

3.1: FEES AND CHARGES AMENDMENTS FOR THE ALBANY LEISURE AND AQUATIC CENTRE (ALAC)

Proponent : City of Albany
Responsible Officer(s) : Acting Executive Director Community Services
(C Woods)

IN BRIEF

- Amendment to Albany Leisure and Aquatic Centre Fees and Charges.

RECOMMENDATION**ITEM 3.1: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY****THAT:**

1. Council **APPROVES** the following proposed amendments to the 2012/2013 fees and charges and give local public notice to Special needs 1:1 swimming lesson currently \$27.50 amend to \$20.60 per lesson.
2. Council **APPROVES** the following proposed amendments to the 2012/2013 fees and charges and give local public notice to Special needs 1:1 swimming lesson Saturdays currently \$33.00 amend to \$24.75.
3. Council **NOTE** the error in the fees and charges schedule for charges of Club / Association Junior Match Fees will be amended to \$55.00 per hour.

BACKGROUND

1. Fees and Charges are set by Council as part of the budget setting process and may be amended from time to time.
2. These Fees and Charges can only be modified by a resolution of Council or under delegated authority by the Chief Executive Officer. The Chief Executive Officer does not have this delegated authority at this time.
3. Council approved the 2012-13 Budget at the Ordinary Council Meeting held 19 June 2012. This included Community Services Business Units Fees and Charges of which amendments are required for Albany Leisure and Aquatic Centre (ALAC).

DISCUSSION

4. ALAC fees and charges in their entirety were reviewed as part of the annual business planning process in March 2012. This review considered the annual estimated consumer price index, expense recovery and benchmarking against similar regional facilities.
5. As a result of the fees and charges review process, all of the ALAC Swim School fees and charges were identified as being well below accepted industry benchmarks.

18/09/2012

****REFER DISCLAIMER****

6. The Special Needs private (1:1) swimming lessons were increased from \$11.00 per session Mondays to Fridays and \$14.00 on a Saturday, to be the same as the non special needs lesson fees of \$27.50 and \$33.00 respectively.
7. The fee increase was considered necessary as the current fees were set at an unsustainable 50% expense recovery and the Department of Education Swimming program was identified as the provider of the essential or minimum standard learn to swim programs for all West Australians including clients with special needs.
8. It was also considered inequitable to provide such a large subsidy for one section of the community whilst the facility was being heavily subsidised by rate payers.
9. Following the fee increase a small number of families have been seriously affected and a review of the fees and charges was considered the best short term solution to ease the burden on these families whilst longer term solutions such as grant funding are investigated.
10. A fee reduction of 25% on the full fee service is the amended recommendation for consideration.
11. The Junior Club game fees were \$30.00 per team in 2010/11 (the equivalent of \$60.00 per match). These fees were collected weekly by the ALAC staff.
12. The recommendation was for these fees to be reduced to \$55.00 per match and the association invoiced for these fees monthly in arrears. This had the effect of reducing the costs to participants of Junior Teams and reducing the administration costs of collecting and receipting the fees for ALAC.
13. The Clubs and Associations were advised of this \$55.00 per match, which represented a fee reduction of \$5.00 or 8.5%. The clubs were appreciative of the fee reduction and understood the new fee collection methodology.
14. When the fees and charges were prepared for Council, endorsement of the fee was incorrectly listed on the list of all fees and charges as \$48.00 per match, instead of \$55.00.
15. This amendment will correct this oversight.

GOVERNMENT CONSULTATION

16. Not applicable.

PUBLIC CONSULTATION/ENGAGEMENT

17. As a result of feedback from the community in relation to the increase in the special needs private tuition fees the revised fees (25% discount) have been developed to assist affected families. Feedback from affected persons to this proposed revised fee has been positive.
18. The proposed amendments to the junior match fees were previously developed with the major user groups and the \$55.00 represented a discount of approximately 8.5%. However the fees when endorsed by Council were misrepresented in the fees and charges schedule. The major user groups have been paying the correct fee of \$55.00 since the adoption of the 2012/13 fees and charges.

19. Local public notice will be given.

20. STATUTORY IMPLICATIONS

21. Section 6.19 of the *Local Government Act 1995* states that if a local wishes to impose any fees or charges after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of:
- its intention to do so; and
 - the date from which it is proposed the fees or charges will be imposed.

STRATEGIC IMPLICATIONS

22. The City of Albany Strategic Plan 2011-2021 notes the following:

<i>Organisational Performance</i>	<i>Proposed Strategy</i>	<i>Timeframe</i>
KEY FOCUS AREA: Organisational Performance		
<i>Policy and Procedures</i>	Council to decide and commit to what it will provide as a community service and what it will operate as a business unit.	Short (ongoing)

POLICY IMPLICATIONS

19. Nil

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Council do not endorse the amendment to fees and charges.</i>	<i>Unlikely</i>	<i>Minor</i>	<i>Low</i>	<i>Endorse the amended fees to restore organisation reputation whilst also promoting a fair and equitable user pay philosophy.</i>

FINANCIAL IMPLICATIONS

24. Council has endorsed the 2012-2013 City of Albany Budget based on the endorsed fees and charges. If the case of the junior game fees which were incorrectly presented in the fees and charges are not amended to reflect the true value, the net effect to the Albany Leisure and Aquatic Centre is \$8000.00 per annum.
25. The 25% discount proposed for the Special Needs private tuition will represent an approximate reduction in revenue of \$1500.00

LEGAL IMPLICATIONS

26. Nil.

ALTERNATE OPTIONS

27. Council could choose to amend the fees and charges as part of the 2013/14 budget process rather than address the issue at this time. This will, however, further add to the discontent of those affected families enrolled in the special needs swimming program.

SUMMARY CONCLUSION

28. The proposed amended fees for special needs swimming have very minimal financial implications to the City but if adopted will restore consumer confidence and improve the reputation of the organisation within the community.

29. The proposed amended fee for junior match fees is simply a correction to a single item within the range of fees and charges at ALAC which was incorrectly stated in the budget. The user groups were communicated the correct fees and charges prior to the 2012/13 financial year and were appreciative of the discount of 8.5%.

Previous Reference	OCM 19/06/2012 Item 5.1
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