

MATAMATA INDOOR STADIUM

Business Case Analysis

August 2020

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Executive Summary

The proposed Matamata Stadium is an ambitious legacy project which will have far reaching benefits for Matamata and its catchment for the present and future generations. This project has been championed by Matamata Futures Trust over the past decade. The current project which this business case analysis examines is the culmination of a number of iterations.

This analysis demonstrates that the project is a feasible one and should proceed to concept design stage. The project will only proceed past concept design, and to the build stages if key milestones around costing, funding and commitment by key stakeholders are met.

As a school/community partnership the Matamata Indoor Stadium can engage a high proportion of the population in sport and recreation activities, with direct paybacks in terms of improved health, physical and mental wellbeing. Wider benefits include increased social cohesion, stimulating economic growth and regional interaction.

This is a challenging project but one for which there are a number of precedents and examples to follow and learn from. It requires a disciplined, collaborative approach from all stakeholders. The design, governance and management of the facility should prioritise long term sustainability to ensure longevity and relevance to the community.

It is anticipated that governance and management of the facility will be by way of a community trust, with trustees representing key stakeholders: Matamata Futures Trust, Matamata-Piako District Council (MPDC), Matamata College, Sport Waikato, local businesses and the local community. Ownership is subject to agreement between key stakeholders, especially MOE. It is also anticipated the facility will be owned by Matamata College, on land leased from the Ministry of Education. It is critical that an effective partnership agreement between the key stakeholders is negotiated to ensure effective ongoing operation and long-term sustainability.

The project aligns with the strategic mandates of the Ministry of Education, MPDC and national and regional sports organisations.

Evaluation of the project on economic criteria is positive. There are clear and significant needs that this facility will satisfy. Each key stakeholder is likely to find value in return for the contribution it makes to the project. The proposed outcome, in terms of the facility's form and function, is achievable.

The affordability of the project can only be known once preliminary design and cost forecasting has been completed, and supplementary funding sought. Preliminary costings, and learnings from similar projects indicate that the capital is likely to be approximately \$6 million. There are positive indications that this is an achievable target, with close to 50% of this amount already committed.

Forecasts indicate that the facility will not be able to generate enough operational income to support itself, and will be dependent on subsidisation by stakeholders. This is normal for this type of public facility. As well as grant income from key stakeholders MPDC and Matamata College, likely sources of support include the local business community and supporters, and community funders.

The proposed facility will consist of two primary components; a two-court indoor space and a multi-purpose room. Secondary components should include areas for; administration and reception, changing rooms, storage and service, and carparks.

Scheduling to maximise revenue income and community benefit, and satisfy demand for hire of the court space will be challenging. A key question for the Trust will be which operating model, Hire Only or Mixed Managed Program and Hire, to adopt.

Research indicates there will be a high level of demand for court time. The Trust and facility management will need to balance this demand with the potential extra revenue, accessibility of the facility to the wider community and potentially higher numbers of users that would likely flow from well managed Pay-to-Play programs.

This project provides an opportunity for a Matamata sports hub to be developed, including management of Headon Stadium. A sports hub could provide focus and services that assist to expand sport and recreation participation in Matamata.

Key sensitivities include:

- Capital cost
- Securing sufficient funding for the capital development and to supplement ongoing operational revenue
- Anticipating future needs where possible, and allowing for unforeseen changes
- Developing and applying a management strategy that maximises the use, revenue and benefits of the facility
- Clarifying ownership of the facility
- Negotiating an effective partnership agreement with MOE/Matamata College and MPDC
- Maintaining effective governance and a high level of management proficiency.

Key Findings and Recommendations

This project aligns with the strategic imperatives of the key stakeholders.

The capital cost of the project is likely to be affordable, with close to half of the likely cost already committed and an achievable plan in place to raise the balance.

The Project Working Group (PWG) should aim to ensure the design of the facility balances cost with utility for all stakeholders, flexibility to accommodate future needs and benefit to the wider community.

The facility is unlikely to be able to generate sufficient operational income to cover operational costs, and will require subsidisation from stakeholders. This is normal for this type of community facility, and is achievable.

It is recommended that the Mixed Hire and Managed Program management model be adopted for this project, but that hire of the facility to sports groups is prioritized initially.

Developing the facility as the basis of a Matamata Sports Hub, including management of Headon Stadium, should be investigated.

Contracted management of the facility should be investigated.

The most critical success factors which the PWG needs to be aware of and mitigate include:

- Developing a facility that sustainably suits the long term needs of the community
- Clarifying ownership
- Developing an appropriate partnership agreement between key stakeholders
- Developing and maintaining an effective management strategy
- Maintaining effective governance.

This project is viable and should proceed with the support of key stakeholders.

Background

Pre Feasibility Investigation

In 2019 and early 2020 a Pre Feasibility Investigation was carried out to assess the high level feasibility of developing an indoor sports facility under a school/community partnership model in Matamata, located on the grounds of Matamata College. The investigation was carried out on behalf of the Project Working Group (PWG) of the Matamata Indoor Sports Stadium project.

The concept of an indoor sports facility which would benefit the wider Matamata community was initiated and advanced by the Matamata Futures Trust around 2010.

Key Recommendations Pre Feasibility Investigation

Facility Recommendation	A new sub-regional level indoor sport and recreation facility developed under a school-community partnership.
Location Recommendation	Matamata College, Firth St, Matamata.
Functional Design Layout	<p>A purpose-built facility including the following core components:</p> <p>Double indoor court Multi-purpose movement/meeting room Additional facilities including changing rooms, storage, office space, reception area, viewing gallery and carparks.</p> <p>The facility should be designed for flexibility to allow for changes in use and expansion in future.</p>
Ownership and Governance	<p>Ownership of the facility to be negotiated between key stakeholders. Ownership by MOE is probably the most practical option.</p> <p>A comprehensive, workable partnership agreement to be developed to define the relationships and responsibilities of key stakeholders.</p> <p>A community Trust governing and managing the facility.</p> <p>A Trust Board comprising of 5-7 Trustees representing major stakeholders, with independent Chair.</p> <p>Clear focus on economic sustainability.</p>
Management and Operation	Managed by a professional facilities manager. Operated under a Mixed Management and Hire model.

Needs Assessment

The Pre Feasibility Investigation included an in-depth Needs Analysis reviewing:

- Population overview
- Policy Framework
- Indoor Sports & Indoor Court Facility Trends
- Sports Code and Recreation Activity Profiles and Trends
- Existing Facilities
- Stakeholder Feedback

Key Findings

The Pre Feasibility Investigation found:

- The proposed facility fits the criteria for effective provision of sports facilities defined in the NZ Sporting Facilities Framework
- The proposed facility could have the potential to fit within the Sport Waikato Regional Facility Framework as a local facility
- The proposed facility meets the guiding principles of the Regional Sports Facilities Plan where existing assets are utilised to the end of their useful life and new facilities are invested in via partnerships either within communities (cross sectors) or across community boundaries
- Demographic forecasts indicate a static population, increasing average age and a portion of the community with relatively low socio-economic conditions over the foreseeable future, meaning new sports facilities in the sub region should be planned carefully to ensure maximum utility by the wider population at minimum cost
- The proposed catchment for this facility is Matamata and its surrounds. This wider area has a population of nearly 20,000
- There are currently significant flows of sports participants from Matamata to other centres with indoor facilities. Activities that people currently travel significant distances to participate in include netball, basketball, volleyball, badminton, dance and gym sports
- An indoor facility of appropriate size would enable more teams from within the catchment, which currently travel significant distances to compete in local and regional competitions, to play and host games locally
- A school/community partnership would provide opportunity to maximise the use of the proposed facility and provide greater funding and financial viability
- The main indoor sports facility in Matamata is Headon Stadium which although being currently renovated is too small and unsuitable for most court-based sports
- Matamata and its catchment has a low to moderate socio economic rating, with a range of associated social problems. A modern community focused sport and recreation facility would provide local people with affordable social and recreational opportunities that could contribute to reducing some social problems
- Participation in sport and recreation activities would increase if a quality indoor facility was developed. Increased participation would have health, social and community benefits
- An appropriately designed facility would provide for a wide range of popular traditional and non-traditional sports, plus other recreational activities and other community events
- The absence of good community recreation facilities is a negative factor in attracting new residents, and employees, to Matamata
- A new facility would enable Matamata to host school and regional level sports events, with social and economic benefits for the local community

- The new facility provides the opportunity to create a Matamata Sports Hub, combining management of the new facility with that of Headon Stadium, and possibly other local sports facilities
- The project should proceed as a School/Community Partnership. This structure is well tested and has become increasingly common in New Zealand and overseas, particularly in the UK and Europe. It provides efficiencies and synergies that other operational models, including either council owned and operated or school owned and operated, cannot deliver
- The facility should be owned by a Community Trust, on land leased under a long-term arrangement with the MOE. The ownership model will need to be agreed with MOE
- There should be a clear focus on sustainability. The project is conceived as a multi-generational facility, with a lifespan of 50 years. It is essential that the initial and ongoing capital costs and operational budget are sustainable, and that the facility can thrive in the long term without being a burden to the local community. Building and operational management systems should be designed with these priorities
- It is anticipated that the capital cost of the project will be funded by a mix of school contribution, local community funders, regional and national level community funders, private donations and local council contribution
- Ongoing operational costs will be mostly funded through facility income, district council and school contribution, supplemented by contributions by community funders.

Conclusion

The Pre Feasibility Investigation concluded that there is a compelling need for a facility to deliver indoor sport and recreational opportunities to the Matamata community.

The identified need is for an indoor sport and recreation complex that provides for:

- Multi court space - an indoor court area sufficient for two basketball courts
- Dual use between school and community, with school having priority use during school hours
- Teaching and instructional use – that enables the school physical education curriculum to be delivered in an appropriate environment with appropriate teaching aids
- Recreational use – enabling a wide range of community recreational activities to be enjoyed by as many people as possible
- Structured sport – enabling a range of competitive sports competitions and events at all levels
- Social league use – enabling a range of social sports to be played by as many people as possible
- School and community non sport event use – a suitable venue for social, arts, entertainment, community and school events
- Community hub, where a diverse range of groups can meet, socialize and engage in recreational activities.

Site Selection

Matamata College was determined to be the most appropriate location for the new facility prior to the PFI. PFI findings reinforced this decision.

Key factors include:

- Opportunity to create School Community Partnership
- Central location, with good access
- Proximity to other schools
- Large appropriate space, with outdoor playing fields and other facilities
- Proximity to Headon Stadium

Other locations that were considered during previous investigations include:

- Pohlen Park
- Bedford Park
- SWAP Park
- Matamata Domain

Consultation

Consultation during the PFI and Business Case has been wide-ranging, involving engagement with stakeholders and key participants in the project to fully understand their needs, attitudes and ideas for the facility.

This included Matamata College and Ministry of Education, iwi (Ngati Haua, Ngati Raukawa and Ngati Hinerangi), local sports groups and indoor facility users, local residents, Matamata-Piako District Council and Sport Waikato.

A number of industry participants with specific expertise were consulted, including:

- Apollo Projects
- John Latimer, CLM Ltd, facility management and Sport Waikato Trustee
- Merv Gyde, Chair Waipa Community Facilities Trust
- Liz Cann, Manager The Peak Rototuna
- Jamie Delich, SportNZ.

Benchmarking

A number of facilities and associated services were studied to develop an understanding of their operations, and develop a specific concept for this project.

Other facilities that were visited and/or detailed information collected from, include:

- The Peak, Rototuna
- Tamaki Recreation Centre
- ASB Stadium, Te Awamutu
- Morrinsville Recreation Centre
- Silver Fern Farms Event Centre, Te Aroha
- Jack McLean Centre, Thames
- St Johns College, Hamilton
- Hamilton Boys' High School
- Game On Te Kuiti Indoor Stadium
- Wellington City Council community sports facilities.

Current Situation

Matamata Futures Trust has led the initiative to develop an indoor stadium in Matamata over the past several years.

While Te Aroha and Morrinsville, the other significant sized towns in Matamata-Piako District, have double court indoor sports facilities Matamata does not.

Headon Stadium, the existing indoor facility is not appropriate for court based sports, with a low ceiling, and a single under-sized court space.

This project has widespread support. It is being driven by a PWG which includes representatives of Matamata Futures Trust, Matamata College, Matamata-Piako District Council, Sport Waikato and the sports community.

A Memorandum of Understanding defines the objectives and terms of reference for the PWG.

Since February 2015 the following milestones have been achieved:

- Commitment by a private donor of \$900,000 to the project
- Confirmation from Matamata-Piako District Council and Matamata College Board of Trustees of support for the project
- Commitment of \$2 million to the capital cost of the project by Matamata-Piako District Council in the 2018-28 Long Term Plan
- Appointment of a Project Working Group including representatives of key stakeholders
- Memorandum of Understanding signed by key stakeholders
- In-depth investigation into other comparable projects
- Stakeholder engagement, consultation and research into detailed requirements for facility
- Stakeholders included Matamata-Piako District Council, Sport Waikato, current and potential user groups of indoor facilities in the Matamata catchment, local community members, Matamata College, other local schools, local iwi
- Completion of Pre Feasibility Investigation
- Approval in principle by the Ministry of Education for the project to proceed, on MoE land at Matamata College.
- Initial research and development of funding strategy.
- Appointment of Apollo Project to provide a Pre-Concept Design.

Proposal Outline

Vision

The Project's Vision is: A thriving indoor sport and recreation facility that enhances the health, wellbeing and vitality of the Matamata community.

Purpose

The purpose of this project is to develop and operate an indoor sport and recreation facility at Matamata College that:

- a) provides for sporting, recreational and educational needs in the Matamata community
- b) has significant educational, health and social benefits
- c) develops strong community partnerships
- d) is commercially, operationally and environmentally sustainable over several generations.

Milestones

Key milestones of this project are:

- **Feasibility Investigation** – The Project Working Group to receive a completed Feasibility Investigation document by 1 March 2020 which positively establishes the need and likelihood of completing the project satisfactorily
- **Business Case** – To receive a completed Business Case which comprehensively assesses the viability and strategic imperatives of the project, which provides stakeholders with sufficient information to decide on whether or not to proceed with the project, by 1 August 2020
- **Concept Design** - To commission an initial concept design for the purposes of consultation, fundraising and refinement of design, by 1 October 2020
- **Management and Operating Model** – For the PWG to agree to a facility management and operating model on the basis of sound analysis and forecasting which will enable the facility to become successfully established, operate sustainably and satisfy the needs of all stakeholders, by 1 October 2020
- **Ownership and Governance** – For the PWG to agree to an ownership and governance structure which adequately protects the interests of key stakeholders, and maximises the likelihood of success and sustainability of the facility, prior to sign off of the project by 1 November 2020. This will require negotiating an ownership structure that is acceptable to the MOE
- **Stakeholder Commitment** - To engage and receive positive support for the project following completed Feasibility Investigation, Business Case analysis and agreement by the PWG as to the design, function, ownership, governance and management of the facility by key stakeholders, and the wider Matamata community, prior to sign off of the project by 1 November 2020
- **Establish Incorporated Trust** - To establish a Trust which will operate the facility by 1 November 2020
- **Partnership Agreement** – For MOE, MPDC and the Trust to have negotiated and signed a partnership agreement setting out terms, conditions and responsibilities of each party, by 1 December 2020
- **Project Sign Off** – Trust sign off, committing to proceeding with project, subject to final costing and funding, by 1 December 2020
- **Capital Funding** – To confirm funding for capital cost of the project, by 1 June 2021
- **Final Design** – To commission a final design which fulfills the requirements of stakeholders, and can be built within budget, prior to final sign off of the project, by 1 June 2021
- **1 October 2021** – Commence build.

Attributes

The following are seen as key attributes for the project:

- Design and construction that prioritises function over form. It is essential that the investment achieves a quality facility that maximises utility, without unnecessary expenditure on aesthetics, and which is efficient to operate and maintain
- Efficient design to enable minimum staffing
- Energy efficiency
- The scale and total size of the court area are very important considerations. The facility should be of sufficient scale to efficiently provide for needs of the catchment it services, maximise use in terms of potential numbers, and the range of uses
- Provide for increased community participation in a range of sports and recreation activities, plus support facilities
- The facility should be multi-purpose and adaptable, capable of accommodating changing needs of the community over the next several generations. These changes will be in terms of demographics, new and evolving sport and recreation activities and new technology
- The location at Matamata College is integral to the project. The school's participation in the project is crucial for viability. This location provides good visibility and easy access for the public which is essential to ensure maximum potential use and a sense of community ownership. There is sufficient space for the facility and carparking, as well as potential for expansion and development of complementary facilities.

Components and Design

Facility Components

The stated intention of the PWG is for the facility to provide a functional two court indoor playing space without unnecessary extra components.

While this intention has been taken into account consideration should also be given to ensuring the facility is suitable for foreseeable future recreational needs of the Matamata community, and of the college, and provides amenities that will maximise use of the facility.

The following are operational and functional descriptions of the facility components:

Primary Components

Component	Description
Courts	<p>The courts space would be an indoor area, preferably the size of two netball courts. It would be marked with courts for key sports. The minimum height would be 9m. The floor surface is yet to be decided.</p> <p>The court space would be used for scheduled public activities seven days per week, probably from 6am – 9am and 3.30 – 10pm weekdays, and from 8am until 10pm weekends.</p> <p>The school would have use of the court space from 9am until 3.30pm weekdays (with provision for after school sports practices on some days).</p> <p>Other schools and possibly some public users may have access during school hours.</p> <p>The court area should include bleacher style seating for spectators and supporters. Around 250-300 seats would probably be appropriate.</p>
Multipurpose Room	<p>A modest sized space that could be used for meetings, recreation activities (such as exercise classes, pilates and yoga), with seating for approximately 20 people.</p> <p>There should be appropriate storage space for furniture and equipment.</p> <p>This room should also have appropriate acoustic reduction.</p>

Secondary Components

Component	Description
Office/s	<p>The office space would be adjacent to the reception area. The office space could consist of a number of rooms, or a multi-use area shared by the facility manager and staff. There could also be space allocated to local Sport Waikato staff, and possibly other sport and health providers.</p>

Reception	<p>A reception area, consisting of the main entrance, and service counter would likely be adjacent to the office space. This would enable staff to operate the service counter as required without leaving the office area. This could include a reception counter, with office space behind. It should provide easy access to carparking, seating and viewing areas, public toilets etc.</p> <p>This area should be sufficiently large enough to be used as a space for functions, for enabling user groups to congregate out of inclement weather and as a lounge area for the facility.</p> <p>The kitchenette space could have server access into this space to enable catering for events etc.</p> <p>There should be separate entrances for school personnel and the public.</p>
Changing rooms and toilets	<p>The changing rooms should consist of 4 rooms capable of providing for up to 15 people each with showers, toilet cubicles, hand basins and mirrors. Changing room configuration should enable separate changing facilities for school users and public users, possibly with separate entrances to enable separation of school students and public.</p> <p>These rooms should be non-gender specific, and able to be used by different groups as required.</p>
Public Toilets	<p>Male and female toilets for the general public and spectators, including accessible toilets for people with mobility issues, should be separate to the changing facilities, and located appropriately.</p>
Kitchen/servery	<p>Appropriate, basic space for preparing and serving food to facility users, and catering to small functions. Simply fitted out with water heater, stove, fridge, sink. Possibly attached to the multipurpose room, with servery access to main foyer.</p>
Multi use room/s	<p>One or two rooms Preferably with viewing directly on to the court area. These spaces could provide for a number of functions including a tournament officials room, consultation rooms for physiotherapists, trainers and coaches, small meeting rooms, a staff room for facility staff and a first aid room.</p>

Storage	Good storage facilities are critical and will have a significant effect on the utility of the facility. These should provide secure storage for individual user groups which are easy to access and use. All equipment should be easily accessible, preferably on wheeled trolleys, secure and stored in such a way that it won't be damaged. Equipment will include mats, nets, balls, gymnastic apparatus, goals, as well as technical equipment such as score boards, sound systems, lighting, projectors etc. Separate school and community storage space should be allowed for. There should be access directly to the interior of the building, possibly through a roller door, enabling large equipment to be moved in and out of the gym, and access for lifts (for accessing ceiling lights etc) and other vehicles if necessary.
Utilities	Appropriate space for water heating, air conditioning, electricity controls and other basic service equipment. Also for storage of cleaning equipment.
Carparks	Onsite parking for approximately 80 cars, according to local authority requirements.

Court Area

General consensus is that the court area should be large enough for 2 competition suitable netball courts, with regulation size runoff zones. These dimensions would enable 4 volleyball courts, 10 badminton and 2 futsal courts to be included.

A two court facility could enable events such as interschool and regional tournaments to be hosted in Matamata. It could also provide a venue for other community and private events.

Regulation sizes for various courts

	Dimensions incl. run off	Total area
Netball	36.6 x 40.6m – 2 courts	1486 sqm - 2 courts
BasketBall	32 x 19m (1 court)	
Volleyball	24 x 15 – 12.5m height	
Badminton	17.4 x 10.1m	
Futsal .	Min 15 x 25 m.	

Other Design Considerations

- The court floor could be a wooden, sprung surface, or a less expensive synthetic surface. The court area should be marked out with basketball, netball, volleyball, badminton, and futsal courts
- An electronic passcard key system should be installed rather than a conventional key and lock system. The facility should be designed to enable specific components to be secured enabling separation of school and public users. Tamaki Recreation Centre provides a good example of this
- A vertical net to separate the main court space into two zones will enable effective use of the large court space
- A quality electronic scoring and time keeping system suitable for basketball as well as other uses should be installed
- Acoustic design to make the court space and other spaces as user friendly as possible is important
- An effective ventilation system is essential
- Heating of the court area is not absolutely necessary, and could be fitted at a later date if required.

Schedule of Spaces

The following list sets out the possible spaces the new facility could include, and the approximate floor area each space would require.

Space	Area - sqm
Double netball courts, including runoffs & seating	1600-1700
Storage	60-100
Offices	50 -80
Plant room	10-20
Changing rooms – 4 team rooms, official’s room	120-150
Public Toilets	15-20
Kitchenette	10-20
Meeting/multipurpose room	50 -80
Reception - entry	50-120
Total - approx	1965 - 2290

Ownership and Governance

The quality of the partnership agreement (which clearly defines roles and responsibilities of each of the key stakeholders), the quality of the relationships and the quality of service delivery are key to delivering a good outcome for stakeholders.

The Matamata facility will be located on MOE owned land, and be operated for the joint benefit of the wider community and Matamata College. Ownership by the College, management by an independent Trust, with a long term partnership agreement that covers the effective life of the facility, is probably the most practical structure that will fulfill the needs of all stakeholders. However this is subject to agreement with MOE.

This is the model under which The Peak at Rototuna operates, and is seen as being very effective in that situation largely due to a very effective operating contract between the key stakeholders. That agreement could be the basis of the Matamata Stadium partnership agreement.

Negotiation of the partnership agreement should be initiated as soon as possible.

Partnership Agreement

The partnership agreement between the key stakeholders; the yet to be formed trust, Matamata-Piako District Council and Ministry of Education/Matamata College should include:

- Clear definition of terms and descriptions
- Details of each party's obligations in regard to build and ongoing operation
- Health and safety commitment
- Ownership
- Management
- Routine maintenance
- Capital maintenance
- Access and use
- Provision and storage of equipment
- Future disposal contingencies
- Dispute resolution
- Communication and notices
- Assignment and transfer of rights and obligations
- Costs.

The agreement should be prepared and executed by appropriate legal advisors. Each party should seek appropriate legal and financial advice.

Management

This Business Case presupposes that the facility will be managed by a Facility Manager appointed by the Trust. This person will be required to demonstrate a high level of appropriate professional recreation business management experience and ability. He or she will be responsible for the execution of the Business Plan, and the success of the facility.

Specifically the Facility Manager will be required to:

- Operate the facility efficiently, to maximise revenue and minimise costs
- Maximise use of the facility for the benefit of the wider community, and Public Good
- Maintain an effective professional and cooperative relationship with Matamata College, user groups and other stakeholders
- Maintain the facility to a high standard, with appropriate maintenance systems.

Facility Management Options

There are two main options for managing use of the facility:

1. **Hire based management** – where the facility is hired out to users at an hourly rate. Management role is to facilitate user groups with minimum service levels, at least cost. This is the model under which Te Aroha and Morrinsville facilities are operated. Arguably this model does not maximise potential community benefit, nor return on investment.
2. **Mixed Hire and Managed Program based management** – where there is more active management of user programs including organisation and promotion of pay-to-play social leagues for various sports, social and health programs, as well as court hire for user groups. This option requires more staffing and resources but could provide greater potential for maximising revenue, and use of the facility.

Assessment of the alternative operating models has been based on specific reference to The Peak (Rototuna), Te Aroha and Morrinsville facilities (Hire Only model) and Wellington City Council community sports facilities (Mixed Managed programs and Hire model), as well as wider research.

Management Model Evaluation

Management Model	Advantages	Disadvantages
Hire Only	<p>Only open when in use</p> <p>Lower staff and operating costs</p> <p>Less dependence on management</p> <p>Lower risk in terms of variability of revenue and expenditure.</p>	<p>Unlikely to have level of use as managed program model i.e. fewer total users sessions</p> <p>Depends more on community volunteers and sport & recreation groups to organise and mobilise users</p> <p>Possibly higher maintenance costs due to less supervision</p> <p>Risk of facility being dominated by better organized or resourced sports to detriment of other users.</p>
Mixed Hire & Managed Program	<p>Opportunity to maximise usage, with flow on social, health, economic benefits</p>	<p>Higher staff and operating costs</p> <p>Requires quality management</p>

	<p>Opportunity to maximise case for subsidisation and grant funding through community benefit</p> <p>Opportunity to maximise revenue through programs – sports leagues, pre school, school, adult & senior programs</p> <p>Opportunity to develop and run casual programs, eg “Pop Up” badminton classes, casual shooting hoops sessions, when not in scheduled use</p> <p>Opportunity to run school & holiday programs</p> <p>Opportunity to develop youth program including providing local youth with safe, structured ‘hangout’ place</p> <p>Opportunity to offer sports that currently are not played due to lack of volunteer organisers (basketball, volleyball)</p> <p>Opportunity for existing volunteer organisers concerned about succession (e.g. Miniball) to withdraw</p> <p>Opportunity to support sports clubs and organisations in developing and operating competitions, providing administrative services.</p>	Usage cost per person higher.
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Which Operating Model?

Analysis has highlighted a dilemma that the Trust will need to consider.

Research indicates that there will be heavy demand for court hire.

If priority is given to providing hire users with as much court time as possible there will be very limited opportunity for offering Pay-to-Play programs. This could reduce potential income and affect viability of the facility.

Relying on a Hire Only model could also mean that the sports that are best organized dominate use of the facility, at the expense of smaller, or less well organized sports or recreational activities. The dominance of basketball at the Te Aroha facility is an example of this.

Operating Model Comparison

Forecasts have been based on research and feedback from likely key users of the facility. Indications are that there will probably not be sufficient court time available, particularly on weekday evenings, to satisfy likely demand even if the facility is based on a Hire Only model.

Forecasts for the Mixed Hire and Managed Model are on the basis that the facility will be used on one mid-week evening, plus Friday evening for Pay-to-Play programs. Greater use for managed programs could further increase the revenue generated per user, assuming programs were successful, but would reduce availability for hire to user groups.

Operating P/L Comparison Year 1

	Hire Only	Mixed Hire & Managed
Revenue*	352,370	508,010
Operating Costs	245,600	318,400
Operating P/L excl depreciation	106,770	114,610
Depreciation	130,000	130,000
Operating P/L incl Depreciation	(23,230)	59,610

Revenue includes assumed levels of subsidy, grants and sponsorship

Revenue

Hire Only Model

In a Hire Only model part or all the facility would be hired to user groups at an hourly rate, as the sole source of revenue for the facility. Hirers would take care of all aspects of organization of their activities, and provide their own supervision, match officials etc.

Total forecast use of court space 71%, Years 1.

Hireage rates would be set with consideration of affordability, the need to cover costs and comparison with other facilities. For the purposes of forecasting hire rates have been set at \$35/court/hour – ie \$70/hour for the total indoor court space. This is at mid-range for comparable indoor court facilities in other regions.

The hireage rates of Te Aroha, Morrinsville and Headon facilities which are owned by MPDC are currently \$15/court up to 6 pm, and \$25/court after 6pm.

Hire of the other facilities including the multi-purpose room would also be available.

Mixed Hire and Managed Programs Model

Organising and managing programs for facility users provides an opportunity to increase operating revenue, use of the facility and return on investment. However this would depend on strong uptake of managed programs.

The facility would also be used by specific groups on a hire basis, when not used for managed programs, with court hire still providing a significant portion of revenue.

Based on the Pay-to-Play concept, programs could include social leagues for various indoor sports and different levels of competition (junior, youth, female, male, mixed etc), after-school and holiday programs, fitness and exercise, sports coaching, other recreational programs.

The facility management would organize, promote and operate the managed programs. They could also arrange referees for games. This may be an attractive option for some sports which struggle to find volunteers. This may also provide an opportunity for Matamata College students to get involved in coaching, refereeing and management that could count towards educational course credits.

Total forecast use of court space is 76% for Year 1.

Managed Program revenue is based on participation fees charged either to each user, or team, on a per session or per competition basis. Pay-to-Play rates have been set at \$8 per adult and \$3 per student per session.

This model requires significant input by skilled staff and management, and higher operating costs. Management of costs, especially staffing, would be critical.

Careful scheduling and negotiation with user groups would be an important part of facility management to ensure fair access and optimal community benefit.

Hire income from the multi-purpose room and office rental will also provide some income.

Non Operational Revenue

Whichever operating model is adopted the viability of the facility will depend on the bulk of income coming from external sources. This will include:

- Operational Sponsorship, from community businesses and donors. This may include naming rights or other commercial arrangements
- Operational Grants, from community funders and philanthropics. These are not likely to be a significant ongoing source of income but funders could support OPEX through the establishment phase for two or three years
- School Operational Contribution – the school should contribute to OPEX from its operational funding, in proportion to its use of the facility. This should be negotiated as part of the Partnership Agreement
- Council Operating Grants - contribution from MPDC towards operational costs of both the new stadium and Headon Stadium
- MPDC Provision of Services Contract – negotiated contract with MPDC for provision of recreational programs and community services (only applicable for Managed Program model)

Operating Models - Revenue Comparison Year 1

	Hire Only	Mixed Hire & Managed Program
Courts - programs		97,440
Courts - hire	102,620	85,820
Multipurpose room*	6,000	6,000
Office rental	3,750	3,750
Operational Sponsorship	50,000	50,000
Operational Grants (salaries, wages)	50,000	50,000
School grant funding	40,000	40,000
MPDC Operational Grant (Stadium)	100,000	50,000
MPDC Operational Grant (Headon)		25,000
MPDC Provision of Services Contract		100,000
Total Income	352,370	508,010

Expenses

Operating Models – Operating Costs Comparison

	Hire Only	Mixed Hire & Managed Program
Staff Expenses	111,000	175,800
Services Expenses	101,100	109,100
Statutory Expenses	28,000	28,000
Supplies	5,500	5,500
Total Operating Expenses	245,600	318,400

Operational costs for the Hire Only Model are lower than the Mixed Model, mainly around management and staffing costs.

A successful Managed Program operation would require the employment of a capable, experienced facility manager to plan, promote and manage the facility and the schedule of programs it offers. Other staff would be required to assist with the operation. If the level of managed programs was to increase sufficiently a dedicated Program Manager could be employed.

Under a Hire Only model staff functions would be reduced to administration and oversight of facility users. It is likely a salaried facility manager would still be employed. The use of swipe card and surveillance technology would enable use of the facility without the presence of staff at times.

Profitability

Operating Models – Profitability Comparison Year 1 (excl depreciation)

	Hire Only	Mixed Hire & Managed Program
Operating P/L	106,770	189,610

Operational P/L for the Mixed Hire & Managed Program model is expected to be approximately \$8K greater than for the Hire Only model.

The relative financial viability of the two models depends largely on demand for managed programs, and the excess capacity that could be then used for hireage of the facility. It is expected that the Mixed Managed Program and Hire model will produce a higher net income over time, assuming good uptake of managed programs.

For example revenue from say 30 people using the facility on a hire basis for an hour could be \$70. Revenue from the same number of people paying \$8 each to participate in a Pay-To-Play social league would be \$560.

However if there is high demand for hire of the facility, and priority is given to hire users, potential for running pay-to-play and other programs is reduced, with a corresponding reduction in revenue and possibly total user numbers.

Forecasts indicate that both models will produce an operational surplus before depreciation (and tax if relevant).

The Hire Only model probably has less risk and variability than a Managed Program based model.

Depreciation

Operating Models – Net P/L including Depreciation Comparison Year 1

	Hire Only	Mixed Hire & Managed Program
Total Depreciation	130,000	130,000
Net Operating P/L	(23,230)	59,610

Cashflow forecasts have included an allowance for depreciation of \$130,000 per year for the facility for both operating models. Professional advice should be taken regarding depreciation and possible tax, although it is assumed no tax will be payable.

Recommendation

Scheduling to maximise revenue income and community benefit, and satisfy demand for hire of the court space will be challenging. A key question for the Trust will be which operating model, Hire only or Mixed Managed Program and Hire, to adopt.

It is recommended that the Mixed Hire and Managed Program be adopted for this project, but that hire of the facility to sports groups is prioritized initially. Managed Programs would include one or two nights per week of Pay-to-Play leagues and smaller scale fitness, exercise and other recreational programs in the multi-purpose room.

It is likely that there will be sufficient demand for hireage of the facility to mean that Pay-To-Play programs could be limited, to perhaps one or two evenings per week for the first one or two years. Over time the focus should be on expanding managed programs in order to increase revenue and usage.

As well as a limited Pay-to-Play schedule, initial focus should be on developing other programs that build community use and cement the value of the facility in the community. These could be exercise and fitness programs aimed at specific groups, and pre-school, after-school and holiday programs (possibly including Te Aka Matua¹).

Shorter term “Pop-up” programs e.g. Sunday morning family badminton, or a 4-week social netball league, could be a good way to introduce the community to the facility and make use of the facility when there is available capacity.

Financial support from community funders will likely be maximised by demonstrating the highest possible level of public benefit from the facility.

Adopting the managed approach also provides opportunities for expanding the scope of the facility to be the basis for a Sports Hub.

Sports Hub

The Sports Hub, or Sportville, model is gaining traction in New Zealand and is well established in many places overseas. Sport Waikato is encouraging this approach at a community level.

A Sports Hub is a partnership enabling community groups, sports organisations and clubs to collaborate sharing resources, facilities, knowledge and skills. This enables greater, more efficient use of facilities, increased participation and club membership, expanded program options and greater control of operational costs. Some sports hubs evolve from clubs and organisations recognizing need for collaboration in order to survive and grow.

The focus is on collaboration, not amalgamation.

The new stadium facility could provide an opportunity for a Matamata Sports Hub to be developed. At its simplest this could involve the combined management of the new facility and Headon Stadium.

Headon Stadium

The renovation of Headon Stadium, the only other indoor facility in Matamata, located 1 km away, will complement the new facility in providing options for smaller groups participating in activities that don't require large courts with high overhead space.

In the past Headon has provided for a reasonably wide range of users, although it is unsuitable for most indoor sports. In 2015/6 it catered for over 400 user sessions, with total fee income of \$21,820.²

¹ See Appendix 2, Discussion with Kim Lawrence's Year 12 students at Matamata College 16 June 2020

² See Appendix 4

In 2018/9 Headon Stadium fee income was \$4,817³ with total operating costs of \$15,833 (excluding depreciation and interest).

Headon Stadium which is currently owned and operated by MPDC could come under management by the full-time management staff of the new facility. This would enable coordination of bookings, development of a wide range of exercise and recreation programs, development of less popular or unavailable activities that do not currently have appropriate facilities.

Under a sports hub structure Headon Stadium could continue to be owned by MPDC, with the Trust contracted to manage it. Assumedly MPDC would provide financial support in proportion to that they provide to Morrinsville and Te Aroha facilities.

Sports Hub Opportunities and Benefits

A Sports Hub provides opportunities for economies of scale and more efficient use of facilities, with increased overall usage and flow on benefits to the community.

The new stadium could provide:

- Facilities and services for local sports clubs and organisations, including administration services, office space and meeting rooms, assistance with promotion and publicity, organization of events, and management of facilities. Provision of office space and facilities will need to be carefully considered during the design phase.
- Provision of sport and recreation programs across a wider range of activities and demographics, including fitness, dance, pay-to-play sports leagues, holiday programs, youth focus etc
- Organisation and promotion of age group/regional tournaments
- Working with schools to maximise benefit to them through assisting with sports development, sports academies. This would assist with increasing rolls and robustness of schools.
- In-house fundraising capability – maximizing potential income for local sport and recreation organisations
- Possible expansion into assisting/managing other venues
- Administration facilities and services for sport and recreation organisations, clubs etc – providing support for organisations to operate and grow
- Potential regional/subregional base for specific sports – football and futsal have raised this idea. Location is suitable as a convenient location between Waikato and BoP for representative training, games, tournaments
- Providing a base for Sport Waikato community program providers, and an on-location facility for service providers such as physiotherapists, personal trainers, masseuses and coaches.

The benefits could include:

- More efficient use of facilities. Current management of facilities is by MPDC, which is not optimal in terms of maximizing usage
- Increased participation, with improved community health and social outcomes
- More choice for facility users, with user groups being able to use the facility most suited to them
- Increased viability of the new facility, with usage and managed programs being tailored to larger users
- Stronger sports clubs through increased participation

³ See Appendix 5

- Wider range of social and recreational programs for targeted groups; youth, Maori, high deprivation sectors and the aged.

If the Sports Hub was to develop its activities would impact on the management and administrative resources of the indoor facility. This would include extra management and staffing time to oversee the activities of the expanded operation. It would also require a wider management skillset. These needs should be taken into account in considering design of the facility, and whether the Sports Hub model is viable.

Contracted Management

Contracted management of the facility is an option which should be considered. It would involve a facility management company being contracted to operate the facility.

To be successful this type of arrangement would require careful negotiation and alignment in regard to:

- School use
- Community commitment
- Values and objectives
- Developing a workable agreement and interaction with the Trust
- Financial viability.

If successful it could mean less workload for the Trust, and possibly a more financially viable and successful facility.

Strategic Case

Relevant Trends

In its Moving Waikato 2025⁴ Sport Waikato identified 5 key trends affecting the future of sport, recreation and physical activity:

1. **Changing Society** - Population change will require a targeted approach to meet community needs
2. **Changing Lifestyles**- Rapid change in the way we live our lives will require sport to embrace new delivery styles
3. **Changing Demand** - Changes in the way we participate means we will need to adapt to the trends of informal participation and recreation
4. **Changing Landscape** - The relationship between sport and health will require a focus on measuring and impacting change
5. **Changing Partners** - With limited resources, partnerships will be more important than ever

Sport Waikato identified three strategic priorities to guide it in implementing its regional strategy through to 2025:

1. **Our People:** A focus on the provision of opportunities that meet the needs of the people of our region. More Adults, More Children 'Out There And Active'
2. **Building Communities:** A focus on regional and national partners working together to lead change and enhance outcomes. 'Helping Communities To Help Themselves'
3. **Regional Leadership:** A focus on regional and national partners working together to lead change and enhance outcomes. 'Leading And Delivering Change'

Matthew Cooper, Sport Waikato CEO 2018 submission to MPDC,⁵:

The submission reaffirmed the importance of having access to updated sporting facilities, participation among all ages, and building a sense of achievement and connectivity within the community.

Sport Waikato statistics showed that, in 2015, there were 131 clubs providing the delivery of sport, recreation and physical activity in the Matamata-Piako district.

However, the organisation noted some implications that may face the area in the years to come, such as population growth and ageing.

A total of 18 per cent of the population was aged above 65, the data read, while residents aged between 45-64 made up the highest percentage - 26 per cent.

"Delivery will need to be affordable, social, less-competitive and less physically demanding," the report said.

"Existing facilities may require modifications to be fit-for-purpose and future facilities will also need to focus on lower impact opportunities."

Refurbishing old facilities was a key aspect in the Moving Waikato 2025 strategy, Sport Waikato chief executive Matthew Cooper said.

"We're at a stage where facility planning is massive on our radar... we have to focus on the horizon."

⁴ [Moving Waikato 2025, Sport Waikato, 2016](#)

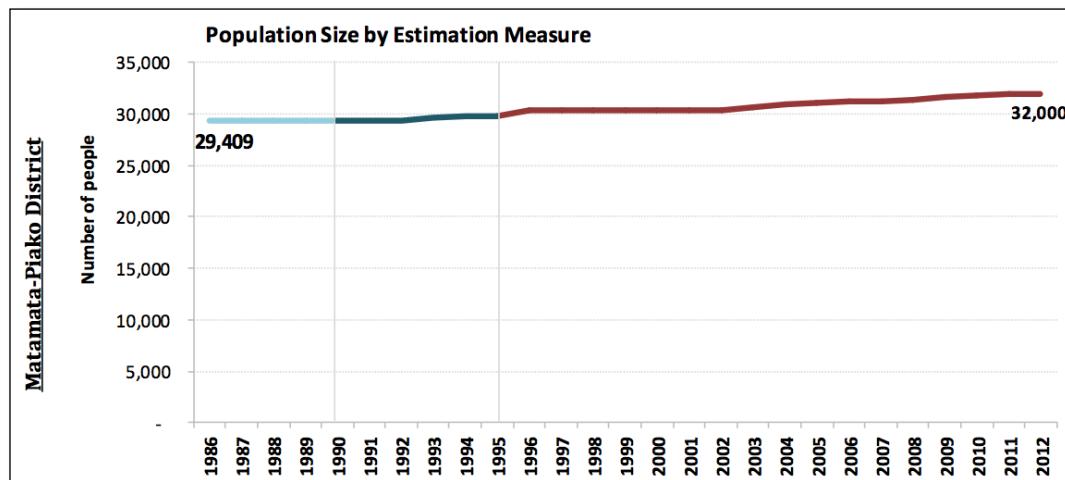
⁵ [www.stuff.co.nz, 20 May 2018](#)

Demographics

- Population in the Matamata catchment has increased moderately over the past 25 years and is forecast to remain stable, or increase slightly over the next 20 years
- Numbers in the over-65 year age group is expected to increase, while all other age groups will decrease

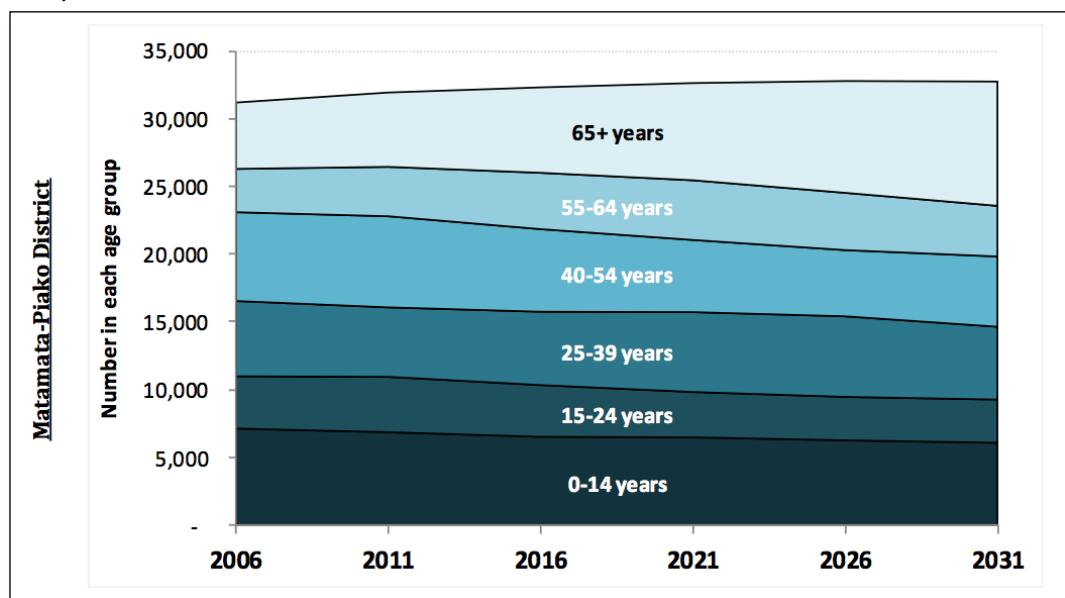
Population

Population of Matamata-Piako District, 1986-2012



Source: MPDC Socio Demographic Profile/Statistics New Zealand, Infoshare, Tables DPE052AA and DPE051AA

Projected change in numbers by broad age group, Matamata-Piako District and Waikato Region, 2006-2031, Medium Series



Source: MPDC Socio Demographic Profile/Statistics New Zealand, Subnational Population Projections by Age and Sex, 2006(base)-2031 (October 2012 update)

Socio Economic Levels

Analysis using the Index of Multiple Deprivation, published in the Waikato Plan 2018⁶, found:

- Matamata catchment has a wide spread of household income, with deprivation levels matching national averages
- Matamata-Piako District has only a small proportion of the population living in the highest deprivation zones, but the majority of those live within the Matamata catchment
- The drivers of deprivation across Matamata-Piako are predominantly access, education, and crime, with access being the highest deprivation contributor. Access relates to population access to community services.

Median district deprivation ranking per domain – Matamata-Piako

Domains	Median district deprivation rank per domain
Health	2050, 15.6% (930 ranks) better than the NZ median
Employment	2522, 7.6% (455 ranks) better than the NZ median
Housing	2694, 4.8% (286 ranks) better than the NZ median
Income	3040, 1% (60 ranks) worse than the NZ median
Crime	3374, 6.6% (395 ranks) worse than the NZ median
Education	4130, 19.3% (1150 ranks) worse than the NZ median
Access	4460, 24.8% (1480 ranks) worse than the NZ median
NZ Median = 2979	

Source: Socio Economic Deprivation in the Waikato Region, The Waikato Plan 2018

⁶ [Socio Economic Deprivation in the Waikato Region, The Waikato Plan 2018](#)

Sport and Recreation Participation in Matamata

The **Sport & Active Recreation Participation Profile, Sport Waikato 2018**, is based on data extracted from the Active NZ Survey conducted by Sport NZ in 2017.

Key findings in regard to residents in the Matamata-Piako District include:

- 53% of people do more than 150 minutes a week of physical activity, which is enough to have a positive impact on their health. This is less than the Waikato average
- 70% want to do more physical activity
- 30% belong to a sport or recreation club (more than the Waikato average)
- In the past 12 months 29% have participated in a competitive event or an organized training event

The Active NZ Survey also found that key drivers for quality recreation experiences include:

- Social environment
- Professional and well managed
- Clean and well maintained facilities
- Being welcoming and friendly
- Providing information when needed
- 79% of adults see physical activity as an essential part of their life
- 82% recognize that being physically active is important for their mental health and wellbeing
- 55% state sport and physical activity gives them motivation and a sense of purpose
- 68% know they should do more physical activity.

Benefits of Sport and Recreation to Communities

The SportNZ commissioned study Value of Sport and Active Recreation to New Zealanders, (Angus & Associates 2017)⁷, found that sport and active recreation contributes in a wide range of ways to individuals, families, communities and the country as a whole.

Benefits of physical recreation and sport include:

- **Personal health and well-being.** There are a wide range of health benefits attributable to participation in physical recreation and sport. These include reducing the risk of coronary heart disease and stroke; helping to combat osteoporosis and diabetes; helping to prevent site specific cancers – particularly in the colon, breast and lungs; helping to prevent and rehabilitate back problems; contributing to mental health and enhancing overall health and well-being – critical to personal quality of life.
- **Physical recreation is a key to human development.** Motor skills (physical), social skills and intellectual capabilities in children are all learnt through recreation, sport and play. In addition physical recreation and sport provide opportunities for adults to develop their full and holistic potential as well as providing exceptional opportunities for life long learning. Enables balanced lifestyles.
- **Physical recreation and sport are essential to quality of life.** Physical recreation and sport build self-esteem and positive self-image – the foundations to quality of life. In addition physical recreation and sport enhance life satisfaction levels and perceived quality of life.
- **Reduction of self-destructive and antisocial behaviour.** Physical recreation and sport help to reduce self destructive behaviour and negative social behaviour (e.g. smoking, substance abuse, suicide and

⁷ [Angus & Associates Value of Sport and Active Recreation to New Zealanders, 2017](#)

depression) in youth. It helps to reduce crime and racism as well as isolation, loneliness and alienation.

- **Improved education outcomes.** Physical recreation and sport enables effective teaching of school curriculum, and enables special programs and courses to be provided.
- **Building strong families and healthy communities.** Physical recreation and sport produce leaders who serve the community in many ways and help to stimulate participation in community life. Physical recreation and sport can also be the catalysts that build strong, self sufficient communities and community pride, improving cohesion, inclusion and wider regional interaction Develops social inclusion, assisting new residents and cultural minorities.
- **Reduction of health care, social service and police/justice costs.** Through its contribution to fitness and well being which reduce both the incidence and severity of illness, physical recreation and sport help to lower healthcare costs. Similarly through its role in supporting families' physical recreation and sport help to reduce the costs of social service intervention and foster care. Physical recreation and sport also play a role in reducing crime and social dysfunction and so reduce police, justice and prison costs.
- **Physical recreation and sport are major economic generators.** In addition to being significant employment generators in their own right, recreation and sport are attractions that draw tourists. Recreation and sport also help to improve work performance, attracts business to a community and aids urban and regional regeneration.

Alignment with Ministry of Education Policy

The MOE is pivotal to the establishment of the proposed facility. The proposed project fits MOE guidelines, and aligns with strategic goals and objective requirements.

MoE National Administration Guideline: Property (Environment) and Finance includes the following:

Strategic Statement:

The board will ensure that all School Property is maintained and ensure the financial resourcing of the school.

Strategic Goal (7):

Ensure effective management of School resources, to maximize positive outcomes for students.

Long Term Goal(s):

To continue to have a school that has effective property management practices.

2015-2019 Objectives:

To follow 10 year property plan and make decisions for future capital expenditure.

To move towards towards (MLE's) Modern Learning environments.

Outcomes:

To raise achievement of all students within a well resourced teaching and learning environment.

A significant milestone has already been achieved with the Approval in Principle by the MOE for the proposed project.

The PWG is focused on establishing close liaison with key MoE personnel and working carefully to ensure it understands and satisfies requirements, and follows required procedure to develop a facility on MOE land, in conjunction with the College.

Matamata College Sports Facility Requirements

Matamata College has a roll of 664⁸ down from 804 in 2015. This decrease has occurred during a period when the overall population of the Matamata catchment is estimated to have grown modestly⁹.

One factor in the roll decrease has been increasing numbers of secondary students attending schools outside Matamata. A lack of sport and recreation facilities, and the opportunities they provide for young people is cited as a reason for this.

Physical education within schools is a core learning area that:

- Promotes new skills, including physical, social and mental skills, associated with physical activity, leading to improved academic, social and health outcomes.

⁸ [ERO Report, 24/1/20](#) Ministry Of Education

⁹ ["Subnational Population Estimates: At 30 June 2019"](#). Statistics New Zealand

- Enhances and extends the use of exercise, sport, deliberate use of play and other forms of physical activity in the individual and social context
- Emphasises the relatedness of physical, social, mental, emotional and spiritual nature of well-being.
- Delivery of New Zealand Qualifications Authority standards for physical education requires appropriate and adequate facilities.

Matamata College has a comprehensive and effective Physical Education curriculum, and a diverse and well organized program of extra curricula sport and recreation activities.

While the College's current indoor sport and recreation facilities are adequate for teaching purposes, they are not suited to a number of popular sports including basketball, volleyball, netball and futsal. Teachers and coaches involved in these sports believe that participation will grow and the school will achieve greater success in competition if a more suitable facility is available.

Discussion with Matamata College Year 12 students¹⁰ showed a strong enthusiasm for a community facility in Matamata that catered to the needs of teenagers.

Matamata College Board of Trustees

The College's Board of Trustees believes that the proposed stadium development will be an important factor in rebuilding the school roll, and is unanimous in its support for the proposed facility.

The BOT provided the following comments in its Position Statement on the Proposal for An Indoor Stadium in Matamata.¹¹

- *The College is an integral part of the community. The involvement and interaction of the college in the community, and vice versa, is a particular focus of the current Board of Trustees.*
- *Thus we see the provision of an indoor stadium with input from Matamata College as a great way to continue this symbiotic relationship and provide for both our school and our greater community.*
- *Having the Indoor Stadium at the College will encourage greater sport participation by our students and encourage healthy, lifelong habits.*
- *Improved facilities such as the stadium will provide more opportunities, and encourage more families to educate their children at local schools.*
- *Shared use of the stadium will increase community connection amongst many different facets of society, including the school.*
- *Communities need facilities and connections for the greater good. We see the Matamata Indoor Stadium as a wonderful way to enhance the Matamata community with a shared goal for the development and provision of an asset for the benefit of Matamata for many years.*

¹⁰ See Appendix 2, Discussion with Kim Lawrence's Year 12 students at Matamata College 16 June 2020

¹¹ Appendix 3

Alignment with Local Government Policy

This proposal aligns well with the Long Term Plan, and the defined community outcomes of the Matamata-Piako District Council.

Matamata-Piako District Council

Long Term Plan 2018-28¹². Of relevance to this project Section 6 – Groups of Activities, of the LTP provides detail for Community Facilities including:

Outcomes

Connected Infrastructure

- *Infrastructure and services are fit for purpose and affordable, now and in the future*
- *Quality infrastructure is provided to support community wellbeing*
- *We have positive partnerships with external providers of infrastructure to our communities*

Economic Opportunities

- *We are a business friendly Council*
- *Our future planning enables sustainable growth in our District*
- *We provide leadership and advocacy is provided to enable our communities to grow*

Healthy Communities

- *Our community is safe, healthy and connected*
- *We encourage the use and development of our facilities*
- *We encourage community engagement and provide sound and visionary decision making.*

The Matamata-Piako District Sports Facilities and Development Plan 2018¹³ is designed to provide direction for future investment and focus for both the Matamata-Piako District Council, Sport Waikato and providers of sport in the district. It seeks to identify opportunities for partner organisations that provide community services in the district, to contribute to sport outcomes. Guidance is based on feedback from sport providers, regional sporting codes, Sport New Zealand, sector data and demographic information.

For Council the Plan provides guidance for facility, place and space infrastructure investment. For Sport Waikato it provides priorities for the delivery of opportunities and services to grow participation.

The Plan includes the following:

MATAMATA INDOOR SPORTS STADIUM

Headon Stadium is Council's only indoor sports facility in Matamata. It has one court and was built in 1974. We are currently planning some major repair and renewal work for the stadium in 2018/19, but this does not include any major upgrade or expansion of the current facility. The 2009 Community Leisure Provision Strategy identified that Matamata could potentially support an additional facility. However, we believe a comprehensive feasibility study should be completed first. The Regional Sports Facility Plan 2014 did not identify a sub-regional need for a new sports facility in Matamata but recommended that we optimise existing assets before we invest in new ones. We are going to proceed with the major renewals and maintenance works to Headon Stadium (up to \$1.5 million) in 2018/19.

¹² <https://www.mpdc.govt.nz/plans/long-term-plan>

¹³ Summary document: <https://www.mpdc.govt.nz/council-documents/plans>

We have also allocated a further \$2 million in 2019/20 to contribute to building a new indoor facility in Matamata (depending on the results of the feasibility study).

WHAT WILL IT COST? *We have allocated a budget of up to \$1.5 million in 2018/19 to complete major renewals and maintenance to the existing Headon Stadium, and \$2 million in 2019/20 for the stadium project in Matamata.*

Alignment with Regional and National Sport & Recreation Organisations

Regional Alignment

This project aligns with the **Waikato Regional Sports Facility Plan 2018¹⁴**, and will assist in delivering that organisation's vision for sport and recreation in the region.

The Regional Sports Facility Plan defines a facility hierarchy that includes international, national, regional, sub-regional and local facilities.

The Plan recommends a “regional funding approach” to assist with the development and operation of international, national, regional, and sub-regional facilities. It also highlights that “local level facilities in particular will likely require rationalisation and optimisation”.

The Plan promotes collaboration between districts when developing new facilities especially indoor court and aquatic facilities.

MPDC was part of the review process in preparation of the 2018 plan.

Regional Sport Strategy (Moving Waikato 2025)¹⁵ is a regional strategy to grow participation in sport, recreation and physical activity in the Waikato . Its vision is: “A healthy, vibrant, physically active and successful sporting region.”

Moving Waikato 2025 is the first unified strategy for sport, recreation and physical activity for the Waikato region. It seeks to build on existing partnerships and to increase the provision of opportunities for both participation and sporting success for the people of the region.

The strategy was developed in collaboration and consultation with key partners regionally and nationally and follows on from evidence gathered to guide and inform strategic decisions.

It provides a vision for the unified leadership of sport, recreation and physical activity in the region and gives focus and clarity towards 2025.

MPDC has endorsed this strategy and has developed a District sports plan to address local level needs.

National Alignment

Sport New Zealand

This project aligns closely with Sport New Zealand's strategy.

Sport NZ is a key high-level stakeholder in the development of sports facilities in New Zealand. Many of its strategies are directly influential, support and provide assistance with this project, both directly, and through Sport Waikato.

The Sport NZ Strategic Plan 2015-20¹⁶ states:

Sport and recreation will take place in communities all over the country in many different ways, at many different levels and with the support of many different groups and individuals. We will encourage and

¹⁴ <https://www.sportwaikato.org.nz/getmedia/938bc8d7-abaf-411c-b5cc-03d264350a15/2018-Waikato-Regional-Sports-Facilities-Plan-SUMMARY-Document.pdf.aspx?ext=.pdf>

¹⁵ <https://www.sportwaikato.org.nz/about-us/movingwaikato.aspx>

¹⁶ <https://sportnz.org.nz/assets/Uploads/attachments/About-us/Sport-NZ-Group-Strategic-Plan-2015-2020.pdf>

support it all; however, we will focus our investment and resources in the areas of the system where we can make the most difference.

We believe that if New Zealanders are to continue to participate and win in sport all young people must develop the skills and confidence needed for lifelong involvement. We need strong clubs and strong competition pathways, and we need to reduce barriers to participation. And we need Kiwis to continue to win on the world stage, so future generations are inspired to do the same. Our focus areas are:

1. Young people: *Developing a love of sport at an early age is more likely to encourage a lifelong participation habit. A focus on developing physical, social and emotional skills through a 'physical literacy approach' will ensure all Kiwi kids have the skills and opportunities they need to be involved in sport for life.*

2. Local delivery (particularly in low-participation communities): *The opportunity exists to increase sport uptake by improving local delivery. We will identify and prioritise population groupings where there is low or declining participation, and where barriers to greater participation exist.*

3. Competitive Sport

4. Leading high performance

The National Facilities Strategy for Indoor Sports (Aurecon 2013)¹⁷ is a key reference document produced by Sport NZ that sets a long-term direction for the provision of indoor sports facilities around New Zealand. Key points include:

- *The pattern of indoor sport in New Zealand is changing rapidly and reflecting different work patterns, urbanisation and population growth.*
- *There is increasing preference for indoor sports, and for playing new versions of outdoor sports indoors. Analysis of secondary school sports, which provides the best longitudinal research, shows strong growth in indoor sports at the expense of outdoor sports. This is likely to increase participation in a range of codes, increase demand for indoor facilities and increase overall participation rates in sport.*
- *The benchmark guideline is 1 indoor court per 10,000 people. Many provincial regions in New Zealand have a network of small rural townships, commonly with a population of approximately 10,000 which are providing servicing support for a hinterland of farming communities. It is realistic for these communities to have indoor facilities and these communities are skilled at developing facilities via partnerships to meet their needs and the distribution of smaller facilities is therefore widespread. In recent years a "sportsville" model of facility development has been promoted to offer a shared resources concept with the aim of being more cost effective and sustainable over time.*
- *How sports facilities perform is key to increasing utilisation levels with community and competition organisers reliant on well-designed facilities that can meet the needs of all the users. Research has highlighted that focusing on providing significant flexibility in the main sporting requirements (court layouts and changing rooms) goes a long way to ensuring that the facilities are well utilised.*
- *The most common use by the community for indoor sports facilities is as part of a team game or sport, organised via the local centre. There is a growing trend for 'spur-of-the-moment' or casual use, in the way the public may visit pools or beaches for casual recreation. Many facilities are providing this option to increase utilisation of their facilities.*

¹⁷ <https://www.education.govt.nz/our-work/legislation/nags/>

- *The demand for indoor facilities is highly dependent on the age profile of the community. The regions with static but ageing populations are likely to have a declining demand for indoor facilities.*
- *There is a significant risk that the current network of facilities will not meet the needs of a rapidly aging population.*
- *The decline in participation with increasing age is rapid with participation in the 45 -64 year age group totally around one-ninth the rate in the 16-24 age groups. This makes the demand for indoor court facilities highly dependent on the specific sport which the user is participating in, and the age profile of the community. It further presents a challenge and an opportunity to sport codes and facility operators to increase participation amongst the older age groups with identified programmes and activities.*
- *Considerations for improved access and aligned programmes have to become standard practice to attract participation amongst an older age group. This also creates greater opportunities for asset owners with potential additional income streams.*
- *Research into the needs of the over 65 age group shows they are significantly more sensitive to comfort in their leisure decisions. They are more likely to seek central facilities, good car parking and better shower and changing facilities. The ability to have refreshments afterwards is also important. The functionality of the facility is therefore likely to be a major determinant in promoting participation and increasing activity in line with Sport NZ growth targets. If New Zealand is to achieve the Government driven objective of further increasing activity levels then the quality of facilities will need to be improved, along with new programmes to improve participation in this age group.*

Sport NZ's Community Sport Strategy 2015-20¹⁸ sets out its vision and approach to developing sport at community level. It provides insights that support the development of the Matamata Indoor Sports Stadium. It also includes direction and guidance as to the form and function of it.

It noted:

Demographics - *Urbanisation an ageing population and increasing ethnic diversity are changing the demand for Community Sport and the way Kiwis participate. There are now 213 ethnic groups in the country, with an increasing number of people identifying with multiple ethnicities. Thirty-seven percent of people living in Auckland were not born in New Zealand.*

The Consumption of Sport - *People are fitting sport into increasingly busy and time-fragmented lifestyles; demand for individualised sport and physical activity is on the rise, while demand for team and organised sport is declining. Over any 4 weeks, about a third of participants still belong to a sport and recreation club. However, traditional sports club membership is down in the last 6 years, and gym membership is up.*

Young People and Sport - *Young people have increasingly sedentary lifestyles with more entertainment options involving 'screens'. Having the right quantity and quality of PE and sport in schools is more important than ever before. On average, Kiwis aged over 12 spent over 80% of their leisure time on passive media and social entertainment activities.*

Connection - *Technology and digital connectivity are changing the way, and the speed at which, we communicate. Almost two-thirds of Kiwis own or have access to a smartphone (59%). Over three-quarters of New Zealanders have internet access (77%).*

¹⁸ <https://sportnz.org.nz/about-us/our-publications/our-strategies/community-sport-strategy/>

The Offering of Sport - There is greater demand for a diverse range of sporting opportunities to meet individual preferences and health and lifestyle needs. Over 100 different activities were identified as sport and recreation activities people do in the 2013/14 Active NZ survey.

The Structure of Sport - New organisational forms, partnerships and capabilities are required to create innovative approaches to delivering sport. An estimated 52,200 people work in sport and recreation industries.

The Community Sport Strategy also defined:

2 Strategic Outcomes:

1. More kids in sport and recreation – 90% of school aged children taking part in 3 + hours of sport per week
2. More New Zealanders involved in sport and recreation – an increase in adult participation and volunteering

3 Focus Areas:

1. School aged children – focusing on ensuring young people have skills they need to be involved in sport for life.
2. Local delivery – improving connectivity of all those involved in local delivery of sport, particularly in low participation communities.
3. Competitive sport

5 Strategic Priorities:

1. Insights – a well informed participant focused sporting system
2. People – a network of skilled people delivering to and supporting individuals
3. Spaces and places – more and better places for people to play sport
4. Partners/providers – a network of partners of sport providing relevant sport experiences, including sports hubs, community sport capability
5. Pathway – providing relevant opportunities and experiences to participants that encourage ongoing participation

This project clearly aligns with SportNZ's Community Sport Strategy.

Conclusion

Societal trends affecting community sport, recreation and health make this an especially relevant project.

The implications of forecast demographic changes in the Matamata-Piako District, and the benefits that can flow from developing sport and recreation in communities, mean that this project could have significant impacts over the next several generations.

This project will enable realisation of key strategic imperatives for each of the major stakeholders.

1. The Ministry of Education's key interests are in ensuring that the school's resources are effectively managed while maximising positive outcomes for students. The Ministry of Education has provided its support in principle to the project.
2. Matamata College's Board of Trustees believes the stadium is significant in its goal to strengthen the College's links with community, improve outcomes for students and build the school's roll.
3. Matamata-Piako District Council has specific goals in its LTP which this project aligns with. These are mainly related to the provision and support of facilities, and services that promote and benefit the community.
4. The facility could play an important part in helping reduce or reverse the forecast population declines in the Matamata catchment.
5. SportNZ leads and manages sport in New Zealand. Its Community Sports Strategy defines 6 trends, challenges and opportunities, and 5 strategic priorities, for sport in New Zealand. This project is directly relevant to each one of those.
6. Sport Waikato is the regional sports organisation that delivers the SportNZ vision across the Waikato region. It has a strong commitment to sport at the community level. Sport Waikato has provided guidance and support in developing this project to date.
7. The Regional Sports Facilities Framework defines the region's vision for an effective facilities network in the region. The Matamata Indoor Stadium project fits within this framework.

Financial Case

See the attached Financial Analysis document for detailed forecasts, assumptions, sensitivity analysis and financial risk analysis.

Capital Development

Capital Fundraising Strategy

There are strong indications that this project will satisfy the requirements of key funders and attract sufficient capital.

Key elements of an effective fundraising strategy will be:

- A strong, convincing case based on community benefit, aligned with the criteria of specific funders
- A clear vision: (“*A thriving facility that inspires health, wellbeing & stronger communities for future generations*”)
- A well-crafted communication strategy and brand, and supported by a story that people relate to
- Securing the support and commitment of key stakeholders
- A communication plan that engages stakeholders at different levels, delivers a consistent message, and which effectively counters the strongest arguments against the project
- Enlisting and using the support of key influencers, including high profile community members, community, business and sports leaders
- Identify and understand requirements of the full range of potential contributors
- Research and understand potential funding streams including community funders, gaming trusts, Lotteries, commercial sponsors, benevolent trusts, local donors
- Create range of opportunities for contributions at different levels, from high level charitable funders and commercial sponsorship to lower level, local involvement
- Direct, early engagement with key prospects to develop rapport and build relationships.

Funding

A funding plan has been developed to raise the estimated \$6 million capital cost.

Total Cost

Prior to a cost estimate based on the Concept Plan which is due September 2020 the estimated capital cost is \$6 million. This is based on a square metre rate of \$2,700 psm for a 2,200 sqm building. Fitout is expected to cost a further \$200-400k.

Funding Strategy Description

Key points of the funding strategy adopted by the PWG include:

- Commitment from the local community is critical. Community funders will look for commitment from local community. This has already been satisfied with contributions to date. \$2.9 million (48% of the budgeted capital cost) has been committed already.
- Although many local businesses are currently suffering effects of Covid-19 there are a number of well-established businesses locally who could be supportive. Same applies to High Net Worth Individuals and philanthropic trusts.
- Involvement of members of PWG in identifying and contacting potential funders in community is critical.
- Maximising local support will require coordinated, well thought out key messages and communication strategy, including production of well written prospectus, and appropriate

approaches by members of PWG. Professional assistance should be engaged to assist with key messaging and communications.

- Effort should be put into developing a simple brand that builds identity of the project.
- Messaging should focus on benefits that this project will deliver to the community.
- Households and small businesses in the community should be targeted towards the end of funding program once bulk of capital requirements are covered, for specific costs and fitout. This should coincide with increasing local publicity and heightening interest and excitement around the project.

Targeted Sources of Funding

	Target	Secured	
Matamata-Piako District Council	\$2m	\$2m	Already committed via LTP
MOE/School BOT	\$500k		
Local High Net Worth Donors	\$1.25m	\$900k	Identified and targeted by PWG and local contacts
Local Businesses	\$200k		Identified and targeted by PWG and local contacts
Naming Rights	\$500k		Identified and targeted by PWG
Trust Waikato	\$700k		One round per year. Application due 12 June 2021
Lotteries Significant Projects Fund	\$600k		One round per year. Applications due February/March, decision June. Normally wants to be final funder, so need to have balance of funding secured
Local Philanthropic Trusts	\$200k		Identified and contacted via local solicitors and accountants
Local Licensing Trusts	\$50k		Identified and targeted by PWG and local contacts
Total	\$6m	\$2.9m	

Operational Viability

Forecast of revenue based on expected use and additional revenue streams indicate that total revenue income in Year 1 should be approximately \$370,000, and remain at approximately that level to Year 5.

User Revenue

Revenue from hire and direct charges to facility users is forecast to be approximately \$183K under a Mixed model, and \$102K under a Hire Only model. These forecasts are based on detailed consultation with potential user groups, and analysis of comparable facilities.

The exact breakdown of income from hireage versus income from managed programs will largely depend on decisions by the Trust around the preferred operating model.

Revenue could be maximized by increasing the number of managed programs (ie Pay-to-Play competitions, exercise programs etc). To do this the availability of the facility for hire by private groups would need to be limited.

Forecasts have been based on a compromise situation aimed at providing private user groups with close to their preferred scheduling, while also allowing two nights per week for Pay-to-Play scheduling.

Whatever mix of Hire and Managed Programs is chosen revenue from these sources will be insufficient to cover total operating costs and depreciation (expected to be \$375K/\$448K)*.

*Figures expressed in this way refer to Hire Model/Mixed Model

Other Income

In order to cover operating costs, over half of all income is expected to come from sources other than charges to users.

Operational Sponsorship – forecast to provide \$50,000 per year. This is likely to be one or more local businesses paying for naming rights and similar commercial or philanthropic sponsorship. This amount might be increased with an effective promotional program by the Trust. Attracting financial support from the local community will be an important role of the Trust. Promoting and sourcing commercial sponsorship could also be part of the facility manager's role.

Operational Grants - \$50,000 per year until Year 3. This includes grants for salaries and wages from community funders such as Trust Waikato and Lotteries prepared to support the facility through its initial start-up phase.

School Operational Contribution – it is anticipated that the college will contribute approximately \$40,000 from its operational grant towards the operating expenses of the facility. The exact level of its contribution will be a matter for negotiation and should be detailed in the partnership agreement between the Trust and the MOE/college.

Council Subsidy – MPDC is very supportive of this project. As well as the \$2 million it has committed to the build, it is likely to contribute to operational costs. It currently funds the Te Aroha and Morrinsville facilities. These contributions amount to approximately \$100,000 per year, net of interest and depreciation costs, for each facility. MPDC also funds Headon Stadium. In the 2018/9 year this amounted to approximately \$15,000, net of interest and depreciation.

The Te Aroha, Morrinsville and Headon facilities are council owned. Being a privately-owned community facility the Matamata Stadium will need to negotiate with MPDC for an operational grant. This could be on the basis of a provision of service contract, possibly tied to agreed use targets and public good measures.

Council Provision of Services Contract – It is anticipated that the Trust will negotiate a contract with MPDC to deliver recreational programs to the community which enable delivery of Council's mandated community outcomes (see page 35).

Expenses

Total operating expenses are expected to be approximately \$245/318K in Year 1 increasing to \$268/346K by Year 5.

Under the Mixed model just over 56% of expenses are expected to be staff costs. This compares with approximately 60% at The Peak, Rototuna.

Other forecast operating expenses are based on comparable facilities, and have been reviewed by Liz Cann at The Peak, Rototuna and John Latimer, CLM Services.

Forecasts include a provision for depreciation of \$130,000 per year. The Trust should seek professional advice on depreciation and tax.

Operating Surplus/Deficit

Under current assumptions forecasts indicate a pre tax and depreciation cash surplus of approximately \$106/\$114k in years 1 – 3.

Net position after Depreciation is forecast to be (\$23K)/(\$15K) Year 1, increasing to (\$7K)/\$43K Year 3.

Net position decreases by \$50K/year after the forecast Operational Grants cease from Year 4.

Depreciation

Further research and professional advice is required to clarify how depreciation should be treated and the implications for cashflow and viability.

Impacts

The most significant potentially adverse impacts of the proposed facility include:

Headon Stadium

Headon Stadium, which is currently being renovated, is a relatively small facility, with some significant limitations as an indoor facility. It is not suitable for most ball sports due to its small court size and low ceiling.

It is however suitable for a range of recreational activities including gym sports and gymnastics, small scale ball sports, and practices for sports teams, which don't require large spaces and have smaller numbers of participants.

There is potential for Headon to be adversely affected if it continues to be administered by MPDC separately to the new facility.

Under the proposed management plan for the new facility it is envisaged that management of Headon Stadium could be contracted to the Matamata Sports Stadium.

As discussed above there is potential for development of a Matamata Sports Hub enabling administration, promotion, staffing and timetabling of both facilities to be coordinated with the intention of increasing efficiency and better providing for all users, and increasing community benefit. MPDC has indicated that it supports this concept.

See Headon Stadium Usage Appendix 4.

Local Neighbourhood

The new stadium will increase local neighborhood traffic, particularly on Station Road. Local residents have expressed some concern about this, particularly in regard to potential parking and safety issues, noise and possible vandalism.

The PWG has initiated a neighborhood consultation program to keep residents up to date with plans, discuss their concerns and ensure that specific concerns are mitigated as the facility plans are developed. The PWG believes it has allayed concerns and at this stage local residents are supportive of the project.

Consultation will continue in the form of regular meetings and updates as designs are developed.

Facilities In Other Centres

Currently competitive sports participants travel from Matamata to play netball, futsal, volleyball, gymsports, table tennis and basketball in other centres, particularly Morrinsville and Te Aroha.

A new facility in Matamata will change this pattern, and have relatively minor affects on the numbers of sports people using those facilities. It will also mean that for some sports, particularly at higher levels, participants from those centres will travel to Matamata for some competition games.

Risk Analysis

A number of risks have been identified. Their assessed probability and impact, and mitigating strategy, are summarised in the following table:

Area of Risk	Level of probability of occurring	Degree of impact on project	Mitigation
Planning Phase			
Negative publicity	Medium	Medium	Clear, effective communications and public relations strategy
Planning issues - RMA	Low	Low/Medium	Engage competent consultants. Effective and thorough planning
Negotiating agreement with MOE	Medium	High	Reaching a suitable agreement regarding facility ownership and governance.
Issues sourcing Capital Funding	Medium	High	Expert advice, thorough planning, compelling story and strategy
Matamata-Piako District Council buy-in	Low	High	Prove community benefits and sustainability of project
Scope creep	Low	Medium/High	Develop and maintain clear vision. Effective Project Charter. Good leadership.
Scope clarity	Low	Medium/High	Develop and maintain clear vision. Effective Project Charter. Good leadership.
Traffic management - parking	Medium/High	Medium/High	Adequate planning
Time delay	Low/Medium	Medium/High	There is some expectation and acceptance of delays during planning phase. Prudent management and focus.
Trustees selection	Low/Medium	High	Appropriate candidate identification. Convincing case for involvement based on community benefit, and personal satisfaction of involvement
Design effectiveness	Low	High	Thorough research, stakeholder consultation, design brief, appropriate consultants and designers
Ownership structure	Low	High	Careful consideration of options, research, sound advice
Community rejection	Low	High	Thorough consultation. Clear, effective communications and public relations strategy.
Build Phase			
Geo technical issues	Medium	Low/Medium	Thorough research. Good consultants.
NES (contamination) issues	Medium	Low/Medium	Thorough research. Good consultants.

Head of Contract failure	Low	Medium/High	Careful planning, contractor selection, project management and appropriate contracts essential
Time delay	Low	Medium/High	Careful planning, project management and appropriate contracts essential
Archeological issues	Low	Medium/High	Good Iwi relations. Good PR and communications
Communication issues	Low/Medium	High	Effective relationships between key stakeholders, good project management.
Operational Phase			
User group conflicts	Medium	Medium	Effective management and stakeholder consultation. Effective Partnership Agreement.
Alignment with community needs	Low	High	Effective governance management and stakeholder consultation.
Operational funding	Medium/High	Low/Medium	Quality governance and management. Demonstration of ongoing value to maximise funding support.
Competing facilities	Low	Medium/High	Focus on core business and maximising service and value to community and stakeholders.
Lack of user group engagement	Low/Medium	Low/Medium	Effective management and stakeholder consultation.
Damage/fire/vandalism	Low/Medium	Medium/High	Appropriate insurance. Promote community pride in facility. Adequate alarm and prevention systems.
Sourcing Trustees	Low/Medium	High	Appropriate candidate identification and succession planning. Convincing case for involvement based on community benefit, and personal satisfaction of involvement
Natural disaster	Low	High	Design for earthquake and fire risk, away from flood zone
Legislative change	Low	High	Deal with it if it occurs.

Key Sensitivities

Design

The process of developing a design that suits the current and likely future needs of stakeholders is critical.

The concept design stage provides the opportunity to develop the design in general terms for the purposes of consultation, expanding understanding of how the facility will function and focusing on detailed design. The concept design will also provide a detailed cost estimate and project proposal to base further planning on.

The PWG has engaged Apollo Projects for the concept design phase.

Once concept design is complete further consultation with stakeholders will be important to refine the design.

Capital Cost

Until a concept design is finalised and accurate cost estimates provided, the capital cost can only be forecast based on square metre rates and comparison with similar projects.

Current forecast cost range is \$5.5 – 7 million.

Community Contribution

The project will not proceed without funding support from the Matamata-Piako District Council and the wider Matamata community. Their commitment will be essential in order to get support from community and corporate funders.

It is significant that MPDC has already committed \$2 million to the project, and a private donor has committed \$900k

This is an ambitious project which if successful will produce a significant facility that has wide benefits. Charitable trusts and other community funders are more likely to support it if they can see commitment in the community by MPDC, and local sponsors and businesses.

Operating Expenses

Planning and forecasting to date indicates that the facility is unlikely to be self-sustaining from user charges. Adequate ongoing subsidisation by local council and community funders will be necessary, and is normal for this type of community facility.

Depreciation

Allowance has been made for depreciation of \$130,000 per year on a flat line basis. Further research and professional advice is required to clarify how depreciation should be handled. This will be affected by details around ownership and will impact cashflow and viability.

Forecasting Future Demand

Demographic forecasts indicate that the population of is unlikely to grow significantly over the next couple of decades. The average age will increase, with more people aged 65 and older. These changes will affect the use of the facility.

Adaptation to changing needs and new trends in sport, recreation, exercise and health will be essential for the sustainability of the facility.

Development of appropriate community facilities and services could make the region a more attractive place to live, assist in encouraging population growth, and belie the forecasts.

Appropriate Management and Operating Model

The proposed management model (mixed rental & managed programs) will require adjustment and change for the current users of local indoor facilities.

Establishing the right mix of facility hire and managed programs will require planning and negotiation, and probably ongoing adjustment.

Currently most recreational sports rely heavily on key volunteer organisers and a DIY approach to competitions, providing managed programs would involve a more structured and professional approach. It will likely take some time for sports groups to understand the opportunities and benefits that a more structured, program based approach will provide.

Effective communication and promotional strategy will be important to gain community support during the development and establishment stages of the project.

Ownership

Agreement around ownership of the facility is still to be determined. This report proposes that the facility will be owned by the MOE.

Effective Governance

Under the proposed ownership and governance structure the facility will be overseen and operated by a Trust, made up of stakeholder representatives. A partnership agreement will set out the terms and responsibilities of the parties. It is essential that this agreement is carefully negotiated and clearly understood.

It is also critical that this board is well led and that its members provide a range of appropriate skills to contribute to the facility's success.

The board must be dynamic, maintain an effective and supportive relationship with the facility management, and focus on long term sustainability through sound business practices.

Management Appointment

Employing a capable, experienced facility manager will be important. The manager must be capable of developing successful managed programs, and have a business focus on maximizing revenue and controlling operating expenses.

Fundraising

Capital fundraising should be carefully planned. There should be focus developing effective messaging and project branding to optimize stakeholder commitment. Care should also be taken to avoid overlap with current fundraising efforts by Pohlen Hospital in Matamata.

Appendices

Appendix 1

Consultation

Consultation included input from following:

Netball	Sylvia Smith, Lou Beer, Linda Lee, Kim Lawrence Delwyne McNeill
Basketball	Mary Cobham – Matamata Basketball Kim Lawrence – Matamata College PJ Pemberton – Waikato Country Basketball
Volleyball	Andrew Kilham Matamata College
Futsal & football	Dwayne Barlow, Matamata Swifts Scott Parsonage, WaiBOP
Martial arts	Danie Van de Linde
Table tennis	Lyall Wilson
Badminton	Sheree Hart
Marching	Trish Wilcox
Gymnastics/Gym Sports	
Matamata College	Principal Alan Munro HOD Phys Ed Wendy Davidson
Table Tennis	Lyall Wilson
Morrinsville Stadium	Manaia Te Wiata
Te Aroha Stadium	Manaia Te Wiata
ASB Stadium, Te Awamutu	Merv Gyde, Chair Waipa Facilities Trust
Tamaki Recreation Centre	Lee Jones, former Manager
Rototuna The Peak	Liz Cann, Manager
Jack McLean Centre, Thames	Maria Baird, Thames Valley High School
Matamata Iwi	Representatives of Ngati Haua, Ngati Hinerangi, Ngati Raukawa
MPDC	Manaia Te Wiata Councillor Adrienne Wilcock
Matamata College	BOT Chair Craig Alexander BOT Member Dave Keenan
CLM Ltd - Facilities Management Services	John Latimer, Director
Ministry of Education	Peter Hannam, Property Advisor
Sport NZ	Jamie Delich, Facilities Consultant
Station Road Neighbours	

Appendix 2

Discussion with Kim Lawrence's Year 12 students at Matamata College 16 June 2020

This group of approximately 20 students were very enthusiastic about the prospects for an indoor facility.

Key points:

- Managed Programs (including Pay-To-Play) would be popular. Possibly a regular Friday night event. A significant limiting factor in participation in sport in Matamata is lack of volunteers (coaches, supporters, drivers) to enable teenagers to participate in sport and recreation activities. As there is currently no local facility all indoor sports (competitive and non-competitive) require travel to other centres.
- Gym sports (competitive and non competitive) have also been very popular in Matamata in the past but have declined due to lack of volunteers.
- Te Aka Matua which is Maori-based social sport and leadership program has been very popular but no longer offered at Matamata College. It ran as pre school activity 1 -2 times per week and usually attracted 20+ students. Would be good to get it going again.
- There is real need for social/non-competitive activities which enable local teenagers to meet up and socialize. Not everyone wants to compete, and even competitive sports people see social sports as fun and good way to hang out with friends.
- Space needs seating, somewhere to buy food and drinks.
- Volleyball, basketball, touch and futsal would likely be very popular.
- A climbing wall would be very cool. Doesn't need to be a high one requiring ropes and safety. Some walls are only couple of metres high – along exterior wall of building. A full size climbing wall inside would also be worth looking at.
- Dance, jazz, music-based exercise space would be good. Needs wall mirrors.
- It would be great for Matamata College to be able to host visiting teams for indoor sports, especially volleyball – adds to school morale.
- Stadium would be really good for annual whanau games which already uses lots of school facilities and attracts several hundred people.

Appendix 3

28/5/20

Matamata College Board of Trustees Position Statement on Proposal for an Indoor Stadium in Matamata

The Matamata College Board of Trustees is unanimous in its support of the proposal for an Indoor Stadium in Matamata.

Matamata College is a decile 6 school serving a rural based community which includes a wide cross section of the socio-economic spectrum. The roll is around 700 students.

The College is an integral part of the community. The involvement & interaction of the college in the community & vice versa is a particular focus of the current Board of Trustees (BOT). Since taking office 12 months ago this BOT have been particularly proactive in encouraging a greater connection between the school & the community at large to foster a symbiotic relationship. A strong community needs a strong school.

This relationship is very important as the school relies on the community for support. The school provides a hub for many people to interact & at many levels. The community needs a positive school for education of whanau, for potential employees & the encouragement of good citizenship.

Over the last 12 months we have been encouraged by the level of community support & enthusiasm for new initiatives to foster greater connectivity. Frequently this support is from organisations & businesses outside of the typical school circle. Thus we see the provision of an indoor stadium with input from Matamata College as a great way to continue this symbiotic relationship & provide for both our school & our greater community.

The school has offered the school grounds as a site for this stadium. We are very fortunate that we have a large area of school fields so we can provide space without greatly compromising existing sports fields nor congesting our current traffic infrastructure. We are aware that the school/community partnership encourages the involvement of other organisations (eg Sport Waikato).

Having the Indoor Stadium at the College will encourage greater sport participation by our students & encourage healthy, lifelong habits. Currently our facilities are limited by area & therefore limit the amount of sport which can be played & the variation of sports which are available. The stadium will address these issues. Further, the facility will be within easy walking distance & access of another 3 schools who will also use the stadium.

Improved facilities such as the stadium will provide more opportunities, and encourage more families to educate their children at local schools.

Many of our school graduates leave school & enter meaningful employment locally (eg in trades, farming etc). Having a facility like this available for all of the community will provide the

opportunity & encouragement for these individuals to continue to participate in sport & recreation & retain connections to the school & community. Likewise, the wider community in general will use the stadium, fulfilling the need of this facility. This shared use of the stadium will increase community connection amongst many different facets of society, including the school.

In our opinion the events of the last few months have highlighted the importance of community. Communities need facilities & connections for the greater good. We see the Matamata Indoor Stadium as a wonderful way to enhance the Matamata community with a shared goal for the development & provision of an asset for the benefit of Matamata for many years.

Appendix 4

Headon Stadium Usage

The most recent user data available for Headon Stadium is for the 2015/6 year.

Main users were:

- Badminton 25%
- Netball 21%
- Soccer (changing rooms only) 15%
- Basketball 11%
- Gymnastics 7%
- Cricket (changing rooms only) 4%

Bookings/Month	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16		
Badminton	14	3	1	2	2	4	14	13	11	15	14	12	105	25%
Gymnastics	5	1				1	1	5	4	2	5	4	28	7%
Soccer (changing rooms only)	13					8	8	9	9	8	9		64	15%
Basketball	14	4	2	5	2	3	3	6	4	1	3		47	11%
Miniball												10	4	14
Netball	6	1			1	12	9	15	14	13	11	4	86	21%
Sport Waikato Holiday Program											2		2	0%
Cricket (changing rooms only)	4	3	3	4	4								18	4%
Bowls	2						1	1		1			5	1%
Bootcamp	1												1	0%
Futsul	2	3								1	1		7	2%
Mini soccer												3	3	1%
Sports Activities	1		2	1		3	3	6	2	3	3	3	24	6%
Twilight Market	1												1	0%
Birthday games										1			1	0%
After School Program							4	8					12	3%
	52	20	9	12	10	32	39	56	57	46	55	30	418	
Fees Received														
To June 2016												\$14,386 (\$48/session)		
July 2016 to Sept 2016													\$7,434 (\$57/session)	
Total Fees												\$21,820		
Sessions												418		
\$/session												\$52.20		

Appendix 5

MPDC Facilities Revenue and Expenditure 2018/9

	<u>2018-2019 Year</u>			
2018-2019 Revenue and Expenditures	MV Events Centre	Headon stadium	TA Events centre	Total
Revenue	37,485	4,817	52,946	95,249
Direct Expenditure	71,638	10,630	96,678	178,947
Indirect Expenditure				
Overheads	7,961	2,242	10,744	20,946
Depreciation	105,444	53,697	119,552	278,692
Building Maintenance	22,671	2,961		25,631
External Interest	917	1,287	20,678	22,882
Internal Interest	4,331	6,079	97,690	108,100
Sum of indirect expen	141,323	66,266	248,663	456,252
Profit(Loss)	-175,476	-72,079	-292,395	-539,950