

ITEM NUMBER: 18.2

CONFIDENTIAL REPORT

KAURI COMMUNITY & SPORTING COMPLEX – MANAGEMENT REVIEW (Report No: 222/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest; and
- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

CONFIDENTIAL

Recommendation – Exclusion of the Public – Section 90(3)(k) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 222/20 Kauri Community & Sporting Complex – Management Review in confidence.

 2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information IN Report No: 222/20 Kauri Community & Sporting Complex – Management Review on the following grounds:
 - b. pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would prejudice the commercial position of the Council.

 - d. pursuant to Section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

 3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: **18.2**

Subject: **KAURI COMMUNITY & SPORTING COMPLEX – MANAGEMENT REVIEW**

Date: 11 August 2020

Written By: Team Leader, Commercial & Leasing

General Manager: City Assets and Services, Mr H Lacy

SUMMARY

Following an Expression of Interest (EOI) process to operate the Kauri Community & Sporting Complex (Centre), Council resolved at its meeting 23 July 2019 (Resolution C230719/1564) to enter into a Management Agreement with Belgravia Leisure (Belgravia) for a period of two (2) years in order for them to oversee the day-to-day promotion, marketing, activation and facility management of the Kauri Parade Community and Sporting Complex.

The purpose of engaging a professional and specialised Sport and Recreational operator was to increase utilisation of the Centre and for the provider to develop and offer a range of social, recreational, educational and personal development programs.

Since September 2019 and after 10 months activity, there has been significant progress in operations, but also some delays caused primarily by the closure of the Centre for nearly 3 months due to the COVID-19 crisis. This report provides an update on Belgravia's performance and progress, as well as the challenges and opportunities for the Kauri Community & Sporting Complex.

Overall, the last 10 months of activity have seen an initial rise of activation, abruptly interrupted by COVID-19. In these difficult circumstances, there has not been sufficient time to clearly establish the accomplishment of the current operator. It is in Council's interest to proceed with the second term of the agreement (until 31 August 2021) to allow time to demonstrate whether the operating model will work, rather than change it after 12 months of operations only.

RECOMMENDATION

That Council:

1. **note the report and the update on Belgravia's progress;**
2. **authorise the extension of the Kauri Community & Sporting Complex Management Agreement with Belgravia Leisure for a further 12 months from 1 September 2020 in accord with the current Agreement; and**

3. note that a further comprehensive report will be provided to Council for review by June 2021, after 20 months of operations, to enable a decision on the future management model for the Centre to be made.

RETAIN IN CONFIDENCE - Section 91(7) Order

4. Having considered Agenda Item 18.1 Kauri Community & Sporting Complex - Management Review (Report No: 222/20) in confidence under Section 90(2), 90(3)(b) and 90(3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the discussion, report and attachments be retained in confidence for a period of 24 months with the Chief Executive Officer authorised to release the documents following conclusion of the Management Agreement with Belgravia or the expiry of the 24 month confidentiality period.
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COMMUNITY

Placemaking: Creating lively and safe places

Community: Providing welcoming and accessible facilities

Culture: Providing customer-centred services

STATUTORY PROVISIONS

Local Government Act 1999.

Retail and Commercial Lease Act 1995

BACKGROUND

Previous Relevant Reports and Decisions

- Council Report No.: 74/19; Item No.: 17.1, 'Kauri Community & Sporting Complex – New EOI Tender, 12 March 2019 (Resolution No.: C120319/1409);
- Question on Notice No.: 413/18; Item No.: 9.2.2, 'Kauri Sporting Complex Management', 11 December 2018;
- Council Report No.: 52/18; Item No.: 17.2, 'Kauri Community & Sporting Complex - EOI Results, 27 February 2018 (Resolution No.: C270218/1065);
- Council Report No.: 453/10; Item No.: 14.7, 'New Lease Agreement – Holdfast Bay Music Centre, 12 December 2017 (Resolution No.: C121217/1003);
- Council Report No.: 455/17; Item No.: 14.9, 'New Lease Agreement – Seacliff Tennis Club, 12 December 2017 (Resolution No.: C121217/1002);

- Council Report No.: 454/17; Item No.: 14.8, 'New Lease Agreement – Seacliff Hockey Club, 12 December 2017 (Resolution No.: C121217/1001);
- Council Report No.: 349/17; Item No.: 14.6, 'Kauri Community and Sporting Complex - EOI for Operational Management', 10 October 2017 (Resolution No.: C101017/929);
- Council Report No.: 232/19; Item No.: 17.1, 'Kauri Community and Sporting Complex - EOI Results, 23 July 2019 (Resolution No.: C230719/1564);

Following an unsuccessful Head Lease negotiation with Kauri Community & Sports Centre Inc., Council resolved at its meeting on 10 October 2017 to seek Expressions of Interest (EOI) for the day-to-day operational management of the Centre. However following an EOI process, the proposals were not progressed due to the high cost of the proposed management arrangements presented in the submissions. Administration subsequently recommended that a staff manager be appointed to manage and promote the facility, but this was not supported by Council.

The Centre was then managed by Administration staff as an extension of their normal duties between 2017 and 2019, when a second EOI process was undertaken to seek a more sustainable and effective management arrangement. As a result, Council resolved at its meeting on 23 July 2019 (Resolution C230719/1564) to enter into a Management Agreement with Belgravia Leisure for a period of 12 months commencing on 1 September 2019, with a right of renewal for a further 12 months (to be exercised at Council's discretion) expiring on 31 August 2021 (Management Agreement).

Under the Management Agreement, Belgravia is responsible for managing, promoting, marketing, activating and operating the public spaces at the Centre, with all operating expenses being met by Council under a 'Fee for Service' operational model. The risk and reward of performance is carried by Council, which is a similar business model to the Brighton Caravan Park. Under the Fee for Service model, any revenues generated from operations are used to offset the operational and activation costs.

REPORT

One key purpose of engaging a specialised Sport and Recreational Centre operator was to increase utilisation of the Centre and for the provider to develop and offer a range of social, recreational, educational and personal development programs.

Belgravia's progress is monitored by Administration through monthly reporting and against Key Performance Indicators established in the management agreement. The tracked KPIs are listed in Attachment 1.

Refer Attachment 1

At 30 June 2020, after 10 months of activities, definite progress has been achieved, although some areas need improvement.

1) ACHIEVEMENTS

WHS, Security and Maintenance

Belgravia quickly identified gaps in the WHS and security of the site when they commenced their management and concentrated their initial efforts in these areas for the first two months. They have further developed:

- Preventative Maintenance schedule;
- list of equipment and assets;
- Facility Health and Safety Audit (conducted every 6 months);
- Personal Protective Equipment (PPE) checklists; and
- operational and administrative procedures such as cash handling and bump out process.

They have also completed the Emergency Evacuation System and placed relevant signs around the building.

The site is left properly secured every day, which was not the case when the management of the Centre was left to the clubs. They are also assisting with the maintenance and upkeep of the site. For example, the fryers in the kitchen had a much needed deep clean and are now kept in good working order.

Although these measures do not see any revenue raised for Council, they have:

- Identified risks and relevant controls, resulting in lowered the level of risk;
- Brought the Centre back to a high standard of presentation and functionality;
- Have prepared the Centre for future activation; and
- Assisted with Asset management and improvement.

Daily Management

The Centre operates primarily between the hours of 8:30 am and 4:00 pm Mondays, Wednesdays, Thursdays and Fridays, but Belgravia also co-ordinates private functions, corporate events, and programs sporting and community services that occur outside the Centre's primary hours of operation. It is to be noted that the Centre Coordinator engaged by Belgravia only works for 15 hours a week.

The Operational Action Plan (as part of the annual Business Plan) guides the daily management of the Centre which can include responding to booking enquiries, preparing for promotional activity, purchasing stock, reconciliation, reporting on budget etc.

Activation

The bookings sourced directly by Belgravia were increasing steadily prior to the Centre's forced closure as evidenced in Table 1 below showing the distribution of hours booked by various users.

Table 1: Belgravia Activation

	KAURI	Cumulated utilisation level (in hours)	Belgravia bookings (or Council prior to that)					
			Hockey	Tennis	Council events	Belgravia bookings (or Council prior to that)	Music	
2019	April		25:00	10:00	56:00	7:00		
	May		33:00	2:30	33:00	3:30	12:00	
	June	324	109:00	0:00	33:00			
	July		24:00	72:30	44:30		12:00	
	August		53:00	71:30	35:30			
	September	448	34:00	68:00	33:00			
	October		13:00	99:00	40:00		5:00	
	November		0:00	184:00	37:30	6:30		
	December	511	0:00	88:30	24:00	14:00		
	2020	January				21:00		
		February		6:00	4:00	33:00	30:30	
		March	116.5	6:00	38:00	14:00	6:00	0:00
April			0:00	0:00	0:00	0:00		
May			0:00	0:00	0:00	0:00		
June		35.5	20:00	2:30	0:00	13:00		
total 12 months			265:00	628:00	315:30	70:00	17:00	

From August 2020, regular programs have increased to 3 evenings of activities with Taekwondo and Choir. This will see an additional 100 people per week using the Centre. Yoga and Art classes were unfortunately discontinued after COVID-19.

August will also see the re-introduction of Council's Well-being programs all day Tuesday and the Let's Eat program one night per month. These Council led programs provide regular activation for the Centre, but prevent Belgravia from bringing in further revenue during these times.

Since June 2020, a Personal Trainer has started hiring the space in the undercroft, next to the Hockey Change room for an initial duration of 12 months. Whilst the undercroft space was originally intended to be an additional change room for the use of the Hockey Club, the building work was never completed and the area was not included in the Club's lease. However the Club had informally used it for additional storage.

Belgravia attracted a long term opportunity to hire the room to a Personal Training (PT) business, providing regular activation in line with health and wellbeing objectives. It also creates additional exposure for the Centre and provides an ongoing revenue stream with a budgeted revenue of \$6,240 per year (\$120 per week). Some set up works were required (mainly replacing the roller gate with a compliant door). The once off related cost (\$2,617) has impacted the net deficit in the first 10 months, but has a payback period of 21 weeks.

General hire and activation post COVID-19 is increasing again as shown in the past and future bookings graph (Graph 1) below, as at end of June 2020.

Graph 1: Past and future bookings (as at end of June 2020)**Marketing Progress**

Marketing channels have been established, in particular for digital communications, however this could be improved by better targeting. Initiatives in the first 10 months of the Agreement include:

- Facebook page created with regular updates – has improved awareness within the community;
- Website established - <https://kaurisportscentre.com.au/> ;
- Signage installed by playground to promote the Centre;
- Database of key target audiences developed – incl schools, clubs, childcare, etc.; and
- New coffee machine installed – improves Centre attractiveness for meeting and conference hires.

The 2020/21 Marketing Plan is more defined and precise. It includes new audiences such as business sector, cross promotion initiatives, development of specific events (eg movie nights) and new opportunities aimed at youth (eg. school holiday programs). The 2020/21 Marketing Plan is presented in Attachment 2.

Refer Attachment 2

It will be crucial for Council to continue to track performance indicators regularly in this area.

2) CHALLENGES

Collaboration with Existing Tenants

The Centre is home to the Holdfast Music Centre, Seacliff Uniting Church Netball Club, Seacliff Tennis Club and Seacliff Hockey Club (**the Clubs**), all of whom hold individual leases over specific portions of the Centre for their exclusive use.

The existing leases do not include access to the function room: essentially, the leased premises for the Hockey and the Tennis clubs are their respective playing fields, store rooms and change rooms and office only.

However prior to the appointment of Belgravia as Centre Manager, the Clubs had essentially free and unlimited access to the function room for the past couple of years whilst the Centre was not managed professionally. Tennis and Hockey effectively used the room as their shared 'club room'. Unfortunately, this informal use came with no established responsibilities in terms of cleaning and/or maintenance which led to the deterioration of the cleanliness and general presentation of the function room.

The Clubs had to transition out of the 'unlimited use' mode to allow Belgravia to activate the function room. In the first few months this hindered some opportunities for booking as the Clubs were holding onto space and/or usage arrangements that were not supported by their leases.

Administration has been careful to respect the Clubs' needs while supporting Belgravia's effort to optimize access to the function room by the rest of the community. After a period of consultation and negotiation with the clubs, new regulations (Attachment 3) were developed as a result for the utilisation of the function room including:

- free access to the function room 5 times per year per Club for events;
- free access for viewing purposes when the function room is not in use by a third party;
- preferential rates for other bookings; and
- clearer expectations in regards to cleaning responsibilities when function room is used by the Clubs.

Refer Attachment 3

The Clubs also conjointly held a club liquor licence under the "Seacliff Sport Club Association" banner, but they did not relinquish their licence (which included the top floor and function room) until 12 March 2020 which delayed assessment of Belgravia's liquor licence application.

Belgravia's Centre Coordinator has developed collaborative relationship with the Clubs in the last 10 months, despite some occasional resistance from the Hockey Club. The Clubs seem to be accepting of the new management model, with both Tennis and Music expressing their support.

COVID-19

The Centre closed fully for nearly 3 months, from the 20 March 2020 to 09 June 2020 due to the State government's COVID-19 restrictions, which interrupted Belgravia's effort to drive growth for the Centre. This also impacted financial performance of the Centre.

The Centre Coordinator was stood down for the first few weeks to reduce costs, but was ultimately able to continue employment once Belgravia qualified for the Federal Government's JobKeeper subsidy. Council benefited indirectly from the government support as salary costs are passed down to Council.

Whilst COVID19 created a significant business disruption for the Centre, Belgravia's management of the crisis was exemplary, both in terms of communication and organisation:

- they kept their communication open with Council Administration by sending a weekly report ("shutdown report");
- weekly Facebook update;
- launched the *360 Fitness and Wellbeing* program and live online classes (Digital program);
- organized all social distancing signage and notices on site;
- developed and implemented COVID-Safe plans; and
- prepared for swift return to business before doors reopened.

The success of future activation in the coming months will depend in part on the evolution of government COVID-19 restrictions in South Australia. At the moment no more than 85 people are allowed in the function room at once, (and 55 on the balcony) based on the 2m2 rule, however the normal room capacity is 300 people. Whilst this limits the opportunity to grow larger events, it is noted that Belgravia will continue to benefit from the JobKeeper subsidy until March 2021, which will keep salary costs down.

BUDGET

The detailed Profit and Loss statement for the 10 months ended 30 June 2020 is attached.

Refer Attachment 4

The management agreement is under a fee for service model, with all operating expenses met by Council and revenues generated from operations offset against these costs. Under the management agreement, Council carries all commercial risk for the Centre and is responsible for all operating, maintenance and management costs. These comprise:

- all variable costs, including but not limited to staff, cleaning and marketing costs and depend on the level of activities.
- Belgravia's fixed management fee of (\$11,881) and a corporate services charge (\$21,881) (total \$33,762 per year).

Belgravia is entitled to their fixed management fee and corporate services charge irrespective of revenues received or other operating costs.

In summary, the financial performance of the centre for the first 10 months to 30 June 2020 was:

	YTD (30 Jun 2020)
Income	
- Room hire	\$10,330
- JobKeeper subsidy	<u>\$ 9,115</u>
	\$19,445
Expenses	
- Fixed management costs	\$28,135
- Other operating costs (incl interest/deprec)	<u>\$39,073</u>
	\$67,208
Net (Operating Loss)	(\$47,763)

Belgravia's original proposal estimated revenues of around \$114,200 in a full year, with costs estimated at approximately \$145,000 – meaning that it was anticipated that the increased activation would cost \$30,800 for the first 12 months.

However, after 10 months of activity within their first term of the Management Agreement, the net position achieved by Belgravia was a deficit of \$47,763.

Experience shows that the first 6-12 months of the agreement should be the most difficult and this has been further impacted by COVID-19 restrictions and loss of trade for 3 months. Income should now improve as Belgravia have settled in, the Centre is being promoted and COVID-19 restrictions are easing.

Council and the local community are benefiting from the expertise provided by Belgravia. Opportunities to enhance the community value appear greater, with the growth of community and commercial programming as well as private events.

However, the marketing efforts to promote the Centre seem disappointing at this stage and need to be developed further. It will be crucial for Council to continue to track performance indicators regularly in this area. COVID-19 has also severely impacted Belgravia's activities.

Overall, the last 10 months are not sufficient time to clearly establish the accomplishment of the current operator and it would not be in Council's interest to not proceed with the second term of the agreement.

It is recommended that Belgravia's Management Agreement is extended by a further 12 months from 1 September 2020 to allow the commercial management model time to demonstrate whether it will work.

It is further recommended that a full analysis of Belgravia's performance be provided to Council by June 2021, following 20 months of operations.

This will ascertain whether or not Belgravia has been effective in creating positive outcomes for the community, whether the financial model is sustainable and whether the original management agreement should be extended. The report will also explore other operating models, including the option to manage the Centre using a directly employed, part-time Centre Manager to drive future growth of the Centre.

LIFE CYCLE COSTS

The Management Agreement with Belgravia is for a period of two years (1 year + 1 year) with the second 12 months term commencing on 1 September 2020 and expiring on 30 August 2021. Payments from Council to Belgravia in the second year will be similar with the addition of CPI.

The budget for the Centre for the financial year 2020/21 has been reviewed and adjusted targets set as follows:

	Budget YE 30 Jun 2021
Income	
- Room hire/memberships/etc	\$23,578
Expenses	
- Fixed management costs	\$33,756
- Other operating costs (incl interest/deprec)	<u>\$20,455</u>
	\$54,211
Net (Operating Loss)	(\$30,633)








Belgravia's experience in Port Pirie at the Port Pirie Sports Precinct shows that as they have been able to grow the meetings, bookings and events in a similar style of function venue, so there is an opportunity to reduce that Council subsidy over the years.







Attachment 1




BELGRAVIA LEISURE PERFORMANCE CRITERIA – tracking as of 30 June 2020




Corporate KPIs



Key Performance Area	Description	Target/Measure	Review July 2020
Business Plan	Annual Business Plan completed	Submitted to council by 30 June each year.	 Delivered in March 2020, including SWOT, Operational Action Plan and Marketing Plan. Marketing plan was revised in July to include more detail and a more precise timeline, as requested by Administration.
	Reporting on Business Plan	Quarterly reporting against business plans.	 Reports delivered on a monthly basis but needs more data analytic. Work in progress.
		Annual reporting against business plans.	Not applicable yet (as of July 2020)
Finance	Annual Budget completed	Presented to Council by 1 March prior to each financial year.	 Budget more attainable and realistic this year.
	Financial performance to budget (Net)	Within 1% of approved budget.	 Belgravia budgeted net cost for first 12 months was \$30,800. Actual net cost as at June 2020 (10 months into agreement) was \$47,763  Monthly invoice to Council with management fees and other expenses allowing administration to monitor activities and track progresses.
	Wage to income ratios	Based on agreed targets set in the Annual Business Plan and Budget. Ratio = (total personnel costs divided by total income) x 100	 For FY20, actual was 133% (due to set up) For FY21 the budget is 79%. Wages are low and current include Job Keeper benefits.
Safety & Risk	WHS - Minor Incidents as % of attendance	0.01	 No minor incidents. Risk assessment matrix undertaken in October 2020

	WHS - Major incidents	0	 no minor incident
	WHS - average lost hours/days per quarter	Number of average lost days reported	
Customer	Customer Satisfaction Survey	Annual Survey completed.	At year to date, with 10 months of operations, an annual survey has not been completed yet.
	Customer Satisfaction Results	Based on agreed targets set in the business plan.	No formal customer satisfaction results – however Administration has received informal positive feedback from both regular and occasional users, such as the 5049 group.
	Complaints / requests for action register	Provide initial response within 2 working days and action plan in place	 All requests responded to promptly. No complaint registered so far.
Non Financial	Ensure relationships with existing User Groups remain harmonious and collaborative	Quarterly meetings held with user groups and function rooms is utilised by them as per annual business plan	 This has been a challenge as the clubs were used to access the function room with no limitation. However, the Coordinator on the grounds has established a collaborative relationship with 3 of the 4 tenants. Hockey is too adapting and this relation remains a work in progress. Guidelines and regulations in regards to the utilization of the function room were established by Administration after consulting with all parties.
	Attendance measure	Attendances at the facilities to equal or exceed the attendance benchmarks in the annual Business Plans.	 Over 25% annual increased of hours booked by Belgravia.
	Account meetings/reporting	Meeting held quarterly and performance reporting provided monthly.	 Monthly reporting although information presented needs to more data analytic.

	Identify & implement new programs and systems to enhance service	Increased service options identified based on patronage, demographic and community data. Proposed to Council for approval.	 PT program = increased service in line with health objectives and existing clubs objectives. Increase exposure. Business case provided for approval.
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Community KPIs (Activation /Diversity of Opportunity)

1. Partnerships Community engagement and information sharing to establish contextual understanding of community needs.	1.1 ensure programs meet community needs based on community engagement, demographic data and relevant research.	Programs are introduced based on agreed key priority areas and annual business plan.	 Business Plan 19/20 was provided. It seems that programs are being introduced on an opportunity and request basis rather than with a deliberate strategy - this can be developed once there is more demand but Belgravia should seek out programs proactively. Active Communities team (Administration) to help identify gaps in services and future needs.
	1.2 Account meetings include members/patrons/community members and (where applicable) to report on program development, community outcomes, progress to plans and budget.	Quarterly Meetings held - in addition to commercial requirements, develop measures	
2. Systems Registration systems can enhance our capacity to identify users, gaps and opportunities and support program development in response to community needs.	2.1 Use registration demographic data to support research and findings in Key Performance Area (KPA) 1.	Registration report provided monthly and discussed at quarterly meetings.	 Users data is provided on monthly basis but only as a list and with no demographic data = difficult to analyze. Council requested a change of formatting. Further reporting required to understand marketing gaps.

3. Programs Programs that increase community health and wellbeing.	3.1 Develop Holdfast Bay Council Community Plan Outcomes.	Number of groups using the facility increases.	 New regular programs: <ul style="list-style-type: none"> • Yoga group (stopped after Covid19) • Seacliff social painting (discontinued after covid19) • AeroKids – Semi regular (back fill venue only) • Taekwondo (twice a week) • Choir (Wednesdays) • Council Wellbeing Tuesdays • Personal Training everyday.
4. Review	Annual review to be undertaken by Council / Belgravia including stakeholders indicated in KPA	Review completed. Improvements implemented.	 In progress

Attachment 2



**KAURI COMMUNITY
& SPORTS CENTRE**



belgravia**leisure**

Marketing Plan

**KAURI COMMUNITY AND
SPORTS CENTRE 2020/21**



OUR VALUES

- C**

Customer Focused
The customer is at the centre of everything we do.
- L**

Leadership
Our passionate people are our greatest asset. We lead by example, displaying our integrity at all times.
- E**

Excellence
We strive for excellence in our service delivery.
- A**

Accountability
When we make a promise, we keep it.
- R**

Results
We accept responsibility in delivering results for our clients and customers.

WE DELIVER **RESULTS**. OUR PASSIONATE **PEOPLE** ARE OUR GREATEST ASSET. THE **CUSTOMER** IS AT THE CENTRE OF EVERYTHING WE DO. WE STRIVE FOR **EXCELLENCE**

CONNECTING THE COMMUNITY TO LEISURE

Marketing Plan 2020-21 – Kauri Community and Sports Centre



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Marketing Strategy: Kauri Community and Sports Centre

Objective

Engage and connect the community to the facilities at the Kauri Community and Sports Centre

Briefing Summary

Promotional Period	1 July 2020 – 30 June 2021.
Campaign Objectives	<ul style="list-style-type: none"> • Increase sales – Drive more event bookings and regular scheduled user programs that span across the financial year. • Drive awareness, bookings and retention for regular program participants. • Engaging the community at multiple times of the year with programs/events e.g. free movie nights. • Increase attendances and event bookings throughout the facility including regular user groups, sporting bodies and community groups.
Key Messages	Follow our Facebook page to receive the “Events” on and opportunities ahead to get the benefits of what we offer. Encouraging all users to make the facilities part of their regular activities.
Target Market	<ul style="list-style-type: none"> • The local community of all ages who have visited the centre at some point recently • New audience extending further than the 5049 Postcode. Initially targeting within City of Holdfast Bay and then surrounding suburbs including Happy Valley, Aberfoyle Park, Blackwood, Sturt, Bellevue Heights and St Marys. • Parents introducing their children to KCSC sports clubs • Families in the community looking for group activities • Significant Birthday celebrations • Kids Birthday celebrations • Funeral wakes • Wedding receptions • Existing user groups at the site, looking to upsell and promote other programs. • PT clients being upsold to book events
Available Marketing assets	<ul style="list-style-type: none"> • DL flyer letter box drop • Facebook Post Pages x 3 • Facebook Cover Image • Facebook ‘Events’ booked in for regular user group promotion • A-Frame roadside advertising • Personal promotion at the KCSC • Belgravia Marketing Hub • Local Media • Bridal Expo



Key Marketing Periods

There are key periods of the year that are key to driving sales and setting up for the periods ahead. By promoting what is on in the coming months to the large volume of patrons that are currently coming through the venue increases the chances of return visits and multiple participations to additional programs.

Re-open launch

Early Bird – 10% off Event room bookings more than 6 months in advance

Advertised as a once a year discount and only available for the centre function room events booked (and deposit paid) at least 6-months in advance. Please note: Not valid in conjunction with any other offer. Excludes meeting room, regular hire and existing agreements. Pending council approved promotion. Target to include sporting clubs within local and neighbouring suburbs

January discount – 15% off Event bookings for January

Advertised as a once a year discounted window and only available for the centre function room events booked in the month of January. Please note: Not valid in conjunction with any other offer. Excludes meeting room, regular hire and existing agreements. Pending council approved promotion.

Marketing Strategy

Email Media Campaign – Targeted e-letter campaign at local and surrounding sport clubs, community groups and businesses. Recommended to begin as soon as we can re-open.

Action: This will be developed and managed at the local level and set up to promote to the local and targeted market area. Designed to encourage those in the local demographic to contact KCSC to hold their event being fundraiser, end or start of season function.

Timing: To begin distribution based on approval to re-open driving awareness of KCSC.

Paid Social Media Campaign – Paid and targeted social media campaign on Facebook. Recommended to begin as soon as we can re-open.

Action: This will be developed and managed at the local level and set up to promote to the local and targeted market area. Designed to encourage those in the local demographic to contact KCSC.

Timing: To begin distribution based on approval to re-open driving awareness of KCSC.

Facebook Event – Promote all single and regular events to drive facility awareness across multiple pages and community groups.

Action: This will be managed at a local level using the central assets provided. State marketing support available if needed.

Timing: This will be set up and posted as events are finalised with user groups.



Letter Box Flyer Promotion –10,000 flyers to be dropped in letter boxes over local suburb postcodes extending to Happy Valley and St Marys.

Action: This is managed at the local level and set up to promote to the programs and services we offer at the facility. We are targeting an increase of event bookings, primarily regular and special occasion functions. Our goal is to encourage those in the local demographic to contact KCSC.

Timing: To have the flyers delivered mid-August in preparation of the school holidays starting late September. This distribution prior to school holidays will drive up awareness and participation.

Organic Social Media – Organic social media continues to gain reach by the day, upon re-opening we will be boosting posts to increase impact and engagement.

Action: This will be managed at a local level using the central assets provided and centre specific content on file that is relevant. This will be used to keep the audience engaged.

Timing: This will be regularly posted with engaging content around events, participation and attendance for the activities planned over the coming months.

Local Council – All information will be cross promoted on local council websites and social channels. This needs to be an ongoing supply of content across the whole year as it could capture a non-local audience who could be travelling or new to the community.

Action: This will be managed by local staff in the KCSC using current networks and assets provided.

Timing: This will be actioned 2 weeks prior to an event/promotion and will be regular information provided throughout the year around the activities planned in the calendar.

Local Schools – Local schools are an important resource to communicate all activities with such as the school holiday events whilst supporting the inhouse sporting programs. We will create the content and submit to the relevant schools with a request to appear in newsletters.

Action: This will be managed at a local level using the assets provided.

Timing: This will be actioned two weeks prior to the opening of term and should be regular information provided throughout the year around the activities planned in the calendar.

Other Initiatives

It's important to keep momentum by throughout the year by engaging the community and attracting a new audience. Some ideas that we may run are:

New Year's Eve Family Celebrations

Opening the function area to support local families. Promote opening of between 6pm-10pm in the evening with an offering of full kiosk and bar menu. Fireworks are clearly visible from the balconies and function room for all to enjoy.



Movie Nights

These are a popular event that attracts the whole family in a relaxing atmosphere. These can be hosted at all venues at local level. We can attract not only sporting club families but the greater community. This may attract non sporting enthusiasts to the KCSC, who may then visit again during a sporting event.

Children Shows

Host children entertainers at the function area. This will be done in conjunction with other Belgravia sites. We would schedule a calendar along with the other metro sites and then have the entertainers appear at all venues in a tour format. Promoting through each site.

Magic Day

Having a magician come to our site, this again is in conjunction with our other Belgravia sites throughout SA. This would again be on a tour type format where the magician would come to the site and perform some magic shows in the morning. Then from there have the magician perform magic workshops in the afternoon for the interested children/adults.

Belgravia Leisure Facility Linkages

Working SA-wide with groups and organisations that are looking for multiple locations for their activities and bookings. Already we are seeing interest in this particularly with users of the Hewett Centre in Gawler that are looking for a southern base as well. Wedding expos and locations for holiday activities are already being explored through this.

There are several other opportunities that we are investigating in a number of different areas. These include Emergency services day, parent/child days, Lego Day, Nerf wars, parent/child yoga.



Marketing and Promotional Calendar 2020-2021

1 st Quarter July/Aug/Sept	Strategy	Communication Strategy
Facility / Brand / program awareness	Maximise Awareness	Website completed Paid posts on Facebook for function and rooms booking – promote January booking special
	Function Room – Business Focus	Direct marketing to the business sector for events, trade shows, and meetings
	Program Awareness – Term 3 School Holiday Program Marketing	Internal – Noticeboards External – Local Schools newsletters, Play n Go Kids in Adelaide Online – Website, Social Media
New Opportunities	Cross promotion	Promote facility to current users (sporting clubs and PT) for opportunities for their members – birthday parties and other larger gatherings



2 nd Quarter Oct/Nov/Dec	Strategy	Communication Strategy
Facility / Brand / program awareness	Maximise Awareness – Local Community	Setting up ‘coffee time’, ‘walking groups’ or other Active Adults programs at least 2 sessions a week to improve general use and visits to the facility for local residents. Also location for playgroup type sessions
	Function Room – Sporting Club Focus	Develop centre promotional material for direct marketing to CoH summer sporting clubs and community groups the use of venue for end of season functions & event nights in 2021
	Program Awareness – New Year’s Eve	Promote opening of the venue from 6pm-10pm for a family-friendly event
	Program Awareness – Movie Night	Plan, prepare, and begin promotion for a January Movie Night at the facility
	Program Awareness – Summer School Holiday Program Marketing	Internal – Noticeboards External – Local Schools newsletters, local accommodation for summer visitors, Play n Go Kids in Adelaide Online – Website, Social Media
New Opportunities	Cross promotion	Promote facility to current users of northern & regional Belgravia operated function facilities for them to use KCSC as their southern Adelaide location in addition



Jan/Feb/Mar	Strategy	Communication Strategy
Facility / Brand / program awareness	Maximise Awareness – events and tourism industry	Develop promotion material specifically for State Sporting Organisations, Event Operators and Local Accommodation providers to highlight the opportunities of using the full facility as part of event attraction in the region and combined package opportunities
	Function Room – Regular Programs (youth)	Develop regular centre-run programs for youth activities – coding, cooking classes, fitness class or similar in preparation for the colder weather
	Program Awareness – Term 1 School Holiday & Easter Program Marketing	<p>Internal – Noticeboards</p> <p>External – Local Schools newsletters, eDM to database of previous attendees and users, Play n Go Kids in Adelaide</p> <p>Online – Website, Social Media</p>
New Opportunities	Cross promotion	Hold a CoH business networking event – showcasing the facility and discussing cross promotion opportunities for local businesses with our facility



Apr/May/June	Strategy	Communication Strategy
Facility / Brand / program awareness	Maximise Awareness – site programs and user groups	Overall facility promotion of programs, user groups, and hire opportunities to re-engage the wider community to the overall facility
	Function Room – Returning Users	Direct marketing to previous hire groups and individuals with a special promoting their returned use for FY22
	Program Awareness – Term 2 School Holiday Program Marketing	Internal – Noticeboards External – Local Schools newsletters, eDM to database of previous attendees and users, Play n Go Kids in Adelaide Online – Website, Social Media
New Opportunities	Cross promotion	Identify arts and culture displays or exhibitions from local schools that could be held in our facility for viewing and official opening events

Other Marketing Opportunities may arise during this 12 Month term and strategies may vary against planned



Conclusion

We continue to work with City of Holdfast Bay council in organising events. We will continue to attract new and exciting programs and events to our facility – this can move ahead with more surety now that . We do this with our goal of encouraging the community to become more active, participate and visit the great facilities we have to offer. We will continue to target a wide age demographic and promote the services we have.

We will continue to target all current user groups within our database ensuring we cover all areas to support maximum utilisation of KCSC. This will give us key feedback in promoting future programs to engage and areas to increase our focus.

Our key focus is being inclusive in all we offer and engaging as many people in the region as we can by *connecting the community to leisure*.



Attachment 3

June 2020

**Kauri Community & Sports Centre
FUNCTION ROOM UTILISATION
RULES AND REGULATIONS**

The objective is to provide a framework for the use of the function room at Kauri Community & Sports Centre by the existing tenants of the centre ('Clubs'):

- The City of Holdfast Bay Music Centre Inc
- The Seacliff Hockey Club Inc
- The Seacliff Tennis Club Inc

Whilst the existing leases do not include access to the function room, Council recognizes the need to balance the function room's accessibility as a club facility with its activation by the rest of the community.

FUNCTION ROOM BOOKINGS:

- **The KCSC Function room calendar** will be available for viewing by the Clubs online once the website is completed and running. All bookings will be made through the KCSC Coordinator. However, while the website is not yet operational, a weekly email will be sent out to the three clubs with updated bookings for the function room over the coming three months.

- **5 Free Access for Events/Functions**
Clubs can book 5 dates at no cost for Clubs events such as Season launch, Tournament/Carnival, Fundraiser, Grand Final Night, Presentation Night etc.
 - Normal booking process applies as per other users.
 - 1 free event/function = 1 day free access hire
 - An Event ran over consecutive days will be considered as several dates (but preferential rates will apply after the fifth date).
 - Bump in and pack down of events to be organised by the Clubs. They can be undertaken on either side of the free access date if the room is available and not booked for another use by another party.
 - The cleaning is to be organised by the Clubs at their own cost. The premises should be left clean and tidy after each use of the function room, including all rubbish waste and garbage to be removed.
 - Access to the bar: Belgravia will run the bar under their Liquor licence (refer to licensed area section below). All costs (staffing, stock and \$50 administration fee) will be charged to the Clubs but all profits from the bar/kitchen will be returned to the clubs.

- **Additional Bookings**
Aside from the 5 free accesses, the Clubs are expected to pay for additional use of the function room.
 - Booking enquiries to be made and organised directly with Belgravia.

- Preferential rate: \$35/hour or \$120 for 4 hours to a maximum of \$200/day. The premises should be left clean and tidy after each use of the function room, including all rubbish waste and garbage to be removed.
 - Clubs can chose to apply for a temporary liquor licence and organise a temporary mobile bar in the function room. Extra storage may need negotiated for large events to stock clubs stock in the function room's fridges.
 - Alternatively, the Clubs can request for Belgravia to run the bar (for the same rate, but with returns kept by Belgravia). This is to be discussed with Belgravia directly depending on the type of event organised.
 - These discounted bookings are available for the Clubs' activities only. Bookings made by club members for private functions will be managed by Belgravia directly and incur standard fees.
- **Access for parents and members during training and games ('viewing access')**
- Clubs are welcome to use the function room any time if it is not booked for another use, or in bump in phase for an early next day booking.
 - Club users are required to follow the Viewing Access Checklist, which includes instructions for the security of the room (i.e. opening and locking of doors), as well as tidying and cleaning obligations.
 - A cleaning fine may be applied if the function room is not left in an appropriate state after viewing access.
- **Viewing platforms / Balcony**
- The Clubs and their members have access to the viewing platforms/ balcony at all times, provided:
- The function room is not booked to include the balcony area (in which case, Belgravia will notify the clubs)
 - Platforms are left in a tidy state,
 - The noise level is reasonable, particularly when the function room is in use by another group.

MEETING ROOM

The Meeting room can be used for free, subject to prior booking.

- The noise level is reasonable, particularly when the function room is in use by another group.
- Meeting room is to left in a clean and tidy state,
- A cleaning fine may be applied if the meeting room is not left in an appropriate state after use.

LICENCED AREAS

- The Seacliff Sport Club manages the liquor licence for the external grounds, ground floor and undercroft of the building.
- Belgravia holds the license for the whole first floor of the building, including the balcony.
- Alcoholic drinks cannot be purchased from one liquor license area and moved to another.

- The Tennis Club, Hockey and Music clubs can request temporary liquor licence to activate the Function room bar on the dates they run events. In these cases, Belgravia will temporary put its own licence on hold for the time of the event.
- Belgravia will endeavour to secure its beverage and food stock. However, Clubs will be responsible for any loss/thief occurring when the function room is used by the clubs, their members or guests.

Attachment 4

Belgravia Health & Leisure Group Pty Ltd
Kauri Parade Sports Centre
Profit & Loss Statement
For the Twelve Months Ended 30th June 2020

	June Budget	June Actual	Variance	YTD Budget	YTD Actual	YTD Variance	YTD Last Year	Annual Budget
INCOME								
Room Hire Income		\$618	\$618		\$10,330	\$10,330		
JobKeeper Subsidy		3,115	3,115		9,115	9,115		
TOTAL INCOME		3,734	3,734		19,445	19,445		
COST OF GOODS SOLD								
KIOSK COST OF SALES								
Kiosk Opening					413	413		
Kiosk Purchases		50	50		1,968	1,968		
Kiosk Closing Stock					-206	-206		
TOTAL KIOSK COST OF SALES		50	50		2,175	2,175		
TOTAL COST OF SALES		50	50		2,175	2,175		
PERSONNEL COSTS								
Management Wages		2,452	2,452		15,875	15,875		
JobKeeper		1,586	1,586		5,307	5,307		
Annual Leave Provision		142	142		1,548	1,548		
Payroll Tax		133	133		898	898		
Workcover		52	52		351	351		
Superannuation		233	233		1,566	1,566		
Staff Training & Recruitment					22	22		
Staff Recruitment					279	279		
TOTAL PERSONNEL COSTS		4,598	4,598		25,846	25,846		
MAINTENANCE & OPERATIONS								
Building Maintenance		1,837	1,837		2,617	2,617		
Cleaning					16	16		
Consumables					53	53		
Equipment Purchase					48	48		
First Aid		298	298		298	298		
Telephone		73	73		873	873		
Internet		50	50		502	502		
TOTAL MAINT & OPERATIONS		2,258	2,258		4,407	4,407		
ADVERTISING, MARKETING & BUSINESS DEVELOPMENT								
Marketing		23	23		225	225		
Digital Marketing		6	6		6	6		
Postage					33	33		
Printing		543	543		826	826		
TOTAL A,M & BD COSTS		571	571		1,090	1,090		
OPERATING								
Management Fee	990	990		9,901	9,901			9,901
Computer Costs - Software	100	223	123	1,200	1,362	162		1,200
Contract Management & Admin	1,823	1,823		18,234	18,234			18,234
Insurance	9	12	3	90	464	374	95	90
License Fees		928	928		1,904	1,904		
License Fees - Other				43	-43			43
Office Supplies					207	207		
Subscriptions & Registration				87	-87		84	87
TOTAL OPERATING COSTS	2,923	3,977	1,055	29,554	32,072	2,518	179	29,554
TOTAL OPERATIONS COSTS	2,923	11,455	8,532	29,554	65,589	36,035	179	29,554
CONTRIBUTION FROM OPERATIONS	-2,923	-7,721	-4,799	-29,554	-46,144	-16,590	-179	-29,554
TOTAL CONTRIBUTION	-2,923	-7,721	-4,799	-29,554	-46,144	-16,590	-179	-29,554
Finance Costs & Fees		6	6		56	56	61	
TOTAL INTEREST & FEES		6	6		56	56	61	
NET RESULT BEFORE DEPRECIATION	-2,923	-7,727	-4,805	-29,554	-46,200	-16,646	-240	-29,554
DEPRECIATION & AMORTISATION								
Deprec - Plant & Equipment		1,563	1,563		1,563	1,563		
TOTAL DEPRECIATION & AMORTIS'N		1,563	1,563		1,563	1,563		
NET RESULT	-2,923	-9,290	-6,367	-29,554	-47,763	-18,208	-240	-29,554
Less Management Fee		2814						
Deficit - June 20		-6,476						