

<b>COMMUNITY SERVICES COMMITTEE</b>	<b>1</b>
<b>10 JULY 2013</b>	

## TOBRUK MEMORIAL POOL REDEVELOPMENT FEASIBILITY STUDY

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### RECOMMENDATION:

It is recommended that Council:

- a) accepts the Tobruk Memorial Pool Redevelopment Feasibility Study 2013 as the basis for future redevelopment works;
- b) commits to progressing Stages 1 and 2 of the project, noting the allocation of \$1.2m in the 2013/14 Capital Works program and the notional allocation of \$15.5m in the 2014/15 and 2015/16 10 year Capital Works program, of which \$6m is targeted to be sourced from other than Council revenue;
- c) progresses project implementation and sourcing targeted funding levels; and
- d) agrees as part of future funding strategies to proceed with an Expression of Interest process in accordance with the *Local Government Regulation 2012* to identify private investment options for Stage 3.

### EXECUTIVE SUMMARY:

At the July 2012 Community Services Committee meeting, Council resolved to note the current performance of the Tobruk Memorial Pool and undertake a feasibility study to assess the best options for redevelopment.

Council officers have completed a feasibility study and have worked with local architects and quantity surveyors to develop a three-staged approach to redevelopment. This staged approach includes:

- Stage 1 – Replace 50m pool and upgrade plant, equipment and amenities - \$14.7 million;
- Stage 2 – Install leisure water, program pool and associated plant and filtration system - \$2 million;
- Stage 3 – Develop allied health, gym, leisure and retail area - \$5 million.

The delivery of Stages 1 and 2 has been included in Council's Capital Works program for 2013/14 to 2015/16 as follows:

2013/14			2014/15			2015/16		
Total	Council Revenue	External (Targeted)	Total	Council Revenue	External (Targeted)	Total	Council Revenue	External (Targeted)
\$1.2m	\$1.2m	\$-	\$8.3m	\$4.8m	\$3.5m	\$7.2m	\$4.7m	\$2.5m

The table above assumes Council will be able to source \$6m from external sources to allow the delivery of the full scope of work for the \$16.7m Stages 1 and 2

Business planning models have forecast that the net operating cost to Council will decrease after the completion of stage 1 and will decrease further following each subsequent stage.

Operating cost comparison	Net operating position	Depreciation	Total
Existing	\$(183,480)	\$(189,832)	\$(373,312)
Stage 1	\$(123,197)	\$(294,000)	\$(417,197)
Stage 1 & 2	\$212,925	\$(334,000)	\$(121,075)
Stage 1, 2 & 3	\$231,456	\$(334,000)	\$(102,544)

**NB** Depreciation would not be calculated on stage 3 works as it is anticipated that capital expense would be provided by external investor.

Stage 3 is considered an appropriate stage to pursue possible private investment options.

### **BACKGROUND:**

The iconic Tobruk Memorial Pool located off Sheridan Street is the region's highest profile and most visible fixed format swimming facility. Located within the growing North Cairns Sporting Precinct it has geographic links to the Cairns International Tennis Centre and the world class home of Cairns Hockey.

Over the years, a combination of changes to the leisure industry, increased competition, aging infrastructure and long-term management contracts have contributed to diminished usage of the facility.

A report to the July 2012 Community Services Committee meeting brought to Council's attention the state of the pool and requested a decision be made on whether the Tobruk Memorial Pool should be refurbished, redeveloped or decommissioned. Due to the aged infrastructure and deterioration of several components of the asset, Council officers, in association with industry experts, have determined that a refurbishment is not a desirable or sustainable option.

Council subsequently resolved to:

- a) note the current condition and performance of Tobruk Pool along with the need to effect improvements to ensure the facility continues to meet appropriate standards of service and provide sustained community benefit;
- b) proceed to undertake a feasibility study, in partnership with key stakeholders around options for redevelopment, with funding to be sourced from the 12-13 Capital Works budget earmarked for renewal works; and
- c) note the considerations relating to aquatic service provision across the region in this report and officer intention to complete an aquatic service strategy to be considered by Council later in the 2012/13 financial year.

In response to this resolution Council has undertaken a feasibility study to consider the options for redevelopment of the facility.

**COMMENT:**

The budgeted cost for the proposed redevelopment is \$21.7 million which can be staged as follows:

Stage 1 – \$14.7m	Stage 2 – \$2m	Stage 3 – \$5m
<ul style="list-style-type: none"> <li>• Refurbish existing amenities</li> <li>• Retail/café space at entrance</li> <li>• Reception</li> <li>• New 50m pool to FINA specifications</li> <li>• Shade over all 25m and part of 50m</li> <li>• Pump/filtration and disinfection system</li> <li>• Service road</li> <li>• Improved North Cairns Sporting Precinct Traffic Flow/Access</li> <li>• War Memorial Walkway</li> </ul>	<ul style="list-style-type: none"> <li>• Interactive aquatic leisure (wave feature)</li> <li>• Program pool</li> <li>• Event Seating</li> <li>• Pump room expansion</li> <li>• Screened service yard</li> </ul>	<ul style="list-style-type: none"> <li>• Gym and commercial fitness</li> <li>• Allied health</li> <li>• Crèche</li> <li>• Retail</li> <li>• Consulting rooms</li> </ul>

An integral part of the redevelopment will be the retention of the original facade which is heritage listed and the creation of a memorial walk to commemorate the contribution and sacrifice of the Rats of Tobruk. The redevelopment will also feature public art and suitable landscaping.

Currently the pool attendance levels are below industry standard with 32,124 having attended the pool in the calendar year of 2012.

A demand assessment has been prepared based on stakeholder consultation (existing users, local schools and not for profit clubs), demography and benchmarking data collated by the University of South Australia through the CERM Performance Indicators Project. This assessment provides that Stage 1 of the redeveloped Tobruk Pool may conservatively expect attendance of 51,200 people per year. This is an increase of 59.38% from current usage data.

Additional projections show an expected 26,352 users annually of the interactive aquatic leisure after Stage 2 and an expected 1,200 users of the gym facilities to be paying members following completion of Stage 3.

Business planning has been undertaken showing that completion of Stage 1 of the project would result in a similar financial and operational subsidy as is currently experienced. If Stage 1 and 2 are completed concurrently, as is proposed by this report, it is estimated that Council would have nil operational subsidies for running the facility.

The business model has been prepared based on the demand assessment summarised above and the ratepayer return on investment for each stage of the project. A summary is provided below:

Operating cost comparison	Net operating position	Depreciation	Total
Existing	\$(183,480)	\$(189,832)	\$(373,312)
Stage 1	\$(123,197)	\$(294,000)	\$(417,197)
Stage 1 & 2	\$212,925	\$(334,000)	\$(121,075)
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NB Depreciation would not be calculated on stage 3 works as it is anticipated that capital expense would be provided by external investor.

### **CONSULTATION:**

Throughout this project, considerable consultation has been undertaken with pool users, the wider community and key groups and stakeholders.

During the consultation period Council received 444 responses made up of submissions from:

- Pool users – 225
- Community members (online) – 181
- Key stakeholders (workshop) – 11
- Groups (targeted) – 9
- Schools – 18.

The results of the survey data received determined the direction taken for redevelopment of the facility.

Survey results indicated that the most important components for the upgraded facility include:

- A 50m pool that complies with FINA standards
- A heated pool for rehabilitation and swim teaching
- Upgraded and renewed amenities and entry/kiosk
- Leisure water area (wave pool, water play)
- Gym and commercial fitness/allied health.

### **CONSIDERATIONS:**

#### **Risk Management:**

All components of this project will be compliant with industry standards and will align with the safe pool operational guidelines as stipulated by Royal Life Saving Australia. The project will provide a safer environment for both patrons and staff with a newer and compliant facility and filtration system.

It is anticipated that a project such as this would be an attractive option for Government investment, whether it be State, Federal or both. The projected cost for Stages 1 and 2 combined come to an estimated total of \$16.7 million, with up to \$6m of this to be applied for from the Federal and State Government.

Additionally in an attempt to decrease investment by Council, Council officers will approach potential project partners/life sponsors to be involved in the project through the provision of cost price/discounted materials (eg. steel, concrete) in return for long term signage and association with the redeveloped facility.

Corporate and Operational Plans:

Council's Corporate Plan 2013-2018, Strategic Goal 1.1.2.

Statutory:

Nil

Policy:

Nil

Sustainability:

1. Improving Resource Efficiency

The current Tobruk Pool facility has out-dated structures, pipework, filtration system and equipment that are inefficient and have regular leaks which results in the loss of water and chemicals that are dosed into the pool system. The installation of new infrastructure and a more energy efficient filtration system will result in less cost in utilities and chemical costs.

2. Enhancing Community Health and Wellbeing

Significant elements of Council's network of public swimming pools have become antiquated and out of touch with the industry. There is a need to look at service provision from a regional perspective to ensure infrastructure delivers desired outcomes. The proposed redevelopment of Tobruk Pool will help the city continue to build its reputation as an international sports tourism destination. In addition to this the community will continue to enjoy a diversity of health and physical activity opportunities in a variety of locations.

3. Delivering Sound Governance and Economic Management

Improved operations and efficiencies at Council's most central active aquatic facility will contribute favourably to Council's operating position, the regional economy as an employer and as a reputable destination of choice for visitors. It will also improve health and social well-being amongst the immediate local community.

Options:

1. Complete Stages 1 and 2 at \$16.7 million investment and operate at nil operational subsidy (Recommended);
  - a) endorses the concept for redevelopment of Tobruk Memorial Pool as outlined in the Redevelopment Feasibility Study 2013;
  - b) proceed with detailed design and initial civil works to improve traffic access and car parking;
  - c) lobby the State and Federal Government for a minimum contribution of \$6,000,000 to stages 1 and 2 of the development;
  - d) receive a report from officers by February 2014 on the status of funding commitments and the residual funding required;
  - e) agrees to consider funding strategies and budget allocations through future capital works program budget development processes;
  - f) establish a working group that consists of Councillors and officers to guide the detailed design and initial civil works;
  - g) agrees as part of future funding strategies to proceed with an Expression of Interest process in accordance with Section 177 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* to identify private investment options for Stage 3; and
  - h) delegates authority to CEO in accordance Section 257 of the *Local Government Act 2009* to negotiate and finalise all matters associated with the procurement of design services and completing civil works.

This option will replace the current facilities with contemporary and compliant structures and systems, with Stage 2 works allowing the facility to provide a net return to Council when works are complete. An EOI/tender process will be implemented at a later date to pursue external commercial and capital investment. It is intended that financial contributions from State and Federal funding bodies would be achieved.

2. Government funded Stage 1 and EOI/tender for Stages 2 and 3

This option would cost \$14.7 million to replace the current facilities with contemporary and compliant structures and systems and enable the pool to run at an operating deficit similar to that currently subsidised by Council.

An EOI/tender process would be implemented at a later date to pursue external commercial capital investment for Stages 2 and 3.

3. EOI/tender for Stages 1, 2 and 3 – Long Term Management, all capital expenditure by operator

This option would call for external investors to apply via EOI/tender process to fund and complete all capital works on the site and manage the facility through a long-term management contract. It is considered that this is unlikely to be successful in the current market and would give Council less control over the management and community availability of the facility.

4. Replace the current pool with a basic 50 metre, eight lane swimming pool and fully replace the existing amenities.

This option, at an estimated cost of \$9,682,321 would provide a safe and health compliant 50m pool suitable for lap swimming and regular use however would not:

- Dramatically reduce Council's operational subsidy (\$183,480);
- Be suitable for regional or high level events, an important part of positioning the facility as a regional aquatic centre (Cairns does not currently have a FINA standard pool);
- Result in improved services, industries or community benefit;
- Reduce public sentiment that the facilities history and prominent location warrants a more significant redevelopment;
- Complement the surrounding international standard infrastructure;
- Present great incentive for outside private investment;
- Offer any new connection to it Tobruk heritage.

**ATTACHMENTS:**

1. (Executive) Information boards telling the story of Tobruk Memorial Pool – Past, present and future (6 pages).
2. A hard copy of the Tobruk Memorial Pool Revitalisation Feasibility Study has been placed with the Councillor's Administration Officer and can be viewed upon request.

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**Manager Parks and Leisure**

Ian Lowth  
**General Manager Community Sport and Cultural Services**

## Attachment 1 – Story boards for Tobruk Memorial Pool Redevelopment



TOBRUK MEMORIAL POOL

# our past...

### Historical Significance - The Tobruk Story

**During World War Two, Tobruk was one of only two major ports on the African Coast between Tripoli and Alexandria.**

The Australian 6th Division captured the Italian garrison at Tobruk in January 1941. The Australian 9th Division, who were newly arrived and only partly trained, were then instructed to defend the captured territory. In April 1941, the Germans encircled the Libyan port beginning the "Siege of Tobruk".

The 9th Division successfully repelled two major German attacks until they were eventually relieved by British, Polish and Czechoslovakian troops in September and October 1941. The defence of Tobruk resulted in 749 Australian deaths, another 604 became prisoners of war.



### How it was Built - Functional War Memorial

In 1956, the Rats of Tobruk Association wrote a letter to the Cairns City Council advising that they wanted to assist in construction of an Olympic sized swimming pool to perpetuate the memory of those who fell in the siege of Tobruk. In response to the letter from the Rats of Tobruk Association, the Council formed a committee to organise a public appeal for the swimming pool and work commenced in 1960. The pool cost £85,000, with £3,000 contributed by the Rats of Tobruk Association.

### Opening Day at Tobruk

The original complex comprised the main 50m pool, a children's pool and a circular wading pool. The laying out of the grounds allowed a diving pool and a manager's residence to be added when finances became available.

The Cairns Amateur Swimming Club offered £3 – 4,000 for the construction of an office and seating, which were proposed for construction in 1962-63. The community has had a strong affiliation with the pool since it opened.



### NEW TOBRUK MEMORIAL POOL IN CAIRNS

#### Official Opening On Saturday

In bright tropical sunshine over 3000 people witnessed the opening of the new Tobruk Memorial Pool at Cairns on Saturday afternoon. The pool, built at a cost of £85,000, was officially opened by the Mayor of Cairns (Ald. S. D. E. Chataway) who, in his address to the public, described it as "one of the best in Queensland."

Hundreds of children in swim suits dived into the crystal clear water as, Ald. Chataway, said: "I now declare the Tobruk Memorial Pool open."

Shortly before the opening ceremony St. Andrew's Pipe Band and the Cairns Municipal Band marched 35 members of the Rats of Tobruk Association on to the pool grounds.

For further information visit [www.cairns.qld.gov.au](http://www.cairns.qld.gov.au)

TOBRUK MEMORIAL POOL



# our present...

In 1962, construction of Tobruk Memorial Pool was completed including the Olympic 50m pool entry and amenities building which remain today. Over time, a grandstand, wading pool and most recently a heated 25m program pool were constructed.

More than 50 years on from the construction of Tobruk Memorial Pool, the end of its useful life is fast approaching. Broken tiles, pump malfunctions and general structural integrity of important components of the facility have led to increased running costs, concerns of leakages and plant failure and as a result has decreased patronage.

While the frontage of the pool is a much loved feature of Tobruk Memorial Pool, reminiscent of 1950s architecture, an updated pool, amenities and grounds is required to breathe life back into the popular facility.



## Community Recreation

**When most of the regions' pools were built, leisure and recreation constituted a substantial proportion of their overall usage.**

These days however, customers are no longer coming to the big fixed format pools for leisure activities instead choosing from a wide range of alternatives such as skate/BMX facilities, waterparks, home pools and public entertainment. In addition, there are many other natural alternatives which are becoming more regulated and safe such as

beaches, freshwater swimming holes and in particular the free Esplanade Lagoon being located in close proximity to Tobruk Memorial Pool.

## A Time for Change

**A report in 2003 reviewing Council's swimming pools advised that the usage of pools in Cairns is below the national average.**

With leisure goers being spoiled for choice, pool operators have had to reposition themselves, focusing on the much smaller lap swimming market, learn to swim classes,

swimming club, masters swimming, local meets and visitor team training. With the above specified smaller markets and the continued costs of maintaining the facility and cleanliness of pool water, added to the ever rising utility costs, it becomes increasingly difficult to run an aquatic centre at a reasonable profit.



For further information visit [www.cairns.qld.gov.au](http://www.cairns.qld.gov.au)

TOBRUK MEMORIAL POOL



# our future...

*More than just a pool...*



*"Now is the perfect opportunity to develop the facility into an aquatic and leisure centre that is more than just a pool."*

The proposed development of the site will ensure that the Tobruk Memorial Pool is:

- **An Event Centre** State, Nationals, Pan Pacific Titles
- **A Training/Aclimatisation Destination** Rio de Janeiro Olympics 2016, Gold Coast Commonwealth Games 2018
- **The region's flagship aquatic centre and basis for a regional approach to aquatic service delivery**
- **Local Athlete Development Pathway** a facility for local athletes to 'grow into'
- **A sporting and social hub enhancing services to our Not for Profit groups:** Northern Pride, FNQ Football Club, Taipans, Thunder, Tennis, Hockey, Swimming, Triathlon
- **A leisure seeker's must do**
  - ~ A Commercial Hub (Fitness, Allied Health, Consulting, Retail, Creche)
  - ~ Interactive leisure water
  - ~ The key to a new industry (tropical rehabilitation)
  - ~ A tropical high performance institute (JCU and QAS, AIS)

As well as providing a world class aquatic and sporting facility, the Tobruk Memorial Pool will be:

- **A place to remember and pay respects, through:**
  - ~ symbolic public art
  - ~ installation of a memorial walk
  - ~ maintaining the original façade
  - ~ RSL linkages
- **An Icon**



For further information visit [www.cairns.qld.gov.au](http://www.cairns.qld.gov.au)



TOBRUK MEMORIAL POOL



# our future...

*Responding to community feedback*



**The revitalisation of the iconic Tobruk Memorial Pool is a topic that has captured the attention of the Cairns population, and in particular that of the pool users.**

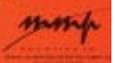
### **Community Feedback:**

- A 50m pool that complies with FINA standards
- A heated pool for rehabilitation and swim teaching
- Upgraded and renewed amenities and entry/kiosk
- There is an appetite for improved services that enhance the existing uses (lap swimming and associated programming)

**The outcome from the survey results drove the recommendations for the redevelopment of the facility.**



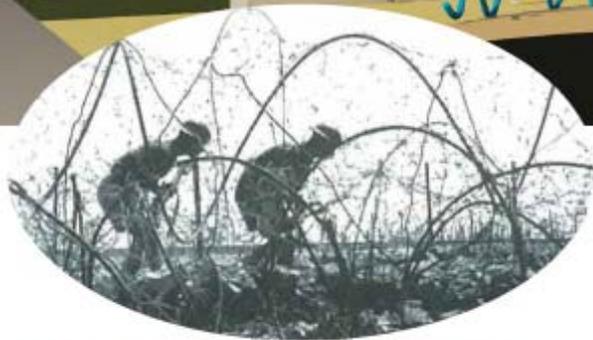
For further information visit [www.cairns.qld.gov.au](http://www.cairns.qld.gov.au)



TOBRUK MEMORIAL POOL

**our future...**

*Creating an icon...developing the vision*



**The vision for the redeveloped Tobruk Memorial Pool was for the rejuvenated facility to meet five key objectives:**

- 1.** Replace existing infrastructure to meet FINA Standards
- 2.** Retain the Tobruk Memorial links and enhance modern day appreciation of the contribution of the region's servicemen
- 3.** Be creative and innovative, deliver something to be proud of
- 4.** Develop a business plan that incorporates leisure and fitness elements to mitigate ratepayer subsidy and stimulates outside private and/or public capital investment
- 5.** Develop a masterplan that provides flexible leisure, lifestyle and aquatic spaces for a diverse range of uses

**What makes an icon?**

- A modern facility that catches the eye of passing motorists by night and by day
- The northern gateway to Cairns for locals and visitors alike, the first major building on the northern fringe of our city
- An impressive facility that stands out for visitors arriving in our region as they fly over by plane, and a lasting impression as they fly out



For further information visit [www.cairns.qld.gov.au](http://www.cairns.qld.gov.au)



TOBRUK MEMORIAL POOL

# our future...



*Staging Implementation*



STAGE 1	STAGE 2	STAGE 3
Refurbish existing amenities	Interactive aquatic leisure	Gym & commercial fitness
Retail/café space at entrance	Program pool	Allied health
Reception	Seating	Crèche
New 50m pool to FINA specifications	Pump room expansion	Retail
Shade over all of 25m & part of 50m	Screened service yard	Consulting rooms
Pump/filtration & disinfection system		Manager's residence
Service road		
Traffic flow and parking		

- It is anticipated that Government (all tiers) will be responsible for delivery of stage 1&2 with the private sector called upon to invest in complementary commercial initiatives (stage 3).



For further information visit [www.cairns.qld.gov.au](http://www.cairns.qld.gov.au)

