

MEMORANDUM

TO: Finance and Performance Committee

MEETING DATE: 15 October 2018

TITLE: Proposed Increase to the Admission and Concession Rates at The Lido and Freyberg Aquatic Facilities

DATE: 24 September 2018

AUTHOR/S: Bryce Hosking, Property Officer, Infrastructure

APPROVED BY: Ray Swadel, Acting Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

- 1. That Council approve a 10% increase to the admission and concession rates for the Lido and Freyberg Aquatic Facilities to be effective from 1st July 2019**
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1. ISSUE

- 1.1 Council has a long-term Aquatics Facilities Management contract with CLM, who are required to run these facilities in a financially sustainable and robust way. Admission and concession prices have not increased since 2014.
- 1.2 Given the high number of classes, swim schools, activities, life guards, and operational staff needed to run the facilities effectively, a major portion of CLM's expenses is staff and wage related.
- 1.3 Since 2014, the minimum wage has increased by 16%, and is set to continue to increase in the foreseeable future.
- 1.4 Compounding the rise in wage costs, the charges from numerous external suppliers have also increased from April 2018.
- 1.5 CLM, who manage Council's pool facilities, require their operational business of both the Lido and Freyberg Pools to be profitable, which CLM report it has not been the case cumulatively over the last 3 years.
- 1.6 If the operational business continues to be unprofitable, CLM may seek to make changes to the services provided under the contract.

2. BACKGROUND

- 2.1 As stated in 1.1, admission and concession prices for both pools have remained static since 2014. CLM made a submission for a 10% increase in August 2018.
- 2.2 Clause B1.11.6 of the *Aquatics Facilities Management* contract between Council and CLM discusses the setting and review of admission and concession charges. It can be paraphrased as *“The maximum admission and concession charges set by Council can be reviewed annually prior to 30 June, and price adjustments shall be effective from 1 July immediately following the review. CLM may make submissions to Council prior to the review to be considered, although Council is not bound by these submissions. Once a final decision is made, they cannot be disputed by CLM.”*
- 2.3 While the Lido’s public usage numbers have improved in the 2017/18 year to date compared to the previous year; Freyberg’s performance suffered significantly in the 2017/18 year due to the operational challenges caused by the Toddler Pool realignment project. With the complications of this project resulted in a significant drop in public usage.
- 2.4 Historically to date, Freyberg and the Lido admission and concession prices have been the same. This allows dual membership at both facilities and cross promotion between both PNCC facilities.
- 2.5 To give context, below is a table showing the changes to the admission prices from a 10% increase to admission fees:

Admission/ Concession Type	Current Rates	Proposed Increased Rates
Adult	\$ 5.00	\$ 5.50
Child	\$ 4.00	\$ 4.40
Senior Citizen	\$ 4.00	\$ 4.40
Community Service Card	\$ 4.00	\$ 4.40
School	\$ 3.50	\$ 3.85
Family Pass	\$ 13.50	\$ 14.85
Hydro-slides	\$ 6.00	\$ 6.60
Adult Concession Card - 10 Swims	\$ 39.60	\$ 43.56
Adult Concession Card - 20 Swims	\$ 74.80	\$ 82.28
Adult Concession Card - 50 Swims	\$ 176.00	\$ 193.60
Adult Concession Card - 100 Swims	\$ 330.00	\$ 363.00
Child/Senior Concession Card - 10 Swims	\$ 29.70	\$ 32.67
Child/Senior Concession Card - 20 Swims	\$ 56.10	\$ 61.71
Child/Senior Concession Card - 50 Swims	\$ 132.00	\$ 145.20
Sauna/Swim Concession Card - 10	\$ 81.00	\$ 89.10
Medical Concession Card – 10 Swims	\$ 23.00	\$ 25.30

2.6 Even with a 10% increase to the fees, pool prices will still be in line with facilities in other regional centres such as Nelson, Rotorua (both are 10% higher than our current levels), but still cheaper than the rates many other centres are charging including Whangarei, Richmond (Nelson), and Invercargill.

3. NEXT STEPS

3.1 The admission and concession rates for both aquatic facilities will increase by 10% to the proposed rates in the table above effective 1st July 2019.

3.2 CLM to notify public well in advance of the increase from 1st July 2019.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?		No
If Yes quote relevant clause(s) from Delegations Manual <Enter clause>		
Are the decisions significant?		No
If they are significant do they affect land or a body of water?		No
Can this decision only be made through a 10 Year Plan?		No
Does this decision require consultation through the Special Consultative procedure?		No
Is there funding in the current Annual Plan for these actions?		Yes
Are the recommendations inconsistent with any of Council’s policies or plans?		No
The recommendations contribute to Goal 3: A Connected and Safe Community		
The recommendations contribute to the outcomes of the Creative and Liveable Strategy		
The recommendations contribute to the achievement of action in the Active Community Plan		
The action is that Council will:		
<ul style="list-style-type: none"> • Provide excellent sports and recreation options and events to ensure the city is healthy and active. • Promote the city’s strength in sport development, capability and participation. 		
Contribution to strategic direction	<ul style="list-style-type: none"> • By keeping the management of facilities profitable, it can continue to be run at a professional and high standard with the full list of services being offered at both pools. • Even increasing the admission fees by 10%, Freyberg and the Lido will still be cheaper than many comparable centres in the country. 	

ATTACHMENTS

Nil