention, the Parties agree that if there is any Machinery of Government Change, this Deed is deemed to refer to the new entity succeeding or replacing the Treasurer and all of the Treasurer's rights and obligations under this Deed will continue and will become rights and obligations of that new entity.
- 23. MODIFICATION**
- No addition to or modification of any provision of this Deed will be binding upon the Parties unless agreed by the Parties in writing.
- 24. SEVERANCE & READING DOWN**
- 24.1 Each word, phrase, sentence, paragraph and clause of this Deed is severable.
- 24.2 Severance of any part of this Deed will not affect any other part of this Deed.
- 24.3 Where a word, phrase, sentence, paragraph, clause or other provision of this Deed would otherwise be unenforceable, illegal or void the effect of that provision shall so far as possible, be limited and read down so that it is not unenforceable, illegal or void.
- 24.4 If any provision of this Deed is, or becomes, defective, and the Treasurer consequently is unable to enforce any of the Grantee's obligations under this Deed, and the defect is capable of remedy, the Grantee must do all things and sign all documents which the Treasurer may reasonably require the Grantee to do or sign to remedy the defect.
- 25. COUNTERPARTS**
- This Deed may be executed in any number of counterparts each of which is taken to be an original. All of those counterparts taken together constitute one instrument. An executed counterpart may be delivered by email.
- 26. NO FURTHER OBLIGATION**
- 26.1 The Grantee acknowledges that the Grant represents a one-off contribution by the Treasurer towards the Project, and the Grantee agrees any request for subsequent funding will require a new application to the Treasurer. The Treasurer is under no obligation to agree to pay any subsequent funding to the Grantee.
- 26.2 The Grantee acknowledges the Treasurer will not be liable to reimburse the Grantee for any losses or cost over runs that may result from the operation of this Deed or the carrying out of the Purpose.
- 27. TIME OF THE ESSENCE**
- Time is of the essence in respect of any time, date or specified period either in this Deed or in any notice served under this Deed.



**28. NO WAIVERS**

- 28.1 No waiver of any right under this Deed is effective unless given in writing and signed by the Party waiving its rights.
- 28.2 A waiver by either Party in respect of a breach of a provision of this Deed by the other Party is not a waiver in respect of any other breach of that or any other provision.
- 28.3 The failure of either Party to enforce at any time any of the provisions of this Deed must not be interpreted as a waiver of that provision.
- 28.4 The rights and remedies contained in this Deed are cumulative and not exclusive of any rights or remedies provided at law.

**29. CONSENT**

If the Grantee requires the Treasurer's consent under this Deed, the Treasurer may in absolute discretion give or withhold consent (subject to any provision in this Deed to the contrary) and if giving consent, the Treasurer may impose any condition on that consent that he considers appropriate. The Treasurer's consent will not be effective unless it is in writing and signed.

**30. INTERPRETATION**

In this Deed (unless the context requires otherwise):

- 30.1 a reference to any legislation includes:
- (a) all legislation, regulations and other forms of statutory instrument issued under that legislation; and
  - (b) any modification, consolidation, amendment, re-enactment or substitution of that legislation;
- 30.2 a word in the singular includes the plural and a word in the plural includes the singular;
- 30.3 where a word or phrase is given a particular meaning other parts of speech or grammatical forms of that word or phrase have corresponding meanings;
- 30.4 a reference to a clause number is a reference to all its subclauses;
- 30.5 a reference to two or more persons is a reference to those persons jointly and severally;
- 30.6 a reference to dollars is to Australian dollars;
- 30.7 a reference to a Party includes that Party's administrators, successors and permitted assigns;
- 30.8 no provision or expression in this Deed is to be construed against a Party on the basis that the Party (or its advisers) was responsible for the drafting of this document;
- 30.9 a reference to legislation includes legislation repealing, replacing or amending that legislation;
- 30.10 mentioning anything after the words include, includes or including does not limit what else might be included; and
- 30.11 if any act pursuant to this Deed would otherwise be required to be done on a day which is not a Business Day, then that act may be done on the next Business Day.

**31. DEFINITIONS**

In this Deed:

- 31.1 **"Acquittal Form"** means a notice of financial acquittal in the form specified in Attachment 6;
- 31.2 **"Additional Obligations"** means the obligations specified in Attachment 3;
- 31.3 **"ADI"** means a deposit taking institution authorised under the *Banking Act 1959 (Cth)* to carry on banking business in Australia;
- 31.4 **"Adjustment Event"** has the meaning attributed in the GST Law;
- 31.5 **"Adjustment Note"** has the meaning attributed in the GST Law;

31.6 **"Application"** means the application for financial assistance from the Program submitted by the Grantee in respect of which the Grant has been awarded;

31.7 **"Approval"** means any approval, authorisation, permit, permission, licence, consent, clearance, exemption, filing, registration or the like, which is required by law or required to be issued by or obtained from a government authority or any other person;

31.8 **"Authorisation"** means any corporate action, approval or the like which is required to be satisfied or obtained in order to authorise the Grantee to undertake the Project or to enter into, deliver and perform its obligations under the Deed;

31.9 **"Business"** means the business of the Grantee described in Attachment 1;

31.10 **"Business Day"** means any day which is not a Saturday, Sunday or a public holiday in Adelaide;

31.11 **"Claim Notice"** means a notice of claim and compliance in the form specified in Attachment 7;

31.12 **"Commencement Date"** means the date of this Deed;

31.13 **"Crown"** means the Crown in right of the State of South Australia;

31.14 **"Deal With"** means:

- (a) sell, transfer, novate, assign, declare a trust over or otherwise dispose of or procure or effect the disposal of, any interest or right; or
- (b) effect a change in the beneficial interest or beneficial unit holding under a trust which has an interest or right.

31.15 **"Eligible Expenditure"** means expenditure associated with the Project, reasonably incurred and actually paid, during the Eligibility Period, by the Grantee (exclusive of GST) but does not include:

- (a) amounts for which the Grantee is entitled to claim reimbursement or funding from the Government of South Australia pursuant to an arrangement other than this Deed;
- (b) amounts for which the Grantee is entitled to claim reimbursement or funding from the Government of Australia (Cth) pursuant to an arrangement other than this Deed;
- (c) amounts for which the Grantee is entitled to claim reimbursement or funding from other third party contributions (eg: sporting or community club) pursuant to an arrangement other than this Deed;
- (d) any amount incurred by the Grantee prior to the Eligibility Period;
- (e) any amount incurred by the Grantee in relation to the purchase of land, buildings or a business;
- (f) any amount incurred by the Grantee in respect of ongoing operating costs including wages and salaries, recruitment, training, mentoring and procurement fees, rent or other property costs, grant applications and administration costs;
- (g) any amounts incurred by the Grantee that are non-cash expenses according to generally accepted accounting principles such as depreciation, amortisation or opportunity costs;
- (h) any amount incurred by the Grantee in respect of feasibility studies, project masterplans or business cases;
- (i) any amount incurred by the Grantee in respect of marketing activities including websites, traditional and digital marketing, subscriptions or contract fees to third party

- marketing distributors and channel management providers; and
- (j) any other amounts that the Treasurer determines are the usual or direct requirement of business;
- 31.16 **"Eligibility Period"** means the period specified in Attachment 1;
- 31.17 **"Event of Default"** means the defaults specified in clause 15.1;
- 31.18 **"Expiry Date"** means the date specified in Attachment 1;
- 31.19 **"Financial Year"** means a year commencing on 1 July and ending on 30 June;
- 31.20 **"General Purpose Financial Statements"** has the same meaning as in the Australian Accounting Standards;
- 31.21 **"Grant"** means the funds payable under this Deed specified in Attachment 1;
- 31.22 **"GST"** means the tax imposed by the GST Law;
- 31.23 **"GST Act"** means the *A New Tax System (Goods and Services Tax) Act 1999*;
- 31.24 **"GST Law"** has the meaning given to that expression in the GST Act;
- 31.25 **"Input Tax Credit"** has the meaning attributed in the GST Law;
- 31.26 **"Insolvency Event"** means:
- (a) the Grantee ceases to carry on the Business;
  - (b) the Grantee ceases to be a council under the *Local Government Act 1999 (SA)*;
  - (c) the Grantee is or states that it is unable to pay its debts when they fall due; or
  - (d) anything analogous to or of similar effect to anything described above occurs in respect of the Grantee;
- 31.27 **"Last Date to Claim"** means the date specified in Attachment 1;
- 31.28 **"Material Adverse Effect"** means any change that has had, or is reasonably likely to have, an effect that is or will be materially adverse to the ability of the Grantee to perform its obligations under this Deed;
- 31.29 **"Material Contracts"** means those documents listed in Attachment 2;
- 31.30 **"Other Funding"** means funding or other financing in addition to the Grant that must be secured by the Grantee to enable it to satisfactorily complete the Project;
- 31.31 **"Party"** means a party to this Deed;
- 31.32 **"Performance Milestones"** means the performance milestones specified in Attachment 4;
- 31.33 **"Prescribed Rate"** means a daily interest rate being the aggregate of 2% per annum and the rate percent per annum determined by the Treasurer to be that which expresses as a percentage per annum the cost to the Treasurer of funding, on a daily basis for the period of the default, any amount due and unpaid under this Deed;
- 31.34 **"Project"** means the project specified in Attachment 2;
- 31.35 **"Project Commencement Date"** means the date specified in Attachment 1;
- 31.36 **"Project Completion Date"** means the date specified in Attachment 1;
- 31.37 **"Project Documents"** means:
- (a) All documents associated with the initial design (including any plans, designs, or specification documents), through to installation, construction, commissioning, and acceptance of the Project Description;
  - (b) All Project consents;
- (c) Any other document or agreement entered into by the Grantee for purposes of the Project;
  - (d) The Grantee's application for assistance under the Local Government Infrastructure Partnership Program; and
  - (e) For the avoidance of doubt, an amendment or variation to any documents or agreements referred to above is a Project Document.
- 31.38 **"Project Location"** means the location of the Project specified in Attachment 2;
- 31.39 **"Purpose"** means the purpose of reimbursing itself for Eligible Expenditure in accordance with this Deed;
- 31.40 **"Repayment Amount"** means:
- (a) all amounts paid by the Treasurer to the Grantee under this Deed up to the Repayment Date; and
  - (b) interest at the Prescribed Rate calculated from the Repayment Date up to but excluding the day on which the Grantee repays the amount in full without deduction;
- 31.41 **"Repayment Date"** means the date of the Treasurer's demand given under clause 15.4;
- 31.42 **"Reports"** means those reports specified in Attachment 8;
- 31.43 **"Representatives"** means the persons occupying the positions for each Party specified in Attachment 1;
- 31.44 **"Taxable Supply"** has the meaning attributed in the GST Law;
- 31.45 **"Tax Invoice"** has the meaning attributed in the GST Law; and
- 31.46 **"Term"** means the period commencing on the Commencement Date and continuing until the Expiry Date, unless terminated earlier.

## Attachment 6 – Acquittal Form

NOTICE OF FINANCIAL ACQUITTAL

TO: SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY

Director, Risk &amp; Commercial Advisory

FROM: \_\_\_\_\_

*Grantee Name*

Contact Person for enquiries: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

DETAILS OF GRANTGrant Deed *Grant Deed dated [ ] between the Treasurer and [ ] ("Grantee")*Purpose of Grant *Reimburse the costs incurred by the Grantee in respect of up to 50% of Eligible Expenditure for the Project.**The Project is the Grantee's [ ] ("Project").***Grant Monies and Application**

Grant Amount: \$ \_\_\_\_\_

Total Eligible Expenditure: \$ \_\_\_\_\_

Funds Remaining: \$ \_\_\_\_\_

**Representations**

The Grantee represents and warrants that:

1. the Grant was solely applied to the Purpose;
1. the Project was completed on or prior to the Project Completion Date (as defined in the Grant Deed); and
2. the Grantee complied, in all material respects, with its obligations under the Grant Deed.

Signed for and on behalf of the Grantee by the Grantee's Authorised Representative:\_\_\_\_\_  
*Signature***Print Name:**

Date:     /     /



## Attachment 7 – Claim Notice

**NOTICE OF CLAIM AND COMPLIANCE**

To: South Australian Government Financing Authority  
Level 5, 200 Victoria Square  
Adelaide SA 5000

**Attention: Director, Risk and Commercial Advisory**

[Grantee] provides the Treasurer with a Notice of Claim and Compliance pursuant to the **Grant Deed** dated [ ] between the Treasurer and [Grantee] (Grant Deed).

Unless the context otherwise requires, terms and conditions in the **Grant Deed** have the same meanings where used herein.

**Claim**

The [Grantee] advises that:

- (a) Performance Milestone [#] has been achieved;
- (b) the Grant instalment amount being claimed is \$[ ] (not to exceed the amount for the Performance Milestone achieved)
- (c) Eligible Expenditure related to the achievement of the Performance Milestone totals \$[ ]
- (d) the Grantee's bank account details are:  
Account Name: [ ]  
BSB: [ ]  
Account Number: [ ]
- (e) The Grantee has submitted all reports (if any) required on or before the submission of this Notice.

**Attachments**

The [Grantee] attaches the following documentary evidence of having incurred and paid the Eligible Expenditure:

- (a) [ for example: invoices, receipts ]

The [Grantee] attaches the following documentary evidence of having completed the relevant Performance Milestones:

- (a) [ ]

**Representations and Warranties**

The [Grantee] represents and warrants as at the date of this Notice that:

- (a) the payment of the grant to be provided under the **Grant Deed** have/will be applied for the reimbursement of **Eligible Expenditure**;
- (b) no event which is, or with the giving of notice, the lapse of time or the making of any determination would be likely to become, an **Event of Default** has occurred or is continuing;
- (c) it is not in default of any of its remaining **Warranties or Representations** provided under the **Grant Deed** and they remain true as though made at the date of this certificate in respect of the facts and circumstances then subsisting;
- (d) all insurances required to be held pursuant to the **Grant Deed** have in fact been held and are presently in force;
- (e) Other Funding is comprised of:  
a. [ Other: \$ being [ ]%]

**DATED** the       day of

**SIGNED** for and on behalf of [Grantee] by the **Grantee's Authorised Representative**

Name:

Title:

## Attachment 8 – Reports

Report required	Date for Provision
<p><b>Performance Milestone Report</b> containing:</p> <p>A brief report, to the satisfaction of the Treasurer, which details key expenditures, activities, use of local contractors and full time equivalent employees (FTEs) used during construction, and achievements associated with the satisfaction of each Performance Milestone. The report should also detail progress of the Project.</p>	Refer Attachment 4
<p><b>Project Completion Report</b> containing:</p> <p>A brief report, to the satisfaction of the Treasurer, which:</p> <ul style="list-style-type: none"> <li>• details key expenditures, activities, use of local contractors, FTEs used during construction, and achievements associated with the satisfaction of each Performance Milestone;</li> <li>• confirms that the Grant and Other Funding were spent for the Purpose and in accordance with this Deed and that the Grantee has complied with this Deed; and</li> <li>• reports on the Project as a whole and how Project outcomes (eg key achievements arising out of, or in connection with, the use of the Grant, the number of direct full time jobs created) have contributed to the Program's objectives.</li> </ul>	Refer Attachment 4
<p><b>Acquittal Form</b></p>	Within six (6) months of the Project Completion Date
<p><b>Other:</b> Such other reports or information in respect of this Deed and the Grantee's performance, compliance with this Deed and laws, the application of the Grant, Other Funding, the Grantee's Business, the Project, and any other matters relevant to the Treasurer's grant of the Grant as the Treasurer may request.</p>	Within thirty (30) days of receiving a request for information from the Treasurer, any time prior to the Expiry Date

# Attachment F

## Prudential Management Report – Payneham Memorial Swimming Centre



City of  
Norwood  
Payneham  
& St Peters



File Number: qA87646  
Enquiries To: Keke Michalos  
Direct Telephone: 83664509



**City of  
Norwood  
Payneham  
& St Peters**

7 September 2022

Ms Rosetta Moore  
Contract Manager | Commercial Advisory  
South Australian Government Financing Authority (SAFA)  
State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Dear Rosetta

**LOCAL GOVERNMENT INFRASTRUCTURE PARTNERSHIP PROGRAM FUNDING DEED - PAYNEHAM MEMORIAL SWIMMING CENTRE REDEVELOPMENT PROJECT**

I refer to the Funding Deed under the Local Government Infrastructure Partnership Program between the City of Norwood Payneham & St Peters and the Treasurer of South Australia, for the Payneham Memorial Swimming Centre Redevelopment Project (the Project).

The purpose of this letter is to provide the Treasurer with an update on the status of the Project and to request an amendment to the agreed timeframes for the three (3) Performance Milestones as set out in the Funding Deed.

Unfortunately, due to the complexities associated with the Project, the impacts of Covid-19 over the last nine (9) months and the identification of unexpected factors, such as flood mitigation and soil contamination, the design and documentation stage of the Project has taken longer than anticipated. I am pleased to advise that the majority of these issues have now been resolved, which will enable the Council to proceed with the tendering of the Project.

In terms of the Project itself, I am pleased to advise that on 5 July 2022, the Council commenced the Registration of Expressions of Interest (REOI) process for the appointment of Building Contractors to deliver the Project. The REOI submissions closed on 26 July 2022. In response the Council received six (6) REOI submissions from suitably qualified contractors. Following a detailed assessment the Council has shortlisted five (5) Building Contractors, who will now be invited to Tender for the construction of the Project.

The Council is proposing to open Tenders on 20 September 2022 for a period of four (4) weeks, with a Building Contractor anticipated to be appointed by mid-January 2023.

This revised timeframe will place the Council approximately seven (7) months behind the original schedule outlined in the Funding Deed. In this respect the Council wishes to request an amendment to the dates for the delivery of the three (3) Performance Milestones as follows:

- Performance Milestone 1 – 15 February 2023 - \$560,000
- Performance Milestone 2 – 30 July 2023 - \$2.24m
- Performance Milestone 3 – 30 March 2024
- Last Date to Claim due 30 April 2024 - \$2.8m

175 The Parade  
Norwood SA 5067

PO Box 204  
Kent Town SA 5071

Telephone  
8366 4555

Facsimile  
8332 6338

Email  
townhall@npsp.sa.gov.au

Website  
www.npsp.sa.gov.au



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Environmental  
Sustainability

On behalf of the Council, I wish to thank you for your consideration and look forward to a favourable response. Should you have any questions or require any additional information, please feel free to contact me on 83664509.

Yours sincerely

A handwritten signature in blue ink that reads "Keke Michalos". The signature is fluid and cursive, with the first name "Keke" and the last name "Michalos" clearly distinguishable.

Keke Michalos  
**MANAGER, ECENOMIC DEVELOPMENT & STRATEGIC PROJECTS**

**7. CONFIDENTIAL REPORTS**



## **7.1 COUNCIL RELATED MATTER**

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### **RECOMMENDATION 1**

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead); and
- (b) information the disclosure of which –
  - (i) could reasonably be expected to prejudice the commercial position of the Council; and
  - (ii) would, on balance, be contrary to the public interest;

by the disclosure of sensitive commercial and financial information and the Council is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

### **RECOMMENDATION 2**

Under Section 91(7) and (9) of the *Local Government Act 1999*, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12) months.

- 8. **OTHER BUSINESS**  
(Of an urgent nature only)
- 9. **NEXT MEETING**
- 10. **CLOSURE**