

**Shore Regional Organisation of Councils**

**Regional Sportsgrounds Analysis**

**FINAL REPORT**

Prepared for

**Shore Regional Organisation of Councils**

by

**Thompson Tregear Pty Ltd**

**Leisure Management Consultants**

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## Executive Summary

The SHOROC Executive Committee is keen to pursue the prospect of its member Councils working more cooperatively and strategically in the planning, development and maintenance of the region's sporting facilities.

Councils acknowledge the role of the MWP Sporting Union, managed by a committee of volunteers, which in recent years has accepted responsibility for allocation of the seasonal use of sportsfields in the Manly, Warringah and Pittwater Council areas.

In undertaking this assignment, the consultants have identified a number of issues:

There is a shortage of sportsfields to meet the playing and training needs of the SHOROC communities, particularly for the winter football codes and cricket.

In many cases, maintenance standards of sportsfields are considered below expectations.

Councils allocate significant budgets to recurrent costs associated with provision of sportsfields; and recover only a small fraction of those costs in user charges (in the case of Manly, Warringah and Pittwater Councils, nothing from regular users).

In addition to net recurrent costs, Councils allocate significant budgets for capital works associated with the development, upgrading and refurbishment of sportsfields.

Regular users of sportsfields in Manly, Warringah and Pittwater pay no hire fees for use of their respective facilities. Their only contributions are levies of \$3.00 per registered player per season that are applied to capital works programs.

Councils act as the "maintainers" of sportsfields rather than as their "managers". The most important management role (ie allocation of seasonal use) is delegated to the MWP Sporting Union. Thus, there is little routine contact between Council administration and community sporting organisations.

In general terms, Council administration and accounting systems do not facilitate the ready retrieval of data essential to the effective measurement and review of financial performance of individual sportsfields. Consequently, Councils are unable to exercise effective budget controls.

There is no common planning standard for the provision of sports facilities. None of the Councils contacted had a planning policy for sportsfields based on population indicators.

Provision and maintenance of the region's sporting fields to the expected standards by Councils is not sustainable using current management practices. The following recommendations should be considered for implementation:

1. SHOROC Councils establish a regional steering committee (Sports Liaison Committee) to guide strategic planning, development and maintenance of the region's sporting facilities.
2. A 'program based' approach be adopted for the financial recording and reporting of sportsfields budgets and results. Under that approach, each sportsfield (or sportsfield complex) would be reported as a separate "program" or "cost centre", with a clear separation of recurrent and capital items.
3. Two key benchmark indicators be adopted as a central element of the future management of sportsfields across the SHOROC region, viz:
  - a. Expense Recovery. This will be the measure of the proportion of recurrent costs recovered through total fees charged to all users of the facility.
  - b. Usage Rate. This will measure the annual number of user-visit hours to each sportsfield as a multiple of its playing surface area.
4. SHOROC Councils aim to recover 25% of total recurrent costs, including annual provisions for the future costs of long-term asset maintenance/refurbishment, from charges to users of sportsfields.
5. Where possible, energy utilities should be billed directly to the user organisation(s). Where this is not practical due to shared use of services, energy costs related directly to use of facilities should be apportioned between users and billed to them in addition to their share of the cost recovery target.
6. The function of allocating sportsfields to seasonal users be transferred to Council staff; which would ensure that Council policies with respect to allocation, usage and charging are applied consistently; and that officials of community sporting organisations have ongoing communication with professional Council staff with direct responsibility for the provision of their facilities.
7. The collection of levies for the Sportsfield Improvement Fund be discontinued; and the current \$3.00 levy be redirected as part of the contribution to the recommended 25% recurrent cost recovery target.
8. The key role of the MWP Sporting Union should revert to that of a traditional "sports council", representing and lobbying the needs and issues of its members to Councils and other government and sporting agencies. The MWP Sporting Union could maintain a role in liaising between member associations and Council staff in the allocation process, providing advice in both directions when required
9. All capital works projects should be subject to inclusion in a forward business plan to identify any recurrent costs/incomes and assign responsibility for meeting them. The result of this recommendation would be that both Councils and user organisations are informed in advance of the recurrent budget implications of proposed capital works, leading to informed decisions

regarding the capacity to meet those costs. The feasibility of proposed works would thus be tested against both the one-off capital cost and the forecast net recurrent cost.

## Introduction

### Background

The Shore Regional Organisation of Councils (SHOROC) is a cooperative group representing Councils in the Sydney Northern Beaches region. Members of SHOROC are the Councils of Manly, Mosman, Pittwater and Warringah. SHOROC is governed by an Executive Committee comprising the Mayors and General Managers of each of the member Councils; and administered by a full-time Executive Officer.

SHOROC Councils own and/or manage more than 80 sports ground sites across the Northern Beaches region. Allocation of the sports fields to local sporting clubs and associations for training and competition purposes is undertaken by the Manly Warringah Pittwater Sports Union. The SHOROC Executive Committee is keen to pursue the prospect of its member Councils working more cooperatively in the planning, development and maintenance of the region's sporting facilities.

An in-house review conducted by member Councils revealed, *inter alia*:

- significant capital expenditure on sports fields, varying widely from year-to-year depending on development priorities;
- significant recurrent maintenance costs;
- wide variations between member Councils of the fees charged for use of sports fields;
- revenue derived from user fees represents a very low proportion of recurrent costs (especially when compared to information sourced from neighbouring Councils).

In order to properly discharge their responsibilities in supporting the needs of community sporting organisations, SHOROC Councils wish to adopt a policy and process for:

- determining the real program and facility needs of respective sporting groups;
- accurately forecasting recurrent and capital expenses relating to sports fields and related amenities;
- establishing an equitable basis for setting user fees, having regard to both the social and financial impacts on individual users, representative sporting groups and the broader community (as represented by the respective Councils).

Thompson Tregear Pty Ltd was engaged by the SHOROC Executive to assist in the development of a regional policy framework for the future development, management, allocation and fee structure for sports grounds. This report summarises the issues identified during the consultancy process and the recommended future policy outline.

## Methodology

The project brief nominated four key stages for the consultancy assignment, *viz*:

- Situation analysis
- Benchmarking
- Policy development
- Analysis of a future shared planning and coordination model for sports fields (and, perhaps, other community sporting facilities).

Information held and work already undertaken by SHOROC and its member Councils provided much of the data required for analysis. The project brief did not require broad consultation with either users or the wider community.

The **situation analysis** tasks included:

- review of literature/ data provided by SHOROC and member Councils, aimed to provide:
  - an understanding of the existing provision of sports fields, their usage and fees charged;
  - a history of recent/proposed capital works items;
  - issues arising from previous work undertaken by SHOROC and member Councils.
- several meetings with the SHOROC Executive Officer and Executive Committee to refine the project brief and review progress;
- separate workshops with staff of each of the four SHOROC member Councils;
- visits to a range of sports fields across the four SHOROC Council areas to gain a first-hand appreciation of the scope and standard of facilities subject to this assignment;
- collection and analysis of current usage, allocation and financial data for each of the sports fields provided/controlled by the four SHOROC Councils;
- consultation with the President of Manly Warringah Pittwater Sports Union.

**Benchmarking** involved the identification of critical usage and financial parameters for the SHOROC facilities; data synthesis to calculate key usage and financial indicators for the SHOROC facilities; and canvassing of Councils in Sydney and Melbourne to gather comparative data.

The **policy development** phase involved development of options for future provision, allocation, management and pricing of sports fields across the SHOROC region. Important considerations in developing policy recommendations included:

- forming a view of a “reasonable expectation” for cost recovery, based on comparison of benchmark criteria to other Council areas and taking account of any special local considerations revealed in the review process;



- opportunities to recover a higher proportion of recurrent costs through charges to users;
- the ongoing management *processes* required to facilitate the effective, ongoing application of policy recommendations.

## Situation analysis

### Literature review

Several reports and documents relevant to this assignment were provided to and reviewed by the consultants. Key amongst these was the report titled *Sports in Warringah Strategy (June 2004)*. These reports and documents revealed a lengthy and detailed process of review and strategy development undertaken by Northern Beaches Councils over recent years, aimed to understand the needs of their sporting communities and to address their needs for quality Sportsfields.

Important issues relevant to this assignment arising from review of those reports and documents include:

- demand for additional fields to meet the needs of some sports, especially the winter sports of soccer and rugby. This is despite the finding that “*Warringah provides the most number of outdoor playing fields ... yet services a smaller than average population*”<sup>1</sup>.
- Members of the MWP Sporting Union (*ie* the vast majority of users of the region’s sportsfields) do not make any financial contributions to the recurrent costs of provision of their facilities. Registered players of sporting associations that are members of the MWP Sporting Union each contribute a levy of \$3.00 per season to the Union, which in turn allocates funding for capital works projects in accordance with the SHOROC Sportsfield Improvement Fund Agreement. The only additional fees paid by members of the Union for use of Councils’ sportsfields is for out of season use or for use additional to their allocation. Most of the income received by Councils is for casual use by non-Union member bodies.
- Issues raised in the documents relate only to the Manly, Warringah and Pittwater Councils. Mosman Council is not a party to the Manly Warringah Pittwater Sportsfields Improvement Fund Agreement and has developed separate processes for the management and pricing of its sportsfields
- Over the past 3 financial years, the Manly, Warringah and Pittwater Councils have reported a combined average net recurrent cost (*ie* operating costs in excess of operating income) of \$1,574,111 per annum relating to the provision of sportsfields. Recurrent income from users of sportsfields represented 3.4% of reported operating costs. In addition, the three Councils expended a total of approximately \$8.3 million in capital works associated with sportsfields over that same 3-year period. Exhibit 1 shows a summary of financial data for the Manly, Warringah and Pittwater Council sportsfields (ref. *Manly Warringah Pittwater Sportsfields Improvement Fund Agreement – Sportsfield Review, May 2005*).

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<sup>1</sup> Sports in Warringah Strategy (June 2004), pg. 23 – comparing the provision of sporting/plying fields and total population in Warringah to some other Sydney metropolitan Council areas.

**Exhibit 1**  
**Sportsfield financial summary**

LGA / Year	Income		<i>Maintenance</i>	Expenditure	
	From Users	Sportsfield Rectification Levy		CAPEX	Sportsfield Rectification Program
<i>Manly:</i>					
2001/02	\$14,000		\$233,875	\$1,681,543	
2002/03	\$12,360		\$281,875	\$352,000	
2003/04	\$10,000		\$265,570	\$332,000	
<b>Total</b>	<b>\$36,360</b>		<b>\$781,320</b>	<b>\$2,365,543</b>	
<b>3-year average</b>	<b>\$12,060</b>		<b>\$260,440</b>	<b>\$788,514</b>	
<i>Warringah:</i>					
2001/02	\$28,163	\$877,509	\$931,588	\$ 333,461	Nil
2002/03	\$33,765	\$918,119	\$950,600	\$ 129,199	\$657,250
2003/04	\$47,179	\$956,000	\$970,000	\$ 204,114	\$156,306
<b>Total</b>	<b>\$109,107</b>	<b>\$2,751,628</b>	<b>\$2,852,188</b>	<b>\$666,744</b>	<b>\$813,556</b>
<b>3-year average</b>	<b>\$36,369</b>	<b>\$917,209</b>	<b>\$950,730</b>	<b>\$222,248</b>	<b>\$406,185<sup>(1)</sup></b>
<i>Pittwater:</i>					
2001/02	\$5,015		\$344,000	\$3,420,000	
2002/03	\$8,623		\$430,000	\$239,104	
2003/04	\$9,070		\$483,000	\$698,000	
<b>Total</b>	<b>\$22,708</b>		<b>\$1,257,000</b>	<b>\$4,357,104</b>	
<b>3-year average</b>	<b>\$7,569</b>		<b>\$419,000</b>	<b>\$1,452,368</b>	
<b>Combined Total</b>	<b>\$168,175</b>	<b>\$2,751,628</b>	<b>\$4,890,508</b>	<b>\$7,389,391</b>	<b>\$813,556</b>
<b>3-year average</b>	<b>\$56,058</b>	<b>\$917,209</b>	<b>\$1,630,169</b>	<b>\$2,463,130</b>	<b>\$406,185<sup>(1)</sup></b>

<sup>(1)</sup> Sportsfield Rectification Program expenditure averaged over 2 years

## Survey questionnaire

In November 2005, a questionnaire was circulated to each of the four SHOROC Councils requesting usage and financial data for each of the sportsfield complexes. The difficulty experienced by most Councils in providing the financial information requested in the required format indicated that reporting systems are not designed to provide ready access to vital management data.

In general terms, Councils were able to provide accurate details of the physical description and location of facilities; regular user organisations; tenure arrangements; and the sports for which each of the facilities are used. However, most Councils experienced difficulty in providing financial records, particularly for recurrent incomes and expenses. While the capital cost information provided in response to the questionnaires correlated closely with that derived from the document *Manly Warringah Pittwater Sportsfields Improvement Fund Agreement – Sportsfield Review, (May 2005)*, significant variances were noted between the recurrent income and expense details provided and those published in the *Sportsfield Review* report (ref. exhibit 1).

Particular difficulty was experienced in providing operating income records; and in analysis of operating expense categories (eg maintenance, utilities, insurance, other recurrent costs).

The only Council able to provide all of the information in the format requested without undue effort was Mosman. It is recommended that financial accounting and reporting procedures for sportsfields similar to those in place at Mosman be adopted by other SHOROC Councils.

Full details of the survey questionnaire responses received are provided under separate cover in computer file format for future reference.

## Manly Warringah Pittwater Sporting Union

The MWP Sporting Union was formed in 1964, originally as a traditional “sports council” to represent member sporting associations in lobbying for provision of facilities and in other dealings with government agencies. Members of MWP Sporting Union are individual sporting associations, which in turn represent memberships of clubs and individuals. The Union is managed by a committee of volunteers.

In recent years, MWP Sporting Union has accepted responsibility for allocation of the seasonal use of sportsfields in the Manly, Warringah and Pittwater Council areas. Indeed, this is now the Union’s key focus, although it maintains a role as lobbying agent on behalf of its members and mediator on issues of mutual concern to them.

Another major role performed by MWP Sporting Union is the collection of an annual levy (currently \$3.00 per person) from each registered player of its member associations. Levies collected by the Union are paid into the *SHOROC Sportsfields Funds Reserve Account*, along with additional funds totalling \$45,000 per annum contributed under agreement by the three Councils. MWP Sporting Union collects levies totalling of the order of \$75,000 per annum. Monies are allocated from the Fund for capital works projects (one project per Council in each triennium).

According to the President of MWP Sporting Union, there exists a significant shortage of sportsfields in the Northern Beaches region, particularly for the winter sports and cricket.

## Issues

The following key issues were identified in the situation analysis phase of this assignment:

- According to the President of MWP Sporting Union, there is a shortage of sportsfields to meet the playing and training needs of the Northern Beaches communities, particularly for the winter football codes and cricket.
- In many cases, maintenance standards of sportsfields are considered below expectations.
- Regular users of sportsfields in Manly, Warringah and Pittwater pay no hire fees for use of their respective facilities. Their only contributions are levies of \$3.00 per registered player per season that are applied to capital works programs.
- Councils allocate significant budgets to recurrent costs associated with provision of sportsfields; and recover only a small fraction of those costs in user charges (in the case of Manly, Warringah and Pittwater Councils, nothing from regular users). The following table summarises average recurrent costs and fee recovery for the past three years:

	Manly	Warringah	Pittwater	Mosman
<b>Recurrent costs</b>	\$260,440	\$950,730	\$419,000	\$499,094
<b>Fees from users</b>	\$12,060	\$36,369	\$7,569	\$83,925
<b>Net recurrent cost</b>	\$248,380	\$914,361	\$411,431	\$415,169
<b>% cost recovery</b>	4.6%	3.8%	1.8%	16.8%

- In addition to net recurrent costs, Councils allocate significant budgets for capital works associated with the development, upgrading and refurbishment of sportsfields. The following table summarises average capital expenditures for the past three years:

	Manly	Warringah	Pittwater	Mosman
<b>Annual capital budgets</b>	\$788,514	\$222,248	\$1,452,368	\$142,200
<b>Contributions to MWP Sportsfields Improvem't. Fund</b>	\$7,650	\$26,550	\$10,800	
<b>Warringah Sports Field Rectification Expenditure</b>		\$406,779 <sup>(1)</sup>		

<sup>(1)</sup> Warringah Sportsfield rectification expenditure is average of 2 years.

- Councils act as the “maintainers” of sportsfields rather than as their “managers”. The most important management role (*ie* allocation of seasonal use) is delegated to the MWP Sporting Union. Thus, there is little routine contact between Council administrations and community sporting organisations.
- In general terms, Council administration and accounting systems do not facilitate the ready retrieval of data essential to the effective measurement and review of financial performance of individual sportsfields. Consequently, Councils are unable to exercise effective budget controls.
- In many cases, there is no incentive for sportsground users to limit use of electricity. While users of Manly Council grounds are billed directly for their electricity used for night training lights, in most other cases the electricity costs are paid by Councils.
- Financial reports reviewed in the course of this assignment indicated a degree of confusion in terminology. For example, the table shown in exhibit 1 is copied from one of the reference documents provided as background information to the consultants. In that table, capital and recurrent expense and income items are reported in adjacent columns with no net outcomes and no clear distinction between capital and operating items.

Exhibit 2 presents the same information as shown in exhibit 1, but with a clear distinction between capital and operating items; and a clear indication of net recurrent results.

It is recommended that a “program based” approach be adopted for the financial recording and reporting of sportsfield budgets and results. Under that approach, each sportsfield (or sportsfield complex) would be reported as a separate “program” or “cost centre”, with clear separation of recurrent and capital items. Each program report should indicate a “net recurrent outcome” for the period under review (normally a net cost to Council), as well as total capital costs for the period and any associated external capital contributions (*eg* government grants, MWP Sportsfield Improvement fund, *etc*).

**Exhibit 2**  
**Modified sportsfield financial summary**

LGA / Year	REVENUE (OPERATING)				CAPITAL			
	"Maintenance" Costs	Less User Fees	Net Recurrent Cost	Cost Recovery	Annual Capital Expense Budget	Plus Contribution to Improvement	Plus Sportsfield Rectification Expenditure <sup>(2)</sup>	Total Capital Expenditure
<i>Manly:</i>								
2001/02	\$233,875	\$14,000	\$219,875	6.0%	\$1,681,543 <sup>(1)</sup>	\$7,650		\$1,689,193 <sup>(1)</sup>
2002/03	\$281,875	\$12,360	\$269,515	4.4%	\$352,000	\$7,650		\$359,650
2003/04	\$265,570	\$10,000	\$255,570	3.8%	\$332,000	\$7,650		\$339,650
<b>Total</b>	<b>\$781,320</b>	<b>\$36,360</b>	<b>\$744,960</b>	<b>4.7%</b>	<b>\$2,365,543</b>	<b>\$22,950</b>		<b>\$2,388,493</b>
<i>Warringah:</i>								
2001/02	\$931,588	\$28,163	\$903,425	3.0%	\$ 333,461	\$26,550	nil	\$360,011
2002/03	\$950,600	\$33,765	\$916,835	3.6%	\$ 129,199	\$26,550	\$657,250	\$812,999
2003/04	\$970,000	\$47,179	\$922,821	4.9%	\$ 204,114	\$26,550	\$156,306	\$386,970
<b>Total</b>	<b>\$2,852,188</b>	<b>\$109,107</b>	<b>\$2,743,081</b>	<b>3.8%</b>	<b>\$666,744</b>	<b>\$79,650</b>	<b>\$813,556 <sup>(2)</sup></b>	<b>\$1,559,980</b>
<i>Pittwater:</i>								
2001/02	\$344,000	\$5,015	\$338,985	1.5%	\$3,420,000	\$10,800		\$3,430,800
2002/03	\$430,000	\$8,623	\$421,377	2.0%	\$239,104	\$10,800		\$249,904
2003/04	\$483,000	\$9,070	\$473,930	1.9%	\$698,000	\$10,800		\$708,800
<b>Total</b>	<b>\$1,257,000</b>	<b>\$22,708</b>	<b>\$1,234,292</b>	<b>1.8%</b>	<b>\$4,357,104</b>	<b>\$32,400</b>		<b>\$4,309,504</b>
<b>TOTAL</b>	<b>\$4,890,508</b>	<b>\$168,175</b>	<b>\$4,722,333</b>	<b>3.4%</b>	<b>\$7,389,391</b>	<b>\$135,000</b>	<b>\$813,556</b>	<b>\$8,337,947</b>

<sup>(1)</sup> Includes Manly Oval upgrade

<sup>(2)</sup> Funded by a 2% levy on General Rate (the *Sportsfield Rectification Levy*) – Warringah Council only

<sup>(3)</sup> During this triennium, a total of \$2,751,628 was collected by Warringah Council through the *Sportsfield Rectification Levy*

## Benchmarking

### Comparative data

Several Councils in the Sydney and Melbourne regions were canvassed to establish whether there is any common approach to:

- population planning standards for community sportsfields; and
- formulae for setting hire charges to community-based user organisations.

There is no common planning standard for the provision of sports facilities. None of the Councils contacted had a planning policy for sportsfields based on population indicators.

Commonly, the supply of playing facilities is a function of a range of factors including expressed demands, historic preferences for the various sporting codes, availability of suitable land and the priorities of the local Council in relation to community sports. In highly settled areas such as the Sydney Northern Beaches region, land costs and lack of suitable land are key factors inhibiting the development of additional sportsfields. The recent success of some high profile sports such as cricket and the winter football codes in attracting growth in junior participation is a factor in current demands.

In the experience of the consultants, an appropriate provision standard for outdoor playing fields for community sports in southern States of Australia is one equivalent (full-size<sup>2</sup>) oval for every 300 to 400 persons in the catchment area in the age cohort 10 to 34 years (*ie* the age cohort representing the bulk of active outdoor sports participants). Based on a nominal participation rate of 25% average across the age cohort, that indicative provision standard equates to each full-size field supporting the playing and training needs of 75 to 100 participants in both summer and winter seasons.

Application of the above indicative standard to sportsfields in the SHOROC region is considered inappropriate. Differences in the size of fields used for the dominant football codes, turf wear rates and patterns, climate and turf varieties make comparison of Sydney region indicators to those of southern States difficult. In the absence of accepted standards, it will be necessary to make an evaluation of the provision rates appropriate to the needs of the SHOROC region.

Summarising the information provided by SHOROC Councils, approximately 119 full-size<sup>3</sup> playing fields are currently available for summer and winter sporting use across the region. In addition, there are a further 51 fields in the Warringah Council area of less than full-size, most of which are used for junior sports.

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<sup>2</sup> A “full-size” oval is one that is large enough for senior Australian football and cricket competition. A full-size oval may accommodate 2 junior-size football or cricket playing areas or two rectangular pitches for soccer, rugby or hockey.

<sup>3</sup> A “full-size” playing field is defined as one meeting the dimensional requirements for senior competition Rugby Union, Rugby League, soccer or hockey. Many of those fields will also cater for cricket.



The overall number of playing fields by Council area is as follows:

Warringah: 71 full-size fields on Council/Crown land  
6 full-size fields on school land  
22 smaller fields on Council/Crown land  
3 smaller fields on school land  
Manly: 8 equivalent full-size fields  
Pittwater: 21 equivalent full-size fields  
Mosman: 9 equivalent full-size fields

Based on a nominal participation rate in playing field sports of 25% average across the 10 to 34 year age cohort<sup>4</sup> and assuming a figure of approximately 130 equivalent full-size fields, the current inventory of playing fields supports, on average, the playing and training needs of 135 persons over a full year (*ie* a provision rate of 1 playing field per 540 persons in the catchment area in the age cohort 10 to 34 years).

The above analysis assumes a participation rate in activities on “playing fields” (*ie* not including sports such as archery, baseball, netball *etc*) of 25% of the age cohort 10 to 34 years. That assumption should be confirmed through analysis of MWP Sporting Union memberships.

The current membership base of MWP Sporting Union associations (*ie* those paying a \$3.00 per person levy for capital works) is approximately 26,000, or 37% of the region’s population age cohort 10 to 34 years. That figure is somewhat higher than expected and may be affected by multiple counting of individuals registered in more than one sporting association (*eg* cricket in summer, football in winter). It also includes members who do not use “playing fields” under this definition. Analysis should identify an accurate number of “playing field” users that can be used, in turn, to refine the indicative provision rate.

Calculation of the provision rate for the region’s playing fields will provide a point of reference for:

- comparison with other relevant regions;
- tracking changes over time in the intensity of use of playing fields; and
- comparison to the quality of sportsfield maintenance.

Monitored over time in comparison to expressions of unmet demand, participation rates and maintenance standards, the calculated **playing field provision rate** will become a useful tool to assist Councils in planning for community sporting needs.

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<sup>4</sup> At the 2001 Census, the total population of the 4 SHOROC Councils in the 10 to 34 year age cohort was 70,244 persons.

It is generally accepted that community-based sporting organisations should not/can not bear the full cost of facility maintenance. This is true for the range of facilities commonly provided by local government, including aquatic centres, indoor sports centres and outdoor playing fields. Indeed, most activities would cease if full recurrent cost recovery were to be charged. The generally accepted philosophy is that a proportion of recurrent costs should be recovered from users; and that the balance of recurrent cost is a fair charge on the broader community recognising the community benefit deriving from sporting activities and access to public open space.

In the absence of a consistent fee regime, some users will feel unfairly disadvantaged compared to those who pay nothing or less; some users will not value their access; and it is unlikely that Council will collect the optimum contribution to offset the significant maintenance costs associated with provision of quality playing facilities.

In general terms, Councils in the Sydney region have *ad hoc* approaches to the setting of fees for use of sportsfields. These are commonly based on historic practices, loosely adjusted for inflation, but without reference to the recurrent costs of provision. However, unlike the Manly, Warringah and Pittwater Councils, most apply some form of usage fee to both seasonal and casual users. Some Councils also apply nominal usage fees to schools. One inner-western Sydney Council reported an historic target of 15% recovery of maintenance costs, but acknowledged that this target had not been reviewed or pursued in recent years.

Councils in the Melbourne region have a more structured approach to the setting of user fees, often based on a target of recovery of a nominated proportion of recurrent costs. Recurrent costs include routine maintenance to playing surfaces, surrounds and built facilities (change rooms, club rooms *etc*), but usually not any provision for long-term asset maintenance/refurbishment; staffing, utilities, insurances and other readily-identified operating costs. Recurrent incomes include all fees charged for use of facilities. Again, most Councils apply either no charge or a nominal fee for use by local schools.

A summary of information collected from 14 Melbourne-based Councils is shown in appendix A to this report.

The target cost recovery rate for the Melbourne-based Councils ranged from 11% to 40% of recurrent costs. There was some variation in the definition of “recurrent costs”: most Councils included all direct operating costs, while one based its calculations on the cost of maintaining only the playing surface area.

### Benchmark indicators

It is recommended that two key benchmark indicators be adopted as a central element of the future management of sportsfields across the SHOROC region, *viz*:

- **Expense Recovery.** This will be a measure of the proportion of recurrent costs recovered through total fees charged to all users of a facility.

It is recommended that Council accounting and reporting systems be revised to facilitate accurate recording of all recurrent costs, including annual provisions for the future costs of long-term asset maintenance/refurbishment and incomes. Income and expense categories should be accurately assigned at the time of primary data entry (*eg* winter seasonal hire income, summer seasonal hire income, schools income, casual use income, grounds maintenance costs, buildings maintenance costs, electricity costs, water costs, insurance costs, *etc*). Data recording should be coded to facilitate reporting for each individual property, as well as the total of all properties.

The formula for calculating Expense Recovery is:

$$ER\% = (\text{Total Recurrent Income} / \text{Total Recurrent Costs}) \times 100$$

- **Usage Rate.** This will measure the annual number of user-visit hours to each sportsfield as a multiple of its playing surface area.

It is recommended that:

- each individual sportsfield be surveyed to measure the area of its playing surface. The area measurement should include the total playing surface, including run-offs. For fenced fields, this will normally include the area between boundary side/end lines and the fence. For unfenced fields, an estimate should be made of the total playing area required, including run-offs.
- usage records be compiled by Council staff for each sportsfield. In the case of seasonal users, the user organisation should be consulted to determine the typical/average number of participants per session and the typical duration of each session. For other users, each user organisation should be requested, at the time of booking, to advise the estimated number of participants per session and the expected duration of each session. Records should be maintained for both training and playing sessions.

The formula for calculating Usage Rate is:

$$UR = (\text{No. of users} \times \text{No. of sessions} \times \text{Time per session}) / \text{Total Playing Surface Area (m}^2\text{)}$$

Usage rate will be calculated and reported as *X* No. of user-hours per calendar period (*eg* week, month, year).

The two recommended benchmark indicators will provide the key reference information for Council staff to properly monitor the usage of sportsfields and their net recurrent costs to Councils.

Over time, it may be useful to extend the range of benchmark indicators to provide other useful management measures. For example:

- comparing the annual maintenance cost per square metre of individual playing surfaces and between Council organisations might prove valuable in establishing best practice/cost effective maintenance processes and schedules;

- calculating the subsidy cost per user-visit might assist Councils in determining priorities for expenditure on sportsfields in relation to other Council services; and in demonstrating delivery of community benefit to stakeholders.

In the immediate term, however, it is suggested that the two recommended key benchmark indicators will provide the information necessary to address the concerns outlined in the brief for this assignment. The benefits flowing from their implementation in common across all SHOROC Councils should not be delayed in an attempt to immediately broaden the range of benchmarks.

The full benefits of introducing the recommended benchmark measures will depend on consistency of record keeping and reporting processes. It is recommended that a working party comprising finance and community services staff from each member Council be appointed to oversee and progress implementation of the various processes.

## Policy recommendations

The following policy recommendations are offered in response to the issues raised in the brief for this assignment:

### Allocation of sportsgrounds usage

Councils act as the “maintainers” of sportsfields rather than as their “managers”. The most important management role (*ie* allocation of seasonal use) is delegated to the MWP Sporting Union. Thus, there is little routine contact between Council administrations and community sporting organisations.

**It is recommended that the function of allocating sportsfields to seasonal users be transferred to Council staff.** Council staff are already responsible for the casual/non-seasonal booking of sportsfields.

Transfer of responsibility for all allocations/bookings to Council staff should:

- facilitate routine contact between Council administrations and their sporting communities;
- ensure that Council policies with respect to allocation, usage and charging are applied consistently;
- ensure that officials of community sporting organisations have ongoing communication with professional Council staff with direct responsibility for provision of their facilities;
- provide the facility for collection of data required to develop the recommended “usage rate” benchmark.

It is recommended that the key role of the MWP Sporting Union should revert to that of a traditional “sports council”, representing and lobbying the needs and issues of its members to Councils and other government and sporting agencies. MWP Sporting Union should maintain a role in liaising between member associations and Council staff in the allocation process, providing advice in both directions when required.

Councils should encourage MWP Sporting Union to maximise its value in representing the interests of member associations to both individual Councils and SHOROC through routine communication forums with Councillors and relevant senior staff.

### Benchmarking

It is recommended that two key benchmark indicators be adopted as a central element of the future management of sportsfields across the SHOROC region, as detailed in the previous section of this report, *viz*:

- **Expense Recovery.** A measure of the proportion of recurrent costs recovered through total fees charged to all users of a facility.
- **Usage Rate.** A measure of the annual number of user-visit hours to each sportsfield as a multiple of its playing surface area.

The expense recovery benchmark will provide the basic formula for setting fees to users of sportsgrounds; and the measure against which to monitor performance to budget. It will also provide a basis for comparing performance and policy settings between Councils.

The usage rate benchmark will, over time, provide a standardised method of reporting usage of sportsfields that can be related to wear and tear damage to playing surfaces. Once sufficient historical data has been accumulated, it may be possible to establish benchmark target usage rates appropriate to the physical condition of the various sportsfields. This information will be useful in controlling the frequency of use of facilities; and in planning appropriate maintenance programs.

### Recurrent cost recovery target

It is recommended that SHOROC Councils aim to recover 25% of total recurrent costs, including annual provisions for the future costs of long-term asset maintenance/refurbishment, from charges to users of sportsfields.

The cost recovery target should be exclusive of electricity and gas costs incurred by users. Where possible, energy utilities should be billed directly to the user organisation(s). Where this is not practical due to shared use of services, energy costs related directly to use of training lights, clubrooms *etc* should be apportioned between users and billed to them in addition to their share of the cost recovery target.

It should be noted that the recommended 25% cost recovery target is the total sum to be collected from all users. Thus, each individual user organisation would pay a part of the 25% based on proportion of total usage. The cost recovery target for each sportsfield should be calculated in advance of each financial year, based on historical cost records; and apportioned for each user based on allocation.

The recommended cost recovery target is justified by the periods of exclusive use of the facilities by users; and by the proportion of net recurrent costs involved in maintaining facilities for sporting use as distinct from public open space. The effective 75% community contribution to net recurrent costs recognises the availability of the facilities as public space when not in use for sporting activities; and the benefits accruing to communities from the engagement of local residents and their families in active sporting pursuits and in their organisation.

At least part of the additional revenue collected through the recommended charge to users should be applied improved maintenance routines for sportsfields. Thus, users would perceive a cost-benefit; and more intensive use may be possible as a result of improved ground conditions.

Given that no charge (other than the levy of \$3.00 per registered player collected for capital works projects) is currently applied to seasonal users of sportsfields, it would seem a difficult (and potentially unpopular) course to introduce user fees to meet even 25% of recurrent costs. However, analysis reveals that an average increase of less than 10% in the registration fees currently charged to individual users by their respective sporting associations would be required to achieve that outcome. If the charges were to be phased-in over a period of (say) two or three years, the impacts on individuals would be minimal.

Depending on the sporting activity, adult seasonal registration fees paid to member associations of MWP Sporting Union range from \$115 to \$345 (average \$196); while junior seasonal registration fees range from \$40 to \$290 (average \$136). The existing \$3.00 per player capital works levies are included in these fees.

For the Manly, Warringah and Pittwater Councils, the total annual recurrent costs for sportsfields averaged \$1,630,169 over the past three financial years. Therefore, a target of 25% cost recovery would have required collection of total user fees averaging \$407,542 per annum. Over that period, user fees averaging \$56,058 were collected by the three Councils from casual/non-seasonal hirers, leaving an average shortfall of \$351,484 compared to the recommended 25% recovery target.

With approximately 26,000 individual members of associations affiliated to MWP Sporting Union, an average of an additional \$13.50 would need to have been collected from each person in order to meet the 25% recovery target. That represents an increase of approximately 10% over the average junior registration fee of \$136; and 7% over the average senior registration fee of \$196.

It is submitted that the proposed user fees are reasonable in all of the circumstances; and that they would have minimal impact on individual users, especially if phased-in over a two or three year period. It should be noted that the recommended 25% recovery target includes income from all users and not only the seasonal hirers.

### **SHOROC Sportsfields Improvement Fund**

As previously noted, a major role performed by MWP Sporting Union is the collection of an annual levy (currently \$3.00 per person) from each registered player of its member associations. Levies collected by the Union are paid into the *Manly Warringah Pittwater Sportsfields Funds Reserve Account*, along with additional funds totalling \$45,000 per annum contributed under agreement by the three Councils. MWP Sporting Union collects levies totalling of the order of \$75,000 per annum. Monies are allocated from the Fund for capital works projects (one project per Council in each triennium).

It is the view of the consultants that the application of Sportsfield Improvement Fund monies is not necessarily consistent with Council priorities for global expenditure on sporting infrastructure; and that spending of Improvement Fund allocations on Warringah Council facilities is disadvantaged in comparison both to the proportion of funds contributed from its resident population; and the high proportion of regional facilities provided by Warringah Council.

The practice of accepting capital contributions to the costs of provision of sporting facilities, whether through a levy on individual participants or as lump-sum contributions from associations is **not recommended** except in special circumstances. Such capital contributions from users often result in a sense of proprietary ownership and/or an expectation of reduced fees for use of the facilities.

It is recommended that capital funding for the development of new facilities and refurbishment of existing facilities should be provided by Councils (including grants from other levels of government) without contribution from users. All users should be subject to a consistent scale of user fees, as recommended in this report.

It is recommended that the collection of levies for the Sportsfield Improvement Fund be discontinued; and that the current \$3.00 levy be redirected as part of the contribution to the recommended 25% recurrent cost recovery target. This would have the effect of reducing the average additional funds required to be collected from individual registered players to \$10.50 in order to fund the 25% cost recovery target.

### Future capital works

One of the weaknesses inherent in the current system of determining capital works programs for sportsfields is that recurrent cost implications of those works are not incorporated in forward operating budgets for either user organisations or Councils.

For any capital works of a significant nature, there will be associated recurrent costs. For example:

- Installation of an automatic irrigation system will lead to recurrent costs such as routine replacement of sprinkler heads, cost of water used (or, maybe, cost savings due to efficiency) and maintenance to the control system. In addition, there will be a deferred cost of eventual major refurbishment/replacement of the infrastructure after an extended period of years (*ie* amortisation of the asset);
- Provision of or major extension to buildings such as change rooms, club rooms *etc* will result in building operating costs such as energy, cleaning and maintenance.

It is recommended that all capital works projects (other than those of a minor nature) should be subject to inclusion in a forward business plan to identify any recurrent costs/incomes and assign responsibility for meeting them. The result of this recommendation would be that both Councils and user organisations are informed in advance of the recurrent budget implications of proposed capital works, leading to informed decisions regarding the capacity to meet those costs. The feasibility of proposed works would thus be tested against both the one-off capital cost and the forecast net recurrent cost.



## Depreciation

Capital investment in sports facilities (and other infrastructure provided by Local Government) is effectively “sunk” (written off) at the time of expenditure. While accounting regulations require the accumulated depreciation of assets to be reported, there is generally no requirement to actually **fund** the recurrent instalments of depreciation expense. Thus, at the end of the useful life of an asset, there are no accumulated capital reserves to meet the cost of replacement or major refurbishment. In the event that the asset is needed to provide essential community services, it is necessary for the Council to find the full replacement or refurbishment cost, often from the budget of a single financial year.

Exhibit 3 demonstrates the difference in expectations of financial outcome between Local Government and private sector operations.

In most cases, the recurrent costs reported for the operation of Local Government facilities will include only direct expenses (*eg* maintenance materials, labour and services; electricity; water; security patrols; *etc*). In exhibit 3, those direct expenses are rep[resented in the top box. If sufficient income is derived from use of the facility to match the direct costs, it is said that “expense recovery” has been achieved. However, no provision has been made at that stage to meet the deferred costs of depreciation.

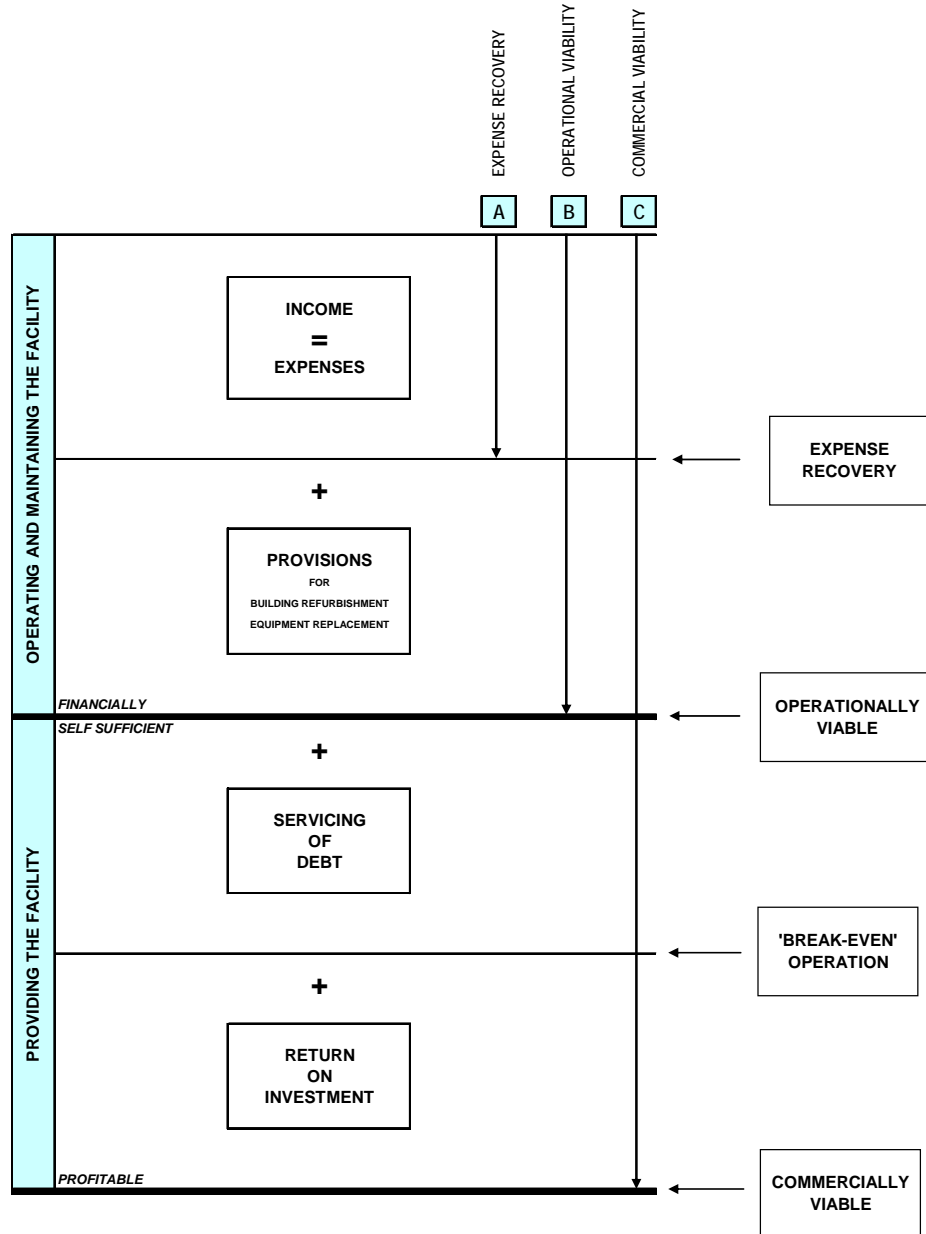
The only practical means available to Local Government to provide for the deferred costs of depreciation is to set aside annual instalment provisions and to accumulate those funds until required for the specific purpose of asset replacement or refurbishment. The annual instalment provisions are treated and reported as recurrent expenses. If sufficient income is derived from use of the facility to match both the direct costs **and** provisions, it is said that “operational viability” has been achieved. In other words, the facility’s operation is financially self-sufficient, with operating income meeting all routine operating costs as well as the deferred costs of asset replacement or refurbishment.

Private sector organisations will also need to cover the costs of any debt servicing associated with their operations and produce a return on investment in order to be commercially viable (*ie* profitable).

It is recommended that annual instalment provisions for the deferred costs of sportsground asset replacement/refurbishment be transferred to a reserve fund to meet those costs when ultimately required; and that the annual provision amounts be accounted for as operating expenses against respective facilities. This will result in:

- The total cost of facility operation being included in the assessment of a “break-even” point used to calculate the recommended 25% recurrent cost recovery target; and
- The availability of capital funds required for asset replacement/refurbishment without undue strain on Councils’ annual budget.

Exhibit 3  
Levels of viability



## Implementation

It is recommended that any changes to the fees charged to sportsfield user organisations be phased-in over a period of two or three financial years; and that user organisations be afforded as much notice as possible of the intended changes, reasons for them and potential benefits to the region's sporting communities.

It is recommended that SHOROC Councils appoint a "Sports Liaison Committee" to oversee and progress implementation of the recommendations outlined in this review; and to assume a leading role in the development of future policy for the provision and coordination of sporting facilities and their use. Typically, membership of the Sports Liaison Committee should comprise:

- one Councillor from each of the four Councils;
- one member of staff from each of the four Councils (staff appointees should have the necessary financial expertise and knowledge/appreciation of community sports appropriate to the role);
- one representative nominated by the MWP Sporting Union;
- one member of the SHOROC Executive Committee as Chairperson;
- administrative support provided by the SHOROC secretariat.

In the initial phase of implementation, the Sports Liaison Committee should have the capacity to second assistance from relevant finance and community services staff from each member Council, as required to develop accounting, reporting, administration and communication systems common across the four Councils.

The Sports Liaison Committee should have the ability, on behalf of the SHOROC Executive Committee, to commission research studies relevant to its policy development and monitoring role; and to second external consulting expertise. In an organisational sense, the Sports Liaison Committee should report to and be subject to direction from the SHOROC Executive Committee.

## Appendices

## **Appendix A**

### **Survey of Melbourne-based Council User Fees for Sports Fields**

Council	Fee Calculation Basis	Ground Classification	Discounts available	School Charges	Casual Charges	Pavilion Charges
<b>Maroondah</b>	<p>Aim to recoup 30% of facility maintenance expenditure.</p> <p>25% cost recovery for turf wickets.</p>	<p>Categories AA, A, B &amp; C – classification forms basis of fee determination</p>	<p>Juniors using alternative venue – 50% discount.</p> <p>Clubs running women’s programs in non women predominant sports – 10% discount.</p> <p>Masters teams not charged if part of a wider club. If stand alone club – 50% discount.</p> <p>Match day only – 50% discount.</p>	<p>Maroondah based PS not charged.</p> <p>Maroondah based HS charged for term use (\$200) and round robins(\$50).</p> <p>Maroondah HS not charged for one off use.</p> <p>Maroondah based schools given priority. One off use (\$25).</p>	<p>Commercial users pay 20% of category rates.</p> <p>Community users pay 10% of category rates.</p>	<p>Pavilions categorised as A, B &amp; C. Each category corresponds to a set fee.</p>
<b>Manningham</b>	<p>Aim to recoup 20% of maintenance costs based on user groups utilising the grounds 20% of the available time.</p>	<p>Categories 1, 2, 3, 4 and 5 for summer and winter usage.</p> <p>Cost of maintaining each grade calculated by dividing the total maintenance costs by the number of grounds in that grade.</p>	<p>Juniors – 50% if junior clubs exists in own right, or junior section of a senior club has exclusive use to a facility.</p> <p>Masters – 50% in first year if new to the municipality.</p> <p>Other – new clubs may receive 50% in first year and other special cases.</p>	<p>Local schools can apply for a yearly allocation free of charge.</p> <p>Non local schools charged at casual rates (\$50-\$125 per use)</p>	<p>\$50-\$125 per casual use</p>	<p>Pavilions categorised:  <i>Basic</i> – average maintenance cost.  <i>Intermediate</i> – pavilions grouped and average rent calculated.  <i>Extended</i> – clubs with social facilities charged at 2.5% of project cost.</p> <p>Pavilions valued at over 250,000 charged \$1,200 + 2.5% of valuation less club contribution to building</p>

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Council	Fee Calculation Basis	Ground Classification	Discounts available	School Charges	Casual Charges	Pavilion Charges
<b>Whittlesea</b>	Aim to recoup 11% of maintenance costs	Categories AA, A, B & C.  Classification forms basis of fee determination	Junior club only – 15% discount.  Juniors teams in club – 5% discount.  Women’s team in club – 5% discount.  Veterans team in club – 5% discount.  Club can only claim 2 of the concessions. Junior club only not eligible for additional concessions.		Commercial - \$500 per day  Community - \$75 per day  Charity - \$50 per day.  Bonds - \$200 per day for community \$500 per day for commercial	Pavilions categorised 1, 2 & 3.  Classification based on condition of building and capacity for accommodating the allocated sport.
<b>Bayside</b>	Aim to recoup 17% - 19% of maintenance costs.		Discounts available for: - more than 75% Bayside residents in clubs, - juniors; - women; - contributed to capital improvements; - does other community activities (youth, Red Cross etc)			
<b>Glen Eira</b>	Aim to recoup 20% of maintenance costs.					

Council	Fee Calculation Basis	Ground Classification	Discounts available	School Charges	Casual Charges	Pavilion Charges
<b>Greater Dandenong</b>	Aim to recoup a percentage of maintenance costs (yet to be determined).  Fee calculated as a charge per oval.	Proposal to classify grounds into categories 1, 2, 3 and 4, and to form basis of fee determination.		Schools in municipality not charged for up to 4 hrs use per week, after that \$25 per day.  Schools outside municipality charged at hourly rate based on ground classification.		Pavilions categorised 1, 2, 3 & 4 according to facilities available.  Fees based on category
<b>Wyndham</b>	Fees based on recouping percentage of maintenance costs – the actual figure is historical. Proposing to review.	Grounds classified A, B, C, D and E.  Classification forms basis of fee determination	Juniors – 20% discount if junior only club. 10% if more than half members are juniors.  50% discount for clubs who have one or more of the following: less than 30 members, women, PWD, masters.  20% on 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> grounds used.  25% if shared facility with another code.	Free for one off use	Commercial: - 40% of seasonal fee per day.  Community: - 20% of seasonal fee per day.	
<b>Hobsons Bay</b>	Aim to recoup 20% of maintenance costs	Grounds classified according to the standard.	10% discount for juniors			



<b>Council</b>	<b>Fee Calculation Basis</b>	<b>Ground Classification</b>	<b>Discounts available</b>	<b>School Charges</b>	<b>Casual Charges</b>	<b>Pavilion Charges</b>
<b>Frankston</b>	Aim to recoup 25% of maintenance costs		Juniors - 25% discount.  Women's – 25% discount for a max. of 5 years.			Pavilion fees cover internal structural maintenance and external maintenance
<b>Yarra Ranges</b>	Aim to recoup 15% of maintenance costs	Grounds classified as Regional, Township, Secondary and Minor.  Classification forms basis of fee determination.  Sole use facilities attract an additional 25% fee	25% concession for juniors, women's and PWD	\$150 per day for special events.  Max. 6 hours per week use during summer-autumn.  Winter-spring use at discretion of Council.	Fees based on ground classification and broken into commercial, community, charity and special event fees.	Based on principles of reserve fees and charges.
<b>Nillumbik</b>	Aim to recoup 20% - 30% of maintenance costs	Grounds classified as A, B, C and D.  Clubs charged according to how many teams they have (e.g. each senior team pays \$325 for use of B classified ground)	Women – 90% discount per team  Juniors – 90% discount per team  Disability – 90% discount per team in a special needs competition.	Free for local schools up to 4 hrs use per week. Beyond this \$25 a day for local schools. Non-local schools charged at \$15 p/hr. Zone events \$100 full day, \$50 half day.	Commercial: - \$150 per day half day \$100.  Community: - \$50 p/day, \$30 half day.  Charity: free	
<b>Maribyrnong</b>	Fees are historically based		Juniors do not pay for the use of grounds/pavilions	Free use	\$65 community use. \$200 for company use. Up to \$800 for commercial use.	

<b>Council</b>	<b>Fee Calculation Basis</b>	<b>Ground Classification</b>	<b>Discounts available</b>	<b>School Charges</b>	<b>Casual Charges</b>	<b>Pavilion Charges</b>
<b>Stonnington</b>	Aim to recoup 40% of total playing area maintenance costs.  Fees based on a 'units of time' measurement.	Proposing to develop Facility Inventory System to assess each facility.	Rebates proposed to be discontinued, but still offering support to clubs providing a community service.			

## **Appendix B**

### **Survey of Sydney-based Council User Fees for Sports Fields**

**Note: Information compiled by SHOROC staff.**

## Comparison of annual maintenance, CAPEX and income for sportsgrounds in other Sydney LGAs

Local Government Area	Annual maintenance budget for sportsgrounds	Annual CAPEX budget for sportsgrounds <sup>5</sup>	Annual income from use of sportsgrounds <sup>6</sup>	%age of annual expenditure raised through use of sportsgrounds <sup>7</sup>	%age of annual maintenance raised through use of sportsgrounds <sup>8</sup>	Comments
<b>Category 5 LGAs</b>						
Bankstown	\$2,291,000	\$4,559,000	\$312,000	5%	20%	Bankstown quoted an income of approx. \$312,000 through use of sportsgrounds. They aim for 20% cost recovery of their total maintenance budget but noted they don't often achieve this.
Fairfield	\$2,500,000		\$100,000	4%	N/A	Fairfield quoted a 4% return on annual expenditure through use of sportsgrounds. This equates to \$100,000 income.
Parramatta	\$1,280,000	\$560,000	\$180,000	10%	14%	Parramatta quoted an income of approx. \$180,000 through use of sportsgrounds. This equates to a 10% return on annual expenditure and 14% return on annual maintenance.

<sup>5</sup> Annual CAPEX budget can vary substantially between years.

<sup>6</sup> The figure shown in this column is either the value provided by the LGA or has been calculated based on the percentage of annual expenditure raised through hiring of sportsgrounds as indicated by the LGA. Columns 4 and 5 therefore may not always match up.

<sup>7</sup> The percentage shown in this column is either the percentage quoted by the LGA or has been calculated based on the figures provided for annual expenditure and annual income.

<sup>8</sup> The percentage shown in this column is either the percentage quoted by the LGA or has been calculated based on the figures provided for annual maintenance and annual income.

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Local Government Area	Annual maintenance budget for sportsgrounds	Annual CAPEX budget for sportsgrounds <sup>5</sup>	Annual income from use of sportsgrounds <sup>6</sup>	%age of annual expenditure raised through use of sportsgrounds <sup>7</sup>	%age of annual maintenance raised through use of sportsgrounds <sup>8</sup>	Comments
Randwick	\$300,000 - \$400,000		\$40,000 - \$60,000	20%	N/A	Randwick quoted a 20% return on annual expenditure through use of sportsgrounds. This equates to \$40,000 - \$60,000 income. Randwick noted that they are limited to more than 20% cost recovery.
Sutherland	N/A	N/A	N/A	0%	0%	Maintenance and CAPEX figures were not provided by Sutherland. They do not charge local sporting groups or schools for use of sportsgrounds however they charge users electricity costs.
Warringah	\$810,000 (03/04)	\$265,000 (03/04)	\$52,296	6%	5%	<b>Annual CAPEX budget varies substantially with \$265,000 allocated for 03/04 and \$1,995,000 allocated in the draft 04/05 budget.</b>
<b>Other LGAs</b>						
Hornsby	\$1,718,592 (03/04)	\$338,050 (03/04)	\$415,000	24%	20%	\$1,718,592 excludes corporate costs. Hornsby quoted an expected income for 03/04 of approx. \$415,000 through use of sportsgrounds. They stated that this equals roughly 24% cost recovery, not including S94 capital works expenditure.

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Local Government Area	Annual maintenance budget for sportsgrounds	Annual CAPEX budget for sportsgrounds <sup>5</sup>	Annual income from use of sportsgrounds <sup>6</sup>	%age of annual expenditure raised through use of sportsgrounds <sup>7</sup>	%age of annual maintenance raised through use of sportsgrounds <sup>8</sup>	Comments
Mosman	\$445,550	\$23,450	\$71,288	15%	16%	Total annual expenditure of \$469,000 includes depreciation on sportsground pavilions and is generally split as 95% maintenance and 5% capital. Mosman quoted a 16% return on annual expenditure through use of sportsgrounds. This equates to \$71,288 income and a 15% return on annual maintenance.
Willoughby	\$950,000	\$100,000- \$300,000	\$285,000	23% - 27%	30%	Willoughby quoted a 30% target of annual maintenance expenditure through use of sportsgrounds. This equates to \$285,000 income and a 23-27% return on annual expenditure.