

8. Bega Indoor Sports Stadium licence

Proposed licence for Bega Indoor Sports Stadium (BISS).

Group Manager, Infrastructure Waste & Water

BACKGROUND

The licence for the BISS expired last year and a temporary arrangement with the immediate past licensee was put in place to allow the facility to remain open during school term 4 of 2008 for scheduled competitions and school use.

Current users of the Bega Indoor Sports Stadium are:

- i) Bega Hockey Association on Monday evenings between 4.00pm and 9.00pm;
- ii) Junior Basketball on Saturday mornings between 9.00am and 12 noon;
- iii) Bega High School on Wednesdays between 1.00pm and 3.00pm.

There is intermittent use by unspecified groups.

The current use levels of the BISS are not well documented and there is an argument as to the viability of the BISS for a potential licensee and an expansion of usage will be a major aspect challenging any potential licensee.

Following consultation with members of the stadium committee a call for Expressions of Interest was placed in the local press and two responses were received.

Bemboka Aquatics Pty Ltd (Mr John Tapper) who was the most recent licensee and Fling Physical Theatre Inc. were the respondees. The matter was deferred from the last Council meeting for further information and discussion with the proponents.

ISSUES

Bemboka Aquatics had leased the facility for the previous 3 years and undertook operation of the facility under a temporary arrangement for 3 months at the end of 2008 to ensure current users were able to pursue their sport and leisure activities.

Fling Physical Theatre Inc have a diverse range of activities and interests and see potential in having a better resourced and stable facility from which to base their activities.

Both applicants have expressed keen interest in expanding use of the BISS with additional sports and fitness activities and increased community usage of the facility.

Legal

A licence will be prepared in favour of the licensee appointed by Council. That licence will be for a period of three years and will require annual rental payable to Council. The

licence will require that all day to day operational matters, including the energy and water use costs, will be the responsibility of the licensee.

Social / Cultural

The facility is currently used less than it should be. The development of additional activity would assist in addressing that under utilisation and would provide greater recreational and cultural experience to a broader range of the community than at present.

40 **Consultation**

The merits of each submission have been discussed with members of the Bega Indoor Sports Stadium Management Committee. A number of aspects of the proposals were clarified at that meeting

The future of the Bega Indoor Sports Stadium Management Committee was also discussed in light of the non-participation of some of the user group delegates.

Accordingly, a reference group is proposed to replace the Bega Indoor Sports Stadium Management Committee as a way of providing the user groups and the licensee and Council to communicate on facility management function and planning. The function of the reference group will be the responsibility of the licensee

50 The proposed membership of the reference group is to include the licensee of the facility, representatives of the various sporting user groups and a staff member of Bega Valley Shire Council.

Financial

Fling Physical Theatre Inc and Bemboka Aquatics Pty Ltd have both lodged submissions for the licence. A copy of each submission has been provided to Councillors separately. Bemboka Aquatics Pty Ltd has offered rent of \$5,200 p.a. and Fling have offered \$3,000 p.a.

Fling Physical Theatre Inc

proposed rent: \$3,000/year

60 Fling current activities: gymnastics, acrobatic and variety of dance and movement practices (ballroom and tap through to Pilates and Tai chi).

Further use: senior basketball, investigate badminton, indoor bowling, indoor soccer and martial arts disciplines.

Bemboka Aquatics Pty Ltd

Proposed rent: \$5,200/year

Further use: Basketball and indoor soccer competition, investigate rock climbing wall.

70

If Fling were the licensee then a rent increase at the end of the first year would improve the return to council, and allow the prospective tenant to increase use of the facility, introduce new activities, consolidate their business and enable them to better meet the increase after the first year.

The loss of \$2,200 in revenue to Council in the initial year would only be for 12 months with the rent increased to \$5,000 p.a. for the remaining term of the licence.

Income received is proposed to be reserved for contribution to major maintenance works eg flooring renovation.

Resources (including staff)

Putting a licence in place would reduce the facility management calls on staff time.

CONCLUSION

80

Based on analysis of the submissions, the "Fling" proposal is considered to provide a better outcome for the broader community than that proposed by Bemboka Aquatics. The diverse range of activities and effective management as outlined by Fling is considered to provide adequate compensation for the first year loss in income when compared to the Bemboka Aquatics submission.

An issue for council consideration is the evaluation of a proposal that offers less immediate dollar return but greater community benefit. It is believed that an actively managed and vibrant stadium will deliver a better outcome and makes the Fling proposal a more attractive option for Council's facility.

RECOMMENDATION

90

1. That Council offer a licence for the Bega Indoor Sports Stadium for a term of three years in favour of "Fling" with rent for the first year being \$3,000 and \$5,000 for the remaining two years of the licence.
2. That the Mayor and General Manager execute the relevant documents.