



**Territorial Authority Community Sport and Recreation
Facility Management Choices in New Zealand:
Research Report**

MARCH 2013



Foreword

I am pleased to present the *Territorial Authority Community Sport and Recreation Facility Management Choices in New Zealand: Research Report*.

This report has been produced to help New Zealand's 67 district and city Territorial Authorities (TAs) with their management of local swimming pools and recreation centres, ultimately benefiting sport and recreation participants of all ages that use them.

Sport New Zealand is focused on getting more young people and adults participating in sport and recreation. An important part of this is working with TAs to improve levels of facility development, provision and management. We are keenly aware of the critical role they play in providing community facilities that allow sport and recreation participation to happen. Local government is also undergoing a period of significant change within the government's agenda for local government reform. For all these reasons, we commissioned the body of work that led to the development of two resources:

This **research report**:

- Describing the full range of facility management models currently operating in New Zealand and potential models.
- Outlining the key characteristics of the different models and the advantages and disadvantages of each.

An accompanying decision guide:

- Containing a practical, easy-to-use step-by-step decision-making framework.
- Including a number of key learnings and recommendations that represent good practice.

It was concluded that there is no one ideal model for the management of recreation and sport facilities, as the appropriate option needs to be based on a combination of local needs, cost drivers and goals. Quality facility management resulting in high levels of community access and participation also depends on the qualities and skills of those involved in management, marketing and service delivery.

Our hope is that with the assistance of this report and accompanying decision guide, more New Zealanders will be able to participate in sport and recreation as a central element of vibrant community life.

Peter Miskimmin

Chief Executive

The Report

This report was written by Fay Freeman of Freeman Associates Limited for Sport New Zealand (Sport NZ). Terry Baxter, from Baxter Consulting, provided input and quality control throughout the project. Yvette Harris of Elusive Design Limited designed the graphics contained within the report.

A Sport NZ Steering Group oversaw the project, led by Grant McLean, Principal Advisor Research, Sarah Dunning, Relationship Manager, Richard Lindsay, Senior Advisor, Events and Facilities, and Debbie Curgenven, Senior Advisor Active Communities. Sue Walker, Manager Research, also provided valuable support to the project.

The report is a living, evolving document which captures current information about the environment in New Zealand relating to TAs, and the choices they make about sport and recreation facility management. The political, economic, social and technological environment will likely change over time and the inventory of TA sport and recreation facilities in particular will need to be updated from time to time to reflect changes that occur.

Acknowledgement

The generosity of all those people who contributed to the research, and entrusted the report author with information that was often not available in the public arena, is warmly acknowledged. This contributed substantially to the body of knowledge on which this research has been based and added considerable value and objectivity to the report findings.

DISCLAIMER

Sport NZ and any other individuals or organisations involved in the preparation of this report are not liable for any loss, injury or damage arising to them from its use. The information is presented for the purpose of illustration only and is in no way a statement of how particular issues or decisions must be dealt with.

Your use of this report constitutes acceptance of the contents of this disclaimer.

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1.0 Executive Summary

Sport and recreation provision is often the cornerstone of community life and is shaped by community wants and needs. Sport and recreation facilities are core services of territorial authorities but their delivery can be through a mix of models.

Sport and recreation also makes a significant contribution to the national and regional economy. The market value of sport and recreation to the New Zealand economy in 2008/2009 is estimated to be **\$5.2 billion or 2.8% of GDP** and regional economic values range from **1.9% to 4.2%** of regional domestic product.¹

In 2008/2009, TAs spent \$345 million on **new** sport and recreation facilities. The estimated value of fixed assets for local government recreation and sport in 2008/2009 was **\$7.009 billion**, and the operating expenditure on recreation and sport for this same year was **\$613.6 million**.

TAs in New Zealand have a history of investing in sport and recreation facilities in their communities to achieve community outcomes. Individual TAs have tended to make decisions about how best to structure the management of these facilities based on varying levels of knowledge and differing levels of analysis. Increasingly, TAs have asked Sport NZ for information on sport and recreation facility management choices.

Consequently, Sport NZ took a lead in commissioning research into the full range of sport and recreation facility management choices available to TAs. The aim is to produce a comprehensive and independent view on the range of **choices** available, and provide guidance on the decision-making process to ensure wise investment in sport and recreation facilities.

This report provides an **overview** of the range of management choices, both current and potential. It outlines the key characteristics of each of the different models and their advantages and disadvantages, drawn from research conducted with a range of New Zealand TAs and private providers, and relevant Australian and United Kingdom research.

In New Zealand there are currently **six main management models** for TA sport and recreation facilities:

- In-house management.
- A Council Controlled Organisation (CCO).
- Contracted or leased to a private provider.
- Contracted or leased to a community trust or committee.

¹ *The Economic and Social Value of Sport and Recreation to New Zealand*, (2011), Research Report No. 322, Lincoln University, Canterbury, NZ.

- A mixed management model, where TAs choose to have a combination of any or all of the above models.
- A “Hands-Off” model.

There is **no ideal model** for management of sport and recreation facilities. Quality facility management resulting in high levels of community access and participation depends on the qualities and skills of those involved in management, marketing and service delivery.

The external contracting environment in New Zealand is limited because of size, although the market is developing. There is one large private contractor providing services across New Zealand, one large not-for-profit contractor providing services primarily in Auckland, and a number of small private operators managing TA sport and recreation facilities in localised situations.

In addition to the current models, the number of TA-School partnerships is growing. TAs may consider a potential alternative model of clustering with other TAs to create scale and increase their options or the efficiency of an in-house model, partnering with a school or, with the private sector (contract, lease, licence, franchise or land use).

There is potential for an existing charitable trust to expand, or a new trust to emerge and contract on a New Zealand-wide basis, or for an existing TA to develop a franchise or licensing model to provide private sector capability within the public sector.

Communities throughout New Zealand differ so the requirements for facility management are also likely to vary. What suits one community or one TA might not suit another. For this reason a range of options available to TAs, and the potential advantages and disadvantages of each, have been identified.

The Decision Guide will enable TAs to reach their own conclusions to suit their own requirements, based on considered analysis.

1.1 Key Learnings from the Research

A number of **key learnings** have been drawn from the research:

There is no ideal model for management of sport and recreation facilities. Quality facility management resulting in high levels of community access and participation depends on the qualities and skills of those involved in management, marketing and service delivery.

Regardless of the sport and recreation facilities management model, every TA should:

- Have a **sport and recreation strategy** and facility management plans, which clearly define the TA’s vision for provision of sport and recreation facilities, appropriate standards of asset maintenance and service delivery, levels of participation and expected outcomes.
- Be clear about the **facility management choices**, including what the management model is **expected to deliver**, and which model the TA believes **can best achieve the outcomes they aspire to**. This includes assessing the importance of community outcomes, such as

increased service quality, access and participation (improved asset utilisation) as well as financial outcomes and reduced risk in a competitive environment.

- (c) Have a **contract (or contracts) for service** that clearly specifies the key performance indicators that are used to measure the service to be delivered to meet the TAs' specified outcomes. This should be linked to the sport and recreation strategy and facility management plans. The contract will clearly articulate the TAs' intentions for the facilities and drive decisions around cost and operational delivery.
- (d) Understand the **cost structures and potential revenue generation** capabilities for sport and recreation facilities (in particular revenue-generating activities such as fitness centres and learn to swim programmes) in order to maximise the return from its investment and reduce risks.
- (e) Understand that the quality of the **contract**, the **relationship** and the **service** are of equal importance for delivering a good outcome for the TA and the community.
- (f) **Manage risk.** In-house provision means the TA has full control to minimise its risk (but will be exposed to risk if it does not understand its cost structures and revenue potential). Outsourcing can reduce risk (but poorly written contracts and leases often result in the TA retaining risk). Developing partnerships can result in sharing or transferring risk. Risk may also include loss of the TA brand and image on its own facilities.
- (g) Ensure that sport and recreation facilities meet appropriate **health and safety standards**. Swimming pools that are **PoolSafe accredited** will meet the required standards for safe public access.

Establishing a **hierarchy of sport and recreation facilities** (aligned with the sport and recreation and facility strategies), and considering issues of **consolidation and rationalization**, will help to ensure that future investment in sport and recreation facilities is wisely targeted to achieve the best outcomes for the community.

A number of management choices are available to TAs in addition to in-house facility management including:

- (a) Divesting to a **Stand Alone Business Unit** or a **Council Controlled Organisation** in order to maintain control over the operations, while introducing some business practices to the model.
- (b) **Leasing or contracting facility management** to a private provider, or to a community committee or trust.
- (c) Using a **Mixed Management** model, which comprises a number of choices that the TA considers will provide the best return to the community.
- (d) Using a **Hands-off** model, where the TA facilitates and enables a community to provide their own facilities, usually with some support for capital and/or operating costs.

- (e) Forming **TA-school partnerships** to achieve efficiencies and cost-effective provision, and share resources, either as an alternative to providing new facilities, or as a procurement option when planning new facilities.
- (f) **Clustering with other TAs** (or sharing services) to increase buying and negotiating power, and sharing the cost and benefits of any one of the procurement options i.e. in-house, CCO, private contractor or community trust.
- (g) Using a TA **franchise or licensing model** which offers the benefits of private sector management while retaining a public sector management and service delivery model.
- (h) Forming **private sector partnerships** through contracts, leases, licences, franchising or making land available for private sport and facility developments.

The key learnings from the research are drawn together at the end of the report, along with an introduction to the Decision Guide produced by Sport NZ to assist TAs with their sport and recreation facility management decision-making processes and choices.²

2.0 Introduction

2.1 Purpose of the Research

Sport NZ is the Crown Entity responsible for sport and physical recreation in New Zealand. It has a goal of more children and adults engaging in sport and recreation, improving access and value for money.³

Sport NZ's approach is:

Leading: To provide a clear sense of direction, to challenge the sector to keep lifting its performance, to recognise and share best practice, to celebrate success, to bring the sector together, and to provide evidence and advocacy to point the way forward.

Enabling: To build capability of our partners in areas such as governance and management systems, information technology services, event management, facilities, commercialisation, human resources, research and monitoring, and good practice.

Sport NZ recognises the fundamental role that TAs play in providing community facilities as core services that allow sport and recreation participation to occur and meet its goals.

² *Territorial Authority Sport and Recreation Facilities Decision Guide*, (2013), Sport New Zealand, Wellington, NZ.

³ *Sport New Zealand Strategic Plan 2012 -2015*, (2012), Sport New Zealand, Wellington, NZ.

Sport NZ has identified a need from TAs for more information to be provided on sport and recreation facility management choices. It has also identified that an increasing number of TAs are considering moving sport and recreation facility management into CCOs, or outsourcing management of their sport and recreation facilities (typically recreation and aquatic centres) to private contractors or community trusts, in preference to in-house facility management.

Sport NZ notes that considerations by TAs on choices for management of sport and recreation facilities are based on varying levels of knowledge and differing levels of analysis. As a result the desired community outcomes, cost efficiencies and operational service quality may not be achieved.

So within this context, and through its leadership and enabling roles, Sport NZ commissioned research designed to achieve the following:

- (a) Produce an independent, objective report which clearly identifies the choices for TA sport and recreation facility management.
- (b) Produce a companion decision-making guide to support and enable TAs to analyse their choices for sport and recreation facility management.

The report, and the accompanying guide, can be used by decision-makers within TAs and by officers who guide and inform TA decision-making. It may also be of value to professional advisers to TAs, or to companies providing sport and recreation facility management services.

The research report provides information and decision-making processes that can be applied both when planning **new** sport and recreation facilities, and when considering procurement choices for **existing sport** and recreation facilities.

2.2 *Scope of the Study*

The research incorporates “purpose-built” community sport and recreation facilities (primarily swimming pools and recreation centres). It does not include high performance event centres or stadiums that are used by professional sports people e.g. Vector Arena in Auckland or large spectator sports stadiums.

Due to the large number of community halls throughout New Zealand, and the distortion this would create in the research, community halls are also not included in the research.

The research incorporates *existing* and *alternative* models for managing sport and recreation facilities in New Zealand, including those based on models available in Australia and the United Kingdom.

The research considered differences between small, medium and large TAs, but found that size was not a factor in decision-making around which procurement model to adopt. Small TAs are as likely as medium or large TAs to decide to form a CCO, or outsource management of their sport and recreation facilities to a private contractor, community trust or committee.

Small TAs are, however, more likely to adopt a “Hands-off” model for facility provision, leaving the community to raise the money and operate the facilities, while providing some assistance towards the capital and operating costs. An exception to this is Whangarei District Council whose sport and recreation facilities are owned and managed by Sport Northland or the Northland Sports Centre Trust.

2.3 Structure of the Report

The research report is structured into the following sections (details are included in the Contents page):

1. Introduction and key learnings
2. Purpose, scope and research methodology
3. Good practice considerations in facility management
4. Facility management choices, considerations and characteristics
5. The New Zealand environment
6. The Australian environment
7. The United Kingdom environment
8. Decision guide
9. Conclusions

2.4 Study Methodology

The research methodology first involved creating an inventory of all 67 district and city TAs in New Zealand, and the sport and recreation facilities they provide, including who owns and manages them. Regional and environment councils were not included in the research because they do not have a primary role of providing local sport and recreation facilities.

Every effort was made to ensure the inventory is as accurate as possible. This included web searches and discussions with TAs. The inventory provides a clear view of ownership and management of TA sport and recreation facilities in New Zealand.⁴ Any inaccuracies are likely to involve incorporating further facilities not already identified, and this is unlikely to impact on determining the overall view of the current ownership and management models.

Establishing an accurate picture of ownership and management of TA sport and recreation facilities enabled the grouping of TAs into study groups based on management type, geographic spread and TA size, including small, rural, medium and large metropolitan TAs. The following TAs were then invited to provide information to inform the study:

⁴ Inventory of TA Sport and Recreation Facilities, Appendix 1 of this report.

Management Model	Local Authority
In-house management (9)	Central Otago, Dunedin, Kawerau, Hutt City, Wellington, New Plymouth, Whakatane, Westland, Auckland Council
Council Controlled Organisations (CCOs) (3)	Buller, Queenstown-Lakes, ⁵ Tauranga
Outsourcing to private companies (6)	Nelson, Tararua, Kapiti Coast, Masterton, Auckland Council, Waipa
Outsourcing to community trusts including regional sports trusts (RSTs) (7)	Rangitikei, Marlborough, Hastings, Kaikoura, Tasman, Wairoa, Invercargill

A questionnaire was distributed to TAs via email, with limited initial response, and this was then followed up with phone calls and further enquiries.⁶ Discussions also took place with private sector facility managers and other industry leaders who were willing to contribute to the research.

A table at the end of the report shows who returned questionnaires (11 TAs), who provided documents (9 TAs and organisations), and the number of discussions and meetings held with individuals (13).⁷ The information received was analysed to determine the characteristics, advantages and disadvantages of each of the models and informs the learnings and conclusions that have been reached.

Information from the Standards New Zealand *Guide to Local Government Service Delivery Options* also informed the research.⁸ This Guide was developed to assist TAs in developing “good practice” for the “process of selecting, reviewing and implementing appropriate methods and levels of service delivery in order to meet changing community needs and expectations”.⁹

A challenge of the research was the need to draw conclusions from a variety of different and often conflicting viewpoints, in particular about the efficiency or otherwise of TA management of sport and recreation facilities, and the benefits of outsourcing versus in-house management.

The point of view expressed depended on how much focus the TA put on achieving efficient operations, as well as the capability within the TA to provide good quality, efficient services. It also depended on whether or not outsourcing was a positive experience. For some TAs this was linked to

⁵ Queenstown Lakes District Council reverted to an in-house model from a CCO model in 2013

⁶ Template for questionnaire sent to TAs, Appendix 3 of this report.

⁷ Responses to Research, Appendix 2 of this report.

⁸ SNZ HB 9213:2003. New Zealand Handbook. *Guide to Local Government Service Delivery Options*, SNZ, Wellington, NZ.

⁹ Ibid, p.1.

their lack of understanding of cost structures and revenue potential for TA sport and recreation facilities, and therefore a lack of confidence that outsourcing was delivering value.

3.0 Sport and Recreation Strategy

Development of a sport and recreation strategy, aligned with the TA long-term and annual plans, is an essential process for defining the TA's vision, mission, approach, outcomes, focus and priorities for sport and recreation.

A sport and recreation strategy creates an opportunity to clearly articulate the social, health and economic benefits of sport and recreation to the community. The strategy should define current service provision and demand, demography and future service demand projections, definition of required outputs of service and a service funding policy.

A sport and recreation strategy encourages and supports long-term planning and engagement with the community to determine focus and priorities, rather than reactive responses to perceived or real unmet needs.

A sport and recreation strategy may include objectives to:

- Increase the awareness of the value of sport and recreation and the availability of opportunities to participate.
- Encourage and support more young people to participate in sport and recreation.
- Address and remove the barriers which prevent people from participating in sport and recreation.
- Increase and improve the quality of accessible facilities and opportunities to participate in sport and recreation.
- Support partnerships which increase opportunities for affordable access to sport and recreation facilities.
- Support community sport organisations to be capable and sustainable so they can deliver quality sport to their communities.

Sport and recreation facility management plans, aligned with the sport and recreation strategy, will clearly articulate the TAs intentions for its facilities and should include priorities for facility provision, and renewals and maintenance, as well as the overall direction and facility management choices. The facilities management plan should be detailed in terms of costs, priority groups (children, youth, elderly, disabled, disadvantaged groups), opening times, maintenance, and community and commercial opportunities.

4.0 Contract for Service

Regardless of the management option chosen, a **robust contract** is the cornerstone of successful facility management. A contract is the key document for ensuring quality of service delivery, efficiency of the operations, and long-term protection of valuable community assets.

A contract **reduces risk** for the TA as it spells out the terms and conditions under which the contractor (**or in-house manager**) will operate, including expectations around the financial return to the TA, profit sharing, or the cost to the TA where the facility is unable to produce a profit.

The contract also clearly **defines responsibilities** for maintenance of the facilities, including cyclical and capital maintenance, cleanliness, programming to meet social objectives and community expectations, and reporting timeframes against key performance indicators (KPIs).

If a contract with an external provider includes asset maintenance, the TA must be well-prepared with current and detailed asset management plans that have baseline information for specifying contract performance measures, and then undertake ongoing performance monitoring.

The length of the contract for an outsourced model is also important. Standards New Zealand outlines a number of issues that should be taken into account when considering the duration of a contract arrangement.¹⁰

- Will the duration of the contract encourage or discourage investment in the capital asset, fixtures or fittings?
- Are the service standards required likely to change during the term of the contract and can the standards be amended?
- Will a shorter/longer duration contract encourage or discourage other providers from competing for delivery now or in the future?
- Should the duration of the contract be extendable? Under what circumstances?
- How will the duration of the contract affect the method of funding the service, now and in the future?
- Is there a risk of loss of “institutional knowledge” for long-term arrangements or provider “capture” of the TA?
- Will it be possible to address poor provider performance?

¹⁰ SNZ HB 9213:2003, p.33.

5.0 Cost Structures and Revenue Potential

The research indicates that not all TAs are fully aware of the cost structures for their sport and recreation facilities (accurate apportionment of overhead costs may only become evident under a CCO or outsourced model).

Revenue potential is strongly linked with marketing capability. Not all TAs have sufficient specialist marketing capability (or budget) to focus on maximising use of their sport and recreation facilities.

Understanding cost structures and revenue potential will assist TAs to make decisions on an appropriate management model from a position of strength rather than weakness, particularly in relation to an external contractor. It may also strengthen the ability of an in-house manager to ensure they have the resources to employ or engage an appropriate level of expertise to manage and market their facilities.

6.0 Quality Outcomes

The research clearly established that the quality of the contract, the relationship and the service are of equal importance for delivering a good outcome for the TA and the community. None of these contributors can stand alone, regardless of which management model is chosen.

Poorly constructed contracts may lead to misunderstandings or disputes around service delivery, maintenance, cost or revenue expectations, and reporting. The quality of the relationship will help to avoid disputes or enable differences that arise to be easily resolved without resorting to legal redress. If the quality of the services meets or exceeds customer expectations, this will be a strong factor in building and sustaining positive relationships, and meeting contractual obligations.

7.0 Managing Risk

Standards New Zealand outlines in detail the importance of risk management and also the allocation of risk, which is apportioned differently for each management choice. The general principle is to ensure that risk is placed with the party best able to manage it. The way this occurs will largely “be determined by the arrangement agreed between the TA, if it is not to deliver the service itself, and the party with responsibility for service delivery”.¹¹

Risk may be expressed in qualitative terms of exposure to loss or injury, or in quantitative terms of probability and consequence. In particular, “risk” and “opportunity” can be expressed as opposite and largely interchangeable terms. The pursuit of opportunity creates risks, while prudent management of risk generally results in successful outcomes.¹²

Standards New Zealand highlights the complexity of risk management and urges TAs to have regard to the relevant best practice on these issues, with reference to the following documents:

¹¹ SNZ HB 9213:2003, pp23-26.

¹² Ibid, p24.

- (a) SNZ HB 4360:2000 *Risk Management for Local Government*.
- (b) AS/NZS ISO 31000:2009 *Risk Management*.
- (c) SAA HB 240:2000. *Guidelines for Managing Risk in Outsourcing Utilizing the AS/NZS 4360 process*.

In-house provision means the TA has full control to minimise its risk (but will be exposed to risk if it does not understand its cost structures and revenue potential). Outsourcing can reduce risk (but poorly written contracts and leases often result in the TA retaining risk). Developing partnerships can result in sharing or transferring of risk. Risk may also include loss of the TA brand and image on its own facilities.

8.0 Health and Safety Standards

Regardless of who operates TA sport and recreation facilities, the TA has a responsibility for ensuring its facilities meet appropriate health and safety standards. Swimming pools that are PoolSafe accredited will meet the required standards for safe public access (TAs can delegate management but not abdicate responsibility for health and safety).

The research showed that this is an issue for some TAs, in particular, where there are limited resources or skills to ensure that appropriate health and safety standards are met. The basics of a swimming pool are clean water, clean toilets and change facilities and sufficient supervision to ensure the safety of pool users. If there is insufficient skill, knowledge, resources to ensure this occurs, a TA is exposing itself to inappropriate risk.

9.0 Hierarchy, Consolidation and Rationalisation

Establishing a hierarchy of sport and recreation facilities, and considering consolidation and rationalisation, is an appropriate response where a TA has a number of facilities, some or all of which are ageing and in need of renewal or investment.

A hierarchy can be allocated to the quality and size of a facility, to determine an appropriate level of future investment. The hierarchy will likely be determined by location, with larger-scale facilities provided to support larger, more populous communities, and small-scale, basic facilities provided in local areas.

The research suggests that there are many ageing facilities in New Zealand, and consolidation and rationalisation may be appropriate to ensure the facilities that are provided are of sufficient scale and amenity value to meet the needs and expectations of the community.

Indicators that might lead to a decision to consolidate or rationalise might include the following:¹³

¹³ *Guidelines for the Sustainable Management of Community Recreation Facilities*, (2012), SGL Consulting Group, Christchurch, NZ.

- The current state of existing facilities e.g. ageing and declining.
- Facility duplication with high cost implications and environmental impact e.g. water usage.
- Communities demanding modern, high quality facilities.
- The TA has limited or no capacity to adequately support the number of facilities it is responsible for in their current condition.
- A declining population to support facilities in some areas.
- Broader issues, including the economic downturn and population changes.
- Lack of asset management capability and planning.

Sport and recreation facilities that are ageing are of low amenity value, unattractive or poorly located in relation to the community will, over time, require reinvestment that may not resolve the issues identified e.g. location. It may be better to consolidate or rationalise so that investment can be made in better quality facilities that the community will value and use.

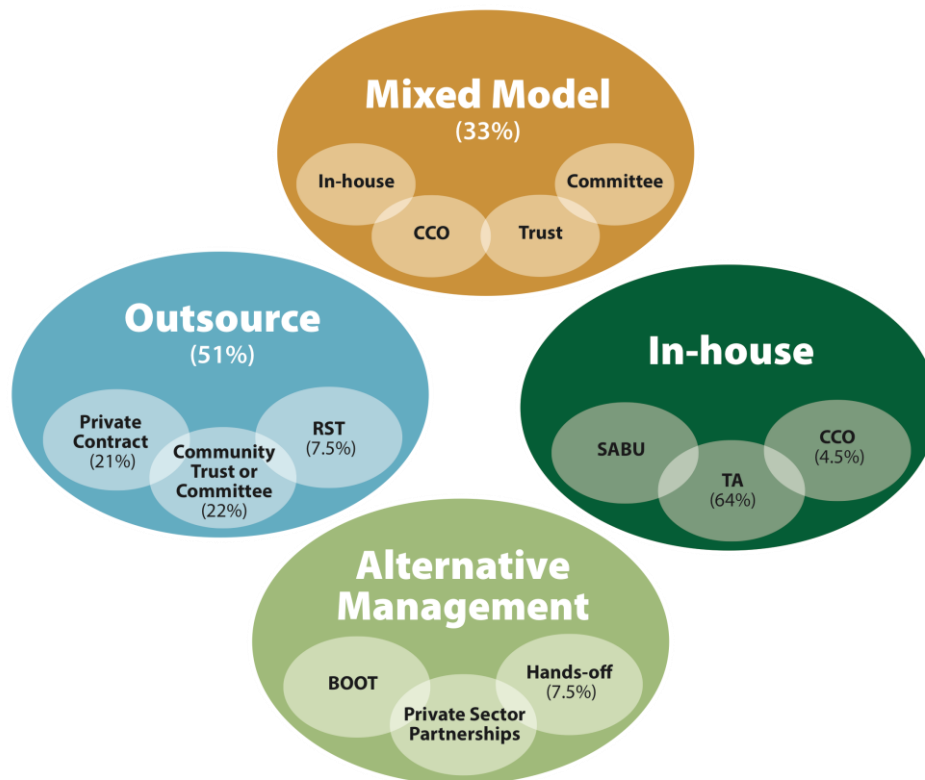
10.0 Facility Management Choices

In New Zealand there are currently **six** main management models for sport and recreation facilities:

- (1) In-house management:** 64% of TAs manage one or more of their facilities in-house.
- (2) A Council Controlled Organisation (CCO):** 4.5% of TAs have one or more sport and recreation facilities managed by a CCO.
- (3) Contracted or leased to a private provider:** 21% of TAs contract out management of one or more facilities to a private provider.
- (4) Contracted or leased to a community trust or committee:** 30% of TAs contract out management of one or more facilities to a community trust or committee (including 7.5% who contract to an RST).
- (5) A mixed management model:** 33% of TAs have a mixed model that may include in-house, CCO and outsourcing to a private contractor, community trust or committee.
- (6) A “Hands-off” model:** 7.5% of TAs do not own sport and recreation facilities, preferring instead to support community provision.

In addition to the six main models, there are a number of TA-School partnerships, emerging public-private partnerships, and private sector provision (discussed later in the report).

TAs should be clear about the facility management choices, including what the management model is expected to deliver, and which model the TA believes can best achieve the outcomes it aspires to, (aligned with the sport and recreation strategy and the sport and recreation facility management plan).



Note: A TA was counted once for each management model e.g. in-house, CCO, private contract. Consequently, the percentages do not add up to 100% because some TAs have multiple management models.

Key:

CCO = Council Controlled Organisation

SABU = Stand Alone Business Unit

BOOT = Build, Own, Operate, Transfer

10.1 Facility Management Model Considerations

A key consideration for TAs is to determine which management choice will most likely deliver on the factors that are considered most important, taking into account its own set of circumstances. This may include the advantages and disadvantages of each model that are summarised in the following sections for each option.

It is important to remember that any of the models for management of sport and recreation facilities can increase efficiency, reduce financial risk, improve service quality and ensure accessible services for the community. This depends on the management, marketing and service delivery capability.

Before deciding on which management choice is the most appropriate to meet the particular circumstances of the community and the TA, consideration needs to be given to the following:

- (a) Provisions of the Local Government Act 2002 and the Local Government Amendment Bill 2012, which define the general principles that TAs must apply in exercising their powers, including the need to consult with the community if changes are proposed to the way core services are delivered.
- (b) Development of a Sport and Recreation Strategy (including sport and recreation facility strategies) to deliver on the TA's identified Community Outcomes.
- (c) Financial implications, including alignment with the TA long-term plan and determining how assets are to be funded and the mechanisms for funding the service, including user-pays.

Standards New Zealand outlines a number of other considerations to take into account in planning delivery of services by other than the TA.¹⁴ These are summarised as follows:

- Are there external parties who have the required capability and capacity to deliver the service?
- Is there appropriate expertise within the TA to act as a "smart purchaser" if the service is to be outsourced?
- Will outsourcing over a lengthy period result in provider "capture" of the TA?
- Is a commitment to any method of delivery reversible in the future?
- Is there flexibility to amend service standards, scope of service and cost structures?

10.2 Facility Management Model Characteristics

There are a number of characteristics and requirements that are common to both in-house service delivery and outsourcing of facility management:

- The quality and skills of facility or business unit management, strong and trusting relationships, understanding of costs and revenue potential, and an ability to effectively market the facilities to maximise access and participation **all** contribute to successful facility management.
- The TA **owns the assets** and is also responsible for provision for depreciation and asset renewal, maintenance or replacement for the life of the facility (30–50 years).
- The TA must ensure **good asset management planning** in identifying long-term facility needs and upgrades. This will increase the choices available to TAs when they are considering how their sport and recreation facilities will be managed.

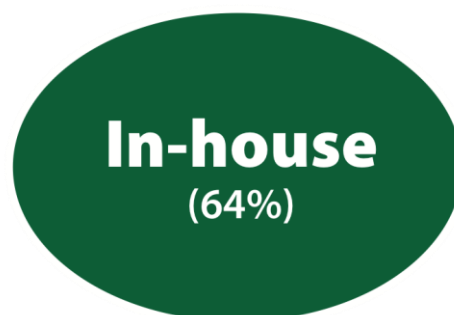
¹⁴ SNZ HB 9213:2003, pp22-23.

- **Risks need to be managed** regardless of the management model. A TA has full control of risk with in-house management (but will be exposed to risk if it does not understand its cost structures and revenue potential). Outsourcing can reduce risk (but poorly written contracts and leases often result in the TA retaining risk). Developing partnerships can result in sharing or transferring risk.
- Sport and recreation facilities must meet appropriate **health and safety standards**. Swimming pools that are **PoolSafe accredited** will meet the required standards for safe public access.
- **Economic objectives** (asset utilisation, cost and revenue) must be balanced with **social objectives** (access and participation).
- The TA needs to ensure its own **brand and image** are reflected because, regardless of who manages the facility, the public perception will be that the TA is responsible for its operation. A trust or private operator may “capture” the brand opportunity and in so doing undermine or alienate the TA’s brand and image.
- **Reputation risk** is linked to performance, and if loss of reputation results in the loss of the service or contract there is a greater incentive to perform to a high level.

11.0 In-house Facility Management

In New Zealand 64% of TAs own and manage one or more of their sport and recreation facilities in-house. Some larger TAs, and many of the medium or smaller ones, have opted for exclusively in-house management of facilities with no indications given of any desire to change the procurement option.

A number of other TAs are going through some changes (terminating private provider or community trust contracts and coming back in-house) or undertaking reviews. At least one TA is exploring an option of forming a community trust to manage its sport and recreation facilities.



11.1 Characteristics of an In-house Model

The characteristics of an in-house management model for TA sport and recreation facilities (many of which are also included in general characteristics outlined in section 10.2) are:

- There may be no contract that specifies the levels of service required to meet agreed KPIs (annual plans may express some broad customer satisfaction and utilisation targets), while some TAs have specific expectations determined through their business plans.
- There may or may not be a separation of roles of specifier and service provider. Where this relationship exists, service level agreements are most likely to be in place.
- The quality of management, programming and marketing (presentation and service), and whether the quality of the facility meets public expectations, has a direct impact on asset utilisation (access, participation and customer experience).
- Greater levels of accountability and control can be exercised by the TA, along with the ability to make changes e.g. programmes, fees and scheduling.
- Depending on the level of accounting transparency, the true costs of operating the facility/facilities may not be known. The quantity of services absorbed from the TA (i.e. financial, payroll, HR, IT, property services) should be specifically calculated, and not based on a percentage of overall organisational costs.
- The TA staff has a strong commitment to public service and social outcomes for their community.
- The TA is responsible for managing and mitigating its own risks based on varying levels of understanding of its cost structures and revenue potential.
- Smaller TAs, in particular, may struggle to attract and retain staff with the specialist knowledge needed to effectively programme, operate and promote their facilities in order to maximise the return on investment (ROI) through increased participation and utilisation.

11.2 Advantages v Disadvantages of an In-house Model

The advantages and disadvantages of an in-house management model (in priority order) that are important when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none">• A TA has a high level of control over social demands and returns – it is not profit driven.	<ul style="list-style-type: none">• A TA often has no contract that defines quality standards to be achieved (there may be internal levels of service contracts).

Advantages	Disadvantages
<ul style="list-style-type: none"> If there is a clear understanding of cost structures and revenue potential, a TA has a high degree of control over managing risk. 	<ul style="list-style-type: none"> A TA may lack marketing and entrepreneurial flair and this will impact on access and participation (not nimble in responding to new ideas and taking risks with new programmes).
<ul style="list-style-type: none"> A TA has considerable control over budgets, pricing, programming, staffing and facility maintenance. 	<ul style="list-style-type: none"> Sport and recreation facilities often suffer from short-term funding decisions versus long-term planning.
<ul style="list-style-type: none"> Profits can be invested back into the facility or TA, rather than losing them to the private sector. 	<ul style="list-style-type: none"> If the TA doesn't know the cost structures and revenue potential, this will compromise its ability to manage risk.
<ul style="list-style-type: none"> A TA has ownership and control of branding of the facilities (same look and feel). 	<ul style="list-style-type: none"> A TA may have low incentive or demand to control costs or grow participation to increase the ROI (financial risks).
<ul style="list-style-type: none"> TA accountability is simplified, with one organisation responsible for the delivery chain. 	<ul style="list-style-type: none"> A TA has resources tied up in assets (direct and indirect).
<ul style="list-style-type: none"> A TA retains institutional knowledge. 	<ul style="list-style-type: none"> Standard TA HR practices may limit the opportunity to incentivise staff or manage poor performance in a timely way.
<ul style="list-style-type: none"> A TA has direct interface with customers (a call centre may provide a 24-hour service). 	<ul style="list-style-type: none"> A TA has high dependence on key personnel for continuity of quality service.
<ul style="list-style-type: none"> Skills can be leveraged within the TA, in particular, management and financial skills. 	<ul style="list-style-type: none"> Front-line professional standards may not be reinforced by the TA where sport and recreation is not a high priority.
<ul style="list-style-type: none"> TA elected officials have a direct influence on operational policy based on constituent expectations. 	<ul style="list-style-type: none"> A TA may not encourage employment of specialists which may impact on service quality.
<ul style="list-style-type: none"> A TA has a strong commitment to facility-based club sport e.g. swim clubs, water polo, basketball. 	<ul style="list-style-type: none"> Political control and interference may lead to poor decision-making impacting on facility utilisation.
<ul style="list-style-type: none"> Tax efficiency is achieved (if profit making). 	

12.0 Stand Alone Business Unit (SABU) Model

There have been some attempts in New Zealand to establish a SABU that includes management of sport and recreation facilities. North Shore Leisure and Manukau Leisure Services are two examples of SABUs that were established, with Manukau Leisure Services Limited in 2007 then becoming a CCO before returning to in-house management following the formation of the Auckland Council.

12.1 Characteristics of a Stand Alone Business Unit (SABU) Model

The following are the characteristics of a SABU for sport and recreation facilities:

- A SABU is a half-way house between a TA department and a CCO and is designed to sit apart from but not outside of the TA.
- The TA is the specifier and the SABU is the service provider. The KPIs are clearly defined within a contract for service, with a focus on cost controls and asset utilisation (participation) generating income to reduce reliance on rates funding.
- The SABU carries a share of TA overheads including HR, payroll, finance, IT, Management Information System (MIS), property, purchasing, call centre and marketing.
- A SABU holds a monopoly position, but the risk versus return ratio may be more favourable to the TA than an in-house unit if the SABU is operated along business lines.
- Depending on the level of accounting transparency, the true costs of operating the facility/facilities may not be known. The quantity of services absorbed from TA services should be specifically calculated and not based on a percentage of overall organisational costs.
- The SABU reports (and is answerable) to local/community boards and/or the Council and the CEO.
- The TA sets the basic entrance fee but the SABU sets the fees for learn to swim, fitness centre and other revenue-generating activities.

12.2 Advantages v Disadvantages of a Stand Alone Business Unit (SABU) Model

The advantages and disadvantages of a SABU management model (in priority order) that are important when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none">• The SABU has a service agreement to demand efficiency and accountability but also sufficient independence to make decisions and respond to new opportunities.	<ul style="list-style-type: none">• The SABU lacks commercial credibility in the market place – it is not distinct from the TA and not a corporate.
<ul style="list-style-type: none">• The SABU has a high level of control over social demands and returns – it is less profit driven.	<ul style="list-style-type: none">• There is no contestability so the SABU has little incentive to generate income or achieve efficiencies beyond the service agreement (financial risks).

Advantages	Disadvantages
<ul style="list-style-type: none"> The SABU may be more effective and efficient through a commercial culture. 	<ul style="list-style-type: none"> The TA may require a return on capital (therefore increased cost).
<ul style="list-style-type: none"> The SABU may employ in-house marketing and communications to increase asset utilisation (access and participation). 	<ul style="list-style-type: none"> Establishment costs are high and because the SABU is a half-way house to a CCO the investment may not provide sufficient ROI for the TA.
<ul style="list-style-type: none"> The SABU can focus on cost control and buying power across a number of facilities to achieve cost savings e.g. power, water, gas, chemicals. 	<ul style="list-style-type: none"> The TA and the SABU need a mechanism for monitoring service performance.
<ul style="list-style-type: none"> The SABU can take a district or regional approach to delivery of services to achieve consistently high service quality. 	<ul style="list-style-type: none"> Standard TA HR practices may limit the opportunity to incentivise staff or manage poor performance in a timely way.
<ul style="list-style-type: none"> The SABU can set standard prices across a number of facilities so they don't compete against each other (or price differentials to create competition). 	<ul style="list-style-type: none"> Financial targets may reduce the SABU's focus on club sport based at facilities e.g. swim clubs, water polo, basketball.
<ul style="list-style-type: none"> Tax efficiency is achieved (if profit making). 	<ul style="list-style-type: none"> The TA overhead allocation may not be based on actual costs (noting that removing an activity results in redistribution of overheads).
	<ul style="list-style-type: none"> There is potential for political interference through TA Board appointments.



13.0 Council Controlled Organisation (CCO) Model

The Local Government Act 2002 Part 5 provides the legislative framework for Council-Controlled Organisations (CCO) in New Zealand. The principal objective of a CCO is to:

- (a) "achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and

- (b) be a good employer; and
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) if the CCO is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice.”

The role of the TA as shareholder is to set expectations and monitor the performance of its CCOs under the Local Government Act 2002. Performance is measured against Statement of Intent measures and targets.

A CCO can be engaged in delivery of services on behalf of a TA through three main mechanisms:

- (a) Transfer of an activity and/or service by way of capitalisation and responsibility for managing an asset.
- (b) Lease of assets to a CCO as a management entity (the TA retains ownership of the assets).
- (c) Service delivery contract on either an exclusive, preferential or contestable basis.

There are two TAs in New Zealand that have included sport and recreation facility management (recreation centres and swimming pools) in their CCO unit, are Buller District Council, and Tauranga City Council.¹⁵

13.1 Characteristics of a Council Controlled Organisation (CCO) Model

The characteristics of a CCO in New Zealand are.

- A Statement of Intent (a contract) between the TA and the CCO establishes the nature of the relationship, and KPIs to ensure accountability for performance, and identifies a fee for providing the services.
- The asset owner cannot opt out of responsibility for providing a safe and healthy building.
- The TA may provide funding to subsidise delivery of services based on agreements reached.
- The TA must adopt a policy that identifies the skills, knowledge and experience required of a director, and a process for appointment and remuneration of directors.
- Directors are appointed for their skills, knowledge and expertise in achieving the objectives of the CCO by focusing on more efficient ways of delivering services to the community.

¹⁵ Queenstown Lakes District Council reverted to an in-house model from a CCO model in 2013.

- The Statement of Intent (the contract) requires a level of reporting not usually available to the TA and the public in the long-term plan and annual reports.
- The true costs of operating the facility/facilities are clearly established because the CCO is responsible for its own overheads.
- The drivers for set-up are to achieve greater efficiency, increase asset utilisation and external revenue, and operate with higher levels of transparency than an in-house model.
- The chief executive reports to a professional board of directors, selected for their business acumen, who are required to provide a close scrutiny of the business and its results.
- The CCO develops and manages its own budgets and reports to the board against the results with a clear focus on cost controls and income generation.
- The TA may still provide maintenance or support services for an agreed cost to the CCO.
- The TA may set the basic entrance fee but the CCO sets fees for all profit-generating activities.

13.2 Advantages v Disadvantages of a Council Controlled Organisation (CCO) Model

The advantages and disadvantages of a CCO model that are important (in priority order) when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none"> • Independent board appointments introduce commercial disciplines and specialist expertise that may not be available within the TA.¹⁶ 	<ul style="list-style-type: none"> • The TA has high set-up fees and there is potential loss of efficiency in having two separate systems e.g. IT, finance, marketing, HR.
<ul style="list-style-type: none"> • Risks to the TA can be controlled through the Statement of Intent (trading losses may be recoverable the following financial year). 	<ul style="list-style-type: none"> • Annual CCO director's fees (range from \$172,750¹⁷ for a large TA to around \$65,000 for a smaller one)¹⁸ plus the cost of directors' insurance.
<ul style="list-style-type: none"> • A CCO is a small, simple organisation with a dedicated focus on a narrow set of business objectives. 	<ul style="list-style-type: none"> • The TA and the CCO require resources to report and (the TA) to monitor CCO performance.

¹⁶ *Review of Governance and Management, Aquatic Facilities Strategy*, Report to Hastings District Council, (2012), Opus International Limited, Wellington, NZ, p.29.

¹⁷ *Manukau Leisure Services Limited, 16 month report to 31 October 2010*, (2010), Auckland, NZ.

¹⁸ *Review of Governance and Management, Aquatic Facilities Strategy*, p.29.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Governance capability for a CCO is reinforced by requirements of the Companies Act 1993. 	<ul style="list-style-type: none"> • The CCO pays tax on profit (but may access tax benefits and reduce net interest costs via use of imputation credits).
<ul style="list-style-type: none"> • The CCO holds a monopoly position but in the context of the competitive market it has integrity and is an effective proxy for a private firm. 	<ul style="list-style-type: none"> • The TA owns the facilities but may have limited control and therefore perceives increased risk, creating potential for conflict.
<ul style="list-style-type: none"> • A CCO has access to external grant funding for capital projects (if the CCO is a registered charity). 	<ul style="list-style-type: none"> • There may be conflict with the CCO approach if a TA has difficulty relinquishing authority.
<ul style="list-style-type: none"> • Risks often associated with TA ownership of assets can be transferred to the CCO (e.g. health and safety). 	<ul style="list-style-type: none"> • There is a risk of separating out CCO facilities and leaving other facilities within the TA, with variable service quality and branding issues.
<ul style="list-style-type: none"> • A CCO may have buying power across a number of services to achieve cost savings. 	<ul style="list-style-type: none"> • A conflict of interest is possible if an elected TA member is represented on the CCO Board.
<ul style="list-style-type: none"> • CCO costs and benefits are more transparent as a CCO reports separately as a company. 	<ul style="list-style-type: none"> • A TA overhead allocation may not be based on actual costs incurred.
<ul style="list-style-type: none"> • A CCO may have flexible work practices and opportunities to incentivise staff to achieve and deal with non-performance issues. 	<ul style="list-style-type: none"> • A CCO may move away from the core objectives in response to demand from events and exhibitions and the revenue potential from these activities, resulting in displacement of community sport.
<ul style="list-style-type: none"> • A CCO is positioned to be entrepreneurial and nimble in responding to new initiatives, trends and opportunities. 	<ul style="list-style-type: none"> • There may be high reliance on the CCO CEO, with lack of succession planning and risk typical of a small organisation.
<ul style="list-style-type: none"> • A CCO has less opportunity for political interference than in an in-house model. 	<ul style="list-style-type: none"> • Tension between the TA and the CCO may arise if the TA attempts to go beyond this role in monitoring or decision making.
	<ul style="list-style-type: none"> • The CEO of the CCO may act too autonomously and not in the best interests of the TA.



14.0 Contracting (Outsourcing) to a Private Provider, Community Trust or Committee Model

Some TAs outsource all or some aspects of sport and recreation facility management to a private provider (21%), regional sports trust, community trust or committee (30%). A key point of difference between in-house provision and outsourcing is that the **contract** (or lease) that is entered into between the TA and the provider defines the quality and level of service to be provided.

Outsourcing options includes:

- (a) Full facility management contract for a facility or facilities.
- (b) Lease of a facility or facilities or licence to occupy.
- (c) Contract for facility operations (e.g. opening and shutting a swimming pool and providing life-guard services).
- (d) Management agreement with a local community committee or charitable trust.

The **quality of the contract** in clearly defining the roles and responsibilities, the **quality of the relationship** (between the TA and the contractor) and the **quality of the service** are of equal importance for delivering a good outcome for the clients (the TA and the community).

The following documents are included in the bibliography and are recommended reading when considering outsourcing as a management model:

- (a) *SNZ HB 9213:2003. New Zealand Handbook: Guide to Local Government Service Delivery Options.*
- (b) *Achieving Public Sector Outcomes with Private Sector Partners*, (2006), Controller and Auditor-General.
- (c) *Contracting for Maintenance Services in Local Government*, (June 1997), Controller and Auditor-General.
- (d) *Contracting Out Local Authority Regulatory Functions*, (November 1999), Controller and Auditor-General.

The relationship between the TA, and the external contractor is **critical** to the successful operation of TA sport and recreation facilities. Honest, open communication ensures any issues that arise are dealt with before they become politically embarrassing incidents, place the TA or the contractor at risk, or become public knowledge.

An approach to relationship management which involves a focus on the contract and resorting to legal remedies when issues arise, has negative impacts on the delivery of services and achievements of outcomes sought from the contract.

A partnership approach, which focuses on co-operation, trust, open communication and shared objectives, will ensure a more successful model, regardless of whether a TA business unit, CCO contractor or community trust is providing the service.

The following should also be noted in the contract:

- Clear direction must be given on any fundraising and, if it is for capital items, who is responsible for renewal or replacement.
- Lines of reporting back through to the TA must be clear, so that elected officials and TA officers are briefed about any potential issues.
- During the final year of a contract there is potential for a negative impact on service quality, as a private contractor works to ensure they maximise the return on their investment, and don't reinvest and lose out on the contract.

14.1 Characteristics of Contracting (Outsourcing) to a Private Provider, Community Trust or Committee Model

The characteristics of a contracting (outsourcing) model for sport and recreation facility management in New Zealand are:

- The aim of contracting is to bring competition to the delivery of public services, with a view to ensuring services are provided at competitive prices by the most efficient and effective supplier of those services.
- Facility ownership remains the responsibility of the TA for the life of the facility (30–50 years), whereas the contractor is only involved for the life of the contract. Accountability and responsibility for programmed asset renewal and replacement of the facilities remains with the TA.
- The TA is the specifier and the contractor is the service provider.
- The quality of the relationship between the TA and the contractor, and the ongoing management of that relationship, as much as the quality of the contract, will ultimately determine a successful outcome for both the TA and the contractor.

- The contract is an agreement between the TA and the contractor to manage a facility for an agreed period of time, for an agreed sum, to achieve agreed KPIs, including social outcomes.
- A management fee is paid to the contractor to underwrite an operational deficit, or in a few highly profitable facilities a fee or profit share can be paid to the TA.
- The contractor may retain all income and be responsible for day-to-day operational expenditure, including staff employment costs, chemicals, cleaning, utilities and operating equipment, but not the fabric of the structure or major operational plant replacement.
- The true costs of operating a facility or facilities is ring-fenced and the contractor does not incur a share of the TA's overhead costs except for what may be factored into the contract.
- The contractor is responsible for employment of staff including managing performance and payment management. This enables the TA to pass a degree of risk to the contractor.
- The contractor reports to the specifier on results and is answerable to the TA through the CEO or nominee.
- The contractor provides their own financial, HR, payroll, IT, MIS and marketing services.
- The TA usually sets or agrees with the contractor the hours of operation and the basic entrance fees, but the contractor sets the fees for learn to swim, fitness centre and other profit-generating activities.

14.2 Advantages v Disadvantages of Contracting (Outsourcing) to a Private Provider Model

The advantages and disadvantages of a private sector contracting (outsourcing) model (in priority order) that are important when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none"> • A contract between the TA and the contractor clearly defines the quantity and quality of services to be provided and specifies social as well as financial outcomes (costs cannot be hidden). 	<ul style="list-style-type: none"> • A contractor will accurately assess the true costs and potential revenue and this may disadvantage the less experienced TA in negotiations and result in a contract at less than a fair contract value.
<ul style="list-style-type: none"> • A contractor may increase community access and utilisation by introducing quality management systems and marketing. 	<ul style="list-style-type: none"> • A contractor may focus on profit-generating activities (the contract and reputational risk will usually ensure there is a balance).

Advantages	Disadvantages
<ul style="list-style-type: none"> A contractor may operate at less cost than a TA through flexible employment practices and greater buying power and produce more income through commercial and marketing expertise. 	<ul style="list-style-type: none"> Specification by the TA is difficult and managing a contract is open to dispute. Resources must be provided to manage the relationship and monitor contract delivery.
<ul style="list-style-type: none"> When a win-win contract is in place the TA can receive a profit share/dividend when a facility achieves a surplus. 	<ul style="list-style-type: none"> A TA may be tied into long-term contracts. If changes in policy direction occur, this may require expensive variations or cancellation of existing contracts.
<ul style="list-style-type: none"> Risk of profit/loss sits with the contractor so there is certainty around budgets and no exposure to budget blowouts (costs and benefits are more transparent). 	<ul style="list-style-type: none"> A TA may lose institutional knowledge that is difficult to re-establish and the impact on in-house staff may be high in the transition.
<ul style="list-style-type: none"> A contractor may provide specialist, qualified staff, professional development for staff and access to a skill base not available to a TA. 	<ul style="list-style-type: none"> The contractor's profit motive may not align with the values of the TA (but can be secured through the contract).
<ul style="list-style-type: none"> A contractor may be entrepreneurial and responsive to new initiatives and opportunities if this contributes to increased participation and profitability. 	<ul style="list-style-type: none"> A contractor may attempt to cover up an emerging problem for fear of jeopardising the contract or the relationship. The problem then becomes bigger at a later stage.
<ul style="list-style-type: none"> A contractor is responsible for all HR functions, which enables the TA to pass a degree of risk to the contractor. 	<ul style="list-style-type: none"> There is potential for disagreement about who is responsible for maintenance. Trust is needed to ensure decisions that are fair to both parties.
<ul style="list-style-type: none"> Quality contractors can add considerable value to facilities (including poor quality facilities) through investment and expertise. 	<ul style="list-style-type: none"> Poorly maintained assets may result from poorly executed contracts that are based on the term of the contract relationship rather than the life of the asset.
<ul style="list-style-type: none"> There is less opportunity for political interference that can result in poor decision making than in an in-house model. 	<ul style="list-style-type: none"> Financial targets may reduce the focus on club sport based at facilities e.g. swim clubs, water polo, basketball.



14.3 Advantages v Disadvantages of Contracting (Outsourcing) to a Community Trust or Committee Model

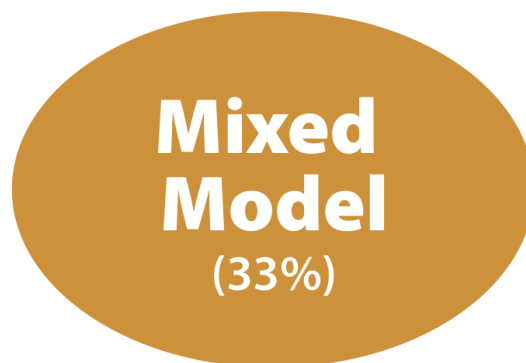
A TA may see an opportunity to establish a community or charitable trust to manage sport and recreation facilities, or to contract with an existing community trust or committee, as a preferred service delivery model.

A charitable trust registered under the Charitable Trusts Act 1957 must meet the objectives of the relief of poverty, the advancement of education, the advancement of religion or any other purpose beneficial to the community. A non-charitable group may choose incorporation as a legal structure.

The advantages and disadvantages of community trust or committee management model (in priority order) that is important when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none"> • It is a low cost option for the TA (trust governance is on a voluntary basis with high community involvement) and flexible employment conditions. 	<ul style="list-style-type: none"> • Activities must be of sufficient scale to warrant the expense of setting up trust structures and systems (or alternatively the trust purchases services from the TA).
<ul style="list-style-type: none"> • A funding agreement (or contract) between the TA and trust can clearly set expectations for quality service delivery and efficiency gains. 	<ul style="list-style-type: none"> • If the management and marketing systems established by the trust are inefficient, this may result in low access and participation.
<ul style="list-style-type: none"> • A trust governance structure focuses on the delivery of a single activity without the distraction of multiple and often competing activities within a TA. 	<ul style="list-style-type: none"> • Trustee selection processes must be robust to avoid “capture” by self-interest groups or individuals and ensure commercial and community experience.
<ul style="list-style-type: none"> • Trusts may not be driven to make a profit and are able to consider the wellbeing of the community. 	<ul style="list-style-type: none"> • Political appointments are often made to trusts, which may result in conflicts of interest.
<ul style="list-style-type: none"> • Trusts may provide an opportunity for the TA to share or transfer risk. 	<ul style="list-style-type: none"> • The TA may have increased risk if the trust does not have management capability or an entrepreneurial approach.

Advantages	Disadvantages
<ul style="list-style-type: none"> A trust is likely to have a strong focus on club sport e.g. swim clubs, water polo, basketball. 	<ul style="list-style-type: none"> A trust may struggle with a balance between club sport and public access, depending on the degree of “capture” by trustees.
<ul style="list-style-type: none"> A trust can apply private sector practices and decision making and be more responsive to new opportunities than a TA. 	<ul style="list-style-type: none"> If the principal reason for creating a trust is as a fundraising arm of a TA, a funding agency may be reluctant to make grants.
<ul style="list-style-type: none"> The trust can reinvest surpluses (if any) back into the facility or community. 	<ul style="list-style-type: none"> A Trust Deed winding-up clause may require distribution of assets to a TA, and this may impact on funder decisions.
<ul style="list-style-type: none"> The trust may have access to community grant funding not available to TAs or a corporate. 	<ul style="list-style-type: none"> If the TA has difficulty in relinquishing authority, interference may lead to dissatisfaction and difficulty finding competent trustees.
<ul style="list-style-type: none"> Charitable trusts (and incorporated societies with tax exemption) have tax-free status. 	<ul style="list-style-type: none"> Meeting safety and water quality standards may be challenging if this responsibility is with the trust or committee.



15.0 Mixed Management Model

A total of 33% of TAs have mixed management models, which vary, but may include a mix of in-house, CCO and outsourcing to a private contractor, community trust or committee. This includes historical arrangements e.g. local facilities have been provided by a TA, but are managed by local community committees, and a TA subsequently builds a modern multi-sport complex. This is either managed in-house or management is outsourced.

As with all the other procurement choices, there are advantages and disadvantages with a mixed facility management model, but nevertheless it is a legitimate choice for TAs to make. It may depend on the number of sport and recreation facilities they own and their aspirations for each of those facilities.

15.1 Advantages v Disadvantages of a Mixed Management Model

The advantages and disadvantages of a mixed management model (in priority order) that are important when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none">TAs can apply what is learnt from the most successful to the less successful models to bring about improvements in service quality.	<ul style="list-style-type: none">TAs must manage multiple relationships and variations in reporting and contract management, which can result in inefficient or ineffective service delivery or duplication of costs e.g. overheads.
<ul style="list-style-type: none">The TA can drive competition between the various providers to improve outcomes for customers.	<ul style="list-style-type: none">TAs may have difficulty in maintaining consistency of quality service standards across multiple facilities with different management arrangements.
<ul style="list-style-type: none">The TA can gain a clearer view of their costs and revenue potential for individual sites.	<ul style="list-style-type: none">TAs may find it difficult to match the variable capability and/or capacity of a community trust model with the service quality and marketing capability and resources of a TA or private contractor.
<ul style="list-style-type: none">It can help the TA identify drivers for the most efficient model, and these factors can in turn be applied across other properties.	<ul style="list-style-type: none">The model may result in different branding of the sites which doesn't fairly represent the investment the TA has made in the facilities.

A mixed management model is a legitimate choice for a TA to make where it believes there is a benefit to the TA and the community. The research shows that sometimes there are historical reasons for a mixed model. For example, where there have been local authority mergers, or a TA has taken over responsibility for management of a facility which a community trust no longer has the capacity to manage.

While it may not be possible to change historical arrangements, the benefits of **clustering** sport and recreation facilities under a single management model to give them scale needs to be considered as an alternative to a mixed model. This will help identify whether better quality services, in higher quality facilities, can be provided to support increased access and participation by the community.

16.0 A “Hands-off” Model

A few TAs in New Zealand (7.5%) have chosen a “Hands-off” model for sport and recreation facility management. Instead of being a direct provider, they prefer to support community trusts or committees by contributing towards the capital cost of facilities and providing annual operating grants.

In some cases (e.g. North Shore Events Centre) this has meant the TA built the centre and operated it as part of an in-house unit for a time. The TA then “sold” the centre to the North Harbour Events

Centre Trust for a nominal sum (the facility is currently sitting under the CCO of Auckland Council with the Trust management in place until a decision is made on future management).

The advantage of a "Hands-Off" model is the ability of a trust to access grant funding that is not available to a TA. However as a Trust Deed is likely to provide for the facility to transfer back into TA ownership in the event that the trust dissolves, some grant funding bodies will not provide funds for a capital asset that indirectly benefits a TA through its funding mechanisms (although may fund fixtures and fittings that the trust owns).

A "Hands-Off" model has similar advantages and disadvantages to those described under management by a community or charitable trust. The quality of the governance group and the management will ultimately determine whether or not there is good asset utilisation (access and participation) and if the facility is used and valued by the community.

There may also be difficulties around asset management if the trust that owns the facility cannot generate sufficient income to cover the costs. There may be confusion about levels of TA responsibility, when major maintenance will occur, and the ability of trusts to have input into and fund major asset decisions.

Poor marketing and communication can also affect accessibility and utilisation – sometimes facilities not directly managed by a TA are not on their website or easily identifiable or contactable.



16.1 Advantages v Disadvantages of a "Hands-off" Model

The advantages and disadvantages of a "Hands-off" model (in priority order) that are important when considering this option, assuming a trust or community committee owns the asset, are:

Advantages	Disadvantages
<ul style="list-style-type: none">• It is a low cost option as the TA is not directly responsible for the asset and its operations.	<ul style="list-style-type: none">• If the trust's management and marketing systems are inefficient, this may result in low access and participation.

Advantages	Disadvantages
<ul style="list-style-type: none"> • There is low financial risk to the TA where an annual operating grant is provided to deliver agreed outcomes. 	<ul style="list-style-type: none"> • The public considers the TA is responsible for providing sport and recreation facilities and will look to the TA to ensure quality service delivery (which may generate demands for a higher contribution to operations).
<ul style="list-style-type: none"> • The trust may apply private sector practices and decision making and be more responsive to new opportunities than a TA. 	<ul style="list-style-type: none"> • A TA may invest in the initial capital and in operational costs over a number of years but, if the trust winds up, ownership reverts to the TA.
<ul style="list-style-type: none"> • The trust can be responsive and entrepreneurial in meeting the needs of a diverse community. 	<ul style="list-style-type: none"> • As the asset is not on the TA's books, the risks may be high if there is deferred maintenance to meet the TA's required standards.
<ul style="list-style-type: none"> • A trust may have access to community grant funding not available to TAs or a corporate. 	<ul style="list-style-type: none"> • Self-interest groups and individuals may "capture" a trust with resulting reduced public access.
<ul style="list-style-type: none"> • Charitable trusts (and incorporated societies with tax exemption) have tax-free status. 	<ul style="list-style-type: none"> • A trust may struggle with a balance between club sport and public access, depending on the ownership model.
<ul style="list-style-type: none"> • A "sale" agreement can clearly set out the TA's expectations for quality service delivery and community access (if this approach is taken). 	<ul style="list-style-type: none"> • If a trust is the "purchaser", the TA may want the assets returned in the event of dissolution and this needs to be negotiated at the time of purchase.

17.0 Alternative Facility Management Choices

There are some alternative choices that TAs can consider for new or existing sport and recreation facilities:

17.1 TA- School Partnerships Model

Facility partnerships are increasingly being considered to meet the sporting and leisure needs of both the wider community and school students. A study completed by Sport NZ in 2011 identified that partnerships can be "as simple as small operational funding arrangements, or as complex as the development of multi-million dollar school and community recreation centres".¹⁹

The reasons for schools and TAs entering into facility partnerships are varied but the most commonly cited in the Sport NZ research report are:

¹⁹ <http://www.sportnz.org.nz/TA-SchoolPartnerships/>

- Being able to leverage additional capital – getting more “bang for your buck”.
- Developing larger, more complex facilities and/or adding value to existing facilities.
- Sharing ongoing operating and asset costs.
- Gaining access to strategic sites.
- Generating better operational synergies (school use during the day and community use outside school hours, or “dual use”).
- Minimising unnecessary facility duplication.
- Being able to access the other partner’s skills.

The report identifies that no two partnerships are ever the same but that there are commonalities for most (if not all) partnerships:

- Partnerships are often complex and take considerably more time than if the project was being undertaken by just one organisation.
- Success often comes down to intangibles, such as the underlying philosophy of the partners involved.
- Planning is vital. yet many partnerships are guilty of either not planning appropriately or focusing on the wrong areas at the wrong times, often at great unnecessary expense.

Partnerships between TAs and schools may be formed to enable community use of school pools, to upgrade existing pool or indoor sports stadium facilities, or to build new pool or indoor sports stadium facilities.

There are many very successful examples of TA-School partnerships in New Zealand. This includes the Freyberg Community Pool at Freyberg High School in Palmerston North, the Paraparaumu Sports Centre at Paraparaumu College on the Kapiti Coast, and the Waitakere Hockey Turf at Henderson High School, in Auckland.

While facility partnerships between schools and TAs are relatively new in New Zealand, in places such as the United Kingdom they have a far longer history dating back to the 1960s.

Opportunities to partner with schools should be considered as a **procurement choice** and included in decision making and planning. The TA should establish a hierarchy of facilities and base decisions around consolidation and rationalisation in order to improve the quality of facility provision within a TA area.

17.2 Advantages v Disadvantages of TA-School Partnerships Model

The advantages and disadvantages of the TA-School partnerships model (in priority order) that are important when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none"> The partnership may generate operational synergies between school and community use. 	<ul style="list-style-type: none"> The TA may not be able to control the location of the facility on school property. An accessible location is essential to get community buy-in.
<ul style="list-style-type: none"> It may be possible to develop larger, more complex facilities that are valued by the community. 	<ul style="list-style-type: none"> A lack of marketing and entrepreneurial flair, which may impact on access and participation.
<ul style="list-style-type: none"> The TA will be able to share or transfer risk to the school. 	<ul style="list-style-type: none"> The management may lack capability which may increase risk to the TA, particularly if anticipated revenue is not realised and/or costs are more than budgeted.
<ul style="list-style-type: none"> The TA may gain access to strategic sites that are accessible to transport and the community. 	<ul style="list-style-type: none"> Responsibility for provision for depreciation and renewal must be clearly understood or disputes may arise.
<ul style="list-style-type: none"> Unnecessary facility duplication can be minimised 	<ul style="list-style-type: none"> The TA may need to make a large investment and there may be a minimum return in terms of public access.
<ul style="list-style-type: none"> The partners may be able to leverage additional capital. 	<ul style="list-style-type: none"> The partnership may be subject to “capture” by self-interest groups, impacting on utilisation.
<ul style="list-style-type: none"> Each partner will be able to access the other partners’ skills. 	

18.0 Clustering of TAs (or Shared Services) Model

There is an opportunity for small TAs in New Zealand to **“cluster”** or to share services in order to increase their “buying and negotiating power”, either with other small TAs or with larger ones. This could take a number of different forms and enable the TA to benefit from expertise that doesn’t reside within their own staff or organisation by:

- Forming a community trust across a number of TAs.
- Entering into a multi-party contract or lease arrangement with a private contractor.
- Contracting with another TA or with the CCO of another TA.
- Agreeing on some services to be shared e.g. purchase of utilities and supplies.

18.1 Advantages v Disadvantages of Clustering of TAs (or Shared Services) Model

The advantages and disadvantages (in priority order) of **clustering** with other TAs (or shared services) model when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none"> A TA may be able to provide higher quality facilities than might be possible with a single TA. 	<ul style="list-style-type: none"> There may be loss of direct control over facilities in which the TA has invested.
<ul style="list-style-type: none"> TAs can provide a hierarchy of facilities of different quality across two or more TAs. 	<ul style="list-style-type: none"> Branding and TA identity may be lost where there is one TA managing facilities on behalf of two or more TAs.
<ul style="list-style-type: none"> TAs may rationalise ageing facilities that are likely to require increased maintenance over time and replace them with high quality facilities. 	<ul style="list-style-type: none"> Responsibility for maintenance and renewal would need to be clearly specified in a contract.
<ul style="list-style-type: none"> Cost savings may be possible for the TA through a shared service approach to provision and maintenance. 	<ul style="list-style-type: none"> Opportunities might be limited because of the distance between districts or cities.
<ul style="list-style-type: none"> Increased marketing and programming expertise may be possible. 	
<ul style="list-style-type: none"> TAs can benefit from increased scale when exploring alternative management options. 	
<ul style="list-style-type: none"> TAs can collaborate rather than compete with neighbouring facilities in close proximity. 	

19.0 TA Franchise or Licence to Occupy Model

There is also an opportunity for one of the large TAs in New Zealand to develop a **franchise or licence to occupy** model. It could deliver this model on a national basis, offering sport and recreation facility management services to all other TAs to capture the best elements of private sector delivery with the best elements of public sector delivery.

19.1 Advantages v Disadvantages of TA Franchise or Licence to Occupy Model

The advantages and disadvantages (in priority order) of a **franchise or licence to occupy** model delivered by a large TA across New Zealand when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none"> TAs have all the advantages of a private sector model through public sector delivery. 	<ul style="list-style-type: none"> There may be loss of direct control over facilities in which the TA has invested.

<ul style="list-style-type: none"> • TAs have all the advantages of public sector delivery without the associated risks. 	<ul style="list-style-type: none"> • Branding and TA identity may be lost.
<ul style="list-style-type: none"> • Efficiencies are increased with collective buying power across multiple TAs. 	<ul style="list-style-type: none"> • Responsibility for maintenance and renewal would need to be clearly specified in a contract.
<ul style="list-style-type: none"> • There are potential cost savings for TAs with a shared service approach to provision and maintenance. 	
<ul style="list-style-type: none"> • An increased scale allows TAs to deliver more effective and efficient services. 	

20.0 Private Sector Sport and Recreation Facilities

Sport and recreation facility assets are subject to a number of factors that affect the **economics of provision**, in particular:

- TAs play a unique role in providing sport and recreation facility infrastructure, which is not generally attractive (profitable) to the private sector because of the high capital and operating costs relative to the potential to generate revenue.
- TA ownership of sport and recreation facilities includes being responsible for maintenance throughout the life of the facility, and for planning and providing for renewal (a TA can delegate responsibility for management but cannot abdicate the responsibility of facility ownership and duty of care).
- The private sector will provide sport and recreation facilities where they can generate a profit e.g. facilities that might include fitness centres, learn to swim and other significant activities.
- The private sector can profit from operating TA sport and recreation facilities (activities that are not profitable activities may still be subsidised by the TA).
- TAs can benefit by partnering to manage sport and recreation facilities by reducing or sharing risk, and through tapping into a level of expertise not always available within a TA.
- Entry fees for publicly provided sport and recreation facilities are priced at an affordable level to encourage participation and meet social objectives.
- Entry fees for privately provided sport and recreation facilities meet a demand from people who can afford to pay market rates.

There is strong evidence of private sector provision of purpose-built swimming pools designed for commercial learn to swim programmes. There are also many professional swim instructors offering swim school services, either in schools, public pools or in their own purpose-built facilities. The Swim Information website (www.swiminfo.co.nz) lists 43 swim schools that are located in many parts of New Zealand and operate on a commercial basis.²⁰ This is in addition to swim school activities provided by TAs.

In 2011, the Northern Arena opened in Silverdale, Auckland on private land zoned commercial. The facility focuses on coaching swimmers and includes two 25m-long pools and two 10 x 14m pools. The facility also provides three state of the art group fitness rooms, a fitness gym, a yoga studio and a physiotherapy centre.

The location was chosen because the owner identified that there was a gap in the market with few swim facilities, many beaches and a growing population base. The facility provides learn to swim, fitness and other programmes for all local schools and residents and is also home to the local swimming club.

There is an opportunity for TAs in New Zealand to undertake an “**enabling**” role by encouraging and supporting the private sector to provide swimming pools and learn to swim programmes that might otherwise need to be provided by the TA, either as full commercial provision, or as a private sector partnership.

Hutt Indoor Sports Centre is a private facility built on TA land that was built in 2011 to meet a gap in TA provided sport and recreation facility provision. The Centre runs indoor junior and senior sports competitions throughout the year primarily at lunchtimes, evenings and weekends and is enjoying early success. They currently organise leagues for indoor soccer and indoor netball and provide all of the umpires, equipment and facilities.

20.1 Private Sector Partnerships Model

Local Government New Zealand commissioned the New Zealand Institute of Economic Research to produce a report examining the potential role of the private sector in the provision of water services, which discusses alternative approaches to direct provision by TAs.²¹

The report also explores relevance to other types of infrastructure, including sport and recreation facilities, and concludes that the main differences will arise because of differences in the underlying economics, and how these flow through to the contracts to be negotiated.

In particular, the report makes the following points that are relevant to the research into sport and recreation facility management options:²²

²⁰<http://www.swiminfo.co.nz>

²¹ *Public vs Private Ownership of Utility Infrastructure*, (2009), NZIER, Wellington, NZ, pii.

- Be clear about the reason why the private option is being considered.
- Securing access to capital may mean adopting the concession or BOOT options.
- Specialist expertise in managing an asset, rather than access to capital, may be a factor for smaller TAs wishing to develop facilities that are very different in scope or scale from what they already have.
- Private options need to be weighed against what a TA can realistically achieve from its own resources, including the prospect of lifting its internal competence and/or bringing in external expertise.

The New Zealand Office of the Auditor-General has identified that partnering between public and private sector organisations has been gaining in popularity overseas as an approach to procuring major infrastructure projects and related services in the public sector.²³

The Auditor-General's report focuses primarily on partnering arrangements for the design and construction of facilities, driven by a need to overcome funding shortages and increasing private investment in public sector assets (e.g. Vector Arena in Auckland and the Hutt Indoor Sports Centre).²⁴

In New Zealand there is a requirement for a TA to adopt and act in accordance with a policy on partnerships with the private sector (section 107 of the Local Government Act).

There might be opportunities for TAs to enter into private sector partnerships, for example, providing a lease on TA land for development of a private facility (the Hutt Indoor Sports Centre model), or contributing to the capital cost of providing additional space for recreational swimming in a private sector facility.

There is an opportunity for TAs to partner with the private sector to build and manage swimming pools and recreation centres based on an agreed formula for investment in capital, and a shared profit basis for operations. This should be considered as a procurement option for developing new facilities or upgrading existing facilities.

Private sector partnerships may be more suitable for larger TAs with bigger (grouped up) opportunities rather than small TAs with just one or two sport and recreation facilities. This is because a developer is more likely to be attracted by projects that have a commercial value, rather than smaller community-based projects.

²² Ibid, p.49-50.

²³ http://oag.govt.nz/2006/public_private/part1.htm

²⁴ <http://www.huttindoorsports.co.nz/>

20.2 Public-Private Sector Policy

The Auckland Council Policy on public-private partnerships (PPPs) offers some useful insights into the considerations that should be applied before entering into these.²⁵

Council will only consider entering into a PPP if the following criteria are met:

- The partnership provides a higher quality and more cost-effective solution than alternative procurement options.
- The proposal is being considered as an option within a broad procurement strategy i.e. it is not a stand-alone consideration.
- The partnership is of significant scale, with whole-of-life cost estimated at more than \$50 million.

In addition, consideration of a PPP as a procurement option will focus on whether:

- Risks can be transferred to the partner best able to manage them.
- The project presents an opportunity to provide certainty in regard to whole of life.
- The proposed contract addresses the needs of all stakeholders and is not unnecessarily complex.
- There are more than two possible partners bidding for the project and at least two committed to the project at tendering stage.
- There is scope, opportunity and incentive for innovative solutions to be achieved through the procurement of the contract.

20.3 Mechanisms for Partnering with the Private Sector

There are a number of different mechanisms for achieving public sector outcomes with private sector partners.²⁶ A few of the relevant options are shown below, of which PPPs are just one option:

Build, own, operate and transfer (BOOT): A contract under which the private sector party is responsible for building and operating a facility, and owns it for the life of the contract, then transfers ownership to the public sector party at the end of it.

²⁵ *Public Private Partnership Policy*, Auckland Council, Volume 3, Chapter 15, Long Term Plan, Financial Information, Policies and Fees, Auckland.

²⁶ *Achieving Public Sector Outcomes with Private Sector Partner*, (2006), Controller and Auditor-General, Wellington. NZ.

Concession: An agreement where a public sector party (the grantor) grants rights to a private sector party (the operator) to provide public services. This may include having use of specified assets from which to provide the services and the right to generate revenue, and then transfer rights back to the grantor at the end of the concession period.

Franchise: An exclusive right granted by a public sector party to a private sector party to occupy or use facilities owned by the public sector partner for delivery of services on payment of a fee in return for being awarded the franchise. The franchisee may be responsible for maintaining and improving the facilities.

Joint venture: A collaborative arrangement between two or more public and/or private sector parties to undertake a long-term project or enterprise for the mutual benefit of the parties involved. The parties may commit funds, facilities and services and generally operate through a special purpose vehicle such as a limited liability company.

20.4 Advantages v Disadvantages of a Private Sector Partnering Model

The advantages and disadvantages of private sector partnering model that are important (in priority order) when considering this option are:

Advantages	Disadvantages
<ul style="list-style-type: none"> • There are incentives for new and improved TA approaches such as innovative design, ongoing technological advances and a whole-of-life approach to capital projects. 	<ul style="list-style-type: none"> • TAs need a high level of expertise to implement successful private partnering arrangements to avoid significant risks.
<ul style="list-style-type: none"> • Private sector provision may replace the need for public sector investment in facilities in some cases. 	<ul style="list-style-type: none"> • The TA cost of set-up and management needs to be assessed against the total value and benefit of the project compared with other procurement approaches available.
<ul style="list-style-type: none"> • Risk is shared between the public and private sector parties. 	<ul style="list-style-type: none"> • The TA is ultimately accountable for delivering public services. There must be a sound base for making the decision to choose this approach, managing its implementation and long-term operation, and effectively carrying out its accountability obligations to the public.
<ul style="list-style-type: none"> • The private sector may offer business and management expertise beneficial to the public sector. 	<ul style="list-style-type: none"> • Partnering arrangements may need to be long term and the TA priorities may change during this time.
	<ul style="list-style-type: none"> • If a private partnership fails the problem may come back to the TA for resolution.

21.0 The New Zealand Environment

There has been an increasing trend in New Zealand, over the last 20 years, towards developing leisure pools and recreation centres that provide a variety of activities within a single complex. This has increased the amenity quality and customer experience, but added to the **complexity** of management, and increased the need for expert marketing, promotional and programming expertise as these facilities compete for the leisure dollar.

Marketing and programming expertise is critical but not always available to a smaller TA. This results either in facilities not achieving the expected utilisation or service quality, or alternatively to TAs deciding to outsource facility management.

The external contracting environment in New Zealand is limited because of its size, although the market is developing. There is one private contractor providing services across New Zealand, one large not-for-profit contractor providing services primarily in Auckland, and a number of single facility or small private operators at city and district council levels.

In challenging economic conditions, there has been increased focus on finding the balance between service quality and cost containment. At the same time, health and safety considerations, and expectations of customers, have also increased. These complexities have led to TAs responding by either increasing their in-house resources to meet the demands, or procuring facility management services through outsourcing options.

The largest private New Zealand provider, CLM Limited, has a specialist head office team based in Auckland managing finance, marketing, graphic design, e-marketing, programming, training and development to support all of their 35 sites around New Zealand.

The YMCA is a large not-for-profit that currently provides contract services to two TAs. In addition to managing TA facilities, the YMCA provides its own recreation facility sites and has back office infrastructure that can support these multiple sites.

Small private operators primarily manage sport and recreation facilities within or close to their own home towns. Those private operators spoken to generally had no plans to expand beyond their local areas, citing that a barrier to growth was the need to establish an expanded office infrastructure and expose themselves to financial risks.

There are opportunities within New Zealand for some **alternatives** to the existing procurement options for sport and recreation facility management.

It may be possible for an **established trust** (e.g. the YMCA) to **grow their market share** and compete for business across New Zealand based around community and social values that align with TAs, supported by their existing history of service delivery.

There may be an opportunity for a **new player** to create a market in New Zealand and to grow it and become very competitive and high quality over time. Based on the United Kingdom experience, it may be possible to establish a new community trust (headed by high profile people with proven management experience) to enter the sport and recreation facility management market.

Further TA **amalgamations** may influence the way existing TA's view the models for managing and operating their sport and recreation facilities and services. Having fewer, larger TAs lends itself to a process of consolidation and rationalisation to enable investment in a hierarchy of sport and recreation facilities to provide a higher standard of provision.

An **international company** may try to enter the New Zealand market if they consider that there is an opportunity to run a viable business. This is more likely if they are able to operate multiple facilities to warrant the financial and reputational risks involved in such a move.

Australian companies have attempted in the past to enter the New Zealand market, but for various reasons these have not been successful. As a result, some New Zealand TAs will be wary of such an approach in the future.

21.1 National Infrastructure Plan

The National Infrastructure Unit (NIU) of the Treasury has developed a **2011 National Infrastructure Plan** that focuses on two outcomes that have relevance for TAs investment in sport and recreation facilities:²⁷

- Getting more from the current stock of infrastructure, including how assets are used, identifying opportunities for improved management, finding better ways of managing demand and ensuring users' expectations are understood;
- Allocating new investment more efficiently. This involves smarter investment in new infrastructure where there are adequate returns and these are underpinned by robust analysis through a well-understood and transparent process;

The NIU Implementation Plan for the 2011 National Infrastructure Plan provides a framework for decision making that could be applied to sport and recreation facility planning in New Zealand in the future.

21.2 Sport NZ National Facility Strategies

Sport NZ is currently undertaking national sport facility planning work which can link to the National Infrastructure Plan which is also available as a tool to help TAs plan and collaborate. This will help to ensure that good quality core sport and recreation facility infrastructure can be delivered through more informed and better decision making.

²⁷ <http://www.infrastructure.govt.nz/plan>

National facility strategies have been (or are being) developed for aquatics, athletics, bowls, cricket, cycling, football, golf, hockey, indoor sports, netball, rugby league and tennis.²⁸ These documents will be made available and can be accessed through the Sport and Recreation Knowledge Library. In order to access a specific study search by national facility strategy name e.g. National Netball New Zealand Facilities Strategy.

Regional plans, aligned with national facility strategies, are currently being developed in Auckland for a range of sports, in Canterbury/Tasman/West Coast for football, and in Wellington for sports fields.

21.3 Benchmarking for Best Practice

The Better Local Government suite of proposed reforms for TAs (outlined in section 22.1 below) includes the possible introduction of mandatory benchmarking for several TA activities. While sport and recreation facilities are not currently included, they could be in the future.

There are two main organisations providing benchmarking services for New Zealand sport and recreation facilities for TAs and private contractors – Yardstick and CERM.

Yardstick is a New Zealand Recreation Association (NZRA) management measurement and business improvement initiative developed by the pools/facility industry to collect and compare information and performance on the provision of services, cost of provision, revenue, usage, staff resources, programmes and marketing, asset management, sustainability practices, planning and policy information.²⁹

Get Smart, a system that specialises in on-line visitor feedback, and is linked with Yardstick, is being used in New Zealand and Australia for benchmarking customer service.

Membership of Yardstick Leisurecheck Management Measures for 2011 included 34 organisations (22 from New Zealand) covering 58 swimming pool facilities throughout New Zealand and Australia. Because there are inherent risks of misinformation, misinterpretation and supposition, the Yardstick results are intended to provide indicators only.

The following has been suggested as a framework for KPIs for inclusion in in-house as well as outsourced models of swimming pool or aquatic centre facility management (taking an average of information provided to Yardstick).³⁰

Criterion	Measure	Target
Admissions	Number of admissions per annum per m ² of water	295 for full-year facilities 40 for seasonal facilities

²⁸ <http://www.srknowledge.org.nz>

²⁹ www.yardstick.co.nz

³⁰ Brian Milne, New Zealand Recreation Association, 2012.

Criterion	Measure	Target
Financial	Net cost per admission	\$2.50 for full-year facilities \$4.50 for seasonal facilities
Satisfaction	Customer satisfaction measured by annual user survey (comparative data)	90%
Safety	Number of serious harm injuries to users of the facilities per annum	Serious harm injuries per year no greater than an average of 0.4 per 10,000 admissions to all facilities

There could be some value in also considering further criteria around the following areas:

Criteria	Measure	Target
Participation rates – adults	Number of admissions per resident population – adults	e.g. 8
Participation rates – children	Number of admissions per resident population – children	e.g. 6
Secondary spend per visit	% of total revenue derived from added value services e.g. learn to swim, fitness, swim shop sales	e.g. 60%

CERM is based in the University of South Australia and currently provides reviews for over 200 sports and leisure facility providers in Australia and New Zealand.³¹

CERM has been conducting customer service quality reviews in New Zealand starting in 1994 with Manukau Leisure Services and also involving Christchurch City Council, Dunedin City Council, Tauranga City Council and several aquatic centres from smaller district councils and more recently Auckland Council.

CERM PI manages an annual operational management survey and from this has established benchmarks against which a self-assessment process can occur. CERM PI products and services are based on the key dimensions of operational management (efficiency), effectiveness (including customer service quality) and appropriateness.

22.0 New Zealand Legislative Framework

In March 2012, the Government announced an eight-point reform programme for local government in New Zealand. The reforms are aimed at providing better clarity around the role of TAs, stronger governance, improved efficiency and more responsible financial management.

³¹ <http://unisa.edu.au/cermpi/>

The local government reform programme is part of the government's broader programme for a more productive, competitive economy and better public services.

The Local Government Act 2002 gives TAs in New Zealand a choice in how they provide their services. The Act requires TAs to distinguish their roles from those of the private sector and prioritise their plans because the demands on them are unlimited but resources are scarce.³²

TAs in New Zealand may provide their services:

- Directly through ratepayer funded operations.
- By encouraging or discouraging privately provided services by giving subsidies.

The Local Government Act 2002 Amendment Bill 2012 was introduced on 30 May 2012. The Bill implements the first stage of the Better Local Government reforms outlined below. It refocuses the purpose of local government, introduces financial prudence requirements, strengthens governance provisions and streamlines reorganisation procedures.

The amendments to the Local Government Act came into effect on 5 December 2012. After assent is given, TAs will be required to ensure that the matters they are dealing with “meet the current and future needs of communities for good quality infrastructure, local public services and performance of regulatory functions”.³³

In addition to this, TAs need to ensure they are dealing with matters in a way “which is most cost-effective for households and businesses”.³⁴

The four well-beings – social, economic, environmental and cultural – have been deleted from the Act, and the new purpose statement for local government will apply to all existing activities.

The impact of these changes is not entirely clear. Although TAs' lawful roles are reduced from what they were previously, what that reduction entails will be open for determination in the future.

22.1 Better Local Government

Better Local Government is an eight-point reform programme to improve the legislative framework for New Zealand's 78 councils.³⁵ It is designed to improve clarity about TAs' roles, provide stronger governance and improved efficiency, and ensure more responsible fiscal management.

³² *Local Government and the Provision of Public Goods*, (2007), Local Government Forum, Wellington, NZ.

³³ http://www.parliament.nz/en-NZ/PB/Legislation/Bills/f/9/2/00DBHOH_BILL11427_1-Local-Government-Act-2002-Amendment-Bill.htm

³⁴ Ibid.

³⁵ *Better Local Government*, (2012), Department of Internal Affairs, Wellington, NZ.

The Local Government Act 2002 Amendment Bill 2012 is an example of implementation of the Better Local Government reform programme. The programme also includes introducing a fiscal responsibility requirement for TAs, parallel to what is currently required of central government through the Public Finance Act 1989. Fiscal responsibility includes setting benchmarks in respect of income and expenditure, and prudent debt levels.

The eight-point reform programme focuses on the following:

- Refocusing the purpose of local government (2012 Amendment Bill).
- Introducing fiscal responsibility requirements (2012 Amendment Bill).
- Strengthening council governance provisions (2012 Amendment Bill).
- Streamlining council reorganization procedures (2012 Amendment Bill).
- Establishing local government efficiency taskforce (the taskforce has been established and was due to report to the Minister of Local Government by 31 October 2012).
- Developing a framework for central/local government regulatory roles (2013 Amendment Bill).
- Investigating the efficiency of local government infrastructure provision (2013 Amendment Bill).
- Reviewing the use of development contributions (2013 Amendment Bill).

There is a proposal to introduce mandatory benchmarking for several TA activities. While sport and recreation facilities are not currently included, it is possible that they could be in the future.

The Better Local Government initiatives also include an expert advisory group exploring issues around TA infrastructure, looking at how good quality infrastructure can be delivered at least cost. This will assist TAs in the future.

23.0 The Australian Environment

Suter Planners, on behalf of a Local Government Sport and Recreation Facilities Sustainability Group, surveyed local councils in South Australia in order to develop policies to assist councils to strengthen the future financial sustainability of local and regional sport and recreation facilities and built assets.³⁶ They received responses from eight metropolitan and 14 regional councils.

The research found that ageing infrastructure and an increasing demand for improved facilities are major issues for local councils in South Australia and interstate. While some councils have strategies and plans to guide future upgrade of facilities, many do not have anything in place to respond to the

³⁶ *Policy Research and Directions for Sustainable Recreation and Sport Facilities: Sport and Recreation Facilities. Provision and Management Policies*, (2011), Suter Planners, Glenside, South Australia.

issues, with financial constraints the main reason given for not upgrading sport and recreation infrastructure.

23.1 Hierarchy of Sport and Recreation Facilities

A key finding of the Suter Planners' research was that it is common for local TAs to allocate a hierarchy to the quality and size of a facility which can then be used to determine the level of future planned investment. The most common hierarchy framework includes regional, district, neighbourhood and local facilities (or regional, district and local facilities).

The broad definitions outlined in the report are:

Hierarchy level	Potential definitions
Regional	Large, high quality, unique, in high profile location, connected to transport, connected to district and regional centres, catering for high level (state or regional) activities. Have the capacity to attract or benefit people across and beyond a TA area.
Hierarchy level	Potential definitions
District	Large in size, good quality, connected to trails and road networks, well located with links to district centres. Have the capacity to attract or benefit people from across a local council area.
Neighbourhood	Good quality and in a good location with good connections but may be smaller in size or lower in profile. Facilities will primarily cater for or benefit a local neighbourhood (3–4 suburbs).
Local	Smaller in size, and lower in profile and basic quality, but still appealing and safe. Primarily cater for or benefit a local community (1-2 suburbs or a small town).

The report points out that not all hierarchy levels will be appropriate for all TAs e.g. there may be no need to differentiate between neighbourhood and local (in New Zealand only major cities might provide regional level facilities). For sports grounds and indoor sport and recreation facilities, it may be appropriate to further divide the "district" hierarchy into "major" and "minor" districts.

The hierarchy definitions can be used either to describe an existing facility, or to determine the appropriate quality and character of a new facility. The hierarchy system can be used to assist in decision making when considering the scale and size of a facility to be provided e.g. it would not be appropriate to provide a regional facility in a low profile location.

A number of TAs in metropolitan Adelaide and in regional areas are working towards establishing high quality sport and recreation complexes based on the concept of "community sport hubs" and "multi-functional facilities" catering for a diverse range of community and sport needs.

As part of its regional planning, the Office for Recreation and Sport has developed a draft definition for the term 'Hub', which might be relevant to the New Zealand situation:³⁷

³⁷ *Policy Research and Directions for Sustainable Recreation and Sport Facilities: Sport and Recreation Facilities. Provision and Management Policies*, (2011), Hubs and Multi-Functional Facilities, Suter Planners, Glenside, South Australia, p1.

A Community Sports Hub is a local, regional, or state level centre of sport and active recreation activity that optimizes the shared use of location and facilities to meet the needs of the communities it serves. In serving this purpose, a Hub must strive to be sustainable, multi-use, accessible, safe, inclusive, and relevant to its communities and connected to the principles of community building.

23.2 Australian Sport and Recreation Management Models

In September 2012 a draft research report was released which analyses facility management models to consider the best approaches for sustainable management of sport and recreation facilities.³⁸ This includes analysis of direct management models, contract management, lease/licence agreements, shared management and other management structures.

The impetus for the study was the *Issues and Direction Paper for Local and Regional Sport and Recreation Facilities: A Time for Fundamental Change* (September 2009) which was prepared for the Local Government Recreation Forum to address issues in provision of sport and recreation facilities. This report raised a number of key issues relevant to the New Zealand situation:

- The current state of existing facilities: ageing and declining.
- Facility duplication with high cost implications and environmental impact e.g. water usage.
- Communities demanding modern, high quality facilities.
- TAs with limited or no capacity to adequately support the quantity of facilities they are responsible for in their current condition.
- A declining population to support facilities in some areas.
- Broader issues including the economic downturn and population changes.
- Lack of asset management capability and planning.

Survey respondents were asked to nominate which management models their council currently uses for built facilities; such as indoor sports centres and aquatic centres for which council is responsible". The responses (based on 26 received from 24 Councils) are:

Direct management	Responsible for all aspects of facility operation including operating policies, financial performance and asset management. In some cases, a management committee may be established to help with policy development and to ensure community involvement in management decisions.	29%
Licence agreement	A licence details the rights and responsibilities of council and the licensee. Council receives an agreed rental or income (or a % of the net surplus) but has no direct control over day-to-day management.	29%

³⁸ *Guidelines for the Sustainable Management of Community Recreation Facilities*, (2012), SGL Consulting Group, Christchurch, NZ.

Contract management	Management is contracted out to an individual manager, a community-based organisation or a facility management company.	19%
Lease agreement	A lease details the rights and responsibilities of council and the lessee. Council receives an agreed rental or income (or a % of the net surplus) but has no direct control over the day-to-day management.	16%
Shared management	In the case of a jointly developed facility, a management agreement is entered into which details cost sharing, legal and access arrangements. This may be between council, club, schools and other private organisations.	6%

The report notes that there are challenges in managing multiple facilities that serve only a small region/rural population and assessing the cost benefit of these facilities. These challenges include:

- Managing community expectations about the capacity to maintain multiple assets to the required standard on available resources.
- Establishing accurate cost-benefit analysis.
- Agreeing appropriate service levels for these facilities.
- Dealing with the lack of coordinated, strategic planning for recreation facilities on a local and regional basis.³⁹

23.3 Outsourcing v In-house Management

An article in *Australasian Parks and Leisure* provides a contemporary perspective on outsourcing versus in-house management.⁴⁰ The article notes that the leisure facility management landscape is changing in Australia, with a number of large leisure management organisations either exiting the industry or shifting their focus in recent times.

This has resulted in fewer firms having the capacity and capability to manage major sport and recreation facilities, (aquatic centres and large multi-purpose leisure facilities) in an effective and efficient manner, and in turn has resulted in many councils considering in-house management options.

The article arrives at many of the conclusions reached in this Sport NZ research. In particular, the article discusses the need, regardless of the management option, to have a clear strategy to understand the true costs of operating the asset or providing the service and ensure an appropriate return on the investment that reflects the actual cost and revenue potential.

³⁹ *Guidelines for the Sustainable Management of Community Recreation Facilities*, (2012), SGL Consulting Group, Wellington, NZ.

⁴⁰ To Partner or not to Partner – Outsourcing versus in-house Management: A Contemporary Perspective (2012), *Australasian Parks and Leisure*, Winter 2012, p44.

The article goes on to say that while outsourcing recognises it is difficult for a TA to “out-perform” a specialist, this doesn’t automatically deliver operational efficiency and the “cost” of outsourcing may be unacceptable. There is also recognition that local government legislation may be inconsistent with the flexibility required to staff and operate “commercial facilities”.

Optimal use of sport and recreation facilities is precluded through the following.⁴¹

- Not adopting an entrepreneurial approach
- Not contract managing leases.
- Having poorly written leases.
- Not investing in refurbishment.
- Retaining assets that are not “fit for purpose”.
- Not undertaking a cost-benefit analysis.
- Failing to seek joint ventures with other providers.
- Using a standards approach.

Risk management, the article points out, is important and there are risks at many levels. Provision of services by “others” eliminates risk to some degree: “Outsourcing can reduce risk, but poorly written contracts and leases often result in TAs retaining risk.”⁴²

Direct provision of management services means the TA “assumes the risk but has full control to minimise their risk, whereas developing partnerships and business units require appropriately shared risk.”

The article concludes by saying that there is “no one answer” to the question of whether or not to partner – having a clear vision and strategy, applying an entrepreneurial approach, identifying the full cost of operating the asset or service, active contract management, and finding an acceptable level of risk (not eliminating risk) are crucial to a successful outcome.

24.0 The United Kingdom Environment

A significant difference between the United Kingdom and New Zealand models is that in the United Kingdom central government determines and measures the quality and cost efficiency of service delivery by councils, not just for sport and recreation facilities, but for all services.

The major drivers in raising the standards in sport and recreation facility provision in the United Kingdom have been:

⁴¹ *Australasian Parks and Leisure*, (Winter 2012), p44.

⁴² *Ibid.*

- Compulsory competitive tendering in the 1990s.
- Best value (focusing on quality service delivery and cost efficiency).
- A robust commercial sector and extensive investment and guidance in facilities from Sport England via the Sports Lottery Fund, including recent provision for the London Olympics.

In terms of public sector provision to facility management, the development by councils of “trusts” has been the most prolific. In some cases very large trusts are now running high performance facilities (including new Olympic facilities, which have been handed over to councils to manage) and large spectator arenas as well as community aquatic and leisure centres.

The trusts are managed by a chief executive from a commercial background supported by leisure professionals and a skilled workforce (usually drawn from former council employees) operating multiple facilities around the United Kingdom. The trusts have become multi-million dollar “businesses” operating along commercial lines and are able to provide efficiencies of scale and perform to meet the high expectations and requirements of best value service delivery.

Under this model, the assets remain in council ownership and the trust is free to pursue other work. The trust may purchase services from the council e.g. administration and payroll, rather than incur the cost of operating separate systems. An elected member representative is on the board of trustees, along with other competent professional directors.

Many trusts do not restrict provision to their own geographical area, are very competitive, and regularly chase tenders and compete for work throughout the United Kingdom. They have become very successful and powerful entities with many operating successfully now for over 10 years.

Councils initially established trusts in order to save money, essentially a tax saving. However, as they have developed, the benefits of establishing stand-alone entities with strong contract management alignment have proven to be a robust formula for improving standards of provision and service delivery.

The type of trust established is very much a decision for councils based on their requirements e.g. charitable trust, company limited by guarantee etc, with in-depth evaluations of the variety of “trust models” undertaken prior to establishment. Councils continue to provide annual budgets for provision. However, the level of funding provided may be less than previously.

The key to success is not necessarily associated with the transfer of assets, but with the quality of the “agreement” established as part of the transfer. There is a need to ensure the safeguard of provision, ensuring that balance is achieved and services are available to those most in need e.g. disadvantaged groups, low socio-economic communities, aligned with revenue-generating and commercial opportunities. This is also applicable to the maintenance of assets, with the need to safeguard standards and ensure continuous improvement.

In the United Kingdom, according to the Controller and Auditor-General, PPPs bring public and private sectors together in a long-term partnership for mutual benefit.⁴³ The Private Finance Initiative (PFI) sits alongside the PPP and was adopted in 1997 as a procurement tool that enables the public sector to contract to purchase quality services, with defined outputs, on a long-term basis from the private sector.

Partnerships UK was established in 2000 with the aim to “support and accelerate the delivery of infrastructure renewal, high quality public services and the efficient use of public assets through better and stronger partnerships between the public and private sectors.”⁴⁴

The PPP/PFI procurement approach is being encouraged in the United Kingdom in order to increase investment in public services, and to ensure assets are maintained properly and can revert to the public sector at the end of the contractual period in good condition.

In response to a recessionary environment in the United Kingdom there have been moves to achieve even greater efficiencies and a number of new trends have emerged:

- Councils that are land rich and cash-strapped have sought out opportunities to partner with the private sector in providing quality leisure facilities.
- Councils have had to seek out the most efficient way of providing sport and recreation facilities leading to better quality decisions around rebuilding versus refurbishment.
- In some cases, they have sold valuable land on which a community sport facility is located and used the money generated to build new, modern facilities on an alternative site.
- In some cases the facilities have been gifted to a local charitable trust to run, with the council wishing to move the assets out of council and distance itself from ownership and management.
- Several councils in close proximity have developed a shared service model (e.g. finance, payroll, IT) while retaining their separate identities.

25.0 Decision Guide

When considering the available options for procurement of facility management services TAs should prepare a detailed business case, with financial modeling, to ensure good analysis of the options and to determine a preferred procurement route.⁴⁵

⁴³ *Achieving Public Sector Outcomes with Private Sector Partners*, (2006), Controller and Auditor General, Wellington, NZ, p77.

⁴⁴ *Ibid*, p79.

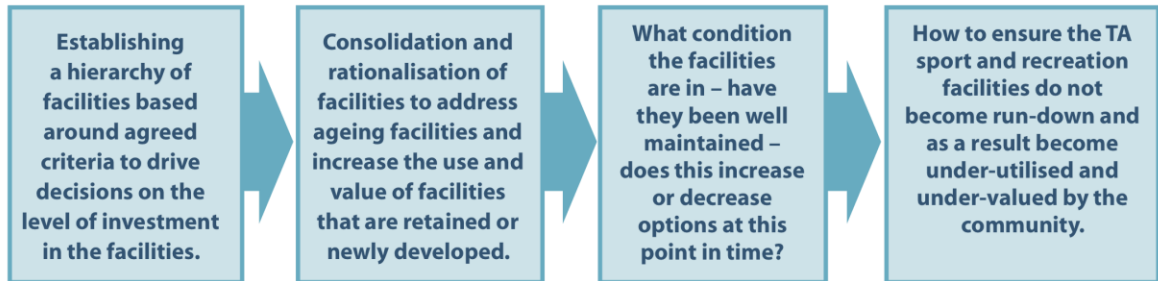
⁴⁵ <http://www.oag.govt.nz/2006/public-private/part3.htm>

The following process for determining the preferred option for sport and recreation facility management is described in more detail in the Decision Guide.

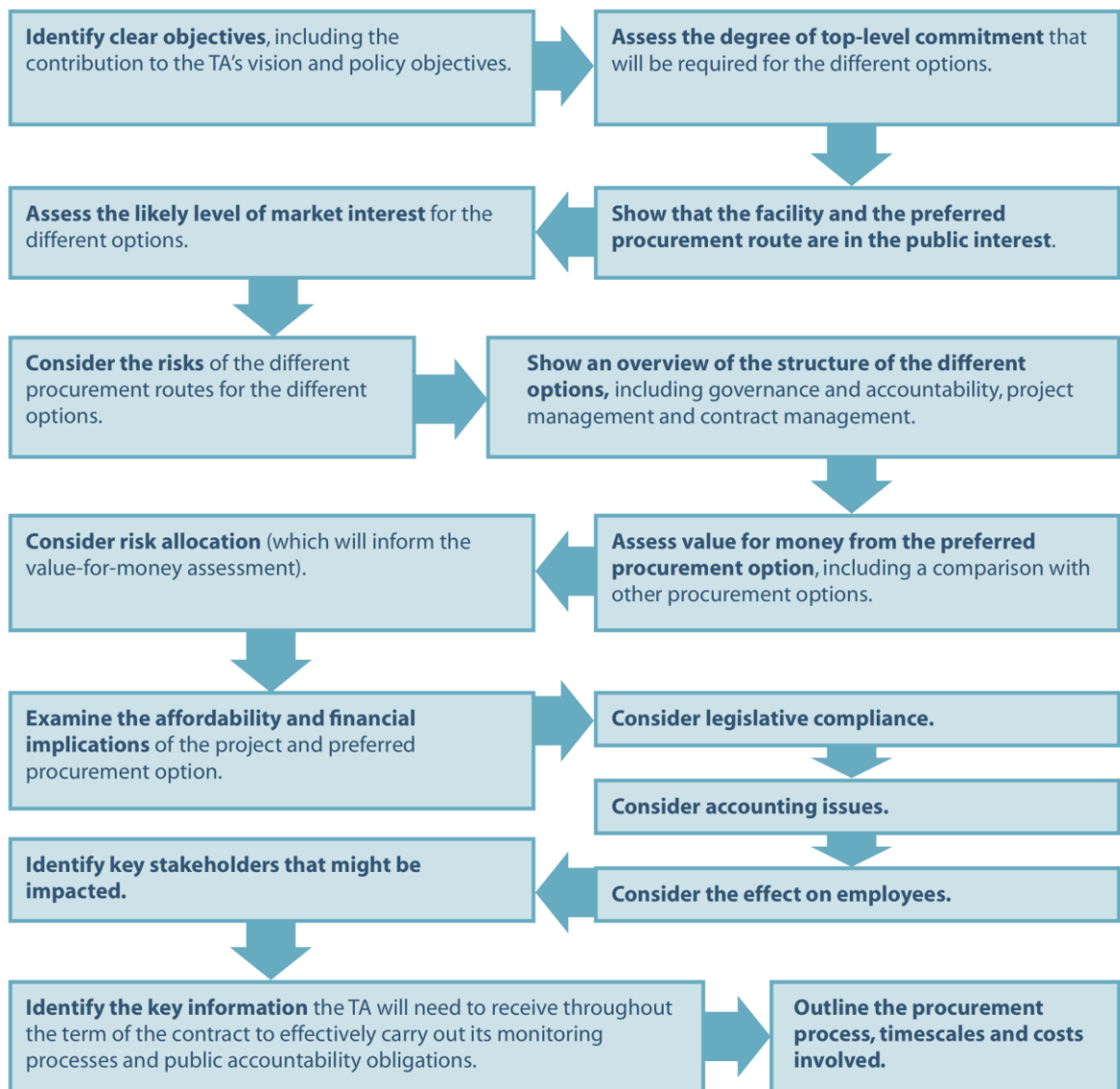
What are the procurement choices for facility management



Before making a procurement choice we need to consider:



Before deciding to change we need to:



More information is contained in the Decision Guide which is a separate publication.⁴⁶ TAs should consider following the guide so that decisions are made on the basis of a high level of knowledge and careful analysis to ensure that desired community outcomes and cost efficiencies are achieved in addition to improved community access and participation.

26.0 Conclusions

The research has produced the following key learnings about TA recreation and sport facility management options in New Zealand:

- 26.1 There are currently six main management models for sport and recreation facilities; there is **no one “ideal” model** and choosing an appropriate model will depend on individual circumstances and preferences.

Regardless of the management model, all TAs should:

- 26.2 Have a **sport and recreation strategy** (and facility management plans) which clearly define the TA’s vision, outcomes and priorities including details relating to the provision and management of **sport and recreation facilities**.
- 26.3 Be clear about **facility management choices**, what the management model is expected to deliver, and which model the TA believes can best achieve the outcomes it aspires to (expressed through a sport and recreation strategy and facility management plans).
- 26.4 Develop a **contract for service** which defines levels and quality of service.
- 26.5 Clearly understand the **cost structures and potential revenue generation** for each of its sport and recreation facilities.
- 26.6 Understand that the quality of the **contract**, the **relationship** and the **service** are of equal importance for delivering a good outcome for the TA and the community.
- 26.7 **Manage risk.** In-house provision means the TA has full control to minimise its risk (but will be exposed to risk if it does not understand its cost structures and revenue potential). Outsourcing can reduce risk (but poorly written contracts and leases often result in the TA retaining risk). Development of partnerships can result in sharing or transferring of risk. Risk may also include loss of the TA brand and image on its own facilities.
- 26.8 Ensure their sport and recreation facilities meet appropriate **health and safety** standards. Swimming pools that are PoolSafe accredited will meet the required standards for safe public access.

⁴⁶ *Territorial Authority Sport and Recreation Facilities Decision Guide*, (2013), Sport New Zealand, Wellington.

26.9 Consider developing a **hierarchy of facilities** and consider issues of **consolidation** and **rationalisation** in order to ensure wise investment in quality facilities that are valued by the community.

The New Zealand market is limited by size, however it is developing and there are some **private sector choices** for sport and recreation facility management.

In addition to the current models, TAs may consider **clustering** to create scale and increase their options or the efficiency of an in-house model, **partnering with a school or with the private sector** (contract, lease, license, franchise or land use).

There is an opportunity in New Zealand for a **new trust to emerge** and contract on a New Zealand wide basis, or for an existing TA to develop a **franchise or licensing model** to provide private sector capability within the public sector.

Appendix 1: Inventory of TA Sport and Recreation Facilities

TA	Facility	Ownership and Management	Amenities
Ashburton	Riverside Sport & Leisure Centre	TA facility - scheduled construction 2013 – 2015	Indoor pool and stadium
	Ashburton Swimming Pool	*TA facility - Ashburton Community Pool Trust	Outdoor pool
	Hampstead Swimming Pool	*TA facility - Hampstead School Committee	Outdoor pool
	Mayfield Swimming Pool	*TA facility - Mayfield Domain Pool Committee	Outdoor pool
	Tinwald Swimming Pool	*TA facility - Ashburton Community Pool Trust	Outdoor pool
Auckland	ASB Stadium	*School facility – East City Community Trust	Stadium
	Albany Aquatic Centre	TA facility –construction 2013 – 2015 management tbc	Indoor pools
	Allan Brewster Recreation Centre	TA facility – in-house Manukau Leisure	Stadium, fitness centre
	Beachhaven Sports Centre	TA facility – Southee Leisure Limited	Squash and tennis centre
	Cameron Pool	TA facility – CLM Limited	Indoor pools
	East Coast Bays Leisure Centre	TA facility – in-house North Shore Leisure	Stadium, fitness centre
	Ellerslie Recreation Centre	TA facility – YMCA	Stadium, fitness centre
	Franklin Sport, Swim & Fitness	TA facility – CLM Limited	Stadium, pools, fitness centre
	Glenfield Leisure Centre	TA facility – in-house NS Leisure	Pools, fitness centre
	Glen Innes Aquatic Centre	TA facility – CLM Limited	Indoor pools
	Grey Lynn Paddling Pool	TA facility – CLM Limited	Learners' pool
	Hibiscus Coast Leisure Centre	TA facility – in-house management	Stadium, pools, fitness centre
	Howick Recreation Centre	TA facility – in-house Manukau Leisure	Stadium, fitness centre
	Jubilee Pool, Papakura	TA facility – in-house management	Indoor pools
	Lagoon Stadium	TA facility – YMCA	Stadium
	Lagoon Leisure & Fitness Centre	TA facility – YMCA	Stadium, fitness centre
	Lloyd Elmore Park Leisure Centre	TA facility – in-house Manukau Leisure	Indoor pools, fitness centre
	Lynfield Recreation Centre	TA facility – CLM Limited	Stadium
	Manurewa Aquatic Centre	TA facility – in-house Manukau Leisure	Indoor pools, fitness centre
	Manurewa Recreation Centre	TA facility – in-house Manukau Leisure	Stadium

TA	Facility	Ownership and Management	Amenities
Auckland cont'd	Massey Leisure Centre, Westgate	TA facility – YMCA	Stadium
	Massey Park Aquatic Centre	TA facility – CLM Limited	Indoor pools, fitness centre
	Moana Nui-a-Kiwa Leisure Centre	TA facility – in-house Manukau Leisure	Indoor pools, fitness centre
	Mt Albert Aquatic Centre	Mt Albert Aquatic Centre Trust – CLM Limited	Indoor pools, fitness centre
	Mt Matariki Clendon Community Centre	TA facility – in-house Manukau Leisure	Stadium, fitness centre
	North Shore Events Centre	TA facility (North Shore Event Centre Trust Board) Southee Leisure Limited	Stadium
	North Shore Leisure Active Zone	TA facility – in-house NS Leisure	Indoor play space
	Olympic Pool, Newmarket	TA facility – John Fay Limited	Indoor pools, fitness centre
	Onehunga War Memorial Pool	TA facility – CLM Limited	Indoor pools, fitness centre
	Osborne Pool & Birkenhead WMH	TA facility – in-house NS Leisure	Stadium, outdoor pool
	Otahuhu Recreation & Youth Zone	TA facility – CLM Limited	Stadium, fitness centre
	Otara Leisure Centre	TA facility – in-house Manukau Leisure	Indoor and outdoor pools, stadium, fitness centre
	Pakuranga Recreation & Youth Centre	TA facility – in-house Manukau Leisure	Stadium, fitness centre
	Papakura Recreation & Fitness Centre	TA facility – CLM Limited	Stadium
	Papatoetoe Centennial Pools	TA facility – in-house Manukau Leisure	Indoor and outdoor pools, fitness centre
	Parnell Baths	TA facility – CLM Limited	Outdoor pools
	Point Erin Pools	TA facility – CLM Limited	Outdoor pools
	Sir William Jordan Recreation Centre	TA facility – YMCA	Stadium, fitness centre
	Tamaki Recreation Centre	Partnership School, Council & Trust	Stadium
	Takapuna Aquatic Centre	TA facility – in-house NS Leisure	Indoor pools, fitness centre
	Tepid Baths	TA facility – in-house management	Indoor pools, fitness centre
	Trusts Stadium	Trusts Stadium Trust	Stadium, fitness centre
	Totara Park Pool	TA facility – in-house Manukau Leisure	Outdoor pools
	Waiheke Recreation Centre	*School facility – Waiheke Recreation Centre Trust	Stadium

TA	Facility	Ownership and Management	Amenities
Auckland cont'd	West Wave A & R Centre	TA facility – in-house management	Indoor pools, fitness centre
	Whiteside Pool, Waiuku	TA facility – CLM Limited	Outdoor pools
Buller	Solid Energy Aquatic Centre – Westport	TA facility – Buller Holdings Limited (CCO)	Indoor pools, fitness centre
	Reefton Pool	TA facility – in-house management	Outdoor pool
Carterton	Carterton Swimming Baths	TA facility – in-house management	Outdoor pool
	Carterton Indoor Swimming Pool	*TA facility - Carterton Swim Club	Indoor pools
Central HB	Waipawa Pool	TA facility – Aqua Management Limited	Outdoor pool
	Westpac Trust Indoor Pool	*TA facility - Waipukurau Pool Trust – Aqua Management Ltd	Indoor pool
Central Otago	Molyneux Stadium, Alexandra	TA facility – in-house management	Stadium
	Molyneux Aquatic Centre, Alexandra	TA facility – in-house management	Indoor and outdoor pools
	Cromwell Swim Centre	TA facility – in-house management	Indoor pools
	Millers Flat Community Pool	TA facility – in-house management	Outdoor pool
	Clyde Community Pool	TA facility – in-house management	Outdoor pool
	Ranfurly Community Pool	TA facility – in-house management	Outdoor pool
	Roxburgh Community Pool	TA facility – in-house management	Outdoor pool
Chatham Island	Te One Swimming Pool	*Te One School Pool is owned and operated by a community committee	Outdoor pool
	Pitt Island School Pool	*School facility with community committee involvement	Outdoor pool
	Kaiangaroao School Pool	*School facility with community committee involvement	Outdoor pool
Christchurch	Belfast Pool	TA facility – in-house management	Outdoor pool
	Cowles Stadium	TA facility – in-house management	Stadium
	Centennial Park Recreation and Sport Centre	TA facility – in-house management	Stadium, fitness centre
	Graham Condor Recreation and Sport Centre	TA facility – in-house management	Indoor pools, stadium, fitness centre

TA	Facility	Ownership and Management	Amenities
Christchurch cont	Halswell Aquatic Centre	TA facility – in-house management	Outdoor pools
	Jellie Park Recreation and Sport Centre	TA facility – in-house management	Indoor pools, fitness centre
	Lyttelton Norman Kirk Memorial Pool	TA facility – in-house management	Outdoor pool
	Lyttelton Recreation Centre	TA facility – in-house management	Stadium, pools, fitness centre
	Pioneer Recreation & Sport Centre	TA facility – in-house management	Stadium
	QEII Fitness at Parklands	TA facility – in-house management	Fitness centre
	Templeton Pool	TA facility – in-house management	Indoor pools
	Waltham Lido Pool	TA facility – in-house management	Outdoor pool
Clutha	Balclutha Centennial Pool	TA facility – in-house management	Indoor pools
	Cross Recreation Centre	*TA facility - Clutha Recreation Centre Inc	Stadium
	Edgar Centre	TA facility – in-house management	Stadium
	Kaitangata Swimming Pool	TA facility – in-house management	Indoor unheated pools
	Lawrence Swimming Pool	TA facility – in-house management	Indoor pools
	Milton Swimming Pool	TA facility – in-house management	Indoor pools
Dunedin	Moana Pool	TA facility – in-house management	Indoor pools
	St Clair Hot Salt Water Pool	TA facility – in-house management	Outdoor pool
	Mosgiel Pool	TA facility – in-house management	Indoor pool
	Port Chalmers Pool	TA facility – in-house management	Indoor pool
	Moana Gow Pool	*TA facility – Moana Gow Trust	Indoor pools
Far North	Kerikeri Sports Complex	*TA facility – Kerikeri Sport Management Committee	Stadium, fitness centre
	Kaitaia Swimming Pool	*TA facility – CBEC (community enterprise)	Outdoor pool
	Kawakawa Swimming Pool	*TA facility – CBEC (community enterprise)	Indoor pool
	Kerikeri Swimming Pool	*TA facility – CBEC (community enterprise)	Outdoor pool

TA	Facility	Ownership and Management	Amenities
Gisborne	Gisborne Olympic Pool	TA facility – in-house management	Indoor pools
Gore	Gore Multi-Sport Complex (including MLT Event Centre)	TA facility – in-house management	Stadium, indoor pools, ice rink
	Mataura Centennial Pool	TA facility – in-house management	Outdoor pool
Grey	Grey District Aquatic Centre	TA facility – in-house management	Indoor pools
	Spring Creek Pool	TA facility – in-house management	Indoor pools
Hamilton	Gallagher Aquatic Centre	TA facility – in-house management	Indoor pools, fitness centre
	Waterworld	TA facility – in-house management	Indoor pools, fitness centre
	Hamilton Municipal Pools	TA facility – in-house management	Indoor pools
Hastings	Hastings Sports Centre	TA facility – in-house management	Stadium
	Waterworld Pool	*TA facility – Swim Heretaunga	Indoor pools
	Frimley Pool	*TA facility – Swim Heretaunga	Outdoor pool
	Clive Memorial Pool	*TA facility – Clive War Memorial Pool Charitable Trust	Outdoor pool
	Havelock North Village Pool	*TA facility – Havelock North Village Pool Charitable Trust	Outdoor pool
Hauraki	Ngatea Public Swimming Pool	TA facility – in-house management	Outdoor pool
	Tony Richards Toyota Paeroa Pool	TA facility – in-house management	Outdoor pool
	Waihi Swimming Pool	TA facility – in-house management	Outdoor pool
Horowhenua	Levin Aquatic Centre	TA facility – in-house management	Indoor pools, fitness centre
	Foxton Pools	TA facility – in-house management	Indoor pools
	Shannon Pool	TA facility – in-house management	Outdoor pool
Hurunui	Amberley Swimming Pool	TA facility – in-house management	Outdoor pool
Hutt City	Eastbourne Summer Pool	TA facility – in-house management	Outdoor pool
	Huia Pool	TA facility – in-house management	Indoor pools
	McKenzie Summer Pool	TA facility – in-house management	Outdoor pool
	Naenae Pool	TA facility – in-house management	Indoor pools, fitness centre
	Stokes Valley Pool	TA facility – in-house management	Indoor pools, fitness centre
	Wainuiomata Summer Pool	TA facility – in-house management	Outdoor pool

TA	Facility	Ownership and Management	Amenities
Invercargill	Bluff Community Pool	*TA facility - Bluff Pool Trust	Outdoor pool
	Splash Palace	TA facility – in-house management	Indoor pools
	Stadium Southland	TA facility – in-house management	Stadium, fitness centre
Kaikoura	Lions Pool	*TA facility – Sport Tasman	Outdoor heated pool
Kaipara	Kauri Coast Community Swimming Pool	Kauri Coast Swimming Pool Trust – CLM Limited	Outdoor pools
Kapiti Coast	Coastlands Aquatic Centre (Raumati Pool will close)	TA facility – in-house management	Indoor pools
	Otaki Pool	TA facility – in-house management	Outdoor pool
	Waikanae Pool	TA facility – in-house management	Outdoor pool
Kawerau	Maurie Kjar Memorial Swimming Pool	TA facility – in-house management	Thermal outdoor pool
Mackenzie	Strathconan Pool, Fairlie	TA facility – in-house management	Indoor pool
	Twizel Pool	TA facility – in-house management	Outdoor pool
Manawatu	Makino Aquatic Centre	TA facility – in-house management	Indoor and outdoor pools
	Te Kawau Memorial Recreation Centre	TA facility – in-house management	Stadium
Marlborough	Awatere Community Pool	*TA facility – Awatere Settlers Association	Outdoor pool
	Marlborough Lines Stadium 2000	TA facility – Marlborough Stadium Trust	Stadium, pools, fitness centre
	Marlborough Aquatic Centre	TA facility - Marlborough Stadium Trust	
	Picton Community & College Pool	*Queen Charlotte College MOE	
Masterton	Genesis Energy Recreation Centre	TA facility – CLM Limited	Stadium, pools, fitness centre
Matamata-Piako	Matamata Sports Centre	TA facility – in-house management	Stadium, pools, fitness centre
	Morrinsville Events Centre	TA facility – in-house management	Stadium
	Morrinsville Heated Pools	TA facility – in-house management	Outdoor pools
	Te Aroha Leisure Pools	TA facility – in-house management	Indoor pool , outdoor spa

TA	Facility	Ownership and Management	Amenities
Napier	Napier Aquatic Centre	TA facility – in-house management	Indoor pools
	Ocean Spa	TA facility – H2O (Waikato) Limited	Indoor spa
	Pettigrew Green Arena	Trust owned – funded by Napier CC and Hastings DC & tertiary institute	Stadium, squash, fitness centre
	Rodney Green Sports & Events Centre	TA facility – in-house management	Stadium
Nelson	Nayland Park Complex	TA facility – CLM Limited	Outdoor pools
	Riverside Pool and Fitness Centre	TA facility – CLM Limited	Indoor pool, fitness centre
	Saxton Stadium	*TA facility – Tasman Regional Sports Trust	Stadium
	Trafalgar Centre	TA facility – Spotless Limited	Stadium
New Plymouth	Fitzroy Pool	TA facility – in-house management	Outdoor pool
	Inglewood Pool	TA facility – in-house management	Outdoor pool
	Okati Pools	TA facility – in-house management	Outdoor pool
	Todd Energy Aquatic Centre	TA facility – in-house management	Indoor pools, fitness centre
	TSB Stadium	TA facility – in-house management	Stadium
	Waitara Pools	TA facility – in-house management	Outdoor pool
Opotiki	Nil		
Otorohanga	Otorohanga Memorial Pool Complex	TA facility – in-house management	Indoor and outdoor pools, fitness centre
Palmerston North	Arena 2, 3, 5 and 6	TA facility – in-house management	Stadium
	B & M Centre	TA facility – in-house management	Stadium
	Freyberg Community Pool	TA facility – CLM Limited	Indoor pool
	Lido Aquatic Centre	TA facility – CLM Limited	Indoor and outdoor pools, fitness centre
Porirua	Te Rauparaha Arena (includes Arena Aquatic Centre)	TA facility – in-house management	Stadium, indoor pools, fitness centre
	Cannons Creek Pool	TA facility – in-house management	Indoor pool

TA	Facility	Ownership and Management	Amenities
Queenstown Lakes	Alpine Aqualand	TA facility – Lakes Leisure (CCO) in-house management	Indoor pools, fitness centre
	Arrowtown Community Pool	TA facility – Lakes Leisure (CCO) in-house management	Outdoor pool
	Glenorchy Pool	*TA facility – community trust)	Outdoor pool
	Hawea Pool	*TA facility – community trust	Outdoor pool
	Queenstown Events Centre	TA facility – Lakes Leisure (CCO) in-house management	Stadium
	Wanaka Community Pool	TA facility – Lakes Leisure (CCO) in-house management	Indoor pool
Rangitikei	Hunterville Pool	*Hunterville Sport & Recreation Trust	Outdoor pool
	Marton Pool (Swim Shed)	*TA facility – in-house management (recently returned from trust management)	Indoor and outdoor pools, fitness centre
	Taihape Pool	*TA facility – Taihape Community Development Trust	Indoor pool
Rotorua	Energy Events Centre	TA facility – in-house management	Stadium
	Rotorua Aquatic Centre	TA facility – in-house management	Indoor pools
Ruapehu	Ohakune Pool	TA facility – Total Leisure Concepts Ltd	Outdoor pool
	Raetihi Pool	TA facility – Total Leisure Concepts Ltd	Outdoor pool
	Taumarunui Pool	TA facility – Total Leisure Concepts Ltd	Outdoor pool
Selwyn	Selwyn Aquatic Centre	TA facility – In-house management (construction period February 2012 – April 2013)	Stadium, indoor pools, fitness centre
South Taranaki	PowerCo Aquatic Centre, Hawera	TA facility – in-house management	Indoor pools
	Eltham Pools	TA facility – in-house management	Outdoor pools
	Kaponga Pools	TA facility – in-house management	Outdoor pools
	Manaia Pools	TA facility – in-house management	Outdoor pools
	Opunake Pool	*TA facility - Opunake Baths Society Incorporated	Outdoor pool
	Patea Pools	TA facility – in-house management	Outdoor pools
	Rawhitiroa Pools	TA facility – in-house management	Outdoor pools
	Waverley Pools	TA facility – in-house management	Outdoor pools

TA	Facility	Ownership and Management	Amenities
South Waikato	South Waikato Sport & Events Centre	TA facility – in-house management (under construction)	Stadium
	South Waikato Indoor Pool Complex	TA facility – in-house management	Indoor pools, fitness centre
	Putaruru War Memorial Pools	TA facility – in-house management	Outdoor pools
	Tirau Summer Pools	TA facility – in-house management	Outdoor pools
South Wairarapa	Featherston Pool	TA facility – City Care Limited	Outdoor pools
	Marlborough Pool	TA facility – City Care Limited	Outdoor pools
	Greytown Pool	TA facility – City Care Limited	Outdoor pools
Southland	Manapouri Swimming Pool	TA facility – local management committee	Outdoor pool
Stratford	TSB Pool Complex	TA facility – in-house management	Indoor pool, fitness centre
Tararua	AMP Wai Splash Community Pool	TA facility – Aqua Management Limited	Indoor pools, fitness centre
	Dannevirke Pools	TA facility – Aqua Management Limited	Outdoor pools
	Eketahuna Pools	TA facility – Aqua Management Limited	Outdoor pools
	Pahiatua Pools	TA facility – Aqua Management Limited	Outdoor pools
	Woodville Pools	TA facility – Aqua Management Limited	Outdoor pools
Tasman	Motueka Recreation Centre	*TA facility – Tasman Regional Sports Trust	
	Motueka Saltwater Baths	TA facility – in-house management	Outdoor natural pools
	Moutere Hills Recreation Centre	*TA facility – local management committee	Stadium
	Murchison Sport, Recreation & Cultural Centre	*TA facility – local management committee	Stadium
	ASB Aquatic Centre, Richmond	TA facility – CLM Limited	Indoor pools, fitness centre
	Richmond Recreation Centre	*TA facility – Tasman Regional Sports Trust	Stadium
Taupo	AC Baths and Hot Pools	TA facility – in-house management	Indoor and outdoor pools, spas
	Genesis Energy Turangi Aquatic Centre	TA facility – in-house management	Indoor pools
	Taupo Events Centre	TA facility – Taupo Venues	Stadium, fitness centre
	Owen Delany Park	TA facility – Taupo Venues	Stadium

TA	Facility	Ownership and Management	Amenities
Tauranga	Aquinas Action Centre	*School facility – Tauranga Leisure (CLM Limited)	Stadium
	Baywave TECT Aquatics & Leisure Centre	TA facility – Tauranga City Aquatics Limited (CCO)	Indoor pools, fitness centre
	Greerton Aquatic & Leisure Centre	TA facility – Tauranga City Aquatics Limited (CCO)	Indoor pools, fitness centre
	Memorial Park Pools	TA facility – Tauranga City Aquatics Limited (CCO)	Outdoor pools
	Merivale Action Centre	*School facility – Tauranga Leisure (CLM Limited)	Stadium
	Mount Hot Pools	TA facility – Tauranga City Aquatics Limited (CCO)	Outdoor pools
	Mt Maunganui Sports Centre	TA facility – Tauranga Leisure (CLM Limited)	Stadium
	Papamoa Sports & Recreation Centre	TA facility – Tauranga Leisure (CLM Limited)	Fitness centre
	Queen Elizabeth Youth Centre	TA facility – Tauranga Leisure Limited (CLM)	Stadium
	TECT Arena at Baypark	TA facility – Tauranga City Venues Ltd (CCO)	Stadium
Thames-Coromandel	Thames Centennial Pool	TA facility – in-house management	Indoor pools
Timaru	Geraldine Swimming Pool	TA facility – in-house management	Outdoor pool
	CBay Trust Aoraki Aquatic Centre	TA facility – in-house management	Indoor pools, outdoor pools, fitness centre
	Pleasant Point Swimming Pool	TA facility – in-house management	Outdoor pool
	SBS Events Centre	Trust facility – likely to return to TA management	Stadium
	Temuka Swimming Pool	TA facility – in-house management	Outdoor pool
Upper Hutt	H20Xtream	TA facility – in-house management	Indoor pools
Waikato	Genesis Energy Huntly Aquatic Centre	TA facility – Total Leisure Concepts Ltd	Indoor pools
	Ngaruawahia Swimming Pool	TA facility – Total Leisure Concepts Ltd	Outdoor pool
	Centennial Pool, Tuakau	TA facility – CLM Limited	Indoor pool
Waimakariri	Dudley Park Aquatic Centre	TA facility – in-house management	Indoor pools
	Oxford Community Aquatic Centre	TA facility – in-house management	Outdoor pools
	Kaiapoi Aquatic Centre	TA facility – in-house management	Indoor pools

TA	Facility	Ownership and Management	Amenities
Waimate	Norman Kirk Memorial Swimming Pool	TA facility – in-house management	Outdoor pool
Waipa	Cambridge Swimming Pool Complex	TA facility - H2O Management (Waikato) Ltd	Outdoor pool
	Te Awamutu Sports & Events Centre	TA facility - H2O Management (Waikato) Ltd	Indoor pools
	Trust Waikato Swimming & Events Centre	TA facility - H2O Management (Waikato) Ltd	Stadium, indoor pools
Wairoa	Wairoa Community Centre	*TA facility – Sport Hawkes Bay	Stadium, indoor pool, fitness centre
Waitaki	Waitaki Aquatic Centre	TA facility – in-house management	Indoor pools
Waitomo	Te Kuiti Swimming Pool	* Community Charitable Trust	Outdoor pool
Wanganui	Springvale Park Splash Centre	*TA facility – Sport Wanganui	Indoor pools, fitness centre
	Wanganui East Outdoor Pool	*TA facility - Wanganui East Pool Trust	Outdoor pool
	Cook Gardens	*TA facility – Wanganui Events Trust	Stadium
Wellington	ASB Sports Centre	TA facility – in-house management	Stadium
	Freyberg Pool & Fitness Centre	TA facility – in-house management	Indoor pools, fitness centre
	Karori Recreation Centre	TA facility – in-house management	Stadium
	Keith Spry Pool, Johnsonville	TA facility – in-house management	Indoor pool
	Karori Pool	TA facility – in-house management	Indoor pool
	Khandallah Pool	TA facility – in-house management	Outdoor pools
	Kilbirnie Recreation Centre	TA facility – in-house management	Stadium
	Nairnville Recreation Centre	TA facility – in-house management	Stadium
	Tawa Recreation Centre	TA facility – in-house management (partnership with Tawa College)	Stadium
	Tawa Pool	TA facility – in-house management	Indoor pool
	Thorndon Pool	TA facility – in-house management	Outdoor pools
	Wellington Regional Aquatic Centre	TA facility – in-house management	Indoor pools, fitness centre

TA	Facility	Ownership and Management	Amenities
Western BOP	Dave Hulme Pool, Katikati	TA facility – NZ Hot Water Pools Co. NZ	Indoor pools
Westland	Hokitika Centennial Swimming Pool	TA facility – in-house management	Indoor pool
	Ross Swimming Pool	TA facility – community committee	Indoor pool
	Kumara Community Pool	TA facility – community committee	Outdoor pool
	Harihari Community Pool	TA facility – community committee	Outdoor pool
	Franz Josef Community Pool	TA facility – community committee	Outdoor pool
	Fox Glacier Community Pool	TA facility – community committee	Outdoor pool
	Haast Community Pool	TA facility – community committee	Outdoor pool
Whakatane	Murupara Swimming Pools	TA facility – in-house management	Outdoor pools
	Whakatane District Aquatic Centre	TA facility – in-house management	Indoor and outdoor pools, fitness centre
Whangarei	ASB Leisure Centre	Owned and managed by Sport Northland	Stadium
	Kensington Stadium	Owned and managed by Sport Northland	Stadium
	Northland Events Centre	Northland Sports Centre Trust – managed by Sport Northland	Stadium
	Whangarei Aquatic Centre	Owned by Sport Northland – managed by CLM Limited	Indoor pools, fitness centre

*TAs provide annual operating grants to numerous charitable and community trusts for facility management

This information is sourced from websites and personal contact with individual staff members. As new information becomes available it will be added to the inventory and/or amendments will be made.

Date: March 2013

Appendix 2: Responses to Research

Returned questionnaires	Provided documents	Meetings/telephone calls
<ul style="list-style-type: none"> • Central Otago DC • Hutt City Council • Kawerau DC • Masterton DC • Marlborough DC • Nelson DC • New Plymouth DC • Rangitikei DC • Tararua DC • Waipa DC • Wellington CC 	<ul style="list-style-type: none"> • Auckland Council and Manukau Leisure Services • Buller Holdings Limited • Hastings DC • Invercargill CC • Marlborough DC • Tauranga CC • Waipa DC • New Zealand Recreation Association (Yardstick) 	<ul style="list-style-type: none"> • Auckland Council • Far North DC • Hastings DC • Horowhenua DC • Kapiti Coast DC • Masterton DC • Queenstown Lakes Leisure • Tauranga CC • Sport Wanganui • Sport Tasman • Auckland YMCA • CLM Limited • Tauranga Leisure Ltd • Total Leisure Concepts Ltd

Appendix 3: Standard Questionnaire Template

Management Model	Questions	Answers
In-house management and service delivery	Attached is an inventory of pools sourced from the internet and through phone discussions with city and district councils.	
	Are there any other facilities not picked up in this list? Which are your seasonal pools?	
	Have you always managed these facilities in-house?	
	Do you have any report(s) that support the decision to manage the facilities in-house?	
	Is this decision reviewed periodically – how does that happen?	
	What do you think are the advantages of managing the facilities in-house rather than contracting out their management?	
	What do you think are the disadvantages of managing the facilities in-house rather than contracting out their management?	
	What community outcome is linked to the facilities under discussion?	
	Do you use contractors or consultants to enhance specific service delivery e.g. retail store or cafe?	
	What performance measures are in place; how do you measure service quality; how do you measure and report performance over time?	
	What particular features does your in-house model have that might be different than other models?	
	Do you provide learn to swim opportunities at your pool – who delivers this service?	
	How much say do facility users have in what is provided and the service quality levels?	
	Is there any other information that would be helpful to the study?	

Appendix 4: Council Controlled Organisations (CCOs)

The following are the CCOs operating within New Zealand providing facility management for TA sport and recreation facilities included in this study.

- Buller Holdings Limited (Buller DC)
- Tauranga City Aquatics Limited (Tauranga CC)
- Tauranga City Venues Limited (Tauranga CC)

Appendix 5: Community and Charitable Trusts

YMCA

Auckland

- Lagoon Leisure and Lagoon Stadium
- Massey Leisure Centre
- Ellerslie Recreation Centre
- Jordan Recreation Centre
- Mt Albert Community Centre
- Hamilton Recreation Centre

Auckland Council

- ASB Stadium - East City Community Trust
- North Shore Events Centre – North Shore Events Centre Trust
- Waiheke Recreation Centre – Waiheke Recreation Centre Trust

Ashburton District Council

- Ashburton Community Swimming Pool – Ashburton Community Pool Trust
- Tinwald Swimming Pool – Ashburton Community Pool Trust
- Mayfield Swimming Pool, Mayfield Domain Board – Pool Committee

Clutha District Council

- Cross Recreation Centre – Clutha Recreation Centre Incorporated

Dunedin City Council

- Moana Gow Pool – Moana Gow Trust

Far North District Council

- Kerikeri Sports Complex – Kerikeri Sport Management Committee
- Kaitaia Swimming Pool – CBEC (community enterprise)
- Kawakawa Swimming Pool – CBEC (community enterprise)
- Kerikeri Swimming Pool – CBEC (community enterprise)

Hastings District Council

- Waterworld Pool – Swim Heretaunga
- Frimley Pool – Swim Heretaunga
- Havelock North Village Pool – Havelock North Village Pool Charitable Trust
- Clive War Memorial Pool – Clive War Memorial Pool Charitable Trust

Invercargill City Council

- Bluff Community Pool – Bluff Pool Trust

Kaipara District Council

- Kauri Coast Community Swimming Pool – Kauri Coast Swimming Pool Trust

Kapiti Coast District Council

- Coastlands Aquatic Centre – Kapiti Aquatic Centre Trust (fundraising only – not operator)

Marlborough District Council

- Marlborough Lines Stadium 2000 – Marlborough Stadium Trust
- Marlborough Aquatic Centre – Marlborough Stadium Trust
- Awatere Community Pool – Awatere Settlers Association

Nelson City Council

- Murchison Sport, Recreation and Cultural Centre – Murchison Sport, Recreation and Cultural Centre Incorporated

Rangitikei District Council

- Hunterville Pool – Hunterville Sport and Recreation Trust
- Marton Pool – Marton Active Leisure Trust
- Taihape Pool – Taihape Community Development Trust

Thames Coromandel District Council

- Mercury Bay Multi Sport Park – Mercury Bay Recreation Trust

Wanganui District Council

- Wanganui East Outdoor Pool – Wanganui East Pool Trust

Western BOP District Council

- Katikati Swimming Pool – Katikati Swimming Pool Trust

Appendix 6: Private Sector Facility Managers

- Aqua Management Limited
- CLM Limited
- David Hulme
- H2O Management (Waikato) Limited
- John Fay Limited
- Southee Limited
- Tauranga Leisure Limited_(TLL is a subsidiary company of CLM Limited)
- Total Leisure Concepts Limited
- Transfield

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Management Plan Guide, (2008), Government of Western Australia, Department of Sport and Recreation, Perth, Australia.

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SNZ HB 9213:2003, *New Zealand Handbook: Guide to Local Government Service Delivery Options*, Standards New Zealand, Wellington.

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Strategic Planning & Policy Committee Report, (2012), Waipa District Council, Waipa, NZ.

Territorial Authority/School Partnerships: A Guide, (2011), Sport New Zealand, Wellington, NZ.

Territorial Authority Sport and Recreation Facilities Decision Guide, (2013), Sport New Zealand, Wellington, NZ.

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Yardstick Leisurecheck Management Measures Report, (2011), NZRA, Wellington, NZ.

Useful websites links

Shared Services:

Reconceptualising Shared Services:

http://aut.academia.edu/PeterMcKinlay/Papers/975069/Reconceptualising_Shared_Services

Legal and Government Service Models in Shared Services:

http://www.aceig.org.au/upload/documents/1337646438_Legal_and_Governance_Models_for_Shared_Services_3.pdf.

Shared Services in Local Government 2010:

<http://www.algim.org.nz/Documents/2010%20Conference%20Presentations/ALGIM%20Research%20into%20Shared%20Services%20in%20New%20Zealand%20Local%20Government%202010.pdf>

A Typology of Shared Service Provision in Australian Local Government

<http://www.tandfonline.com/doi/abs/10.1080/00049181003742310>

Shared Service Models in Australian Local Government: the fragmentation of the New England Strategic Alliance 5 years on

<http://www.ingentaconnect.com/content/routledg/cage/2011/00000042/00000002/art00007http://library.lg.nz.co.nz/cgi-bin/koha/opac-detail.pl?bib=4588>)

New Local Government Network (United Kingdom): <http://www.nlgn.org.uk/public/2011/shared-necessities-the-next-generation-of-shared-services/>

National Infrastructure Plan (New Zealand Government):

<http://www.infrastructure.govt.nz/plan>

Local Government New Zealand resources:

http://www.lgnz.co.nz/library/files/store_002/procurement-template.pdf

http://www.lgnz.co.nz/library/files/store_020/SpiritofPartnershipConsultFundCollaborateManifesto2008.pdf

http://www.lgnz.co.nz/library/files/store_022/PublicvsPrivateOwnershipofUtilityInfrastructure.pdf

http://www.lgnz.co.nz/library/files/store_025/Shared_services_june_2011.pdf

http://www.lgnz.co.nz/library/files/store_PublicvsPrivateOwnershipofUtilityInfrastructure.pdf

Sport New Zealand resources:

The Economic and Social Value of Sport and Recreation to New Zealand:

<http://www.lincoln.ac.nz/aeru>

Sport and Recreation Knowledge Library (Sport NZ): <http://www.srknowledge.org.nz>

Territorial Authority/School Partnerships: A Guide: <http://www.sportnz/knowledgelibrary/TA-Schools-partnership/>

Standards New Zealand:

<http://www.standardsnz.co.nz>

Swim Info:

<http://www.swiminfo.co.nz>