

7.4 FREE CASUAL ENTRY FOR MITCHELL SHIRE OUTDOOR POOLS

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SUMMARY

Mitchell Shire owns and operates three outdoor pools that are open between 1 December and 13 March each season. Despite fluctuating weather conditions, significant business and marketing refinements the average total annual visitation has not fluctuated greatly over the past four years at 15,181 visits at an average cost per visit of \$14.00.

In order to significantly increase the usage of the outdoor pools whilst contributing to improving the health and wellness of the community, it is proposed to offer free casual entry for members and visitors of the Mitchell community for the 2019-2020 and 2020-2021 outdoor pool season. By removing the financial barrier to participation, more people will visit the pools and do so more often.

A review will be undertaken at the end of the season with an evaluation report tabled with Council for further discussion. It may however be difficult to re-introduce fees once the community have experienced free casual entry to the outdoor pools.

RECOMMENDATION

THAT Council:

1. Authorise free casual entry to the Mitchell outdoor pools for the 2019-2020 and 2020-2021 seasons.
2. Receive a report from officers following the 2020-2021 outdoor pool season with a review of the initiative

BACKGROUND

Mitchell's three outdoor pools are in Broadford (BOP), Tallarook (TOP) and Seymour (SWMOP). They currently service a broader community catchment of 14,879, this is

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expected to grow to 16,446 in five years. Current admission prices are \$5.80 for Adults, \$4.40 for children and concession holders.

Previous community consultation highlighted a very strong desire for all three pools to remain open to their respective communities. This view remains typical of most Victorian regional communities regardless of asset condition and operational cost.

Over the past four years, Council has undertaken business refinements and capital works improvements to ensure high quality facility presentation, plant efficiency and water quality, that meet our community expectations. This has seen the introduction of a 26-degree weather pool opening trigger, refinement of operating hours and along with other stakeholders, an increase in additional events provided. All strategies have been focused on increasing visitations to the pools along with reducing any unnecessary operational expenditure when unfavorable weather or very low visitation patterns occur.

Table 1: Provides an overview of days open and attendance over the last four years

Outdoor Pools Combined	2018/19	2017/18	2016/17	2015/16
Av Days Open	86	82	70	85
Av Days Closed	12	19	25	10
Days Over 30 deg	60	55	40	50
Season Passes	150	126	66	71
Total Attendances	17,897	16,099	11,907	14,822

Prior to the 2015-2016 season the long-term financial plan forecast for the combined operational net annual subsidy for the three outdoor pools was in excess of (\$300,000). The strategies have resulted in a reduction in the net subsidy.

Table 2: Provides an overview of income, expenditure and the net subsidy result

Outdoor Pools Average	2018/19	2017/18	2016/17	2015/16
Combined Income	\$89,024	\$57,225	\$49,241	\$65,682
Combined Expenditure	(\$290,604)	(\$282,136)	(\$234,651)	(\$290,822)
Net Subsidy	(\$201,580)	(\$224,991)	(\$185,410)	(\$225,140)
Cost per visit	\$11.26	\$13.97	\$15.57	\$15.91

ISSUES AND DISCUSSION

Whilst operational performance is a critical performance measure, ensuring our community can access our facilities on a regular basis is an important strategy for assisting in overall good community health and wellness. Breaking down participation

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barriers be they physical, financial or emotional is vital. Recent work undertaken by Council to increase the concession discount rate to 25% has assisted this cohort of the community gain greater access to our leisure facilities but does not necessarily address the entire financially disadvantaged cohort.

It is felt by both Officers and the broader Victorian Aquatic industry that the best way to significantly increase outdoor pool visitations is to provide free access for the casual user. Revenue would still be derived from user group/hire agreements for example learn to swim programs, and swim carnivals, and secondary spend which includes daily kiosks sales and merchandise such as goggles and food.

The financial impact of loss in entry revenue is partly offset by an increase in secondary spend. The net impact on implementing free casual entry is approximately \$30,000. It is estimated that there will be a 70% increase in visitations or approximately 26,000 total visits at an average cost of \$8-10 per visit.

By offering free casual pool entry, Council over the coming years will be able to monitor and determine more accurate maximum usage patterns that will be invaluable for future asset redevelopment planning and improving the health and wellness of the community.

CONSULTATION

Community Consultation

Formal and informal community feedback highlights cost of entry as a major reason for restricting visitation to Mitchell's outdoor pools. This is most prevalent with large families and the lower socio-economic segment.

Feedback via community advisor groups also supports this approach, siting community health and wellbeing as an important outcome.

Industry Consultation

Further research with regional Councils already operating free casual ODP entry confirm that most significantly a 70 to 75% increase in attendance occurred.

Due to the increase in attendance, additional lifeguard shifts were required, however, they found that this was within their amended budget. In most cases the additional daily attendance fitting within the existing staff: patron ratios. The loss of revenue was partially offset by an increase in secondary spend, this net additional cost is in proportion with what is anticipated for the Mitchell outdoor pools.

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FINANCIAL, RESOURCE AND ASSET MANAGEMENT IMPLICATIONS

The analysis is based on a comparison with 2017-2018 actuals for the three seasonal pools.

Figure 1: 2017-2018 Outdoor Pools Actual Summary

Actual Outdoor Pools 17/18	Broadford	Tallarook	Seymour	Total
Income	\$18,382	\$9,906	\$28,936	\$57,225
Expenditure	(\$82,963)	(\$60,448)	(\$138,725)	(\$282,136)
Net Subsidy	(\$64,581)	(\$50,542)	(\$109,789)	(\$224,911)
Attendances	4,705	2,531	8,863	16,099
Cost per Visit	\$13.73	\$19.97	\$12.39	\$13.97

The impact of casual free entry is based on the following assumptions:

- Income = venue hire and kiosk sales only,
- That visitation would increase by 75%,
- Secondary spend increase by 75%,
- Kiosk materials increase by 75%,
- Total expenditure increase by 2.0%

Figure 2: Free Entry @ 75% increase visitation

Free Outdoor Pool entry 17/18	Broadford	Tallarook	Seymour	Total
Income	\$12,146	\$5,673	\$21,112	\$38,931
Expenditure	(\$84,622)	(\$61,657)	(\$141,500)	(\$287,779)
Net Subsidy	(\$72,476)	(\$55,984)	(\$120,388)	(\$248,848)
Attendances	8,233	4,430	15,510	28,173
Cost per Visit	\$8.80	\$12.64	\$7.76	\$8.83

- If Council was to adopt a free access policy to the outdoor pools, and there was a 75% increase in visitation, the net impact based on a comparison with the

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2017-2018 season would be an increase in net cost of approx. **\$24,000 or 10.6%**.

- More importantly by increasing the outdoor pool visitation via free entry, the cost per visit at each site decreases significantly resulting in a combined average decrease from \$13.97 to \$8.83 or 37%.
- Of significance is the impact at SWMOP the most expensive net subsidy of the three pools, yet the cost per visit decreases from \$12.40 to \$7.76. Both SWMOP and BOP cost per visit is less than the industry benchmark of \$10.00 per visit which is ranked as excellent for outdoor pools.
- It is acknowledged that if the assumed increase in patronage is not 75% at each pool, these figures will vary. Figure 3 provides an assessment based on a 50% increase in visitation with the assumptions modified accordingly.

Figure 3: Free Entry @ 50% increase visitation

Free Outdoor Pool entry 17/18	Broadford	Tallarook	Seymour	Total
Income	\$10,411	\$4,863	\$18,096	\$33,370
Expenditure	(\$84,622)	(\$61,657)	(\$141,500)	(\$287,779)
Net Subsidy	(\$74,211)	(\$56,794)	(\$123,404)	(\$254,409)
Attendances	7,057	3,796	13,294	24,147
Cost per Visit	\$10.52	\$14.96	\$9.28	\$10.54

- If Council was to adopt a free access policy to the outdoor pools, and a 50% increase in attendance was achieved, the net impact on the subsidy based on a comparison with the 2017-2018 season would be an increase in net cost of approx. **\$30,000 or 13%** (\$10,000 per OD pool) with the average cost per visit just over \$10.00.

Increase in staffing cost to supervise higher levels of visitation

Rostering for lifeguard supervision is based on industry guidelines for safe pool operations.

It is expected that the spread in timing of the influx of additional patrons will be in line with our budget assumptions and occur either within our standard LG allocations or during times of higher temperature demand when additional staff are already factored in. This appears consistent with feedback received from other regional councils who are operating the same free entry initiative.

At the time of setting annual outdoor pool budgets, consideration is given to but not limited to, historical data regarding weather patterns, holiday periods, visitations based on extreme temperature and likely timing of patron influx. As seasonal variations occur

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this will result in budget variances, with often the net result coming in lower than expected. Over the past four seasons a net variance of at least \$25,000 has occurred. Therefore, the budget impact on a move to free casual entry is relatively low.

Other Areas of the Shire

There are other areas of the Shire that do not currently have the access to an outdoor pool, however, the Adventure Playground and Splash Park at Wallan, is freely available to be used by the community and is very popular, with up to 400 attendances on a hot day. Costs for the Splash park for 2018/2019 for were \$17,618 excluding costs which are absorbed into the broader park costs such as those shown below:

- Toilet and BBQ daily cleaning
- Grass mowing and garden beds
- Rubbish removal

Council is also currently undertaking a feasibility study into an Aquatic Facility for the southern areas of the Shire of Mitchell. The consultation closed 30 August 2019, with close to 1,000 responses to the survey.

RISK IMPLICATIONS

Risk Ranking is determined using [ROHS201-G1- Corporate Risk Matrix](#). Risk is identified as Low, Medium, High or Very High.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
There is a risk that the community will not utilise the pools as anticipated and therefore the anticipated increase in secondary spend revenue will not be as expected	Low	Advertise/promote free casual pool entry throughout the community	
There is a risk that casual swim attendances and revenue at the indoor aquatic centers will decrease	Low	During the summer season, indoor aquatic centers currently close early on weekends so that patrons are encouraged to use the outdoor pools Families with young children will continue to use the indoor aquatic centers due to warmer water temperatures	
There is a risk that members, who currently get free outdoor pool access,	Low	The membership fee is based on the core Health Club program offering. Access to the outdoor	

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Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
will seek a decrease in their membership fee		pools during the summer season is an add on benefit and does not impact on the fee structure	

SUSTAINABILITY IMPLICATIONS (SOCIAL AND ENVIRONMENTAL)

The key social sustainability implication which this strategy will achieve, will be the provision of access and social inclusion to all members of the community to enjoy the outdoor pool facilities as often as is practical.

CHARTER OF HUMAN RIGHTS IMPLICATIONS

The rights protected in the *Charter of Human Rights and Responsibilities Act 2006* were considered in preparing this report and it's determined that the subject matter does not raise any human rights issues.

CHILDREN AND YOUNG PEOPLE IMPLICATIONS

This strategy will enable more children and young people to have access to the outdoor pools.

OFFICER DECLARATION OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any direct or indirect interest in this matter.

CONCLUSION

For an additional operational net cost of between \$24-30,000 per annum, every Mitchell resident would have free access to an outdoor pool.

The financial impact of loss in entry revenue is significantly offset by an increase in secondary spend. Importantly it is estimated that there will be a 70% increase in visitations or approximately an increase from 15,000 to 26,000 total visits at an average cost of \$8-10 per visit. It is considered that the initiative should be implemented for two seasons after which its success or otherwise can be evaluated by Council.