



# SOMERSET REGIONAL COUNCIL KILCOY INDOOR SPORTS CENTRE

Draft Master Plan - March 2022



Prepared by Otium Planning Group Pty Ltd in conjunction with:





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*We acknowledge the traditional custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors and to Elders, past, present and emerging.*

*Otium is committed to national reconciliation and respect for Indigenous peoples' unique cultural and spiritual relationships to the land, waters and seas, and their rich contribution to society.*

## TABLE OF CONTENTS

1. KILCOY INDOOR SPORTS CENTRE	1	4.3.Economic and Social Benefits	20
2. NEED FOR A MASTER PLAN	3	4.3.1. Economic Impact Assessment	20
3. GUIDING PRINCIPLES & FUTURE DIRECTION	4	4.3.2. Construction Economic Impacts	20
3.1. Guiding Principles	4	4.3.3. Operating Economic Impacts	21
3.2.Future Direction	5	4.3.4. Combined Economic Impacts	21
4. OPTION 1 – MAXIMISED USE & VIABILITY CONCEPT	6	5. WARRANTIES AND DISCLAIMERS	22
4.1. Cost Estimate	11		
4.2.Operating Forecasts	12		
4.2.1. Global Impacts	13		
4.2.2. Business Assumptions	13		
4.2.3. Visitation	17		
4.2.4. Financial Performance	18		



# 1.KILCOY INDOOR SPORTS CENTRE

The Kilcoy Indoor Sports Centre (Sports Centre) was constructed in 1996 by the Kilcoy Shire Council. The Sports Centre is located centrally in Kilcoy, adjacent to the Hopetoun Sports Fields and Kilcoy Aquatic Centre (Aquatic Centre). The Sports Centre is an important community asset providing multiple diversified opportunities for people to be physically active and improve their overall wellbeing.

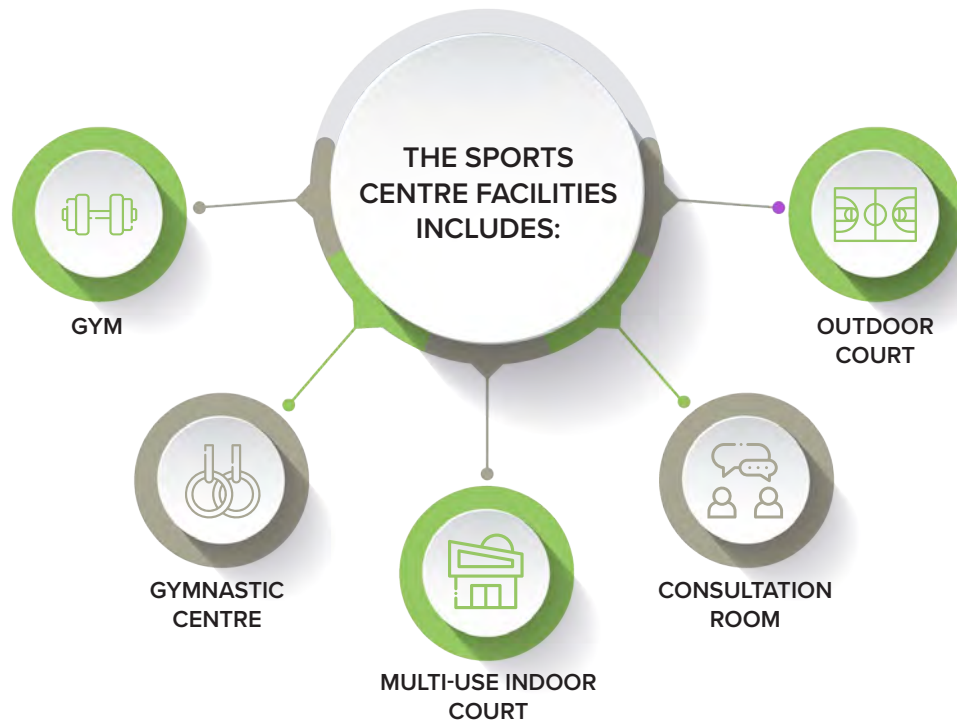


Photo Credit: <https://www.facebook.com/100047632220648>





Since its original construction, no significant refurbishments have been made to the facility. Prior to 2018 access to the mezzanine level of the centre was closed to the public due to concerns regarding the structural capacity of the area to cater to its intended use.

Somerset Health and Fitness is the current lessee of the facility and have managed the facility since 2016. Attendances have been steadily increasing over the past four years and now significantly exceed historical averages.

Major **challenges** exist for the Sports Centre including:

- « Infrastructure structural concerns for some elements
- « Inability to service demand
- « Suitability, accessibility arrangements
- « Disconnection from the adjacent Aquatic Centre.

**Identified gaps to optimal performance** for the Sports Centre include:

- « Insufficient footprint (larger gymnastics area, additional indoor court and larger gym space to accommodate equipment)
- « Insufficient storage
- « Non-compliant mezzanine
- « Insufficient insulation and ventilation
- « Insufficient parking.

## 2. NEED FOR A MASTER PLAN

A Master Plan provides a long-term vision, identifying what a site and facilities should look like and how they should function in the future.

The Sports Centre is clearly at capacity and is unable to meet growing community demand for health & fitness, allied health, gymnastics and indoor sports. This Master Plan addresses current and future increasing capacity constraints and provides a solid framework or 'blueprint' for the future development of the Sports Centre over an extended period of time. It illustrates the multifaceted components that contribute to the overall look, feel and function of the Sports Centre to help guide development in line with community need, therefore maximising use and long-term viability.

The Master Plan does not necessarily suggest that all elements should proceed but rather provides a guide to an ultimate direction for the Sports Centre. The timing of Master Plan implementation will be dependent upon a number of factors, such as funding, demand and potential community and/ or commercial stakeholder partnerships

To ensure a co-ordinated approach to the future development of the Centre, Council requires a master plan that will align with community expectations, service current and future sport and recreation demand, and maximise the facility's usage outcomes and long-term sustainability.

This Master Plan considers provision, planning, layout, accessibility and use, in order to ensure the Sports Centre meets the needs of the Somerset community now and into the future, and addresses the following rapidly changing demand for sport and recreation infrastructure:



Changing and growing population



Changing trends in sport and recreation participation



Increasing expectations for high standard facilities



Constrained funding environments for both capital development and whole-of-life costs



New and emerging sport, recreation and leisure activities



Increasing pressures on user groups in an environment with declining volunteer resources.

## 3. GUIDING PRINCIPLES & FUTURE DIRECTION

### 3.1. GUIDING PRINCIPLES

Future improvements to the Sports Centre have been influenced by the following Guiding Principles:

Resolve current capacity constraints and support the ability to service increasing future demand.

Ensure methodology for the improvements can be realistic funded, constructed, operated and are attractive to the community.

Increase the use and viability .

Ensure improved integration with the adjacent Aquatic Centre.

Ensure improvements can be delivered over multiple stages as funding is secured.

Retain existing infrastructure wherever possible.

Ensure improvements are cost focussed to support earlier delivery.

Improve car parking and access arrangements.

Support multiple future management models.

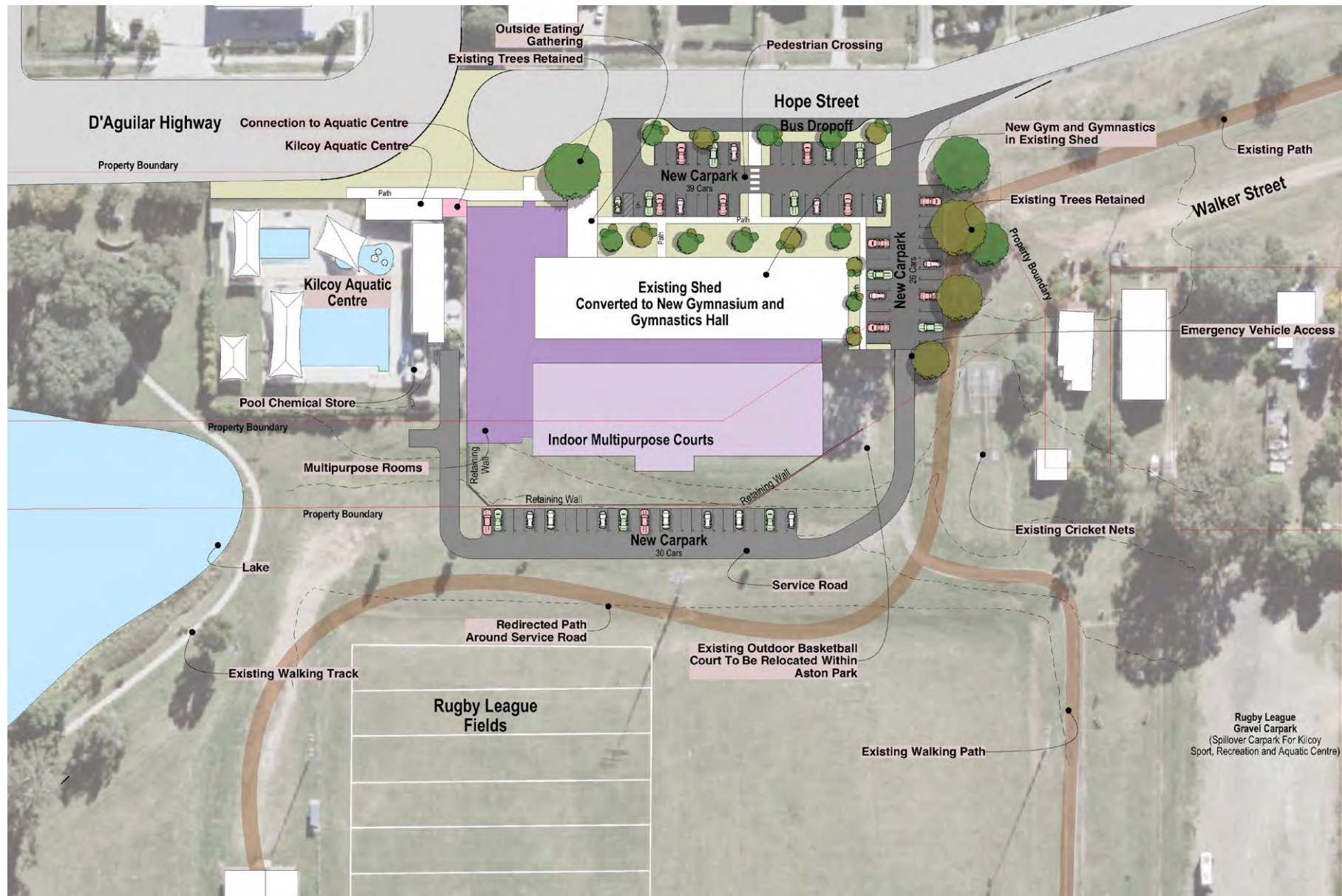
### 3.2. FUTURE DIRECTION

The future direction and improvements to the Sports Centre are summarised below:





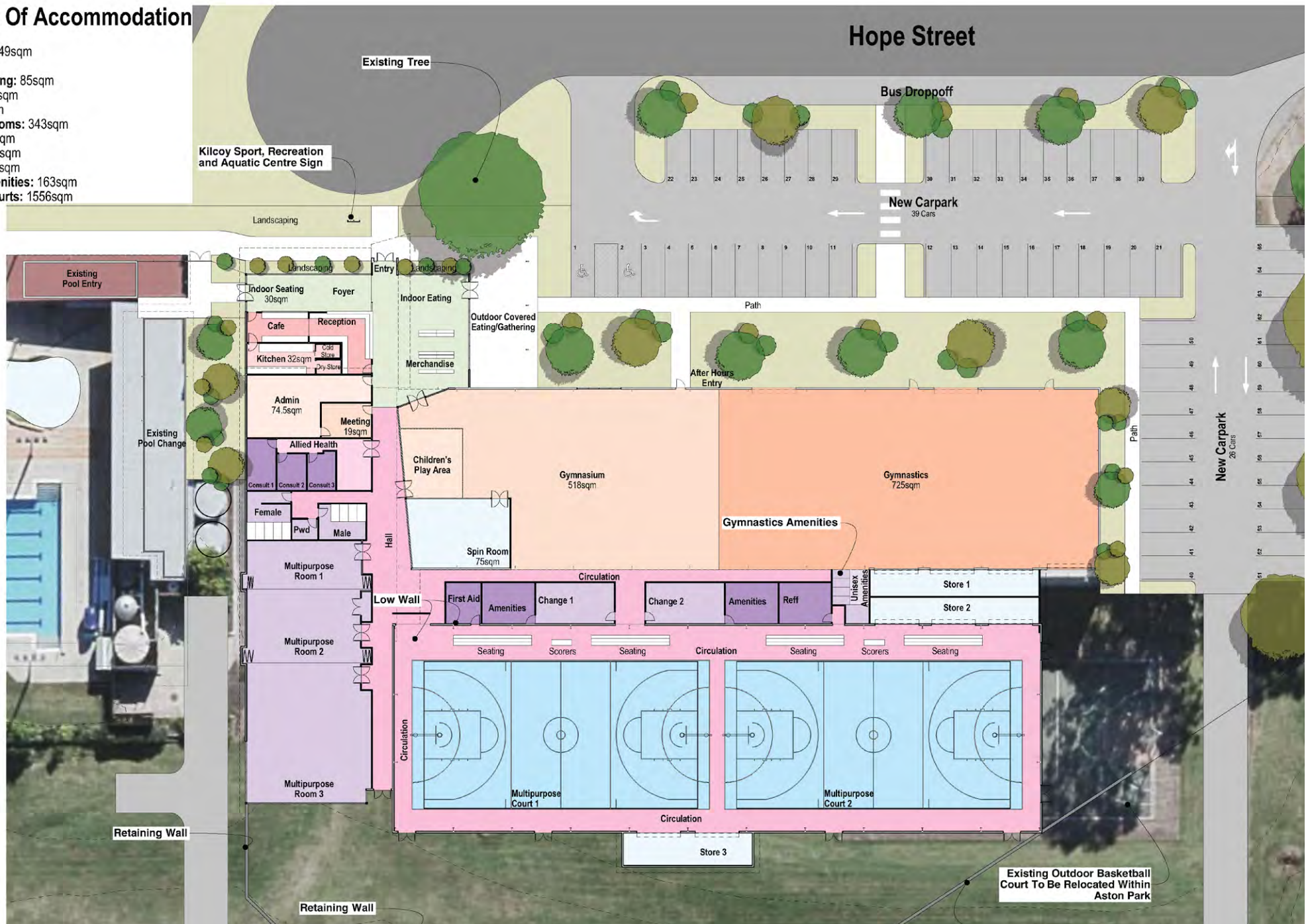
## 4. OPTION 1 – MAXIMISED USE & VIABILITY CONCEPT





# Schedule Of Accommodation

Foyer: 174sqm  
 Cafe/Reception: 49sqm  
 Kitchen: 32sqm  
 Admin and Meeting: 85sqm  
 Allied Health: 70sqm  
 Amenities: 49sqm  
 Multipurpose Rooms: 343sqm  
 Circulation: 165sqm  
 Gymnasium: 518sqm  
 Gymnastics: 725sqm  
 Gymnastics Amenities: 163sqm  
 Multipurpose Courts: 1556sqm







Aerial View Of Development







# 4.1. COST ESTIMATE

Johnson and Cumming Quantity Surveyors prepared an Indicative Cost Plan for the proposed redevelopment of the Sports Centre. The indicative cost estimate by stage is summarised below:

New entry/ health & fitness/ café/ allied health \$4,380,000	Multi-purpose indoor courts and amenities \$3,940,000	Civil and roadworks \$815,000	Design and authority fees \$1,370,000	TOTAL \$10,505,000
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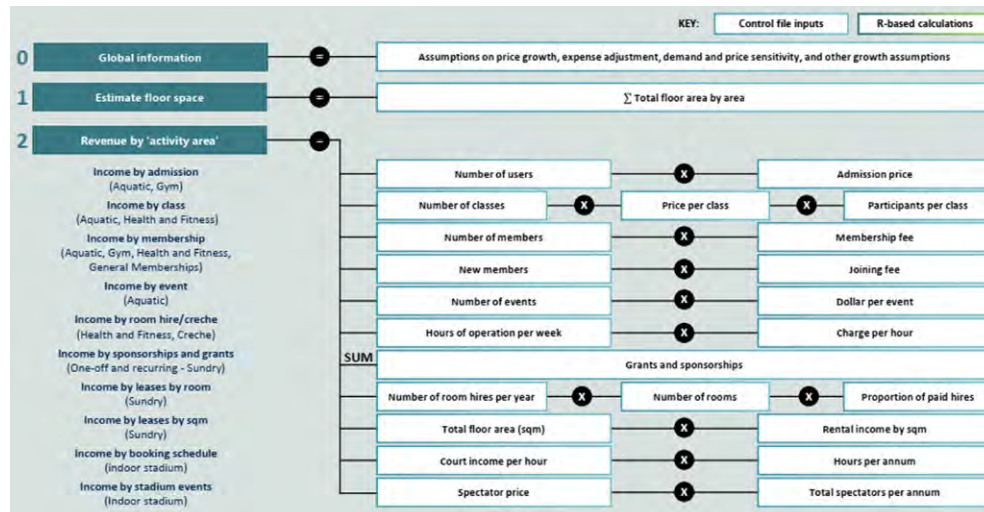




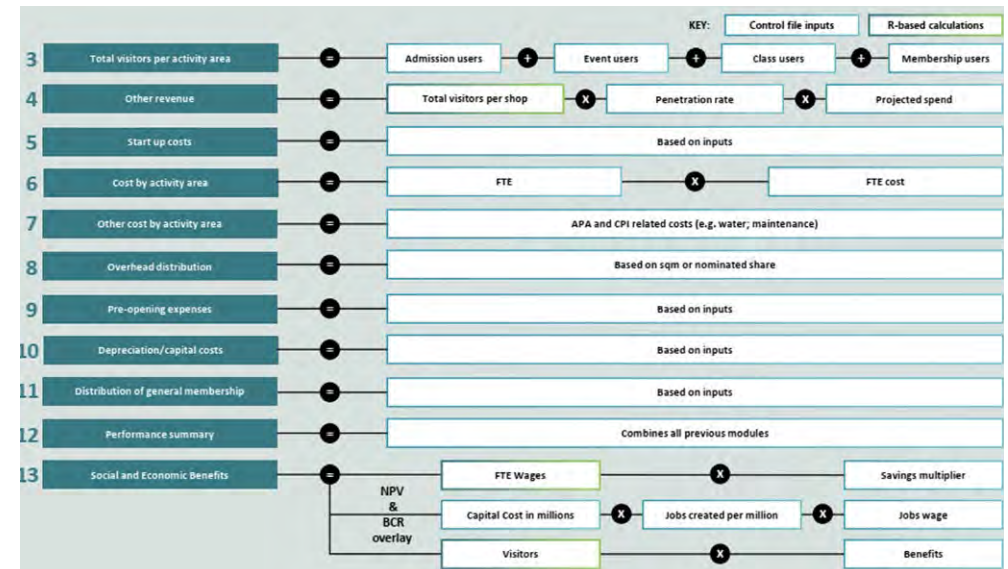
## 4.2. OPERATING FORECASTS

Otium Planning Group has developed operating forecasts for the proposed redeveloped Sports Centre using its cutting-edge Facility Financial Operating Model. The model examines the projected financial viability of proposed facility developments. It is composed of the modules outlined below:

### Income Modules



### Expenditure Modules



The 10-year projections are developed using the following global impact assumptions.

#### 4.2.1. Global Impacts

##### Management Arrangements

The model assumes a full external management model is applied.

##### Business Growth

Industry trends indicate it takes 2-4 years for a venue to establish new facilities usage and business. The financial models therefore assume maximum business and usage in year three. The model also assumes no new major capital attractor investment will occur within the ten years to support renewal and ongoing business growth.

YEAR									
1	2	3	4	5	6	7	8	9	10
92.0%	960%	100.0%	101.0%	102.0%	103.0%	104.0%	103.0%	103.0%	103.0%

##### Consumer Price Index (CPI)

The financial model is annually impacted by a CPI increase. This has been set at 1.25% from year 2 to year 10. An additional 1% is provided every year, to account for salary increases.

#### 4.2.2. Business Assumptions

##### Operating Weeks per Annum / Hours per Week

The model assumes the site will be operational overall for 52 weeks per annum with indoor sports competitions operating for 42 weeks and health & fitness programs for 48 weeks.

Operating hours are assumed at 104 hours per week, increasing to 168 hours per week for extended gym access.

##### Visitation/ Usage

The visitation assumption by type, are summarised below:

- « Gym casual entry – 504 (per week)
- « Health and fitness programs – 13 (per class)
- « Members – 10 (per member, per month)
- « Gymnastics – 150 (per week)
- « Indoor sports hire – 748 (per week)
- « Indoor sports casual – 49 (per week)
- « Indoor sports events – 200 (per event)
- « Allied health – 90 (per week).





## Income

### Fees and Charges

Where possible current fees and charges have been used in the schedule of fees and charges summarised below within the modelling:

TYPE	FEE/ CHARGE (EX GST)
Casual Gym/ Health & Fitness/ Indoor Sports - Adult	\$13.65
Casual Gym/ Health & Fitness/ Indoor Sports - Senior	\$7.30
Casual Gym/ Health & Fitness/ Indoor Sports - Junior	\$5.45
Indoor Court Event Hire – Full Day	\$1,000.00
Membership Monthly Fee – Adult	\$73.00
Membership Monthly Fee – Senior	\$64.00
Membership Monthly Fee – Junior	\$36.50
Indoor Courts – Peak (per court, per hour)	\$60.0
Indoor Courts – Off-Peak (per court, per hour)	\$50.00
Indoor Courts – Schools Peak (per court, per hour)	\$45.00
Indoor Courts – Schools Off-Peak (per court, per hour)	\$35.00

### Secondary Spend Income

Secondary Spend Income is based on the following:

ITEM	INCOME PER PERSON (EX GST)	PENETRATION RATE
Café	\$6.00	30%
Merchandise	\$12.00	5%

### Rental Income

Commercial rental is assumed to be charged as follows:

ITEM	GROSS FLOOR AREA	RENTAL (PER M2, PER ANNUM)
Gymnastics	800m2	\$228
Allied Health	56m2	\$114

## Expenditure

### Cost of Goods Sold

A cost of goods sold has been applied to the following income streams based on the rates summarised below:

EXPENSE	COGS
Food & Beverage	35.00%
Merchandise	50.00%

### Energy

Energy expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$5,000
Fitness Rooms	\$5,000
Café and Merchandise	\$3,750
Centre Management	\$7,500
Indoor Sports	\$5,000
Gymnastics	\$5,000
Allied Health	\$500
<b>Total</b>	<b>\$31,750</b>

### Building & Equipment Maintenance

Building and Equipment Maintenance expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$10,000
Fitness Rooms	\$10,000
Café and Merchandise	\$3,500
Centre Management	\$13,000
Indoor Sports	\$10,000
Gymnastics	\$10,000
Allied Health	\$500
<b>Total</b>	<b>\$57,000</b>

### Marketing & Promotion

Marketing and Promotion expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$20,000
Fitness Rooms	\$20,000
Café and Merchandise	\$2,000
Centre Management	\$15,000
Indoor Sports	\$10,000
Gymnastics	\$1,000
Allied Health	\$500
<b>Total</b>	<b>\$68,500</b>

### Cleaning and Cleaning Materials

Cleaning and Cleaning Materials expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$7,500
Fitness Rooms	\$7,500
Café and Merchandise	\$7,500
Centre Management	\$10,000
Indoor Sports	\$7,500
Gymnastics	\$5,000
Allied Health	\$1,500
<b>Total</b>	<b>\$46,500</b>

### Equipment Leases/ Purchases

Equipment Leases/ Purchases expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$82,500
Fitness Rooms	\$82,500
Indoor Sports	\$2,500
Allied Health	\$500
<b>Total</b>	<b>\$168,000</b>

### Uniforms/ Training

Uniforms/ Training expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$3,000
Fitness Rooms	\$3,000
Centre Management	\$2,500
Indoor Sports	\$1,500
<b>Total</b>	<b>\$10,000</b>

### Licensing and Subscriptions

Licensing and Subscriptions expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$5,000
Fitness Rooms	\$5,000
<b>Total</b>	<b>\$10,000</b>

### Insurance

Insurance expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Gym	\$3,500
Fitness Rooms	\$3,500
Indoor Sports	\$3,500
Gymnastics	\$3,500
Allied Health	\$500
<b>Total</b>	<b>\$14,500</b>

### Membership/POS/CRM System Costs

Membership/POS/CRM System Costs expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Centre Management	\$25,000
<b>Total</b>	<b>\$25,000</b>

### Phone Costs

Phone Costs expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Centre Management	\$5,000
<b>Total</b>	<b>\$5,000</b>

### Consumable Costs

Consumable Costs expenditure has been calculated based on:

EXPENSE	ANNUAL COST
Centre Management	\$7,500
<b>Total</b>	<b>\$7,500</b>

### Staffing

The assumed staffing model, full-time equivalencies and wage rates are summarised below:

ROLE	ANNUAL WAGE RATE	FTE
Personal Trainers	\$61,500	2.0
Café Coordinator	\$65,000	0.75
Café Assistants	\$50,000	2.0
Venue Manager	\$81,000	1.0
Membership Coordinator	\$70,000	0.5
Reception/ Membership	\$50,544	2.5
Duty Supervisors	\$58,032	3.0
<b>Total FTE's</b>		<b>11.75</b>

The model assumes **Program Instructors** are engaged on a casual basis when programs are being delivered at a rate of \$39.00 per hour.

### Sensitivity Testing

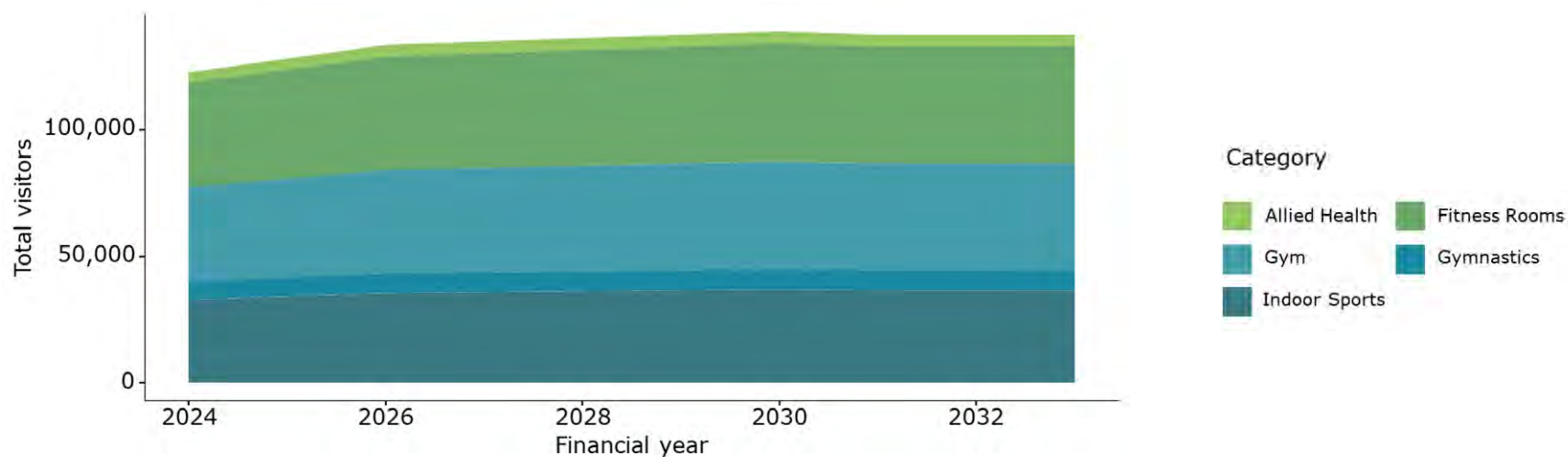
Sensitivity testing undertaken to understand the range of potential performance is based on:

	LOW RANGE	BASE	HIGH RANGE
Income	75%	100%	115%
Expenditure	95%	100%	120%

### 4.2.3. Visitation

The projected visitation for the Sports Centre is summarised below:

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Allied Health	4,306	4,493	4,680	4,727	4,774	4,820	4,867	4,820	4,820	4,820
Fitness Rooms	41,080	42,866	44,652	45,099	45,545	45,992	46,438	45,992	45,992	45,992
Gym	37,635	39,272	40,908	41,317	41,726	42,135	42,544	42,135	42,135	42,135
Gymnastics	7,176	7,488	7,800	7,878	7,956	8,034	8,112	8,034	8,034	8,034
Indoor Sports	32,656	34,076	35,496	35,851	36,206	36,561	36,916	36,561	36,561	36,561
<b>Total</b>	<b>122,853</b>	<b>128,195</b>	<b>133,536</b>	<b>134,871</b>	<b>136,207</b>	<b>137,542</b>	<b>138,877</b>	<b>137,542</b>	<b>137,542</b>	<b>137,542</b>



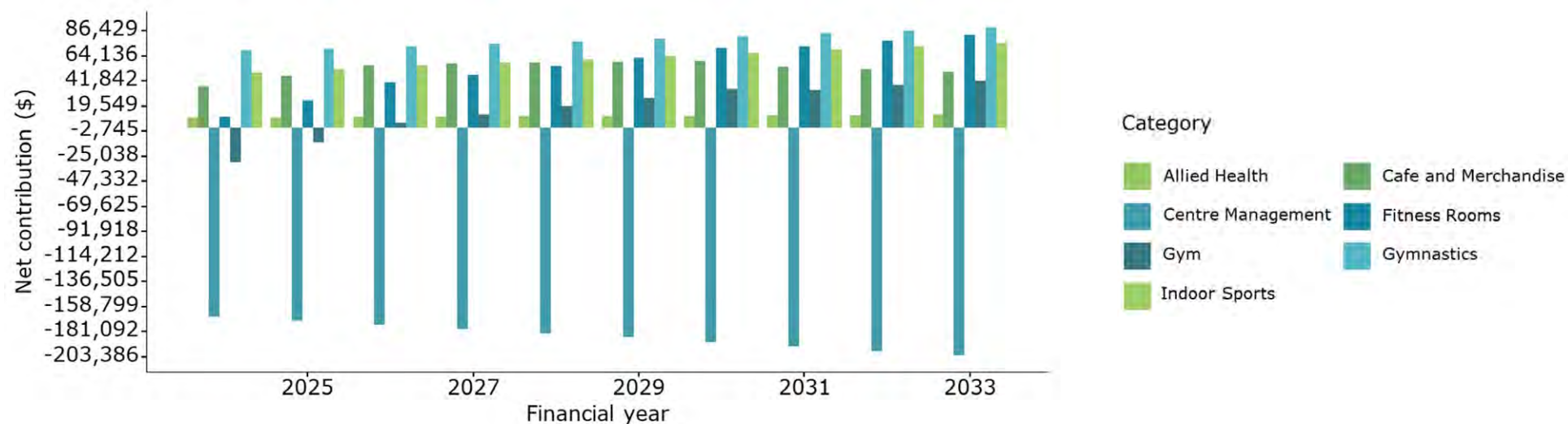


#### 4.2.4. Financial Performance

##### Operating Result

The projected operating result for the Sports Centre is summarised below:

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Allied Health	\$9,042	\$9,323	\$9,612	\$9,910	\$10,215	\$10,530	\$10,853	\$11,185	\$11,526	\$11,877
Cafe and Merchandise	\$37,168	\$46,588	\$56,174	\$57,135	\$58,071	\$58,979	\$59,857	\$54,581	\$52,232	\$49,778
Centre Management	-\$167,930	-\$171,436	-\$175,018	-\$178,679	-\$182,420	-\$186,242	-\$190,148	-\$194,139	-\$198,218	-\$202,386
Fitness Rooms	\$9,794	\$24,580	\$40,153	\$47,322	\$54,821	\$62,662	\$70,858	\$72,545	\$77,759	\$83,164
Gym	-\$30,501	-\$13,227	\$4,941	\$11,904	\$19,198	\$26,835	\$34,826	\$34,215	\$38,118	\$42,170
Gymnastics	\$68,683	\$70,721	\$72,815	\$74,966	\$77,177	\$79,448	\$81,782	\$84,180	\$86,643	\$89,174
Indoor Sports	\$49,462	\$52,520	\$55,694	\$58,388	\$61,173	\$64,053	\$67,030	\$69,664	\$72,605	\$75,640
<b>Total</b>	<b>-\$24,282</b>	<b>\$19,069</b>	<b>\$64,371</b>	<b>\$80,947</b>	<b>\$98,236</b>	<b>\$116,264</b>	<b>\$135,057</b>	<b>\$132,229</b>	<b>\$140,666</b>	<b>\$149,418</b>



## Income

The projected income result for the Sports Centre is summarised below:

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Allied Health	\$13,102	\$13,445	\$13,797	\$14,158	\$14,528	\$14,909	\$15,299	\$15,699	\$16,110	\$16,531
Cafe and Merchandise	\$298,681	\$315,718	\$333,149	\$340,854	\$348,704	\$356,700	\$364,846	\$366,035	\$370,793	\$375,614
Fitness Rooms	\$448,527	\$480,276	\$513,379	\$532,082	\$551,412	\$571,389	\$592,035	\$601,686	\$617,432	\$633,589
Gym	\$344,411	\$368,790	\$394,209	\$408,570	\$423,413	\$438,753	\$454,606	\$462,017	\$474,108	\$486,515
Gymnastics	\$93,587	\$96,036	\$98,549	\$101,128	\$103,774	\$106,490	\$109,277	\$112,136	\$115,071	\$118,082
Indoor Sports	\$199,487	\$205,466	\$211,621	\$217,358	\$223,251	\$229,303	\$235,520	\$241,462	\$247,781	\$254,265
<b>Total</b>	<b>\$1,397,794</b>	<b>\$1,479,730</b>	<b>\$1,564,703</b>	<b>\$1,614,150</b>	<b>\$1,665,083</b>	<b>\$1,717,545</b>	<b>\$1,771,582</b>	<b>\$1,799,035</b>	<b>\$1,841,294</b>	<b>\$1,884,596</b>

## Expenditure

The projected expenditure result for the Sports Centre is summarised below:

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Allied Health	\$4,061	\$4,122	\$4,185	\$4,248	\$4,313	\$4,379	\$4,446	\$4,514	\$4,584	\$4,655
Cafe and Merchandise	\$261,512	\$269,130	\$276,975	\$283,719	\$290,633	\$297,722	\$304,989	\$311,454	\$318,562	\$325,835
Centre Management	\$167,930	\$171,436	\$175,018	\$178,679	\$182,420	\$186,242	\$190,148	\$194,139	\$198,218	\$202,386
Fitness Rooms	\$438,733	\$455,696	\$473,226	\$484,760	\$496,591	\$508,727	\$521,177	\$529,141	\$539,672	\$550,425
Gym	\$374,912	\$382,017	\$389,268	\$396,666	\$404,215	\$411,919	\$419,780	\$427,803	\$435,990	\$444,345
Gymnastics	\$24,904	\$25,315	\$25,734	\$26,161	\$26,597	\$27,042	\$27,495	\$27,957	\$28,428	\$28,908
Indoor Sports	\$150,026	\$152,945	\$155,927	\$158,970	\$162,078	\$165,250	\$168,490	\$171,798	\$175,175	\$178,624
<b>Total</b>	<b>\$1,422,076</b>	<b>\$1,460,662</b>	<b>\$1,500,332</b>	<b>\$1,533,203</b>	<b>\$1,566,847</b>	<b>\$1,601,281</b>	<b>\$1,636,524</b>	<b>\$1,666,806</b>	<b>\$1,700,628</b>	<b>\$1,735,178</b>

### 4.3. ECONOMIC AND SOCIAL BENEFITS

#### 4.3.1. Economic Impact Assessment

The economic impact assessment covers two phases of the project: the construction phase; and the operations phase following the redevelopment of the Sports Centre. The operations of the Sports Centre have been modelled using information from the Otium Planning Group's Facility Financial Operating Model and the cost estimate provided by Quantity Surveyor Johnson & Cumming.

The model assesses the economic impacts in terms of direct jobs and indirect/ induced jobs generated and the increase in income (direct and indirect/ induced), in the local economy.

#### 4.3.2. Construction Economic Impacts

Construction activity was modelled, and estimates were developed for onsite construction jobs and the jobs generated in the supply of materials and equipment to the project. The number of indirect jobs generated through the spending of construction, professional and material supply employees was also estimated. It is assumed that the construction occurs during 2023, with operations commencing in 2024.

The capital cost is estimated at \$10,505,000. This is expected to generate 15.96 direct construction FTE jobs and 3.99 indirect construction FTE jobs. Similarly, the project will create 7.93 direct FTE jobs and 1.98 indirect FTE jobs in the manufacturing sector.

In turn, these new jobs will create \$1,746,164 in new wages into the economy, and this will generate \$2,183,205 in flow on effects of spending



**\$10,505,000**  
**CAPITAL COST**



**19.95**  
**CONSTRUCTION FTE JOBS**

**9.91**  
**MANUFACTURING FTE JOBS**



**\$1,746,164**  
**NEW WAGES**

### 4.3.3. Operating Economic Impacts

Modelling was undertaken for the redeveloped Sports Centre, including user estimates and financial projections, as the foundation for the economic impact modelling. 10-year economic modelling is outlined below.

- « Employment (FTE jobs) in the operations of the Sports Centre. Estimates were also made of the indirect/ induced jobs generated in the region by the spending of these employees.
- « Jobs generated in the wider region through spending by Sports Centre users and visitors. Spending was modelled based on conservative assumptions in relation to the percentage of persons who spend (on food and beverages) in the local area during their visit to the Sports Centre.
- « Estimates were also made of increase in local area income generated by the operations of the Sports Centre and its facilities, visitor spending and event spending.

The Sports Centre is predicted to operate at a moderate operating profit. This is estimated to average \$91,197 per year. This totals at \$911,975 over the first 10 years of operations. This outcome will be further supported by wages paid to the FTE staff required to operate the facilities and health benefits for the users who make regular use of the Sports Centre.

These benefits have been estimated at:

- « 17.92 FTE staff supported per year
  - This will create an estimated average of \$1,004,465 of new wages per year and an additional economic benefit of \$1,255,581 annually.
  - Over the first 10 years of operations this will generate \$12,555,813 of economic benefit.
- « 134,471 average visitors annually
  - Producing an average of \$1,893,485 of benefit per year.

### 4.3.4. Combined Economic Impacts

Total benefits over the 10 years are estimated to total **\$18,934,950**.

The estimated Net Present Value (NPV) and Benefits Cost Ratio (BCR) based on an optimistic, base and conservative discount rate are:

	OPTIMISTIC	BASE	CONSERVATIVE
Discount Rate	4%	7%	10%
Net Present Value (NPV)	\$15,297,217	\$13,213,166	\$11,534,915
Benefits Cost Ratio (BCR)	1.46	1.26	1.10





## 7.WARRANTIES AND DISCLAIMERS

The information contained in this report is provided in good faith. While Otium Planning Group has applied their own experience to the task, they have relied upon information supplied to them by other persons and organisations.

We have not conducted an audit of the information provided by others but have accepted it in good faith. Some of the information may have been provided 'commercial in confidence' and as such these venues or sources of information are not specifically identified. Readers should be aware that the preparation of this report may have necessitated projections of the future that are inherently uncertain and that our opinion is based on the underlying representations, assumptions and projections detailed in this report.

There will be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We do not express an opinion as to whether actual results will approximate projected results, nor can we confirm, underwrite or guarantee the achievability of the projections as it is not possible to substantiate assumptions which are based on future events.

Accordingly, neither Otium Planning Group, nor any member or employee of Otium Planning Group, undertakes responsibility arising in any way whatsoever to any persons other than client in respect of this report, for any errors or omissions herein, arising through negligence or otherwise however caused.





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