

**3.2: ALBANY LEISURE AND AQUATIC CENTRE – FEE AND CHARGES**

**Land Description** : Albany Leisure and Aquatic Centre  
**Proponent** : City of Albany  
**Owner** : N/A  
**Attachments** : Nil  
**Appendices** : Nil  
**Responsible Officer(s)** : Manager Recreation Services (Cameron Woods)  
 Executive Director Community Services (Linda Hill)

**IN BRIEF**

- At the Albany Leisure and Aquatic Centre (ALAC) there are no current fees for court hire for either training or game purposes. For training, casual entry rates for adults and children apply. For games, charges per team per game apply.
- Industry standard is to charge court hire per hour for both training and games.
- As Netball and Volleyball associations will soon be starting their winter season it is necessary for Council to consider a court hire fee (outside of the normal consideration of Fees and Charges as part of the budget process). If approved, the fee needs to be communicated to players and their associations prior to the beginning of the season.

**RECOMMENDATION**

**ITEM 3.2: RESPONSIBLE OFFICER RECOMMENDATION**  
**VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**THAT Council adopt proposed changes to court hire for both training and game fees commencing 1 March 2012 being:**

|                      |  |
|----------------------|--|
| <b>Game Fees</b>     |  |
| Junior               | \$48 per court (\$24.00 per court per hour per team) |
| Senior               | \$55 per court (\$27.50 per court per hour per team) |
| <b>Training Fees</b> |  |
| Junior               | \$28 per court per hour                              |
| Senior               | \$40 per court per hour                              |

|             |                             |
|-------------|-----------------------------|
| <b>CEO:</b> | <b>RESPONSIBLE OFFICER:</b> |
|-------------|-----------------------------|

**BACKGROUND**

1. ALAC does not currently charge players or the association a rate for court hire by the hour for either training purposes or for playing games. Charging court fees by the hour is accepted industry practice.
2. Training fees are currently set at a per head rate of \$5 for seniors and \$4 for juniors and individuals are expected to pay individually at ALAC reception on arrival (this equates to the ALAC casual entry price). Some players are not paying for the privilege of training and ALAC is not receiving a consistent fee for the use of indoor courts. It's currently possible for as little as three or four players to book a court exclusively for their use and pay only \$15 – \$20 in total. This system also adds administration costs and leads to congested reception areas as individual payments are made instead of team payments.
3. Industry practice would dictate that courts for non centre run competitions are charged at an hourly rate and associations are invoiced for courts booked. It is then the association's responsibility to invoice the players accordingly.
4. Currently ALAC and City of Albany Finance Officers are involved in invoicing Basketball teams direct which adds administration costs and has led to exposure to bad debts and poor stakeholder relations.
5. Currently ALAC receives Netball fees weekly and then reconciles all team payments and banks fees. This also increases ALAC administration costs and creates issues when team payments are not at the full rate or games are forfeited .i.e. payment is still required for non attendance and courts reserved for the association's exclusive use.

**DISCUSSION**

Table 1 – ALAC Court Fees (Current)

| <b>Casual Use Entry Fees</b>    | <b>Current \$ inc GST</b> |
|---------------------------------|---------------------------|
| Adult                           | \$5                       |
| Child                           | \$4                       |
| <b>Team Sport Game Fees</b>     |                           |
| Club/Association – Junior Teams | \$30                      |
| Club/Association – Senior Teams | \$38                      |

6. There has been much dissatisfaction from sporting associations about the current cost of games fees (shown above in Table 1). Albany Volleyball Association moved their competition to Great Southern Grammar last year allegedly in response to that dissatisfaction.
7. Through the current practice, ALAC is currently charging between 15% for a junior team and 20% for a senior team more than other regional centres for court hire. Additionally, ALAC is currently collecting individual team payments on behalf of associations in two different methods which are adding to ALAC and broader City administration costs and also exposing the City to bad debts.

8. The proposed new fees and charges, and collection method is shown in Table 2 below:

Table Two – ALAC Court Fees (Proposed)

| <b>Casual Entry Fees</b>     | <b>Current \$ Cost</b> | <b>Proposed \$ Cost</b> | <b>Description</b>  |
|------------------------------|------------------------|-------------------------|---|
| Adult                        | \$5                    | \$5                     | No change casual use rate   |
| Child                        | \$4                    | \$4                     | No change casual use rate   |
| <b>Court Sport Game Fees</b> |                        |                         |   |
| Junior                       | \$30 per team          | \$48 per court          | The equivalent of \$24 per team per hour  |
| Senior                       | \$38 per team          | \$55 per court          | The equivalent of \$27.50 per team per hour   |
| <b>Court Hire Rates</b>      |                        |                         |   |
| Junior Training              | \$4 per person         | \$28 per court          | Guarantees minimum costs of \$28 per court.<br>Average Player Cost \$4 based on 7 players   |
| Senior Training              | \$5 per person         | \$40 per court          | Guarantees minimum cost of \$40 per court.<br>Average player cost @ \$5 based on 8 players. |

Note: the proposed training fees are based on the current training fees of \$4 per junior and \$5 per senior i.e. based on seven or eight players per team. Training sessions are typically one team per court per hour were as matches are based on two teams per court per hour sharing costs.

**GOVERNMENT CONSULTATION**

9. Not applicable

**PUBLIC CONSULTATION / ENGAGEMENT**

10. The Manager of Recreation Services has consulted with the two winter clubs of Netball and Volleyball and they are happy to proceed with the change to fees this year. Basketball has also been consulted about fees being structured in this way and are looking forward to reviewing an improved structure for their October 2012 season.
11. A different rate specific to indoor hockey will be determined as the hockey field is played over two basketball courts. Hockey has also been consulted and is looking forward to working with ALAC to provide some certainty with regard to fees and fee collection methods

**STATUTORY IMPLICATIONS**

12. Any changes to fees must be endorsed by Council.

**STRATEGIC IMPLICATIONS**

13. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

**Key Focus Area**

Lifestyle and Environment  
Organisational Performance

**Community Priority**

A built environment for active lifestyles  
Financial management

**POLICY IMPLICATIONS**

14. There are no policy implications relevant to this item.

**RISK IDENTIFICATION & MITIGATION**

15. The risk identification and categorisation relies on the City's Risk Management Framework.

| Risk  | Likelihood | Consequence | Risk Analysis | Mitigation   |
|---|------------|-------------|---------------|--|
| No change to ALAC court hire fee structure and collection method leading to stakeholder dissatisfaction | Possible   | Minor       | Medium        | Adopt industry standard practice re court hire and implement recommendation prior to start of winter season. |

**FINANCIAL IMPLICATIONS**

16. Whilst ALAC will receive less income from game fees, the new game fee collection methodology will negate exposure to non collection of fees (forfeits and bad debts) and substantially reduce administration costs for ALAC and City Finance Officers. To date, these benefits have not been costed for lack of data. Payment of court hire by the hour rather than by team is also seen by stakeholders as more equitable.
17. ALAC will increase its fees from training under the new structure. Presently the amount of non payment by individuals entering the stadium for training is not quantifiable, but during the current basketball season, the non payment figure is estimated at 60% of all seniors and 50% of all juniors (excluding the Grammar Teams). This equates to a minimum of \$10,000 for the current summer season only.
18. The overall financial impact to ALAC, based on the adoption of the new fee structure, will be cost neutral. The estimated loss in income from reducing the game fees to the proposed hourly hire fee is \$25-\$30k per annum. The corresponding change to the way ALAC will charge for court hire training will increase training fees by an estimated \$25-\$30K per annum.

19. The change in fee structure and method of collection will however:

- Reduce the need for City Finance staff to generate invoices and to recover bad team debts.
- Reduce the administration for ALAC staff in the collection of fees and in the banking of fees.
- Reduce the current practice of non payment of training or casual use of courts by many players, making it a more equitable method of fee collection.
- Will improve stakeholder relations and has resulted in the Volleyball Association returning to ALAC which has the potential to increase revenues by \$20k per annum.
- Will attract more players to association sports over time as match fees are more affordable, this will in turn increase returns to ALAC.

**LEGAL IMPLICATIONS**

20. Not Applicable

**ALTERNATE OPTIONS**

21. The options are:

- a. Council change fee, effective July 12, which would be mid season for winter sports;
- b. Maintain current fee structure.

**SUMMARY CONCLUSION**

22. The proposed new fees and charges better reflect industry best practice; substantially reduce City administration costs; promote a more affordable model for game hire; and ensure training costs are applied consistently and equitably.

|                                   |  |
|-----------------------------------|--|
| <b>Consulted References</b>       |  |
| <b>File Number (Name of Ward)</b> |  |
| <b>Previous Reference</b>         |  |