

8.2 SPORTING FEES, CHARGES AND OCCUPANCY AGREEMENT POLICY**MINUTE NO. 470****AUTHOR: Manager Leisure and Public Realm****REVIEWED BY: Director Culture Leisure and Works****SUMMARY**

At its Special Meeting on 23 June 2014 Council considered a draft Sporting Fees, Charges and Occupancy Agreement Policy and resolved:

'That Council:

- (1) Release the Draft 'Sports Fees, Charges and Occupancy Policy' as attached at Appendix A for Community consultation*
- (2) Seek a further report with an analysis of all stakeholder feedback in September 2014.'*

This report details the consultation undertaken with the community and stakeholders and feedback received. On the basis of an analysis of feedback received, an amended draft policy is attached and recommended for adoption.

CONSULTATION

- Council Briefing – 8 September 2014
- Manager Assets and Properties
- Manager Communications and Marketing
- Manager Community Planning and Customer Service
- Manager Environment and Natural Resources
- Manager Parks and Vegetation
- Coordinator Performance Support
- Coordinator Youth Services
- State sporting associations
- Local sporting clubs and recreational groups
- General community

RECOMMENDATION

THAT Council:

- (1) Adopt the Sporting Fees, charges and Occupancy Agreement Policy attached as **Appendix A** to this report.
- (2) Officers provide a further report in October 2015 on outcomes and issues arising from the implementation of the policy.

MOTION

MOVED: Cr. J. Williams
SECONDED: Cr. A. Villella

THAT Council:

- (1) Adopt the Sporting Fees, charges and Occupancy Agreement Policy attached as **Appendix A** to this report.
- (2) Officers provide a further report in October 2015 on outcomes and issues arising from the implementation of the policy.

Cr. Walsh proposed to the mover (Cr. Williams) and seconder (Cr. Villella) that point (2) be amended as follows and point (3) be added as follows. This was accepted by Cr. Williams and Cr. Villella.

- (2) Officers provide **6 monthly reports** on outcomes and issues arising from the implementation of the policy.
- (3) Officers continue to help and assist clubs with any issues arising out of the implementation of this policy.

THE AMENDED MOTION THEN READ AS FOLLOWS:

AMENDED MOTION

MOVED: Cr. J. Williams
SECONDED: Cr. A. Villella

THAT Council:

- (1) Adopt the Sporting Fees, charges and Occupancy Agreement Policy attached as **Appendix A** to this report.
- (2) Officers provide 6 monthly reports on outcomes and issues arising from the implementation of the policy.
- (3) Officers continue to help and assist clubs with any issues arising out of the implementation of this policy.

THE AMENDED MOTION WAS PUT AND CARRIED AND BECAME THE COUNCIL RESOLUTION AS FOLLOWS:

COUNCIL RESOLUTION

MOVED: Cr. J. Williams
SECONDED: Cr. A. Villella

THAT Council:

- (1) Adopt the Sporting Fees, charges and Occupancy Agreement Policy attached as **Appendix A** to this report.
- (2) Officers provide 6 monthly reports on outcomes and issues arising from the implementation of the policy.

- (3) Officers continue to help and assist clubs with any issues arising out of the implementation of this policy.

CARRIED

A Division was called for by Cr. Laurence:

<u>For</u>	<u>Against</u>
Cr. B. Li	Cr. T. Laurence
Cr. J. Williams	
Cr. V. Fontana	
Cr. O. Walsh	
Cr. G. Greco, Chairperson	
Cr. S. Tsitas	
Cr. A. Villella	
Cr. T. McCarthy	

The Chairperson, Cr. Greco, declared the Motion to be carried.

REPORT

INTRODUCTION AND BACKGROUND

The current sporting fees and occupancy agreement policy has been in place since the late 1990's. At its meeting on 5 August 2013, Council resolved to form a Temporary Reference Group to guide the formulation of a new policy.

The Temporary Reference Group held four meetings between September 2013 and April 2014. A new policy was developed with the following broad objectives:

- Greater transparency and alignment between fees and venue amenity,
- Incentives for sporting clubs to achieve greater participation, social equity and inclusion, good governance and community relations,
- Encourage the sharing of sporting amenities,
- Encouraging partnerships with the Council on program and venue development.

The draft policy was detailed in a report to Council at its meeting on 23 June 2014. Council resolved at this meeting to approve the release of the draft policy for community consultation.

ISSUES AND DISCUSSION

Community consultation was undertaken from 24 June 2014 and concluded 18 July 2014. A range of consultation methods was used including:

- Direct mail and email
- Open Information Session
- Darebin Community Survey
- Summary Fact Sheet
- Direct meetings with sporting and recreational club representatives

- Direct meetings with Council officers
- Survey and feedback form (in hard copy, electronic and on-line formats)
- Media pitch
- Information on Darebin Council website
- Radio interview

The table below summarises the stakeholders consulted, consultation methods undertaken and level of response achieved during the consultation process.

Stakeholder(s)	Consultation methods	Level of Response
Local sporting and recreation clubs	Direct mail and email containing Draft Policy, Fact Sheet and Survey and Feedback form. Direct meeting with club representatives Open Information Session – 2 July 2014	29 surveys received in total Meetings held with 13 clubs 21 attendees in total
General community	2014 Community Survey Council website linking to Draft Policy, Fact Sheet and on-line Survey and Feedback form. Open Information Session – 2 July 2014 Media pitch	200 respondents 29 surveys received in total 21 attendees in total Article in local Leader Newspapers Radio interview with Director Culture Leisure and Works
State Sporting Associations/peak bodies	Direct mail and email containing Draft Policy, Fact Sheet and Survey and Feedback form. Open Information Session	Responses from 2 associations 21 attendees in total – no representation from SSA's
Local schools	Direct mail and email containing Draft Policy, Fact Sheet and Survey and Feedback form. Open Information Session	29 surveys received in total – no respondents identified as local schools 21 attendees in total – no local school representation
Internal Council Departments	Email containing Draft Policy and Summary Fact Sheet. Direct meetings with departmental representatives.	Responses and meetings with 5 units/departments

FEEDBACK ANALYSIS

1. General community

Data collected from 200 respondents from the 2014 Community Survey found broad agreement for the policy's aims and principles (**Appendix B**).

In relation to the level of fees charged, 46% of respondents thought existing fees were "about right" and 19% "too much". Only 3% of respondents thought existing fees were "too little".

A very high percentage of Darebin Community Survey respondents agreed that clubs should be rewarded for good performance in the areas of social diversity and accessibility (87.4%), improved management and governance (85.1%), and working with Council to look after the community (90.2%).

2. Local sporting and recreational clubs

Survey data and feedback from local sporting and recreational groups found a high level of support for the policy's broad aims, principles and structure as shown in **Appendix C**.

With respect to the **level of fees charged**, 51% of survey respondents thought the existing fee level was "About right" and 17.2% "Too much".

In relation to having **fees linked to the quality and size of the amenity** provided, stakeholder feedback survey respondents generally agreed (72.3%) that fees should reflect the quality and size of the venue provided.

With respect to the provision of **incentives for performance**, a high percentage of stakeholder feedback survey respondents agreed that clubs should be rewarded for good performance in the areas of social diversity and accessibility (79.3%), improved management and governance (79.2%), and working with Council to look after the community (82.7%).

A high percentage of stakeholder feedback survey respondents (68.9%) agreed that **longer term licence and lease agreements should be granted only where clubs partner with Council** in program or venue development.

3. State sporting associations and peak bodies

Feedback responses were received by two sporting associations – AFL Victoria and the Northern Football League.

Both raised issues in relation to removal of the current cap on junior fees and the treatment of clubs who make capital development contributions. These issues are addressed further in this report in the section entitled "Issues identified during consultation".

4. Local schools

No feedback respondents specified that they represented local schools. 58.5% of stakeholder feedback survey respondents, however, agreed that schools in Darebin should continue to have access at no charge to most Council maintained sporting ovals.

ISSUES IDENTIFIED DURING CONSULTATION

Whilst feedback was largely positive during the consultation process, a number of issues were identified by external stakeholders.

These are detailed in Table 1 below along with council officer comments and recommended impacts on the draft policy.

Table 1 - Summary of feedback from consultation

WHO WAS CONSULTED	CONSULTATION FEEDBACK	OFFICER COMMENTS	RECOMMENDED IMPACT ON POLICY
Sporting clubs, associations and peak bodies	Query whether the depreciated value of buildings is a more equitable base measure for calculating pavilion access fee than insurable value.	The wide range in depreciated building values would make setting a fair recoup percentage difficult. This would also result in large rises in fees when buildings are refurbished or replaced.	Retain existing policy with insurable value as base for pavilion access fee.
	Request for greater rewards or fee relief where capital contributions are made by clubs towards venue improvements.	Council substantially subsidises building refurbishment or replacement and undertakes all significant maintenance. The new policy rewards clubs who make capital contributions with longer occupancy tenure period of the community asset.	Retain existing policy provisions of rewarding contributions with increased occupancy tenure.
	Concern expressed regarding removal of the current cap on fees for foundation programs such as AusKick.	Retaining a cap on fees for junior-only clubs negates the incentive provided by performance subsidies for improvement. Junior participation in Darebin is currently healthy at around 30%.	Retain existing policy provision with incentive for junior clubs to reduce fees through performance subsidies.
	Concern expressed regarding removal of the current cap on fees for junior-only clubs.	Limited ability for foundation programs to raise revenue and formally affiliate with other clubs.	Policy amended to allow venue access by foundation programs under the umbrella of an existing tenant club and not be charged separately.
	Clubs that are currently charged low, nominal fees or servicing areas with socio-economic disadvantage may experience difficulty raising revenue if fees are increased significantly.	Charging nominal fees does not encourage clubs to increase participation or broaden revenue streams. Leisure Services will identify and work with these clubs to assist in broadening and strengthening their revenue streams and participation base.	Retain existing policy provision with incentive to reduce fees through performance subsidies.
	More detail requested as to which groups targeted under Council's Equity and Inclusion Policy make clubs eligible for performance subsidy points.	Provide greater clarity for user groups.	Policy amended to provide this detail.

WHO WAS CONSULTED	CONSULTATION FEEDBACK	OFFICER COMMENTS	RECOMMENDED IMPACT ON POLICY
Sporting clubs, associations and peak bodies	More detail requested as to the community initiatives and programs clubs can undertake to be eligible for performance subsidy points.	Provide greater clarity for user groups.	Policy amended to provide this detail.
	Query the requirement for groups negotiating longer term lease arrangements to fully maintain the asset.	Maintenance responsibilities may vary and be negotiated according to the type of venue and capacities of proposed licensee or tenant.	Policy amended to clarify that maintenance levels are open to negotiation.
	Provide City Valuer report confirming insurable value of the relevant buildings.	Only one club raised this as an issue. Providing City Valuer's reports to all user groups is deemed unnecessary.	City Valuer's reports provided on request.
	Classification of the Edwardes Lake Park athletics track to District level does not accurately reflect the level of venue amenity.	The number of running lanes (six as compared with the standard eight) and lack of amenity to hold some field sports limit the level of competition able to be held at this venue.	Reclassify venue to Local level facility.

IMPLEMENTATION

Should the Draft Fees, Charges and Occupancy Agreement Policy be adopted by Council, clubs commencing their summer season (2014/2015) will be asked to provide further information in October and November to determine subsidies to their base fee. Budget impacts will be felt both this financial year and subsequent financial year.

For the 2015 winter season, clubs will provide all information relevant to subsidies through their ground application process. A new Information Management System will be in place and used to calculate fees.

Longer term occupancy agreements – licence agreements and leases - will be negotiated with the users in the following months after the policy is adopted.

POLICY IMPLICATIONS

Environmental Sustainability

Environmental and waste management issues have been identified and addressed in the draft policy.

Human Rights, Equity and Inclusion

The Equity and Inclusion Planning and Audit Tool (EIPAT) has been applied to the draft policy. The policy is strongly focussed on broadening participation and inclusion of groups targeted in the Darebin Equity and Inclusion Policy.

Economic Development

The policy encourages increased participation in physical activity through sport and increased volunteer experiences in local club environments. The policy has little direct impact on local economic development and employment.

FINANCIAL AND RESOURCE IMPLICATIONS

The current system of sports fees and charges provides annual revenue of approximately \$154,870 (including GST). The draft fees and charges model is likely to reduce annual revenue recoup as per the following estimates:

Current fee per annum	New base fee	Inc. gold subsidy 50%	Inc. silver subsidy 25%	Inc. bronze subsidy 10%
\$154,870	\$196,204	\$98,503	\$147,354	\$176,664

Performance subsidy percentages may be lowered or raised to provide greater incentive for clubs or, conversely, to limit the reduction in annual revenue recoup. It is expected that initially the average club performance will be in the silver range.

The proposed implementation of separate fee schedule for commercial and elite sport users for casual ground access is likely to increase annual revenue by \$3,000 per annum (to approximately \$21,000 per annum excluding GST).

CONCLUSION

The Draft policy has been amended based on the consultation feedback and is now ready for adoption.

FUTURE ACTIONS

- Officers to implement policy and negotiate occupancy agreements
- Future Council Report evaluating outcomes and issues arising from the implementation of the policy.

DISCLOSURE OF INTERESTS

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

- Final Draft - Sporting Fees, Charges and Occupancy Agreements Policy (**Appendix A**)
- 2014 Annual Community Survey 2nd Quarter Report – Sports and recreational facilities questions (**Appendix B**)
- Summary Report - Survey and Feedback Form data (**Appendix C**)
- Council Meeting Minutes – 23 June 2014

Darren Rudd, Manager City Development left the meeting during discussion of the above item – 7.49 pm.