Kauri Coast Community Pool

Operating Grant Review and Business Case

A Community Asset Solutions Investigation

March 2025

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KAIPARA DISTRICT
Kaipara te Oranganui • Two Oceans Two Harbours

COMMUNITY ASSET SOLUTIONS

Document Information

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Reading this Busines Case

- The business case report is herein referred to as the report.
- This report is based on the modified NZ Treasury 'single-stage business case' model.
- Level 3 numbering (e.g., 1.1.1) used for referencing is not included in the Table of Contents.
- Each section commences on a new page.
- Kaipara District Council is shortened to KDC.
- Kauri Coast Community Pool is shortened to KCCP.
- Kauri Coast Community Pool Trust is shortened to KCCPT.
- Community Leisure Management is shortened to CLM.
- Community Asset Solutions is shortened to CAS.

Acknowledgements

This report has been collated by the Community Asset Solutions team in partnership with many collaborators. We would like to thank the following for their invaluable contribution.

- Kaipara District Council – Elected Members, Hayley Worthington, Mark Schreurs, Jenny Rooney, Logan Pirini
- Sport Northland – Stu Middleton
- Sport New Zealand – Mark Bowater
- Community Leisure Management (CLM) – Rain Taylor and Rebecca Read
- Kauri Coast Community Pool Advisory Committee – Liz, Lynley, Jemma, Sam
- Kauri Coast Community Pool Trust (KCCPT) – Gordon Lamberth

Disclaimer

1. Executive Summary

1.1.1 KDC is undertaking a review of the annual subsidy it provides to Sport Northland as the owner of KCCP.

1.1.2 As part of this review, the business case was tasked with providing an assessment of the current facility condition, provision of services, current operations and ownership of KCCP.

1.1.3 KCCP is a large format aquatic facility with an open-air 50-meter and separate hydrotherapy toddler pool that is enjoyed by an appreciative community and is "easily one of the smartest looking facilities in Dargaville!" (anon)

1.1.4 KCCP plays a critical role in providing a safe and fun environment to participate in a range of aquatic activities, increase aquatic competence and improve community health and wellbeing. Interestingly, the Kaipara West area does not feature in Water Safety NZ's drowning insights report[1] searched by this report.

1.1.5 Since it opened in January 2010, KCCP has welcomed more than 350,000 visitors, a commendable achievement given the facility opens seasonally[2].

1.2 Key Findings

1.2.1 A condition assessment of the facilities at KCCP was undertaken with the general facilities assessed as in a 'good' condition, however the pool operating plant was assessed as in a 'poor to very poor condition.

1.2.2 The condition of the pool operating plant has likely led to sub-optimal pool performance and high operational expenditure.

1.2.3 The condition assessment supports the cost estimate for plant renewals as provided by CLM recommending $165k, however it should be further tested.

1.2.4 During the facility condition assessment, there was no evidence of an asset management plan or a long-term maintenance plan to address programmed maintenance and renewals. Maintenance is largely reactive.

1.2.5 The current owner, Sport Northland, has limited resources and expertise to invest in capital renewals and maintenance at KCCP for the long term.

1.2.6 The recent ownership transfer of the Whangārei Aquatic Centre (WAC) from Sport Northland back to the Whangārei District Council (WDC) has led Sport Northland to consider relinquishing ownership and management of KCCP.

1.2.7 The current pool operator, CLM, has over 28 years of expertise in aquatic facility management, ensuring that KCCP operates in line with best-practice standards.

1.2.8 KCCP currently operates as a seasonal pool, however, could provide tangible benefits to the community if the hydro/toddler pool opened year-round. Additional capital improvements would be required to improve user experience for winter access i.e., enclosing the pool.

1.2.9 Community advocacy for KCCP is very strong with a passionate and loyal user group advisory committee in place to provide insights and support and to meet the needs of the community.

[1] https://www.watersafetynz.org/drowning-insights

[2] Generally open from November to April each year.

1.3 Key Recommendations

1.3.1 The report recommends two principal investment options for the 2025/26 year:

i. Continued Subsidization
- KDC should maintain its financial support for KCCP, recognizing it as an essential component of community infrastructure and a premier aquatic facility.

ii. Comprehensive Analytical Report (see also ownership recommendation four below)
- Commission a detailed analytical report to provide customized recommendations for KDC's future actions.

1.3.2 The rationale for this two-part principal recommendation is supported by the findings and recommendations of the Northland Aquatic Facilities Plan 2023 and a 'fear' that revoked or reduced funding from KDC would jeopardize the future existence of KCCP.

1.3.3 In addition, this report outlines five additional recommendations categorized into key areas for consideration and review.

1.3.4 The additional recommendations offer both short-term and long-term perspectives, necessitating further evaluation of the recommendations outlined in the Northland Aquatic Facilities Plan 2023 to suit the needs of the Kaipara district.

1.3.5 CAS also advocates for hybrid options and solutions, as they often offer the most effective solutions within the context of this report.

1.3.6 Implementing these recommendations will ensure that KCCP continues to serve the community effectively and that KDC's decisions are informed by thorough analysis.

1.4 Future Options

3.2.1 The options analysis of this report has identified two realistic options for future ownership. The success of each option will rely on future informed decision making by KDC. In essence it seeks to answer the question 'why continue to invest'

1.4.1 Option Two relies heavily on the appetite of KDC to absorb the existing facilities into their asset register. Given KDC's 'current trend' of not owning community facilities, it may render option two as an unlikely outcome.

1.4.2 A simplified potential cost analysis has suggested that a year-round proposition may not be as unobtainable as initially assumed. By refining and retaining the subsidy model KCCP should be expected to generate an income of c$425k with expenses less than c$400k per year. This forecast relies on full functioning plant and minimal closures.

Author's Comment

Given the scale of KCCP, a comprehensive facility valuation may reveal that only one viable ownership solution exists. Charitable trusts, when considering the obligations of asset management over the facility's lifecycle, may find owning KCCP to be a 'bridge too far'. The substantial responsibilities associated with managing large-scale facilities like KCCP could indeed pose significant challenges for a charitable trust.

2. Introduction

2.1.1 CAS was engaged by KDC to prepare this report as part of a review of the annual operating subsidy granted to Sport Northland as the owner of KCCP.

2.1.2 This report includes a high-level current state assessment, ownership and operating model options analysis, and summary case determination based on financial forecasting.

2.1.3 In preparing this report CAS has relied upon the information presented within various documents in relation to KCCP. These include.

- Annual Report(s) KCCP (Sport Northland and CLM)
- Kōkiri ai te Waka Hourua 2021-31 - strategy for play, active recreation and sport in Te Tai Tokerau
- Northland Aquatic Facilities Plan 2023
- Kaipara Spaces and Places Plan 2021-2030
- National Aquatic Facilities Strategy 2023

2.2. Purpose of the Report

2.2.1 To assess the current facility condition, provision of services, current operations and ownership of KCCP for review by KDC.

2.2.2 To present KDC with a business case to support informed decision-making regarding ongoing subsidy investment in the operations and ownership of the KCCP.

2.3. Background and Context

2.3.1 KCCP was opened in 2009 and was a joint development between KDC and the KCCP Trust, along with strong community support and fundraising. The state-of-the-art facility was seen as a small community exemplar offering the only 50-meter pool in Te Tai Tokerau Northland with the next closest 50-meter pool 160 kilometers away in Rosedale, Auckland**3**.

2.3.2 The Kaipara district is spread over a diverse 'east to west' land area encompassing two coastlines with a relatively small resident population of 25,899 recorded at the 2023 Census[4].

2.3.3 This relatively small population base places pressure on financial budgets and the provision of services and infrastructure. KCCP currently enjoys a general rate applied due to the regional usage of the 50-meter pool, supporting competition and training opportunities.

2.3.4 KDC provides an annual operating subsidy to Sport Northland as KCCP owner ($382,759 FY23/24) that increases annually with the Consumer Price Index (CPI).

2.3.5 The annual subsidy is provided in return for agreed terms and conditions including annual reporting and accessible opening hours. The lack of long-term maintenance has placed additional pressure on the future of the subsidy.

2.3.6 At the September 2024 KDC briefing, Sport Northland presented the Northland Aquatic Facilities Plan 2023[5], created alongside KDC, Whangārei District Council (WDC) and the Far

[3] https://autmillennium.org.nz/
[4] https://www.stats.govt.nz/topics/population
[5] https://www.sportnorthland.co.nz/asset/downloadasset?id=4992e580-1aa6-4e54-8e89-36b6cbd44cec

North District Council (FNDC). A key regional recommendation from the plan was to investigate the most effective long-term ownership model for aquatic facilities.

2.3.7 Following a review process WDC agreed to unwind Sport Northland's ownership and return it to WDC assets and management responsibilities.

2.3.8 As a result of this divestment in Whangārei , Sport Northland have proposed to also relinquish or divest the ownership and management of KCCP which has prompted KDC to review the operating model and annual subsidy.

2.3.9 KDC have engaged CAS to provide a summary facility condition assessment and review the current ownership and operating models to support Council's preferred options for community consultation.

View of toddler/hydro pool open (above) and pre-opening (below).

3. Description of Current State

3.2.1 This section provides a summary description of the current state of the facilities along with a historical timeline overview to better understand how we have arrived at this point.

3.2.2 The analysis provides a base level condition review which would then be used to compare resources, provide advice on a way forward, along with investment necessary to own and operate a facility of this scale.

3.3 Facility Provision

3.3.1 KCCP is located within Selwyn Park on the corner of Jervois Street (also called *Twin Coast Discovery Highway, SH12)* and 8 Onslow Street, Dargaville. Onsite parking with 'drop-off zone' is provided with additional on-street parking close by also on Onslow Street.

Image 3.2: KCCP location and adjacent park facilities

3.3.2 The adjacent Selwyn Park includes the Dargaville Skateboard Park, a playground with cover and park fields. It presents as a well-maintained park of 3 hectares more or less. Nearby Selwyn Park Primary School is a 300-meter walk to KCCP.

3.3.3 KCCP includes the following facilities

- 50-meter swimming pool with moveable bulkhead
- Hydrotherapy/Toddlers pool (covered roof; integrated water)
- Spray 'splash pad' facility
- Male and female change rooms (x2 each)
- Family/Accessible changing rooms (x3)
- Plant Room
- Administration and adjoining staff room
- Covered spectator seating
- Grassed embankment
- Swim Club pavilion (club owned)

3.3.4 The KCCP footprint covers approximately 6,000 square meters and features a flat topography, making the facilities easily accessible.

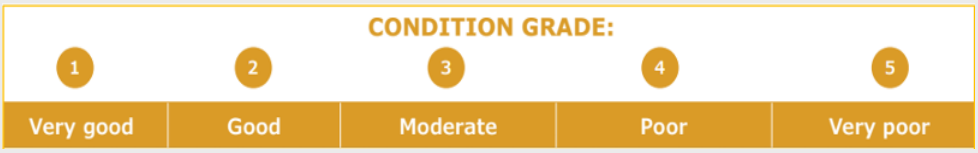
3.4 Facility Condition Assessment

3.4.1 The condition assessment has been undertaken to provide accurate information for informed decision making and priority areas for future investment.

3.4.2 The assessment undertaken was visual and summary in nature with further information to coming from written and verbal reports, correspondence and various documents.

3.4.3 The industry standard Condition Grade scale below was used to assess the facilities. A detailed 'Condition Grading Table' criteria can be found in Appendix 1.

Figure 3.3: Summary Condition Grading Range



3.4.4 The Condition Assessment included the following areas. Details for each area can be found further in this section of the report.

i. General Facilities Buildings, Pools and Structures (General)
ii. Facility Operating Plant Equipment (Plant)
iii. General Accessibility (Accessibility)

3.4.5 The areas listed in the summary condition score were assessed independently to ensure objectivity and provide a fair evaluation of each specific area without negatively portraying the facilities as a whole.

Figure 3.4: Summary Condition Score

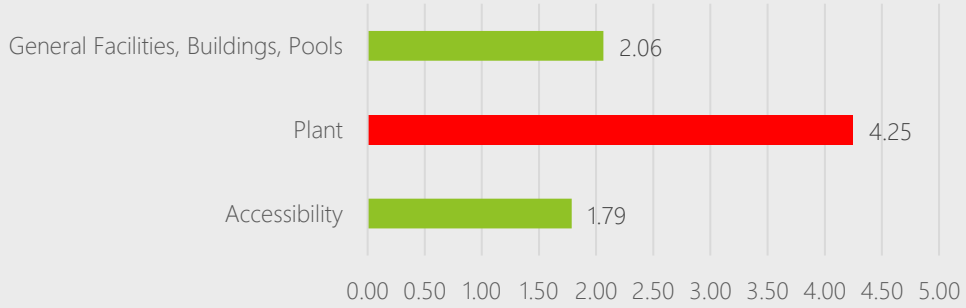
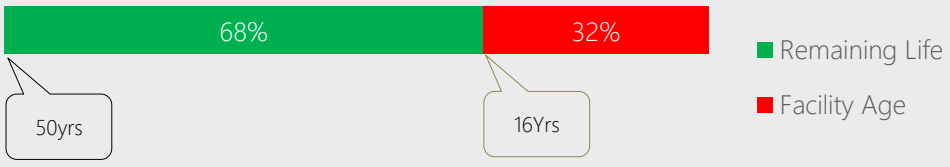


Figure 3.6: Summary KCCP estimated lifecycle



3.4.6 The relationship between the assessed areas is essential to determine operational efficiencies. If any one area is 'weak' the success of a facility will be burdened by an imbalance. Inevitably aged and poorly maintained facilities may become challenging and costly to operate.

3.4.7 Figures 3.5 and 3.6 highlight that a useful remaining life should be expected for KCCP and is worth investing in. The weakness of the plant condition and performance is an outlier and if addressed appropriately will bring KCCP back to being a high performing aquatic facility.

3.4.8 Summary findings.

- The general presentation of the facilities is good with no visual irregularities that should cause concern.
- Some wear and tear damage that could be expected from a public facility was sighted e.g., cracked tiles, surface damage, fading of surfaces, breakages.
- The buildings, pools, and general facilities (structures) appear to be well designed and provide easy access.
- The condition assessment, as seen in image 3.4, scored the buildings, pools, and general facilities (structures) and general accessibility as 'good' to 'very good'.
- Conversely, and following review of various reports, the condition assessment of the plant was 'poor'.
- The condition of the facility operating plant equipment has impacted on facility operations, resulting in high costs, underperformance, operational inefficiencies and poses health and safety risks to staff and visitors.
- There is no evidence of planned maintenance or an asset management plan periodizing renewals and maintenance.
- Most maintenance tasks are reactive and have become costly. $222k has been spent on maintenance since 2021 averaging $55k per year.
- Key indicators for operational expenditure such as water, energy and staffing accounted for $277k (61%) over the 2023/24 season. Water and energy costs appear high due to plant condition and underperformance.

i. General Facilities, Buildings, Pools and Structures

- The general facilities were in a 'good' or 'very-good' condition and with a facility age of 16 years, it would suggest general facilities are easy to maintain and operate. (see Figure 3.5, (see Figure 3.8, Summary Facilities Condition Rating 2.06).

Figure 3.5: Summary Facilities Condition Rating (General Facilities, Buildings, Pools)

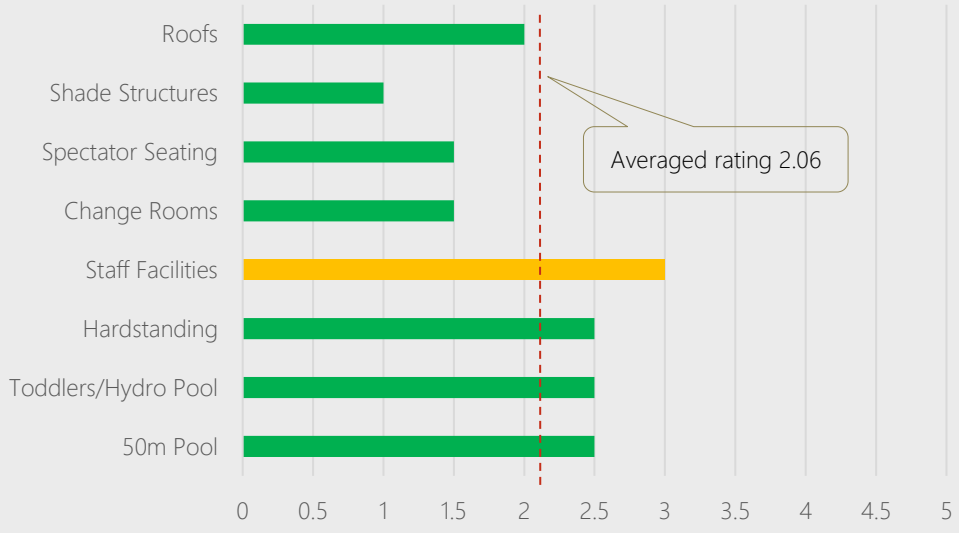
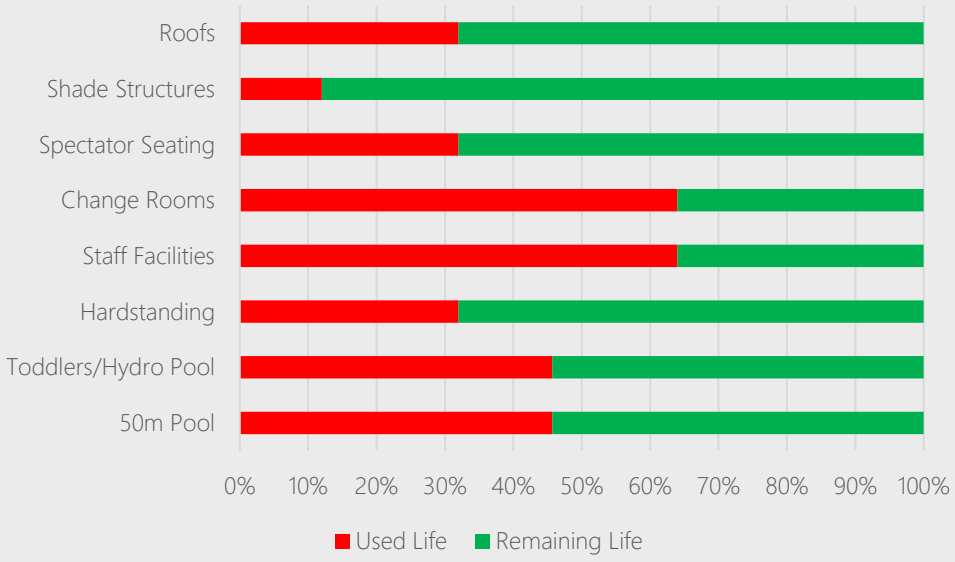


Table 3.6: Summary general facilities

Component	Condition	Exp Life Years	Notes
Roofs	Good (2)	50	Some superficial rusting due to weather and solar panel malfunctioning.
Shade Structures	Very Good (1)	15	Replaced in November 2023.
Spectator Seating	Very Good (1.5)	50	Some surface blemishes and discoloration.
Changing Rooms	Very Good (1.5)	50	Typical wear and tear of surfaces, however structure very good
Staff Facilities	Moderate (3)	25	Wear and tear blemishes. Wall painting low priority.
Hard Standing	Good (2.5)	50	Some surface cracking and discoloration typical of concrete hard standing.
Toddler/Hydro Pool	Good (2.5)	35	Surface wear and tear, tiling breakages. Typical.
50m Pool	Good (2.5)	35	Surface wear and tear, tiling breakages, reported crack on pool floor at Carrington St end. Movable bulkhead.

- When using the IRD 'useful life' model for depreciation rates, the remaining useful life of the components can be exceeded if maintained appropriately.
- The summary depreciated age averages 68%, however investment should be expected around 25 – 30 years by way of planned renewals and long-term maintenance. This investment should focus on high wear and tear areas along with exterior components exposed to changing weather conditions. During the assessment some rusting was observed in roof gutters presumed to be the result of excess water run-off from the solar system (see image 2.2)

Figure 3.7: General facility component useful life age



ii. Facility Operating Plant Equipment (Plant)

- In general, the plant components were in a 'poor' or 'very-poor' condition and largely at end of useful life (see Figure 3.8, Plant Component Useful Life Rating 4.25).
- A visual assessment was undertaken of the components, coupled with a review of maintenance reports. More detailed condition assessments should be undertaken to identify the scale and cost for investment.

Figure 3.8: Plant Component Useful Life Rating

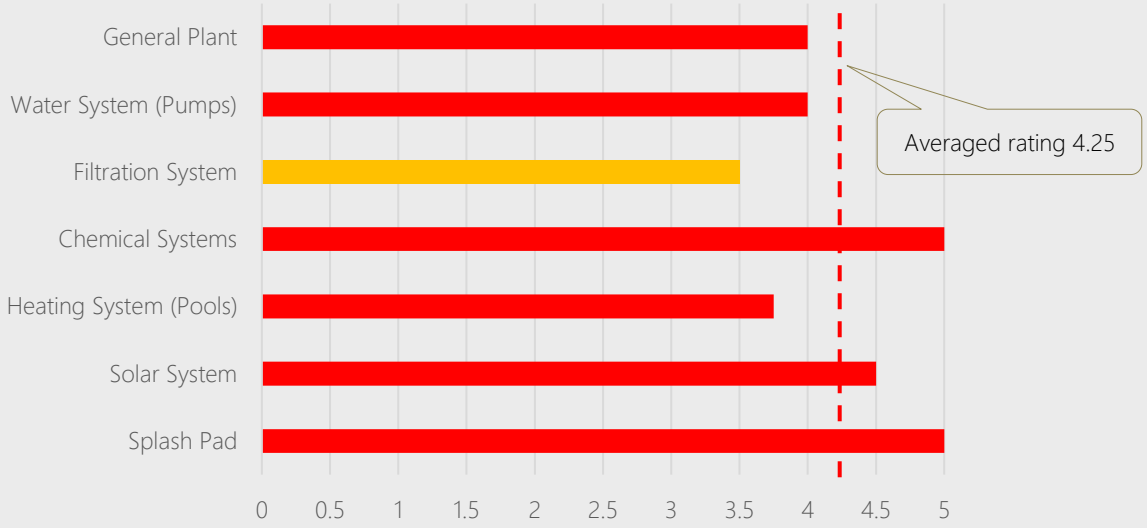


Figure 3.9: Summary plant estimated useful life age

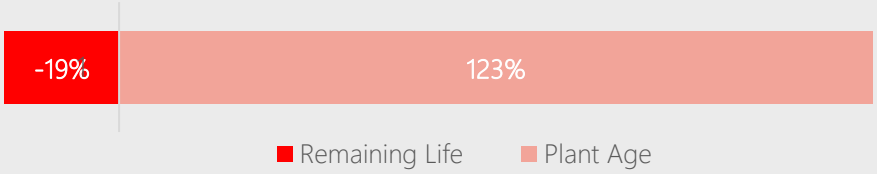
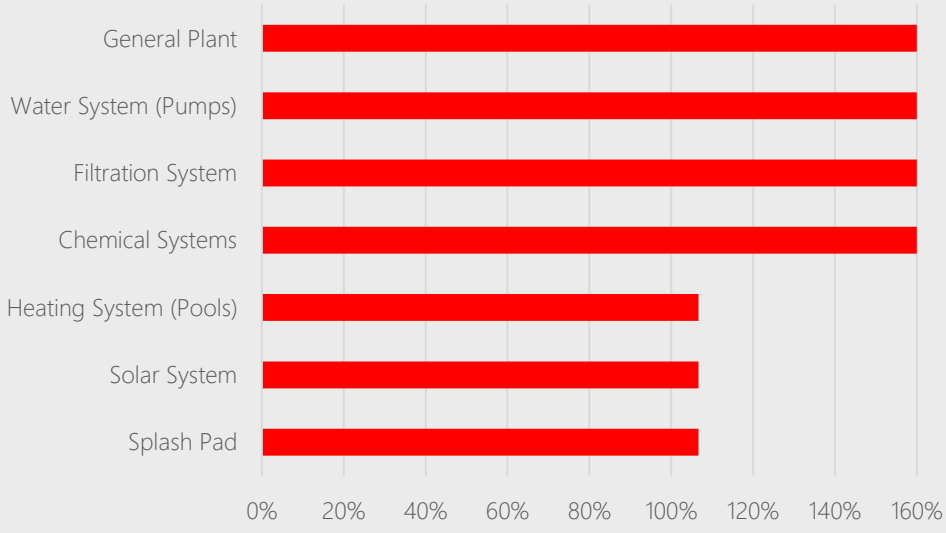


Figure 3.10: Plant components useful life age



- The plant affects pool performance, impacting on the other facilities performance, closures, and experience by users. The facilities are becoming challenging and costly to maintain and operate.
- When using the IRD 'useful life' model, the remaining useful life of the plant components are not expected to be exceeded.
- The summary depreciated age averages 123%, when using the IRD 'useful life' model (13 years averaged).
- There was no evidence of a long-term maintenance plan or plant replacement refurbishment budgets.
- This investment should focus on rationalization of the solar system and developing a priority replacement refurbishment schedule.

Table 3.7: Summary of plant

Component	Condition	Exp Life Years	Notes
General Plant	Poor (4)	10	Plant items not otherwise below. End of expected useful life for most.
Water System (Pumps)	Poor (4)	10	Require overhaul and some replacement. End of expected useful life.
Filtration System	Moderate/Poor (3.5)	10	End of expected useful life. Functioning okay with regular repairs.
Chemical Systems	Very Poor (5)	10	Dosage system and chlorine tank failures. Manual dosing by staff high risk. Replace.
Heating System (Pools)	Moderate/Poor (3.75)	15	Reliance on heat pumps due to solar system failure. High opex likely.
Solar System	Poor/ Very Poor (4.5)	15	System not fit-for-purpose and places pressure on other systems. Rationalize with view to decommission. High opex likely.
Splash Pad	Very Poor (5)	15	Considered plant due to reliance on pumps and water reticulation. Currently 'out of order.'

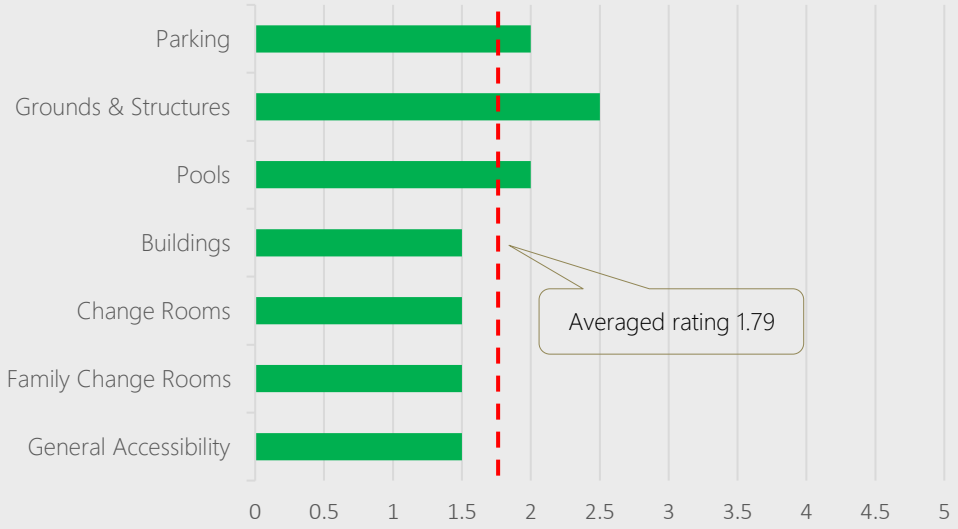
iii. General Accessibility

- Accessibility of a facility is often overlooked in any assessment. Accessibility design and maintenance will impact on user experience, staff resources and operational costs.
- Easy access to pools and amenities such as changing rooms for people with disabilities increases opportunities and minimizes barriers to participate.
- In general, accessibility rated a 'good' or 'very-good' and the facilities were highly accessible (see Figure 3.11 General accessibility rating 1.79)
- Further reviews against CPTED[6] (crime prevention through environmental design) principles highlighted a well-designed facility that "…reduces criminal opportunity and fosters positive social interaction among legitimate users of space."

[6] https://www.justice.govt.nz/assets/cpted-part-1.pdf

- CLM staff, however, reported poorly lit areas compromised safety when dark and created greater awareness of 'hidden' areas to regularly monitor.
- When assessing against criteria for 'inclusive facilities[7]' KCCP scores highly and provides minimal barriers for access. An inclusive facility is fit-for-purpose and ensures equitable and flexible use by a range of users capable of sharing facilities and usage times.
- An advantage of KCCP is its location on Selwyn Park and proximity to residents. Future opportunities could present when looking at multi-use opportunities, such as events.

Figure 3.11 General accessibility rating



3.5 Ownership and Governance Summary

3.5.1 An understanding of the previous and current ownership was undertaken to consider future options. The current situation provides context for the basis of this report.

3.5.2 KCCP was initially owned and governed by the Kauri Coast Community Pool Trust (KCCPT), a charitable trust incorporated in 2009.

3.5.3 Considerable community input and fundraising was realized by KCCPT and KDC as a 'joint establishment partners'.

3.5.4 KCCPT owned and governed KCCP for nine years and contracted day-to-day pool operations to recognized aquatic facility operator CLM, in 2010. This introduced pool operator expertise, people management and shared resources with other CLM facilities.

3.5.5 In 2019, Sport Northland purchased the 'ownership' of KCCP[8]. KCCPT felt that Sport Northland was in a better position to secure the future of KCCP and had a track record of success with the management of other facilities, including the Whangārei Aquatic Centre.

3.5.6 Additionally, KCCPT were facing challenges securing land tenure, people resources and succession planning, along with securing funding necessary for on-going maintenance. It was felt that KCCP's future would be secure with the expertise of Sport Northland.

[7] https://www.nzrugby.co.nz/assets/Best-Practice-Changing-Rooms-Guide.pdf
[8] https://www.sportnorthland.co.nz/newsarticle/73927?newsfeedId=22011

3.5.7 KDC has, and continues to be, the landowner with which KCCP has a 'license to occupy' over the Selwyn Park site. Tenure and long-term occupation over the site provides future security which is necessary for securing funding and continued investment into the facilities.

3.5.8 Since its opening in January 2010, KDC has provided an operating subsidy to KCCP to assist with operations and maintenance. This financial commitment designates KDC as a key stakeholder, with performance measures established in return for the subsidy. The subsidy is inflation adjusted measured by the annual consumer price index (CP) and reviewed three-yearly in line with KDC Long Term Plan (LTP) budgeting.

3.5.9 The subsidy granted to Sport Northland in the 2023/24 year amounted to $382,759, of which $137,759 (36%) was retained to cover its responsibilities such as insurance, large scale maintenance, and water use costs. An operating 'grant' of $245,000 is passed on to CLM.

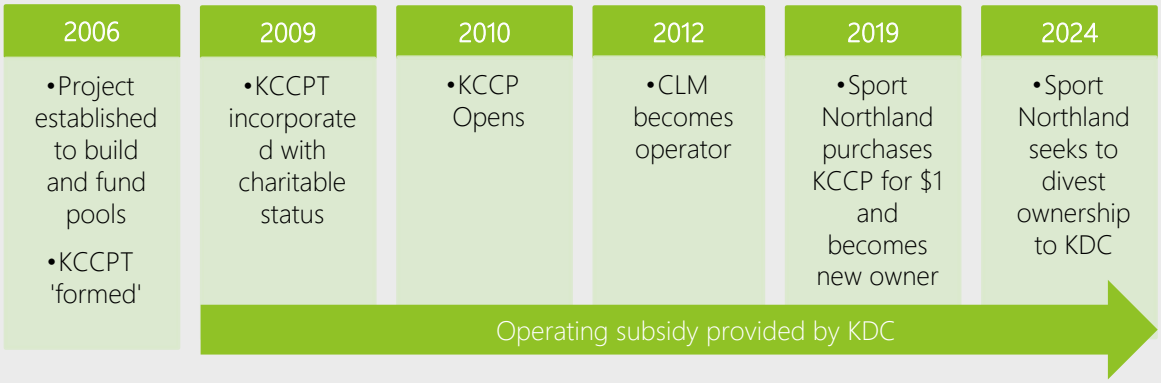
3.5.10 It was noted that a multi-site operating model is employed by Sport Northland and CLM. Multi-site operations should result in efficiencies across a range of facilities under the control of Sport Northland and CLM, however it can also mean that rate funded subsidies are travelling across borders into other territorial authorities (Councils).

3.5.11 In its capacity as owner, Sport Northland has acknowledged the lack of long-term maintenance and has mainly become reactive to pool plant repairs.

3.5.12 Gordon Lamberth in his capacity as an original Trustee, provided insights into the formative years of the KCCPT. It is noted that whilst a current KDC Councilor, Mr Lamberth was an original Trustee prior to being elected as a Councilor.

3.5.13 The graphic below highlights the history of KCCP since opening

Figure 3.11: KCCP timeline and ownership milestones



3.6 Operations Summary

3.6.1 The operations summary of this report looks at day-to-day operations and is not concerned with ownership or governance, although they are interrelated influences on pool operations.

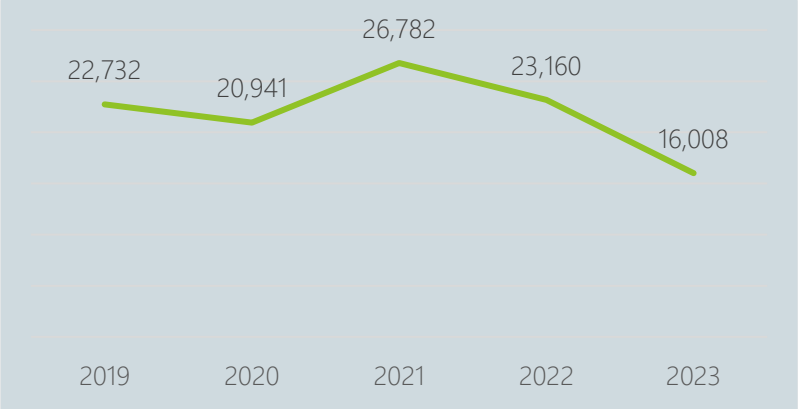
3.6.2 CLM is contracted to operate KCCP and has a successful track record of contract pool operations (mainly via various Council's) and currently operates 22 aquatic facilities throughout NZ.

3.6.3 CLM has been contracted since 2010 to operate KCCP and provides a high level of aquatic facility expertise, including appropriately qualified pool staff.

3.6.4 CLM generates income from the annual operating grant (noted in 3.4.9), along with facility associated fees such as entry, learn to swim, events, and sales.

3.6.5 Pool visits since 2021 have been trending downwards likely due to fickle weather conditions in recent years. CLM staff have reported an increase in numbers over the current season.

Figure 3.12: CLM reported profit and loss from 2017/18.



Source: KCCP 2023/24 Annual Report

3.6.6 Pool staff are mainly Whangārei Aquatic Centre staff rostered as seasonal. Travel and overnight accommodation is expensed.

3.6.7 As Sport Northland is retaining a partial subsidy and passing on an agreed amount to CLM a consolidated financial assessment has been undertaken. This approach accounts for the entirety of the operating subsidy and reflects the agreed accountabilities between Sport Northland and CLM.

3.6.8 This provides a 'true' financial picture of KCCP shown in figure 3.13 below.

Figure 3.13: 2023/24 consolidated financial summary.

Subsidy from KDC	$382,759.00	(86.4%)
Non-subsidy Income	$60,366.46	(13.6%)
Total Income	$443,125.46	
Total Expenses	*$455,409.89	*equipment depreciation of $11,341 removed
Surplus/Deficit	-$12,284.43	

3.6.9 CAS has assessed the operating costs and made the following observations from the 2023/24 *KCCP 2023/24 Annual Report*.

- CLM 2023/24 income = $305k including the $245k operating grant. The operating grant equates to 80% of CLM's operating income[9].
- CLM 2023/24 expenses = $355k, an improvement of $14k (4%) on the previous year.
- Consolidated expenses = $455k, with key items and percentage of consolidated expenses shown in figure 3.14 below.

  Figure 3.14: 2023/24 consolidated key item expense summary.

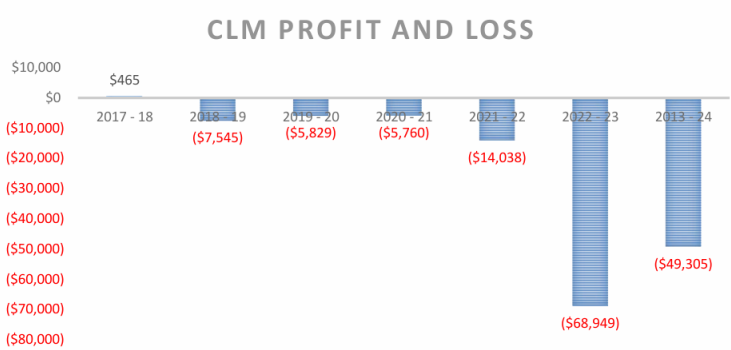
Water	$46,838	10.3%
Energy	$45,552	10.0%
Insurance (Facility)	$22,414	4.9%

[9] A financial analysis can be found in Appendix 2.

Marketing	$2,342	0.5%
Maintenance	$63,109	13.9%
CLM Indirect Costs	$61,612	13.5%
Staff Costs	$185,249	40.7%

- Expenses are split between Sport Northland and CLM (CLM covers reactive and urgent maintenance tasks.
- Most maintenance tasks are reactive and have become costly. $222k has been spent on repairs and maintenance since 2021 averaging $55k per year.
- Key indicators for operational expenses such as water, energy and staffing accounted for $277k (61%) over the 2023/24 season.
- The marketing spend is relatively low when trying to increase income.
- A regular and long-term maintenance plan should result in reduced expenditure, particularly with water and energy costs.
- Indirect costs indicate a high level of costs towards non-operational items i.e., management fees, systems, shared costs across venues.
- Further condition assessments into pool operating plant and rationalizing the solar system should be undertaken. The solar system is impacting on all water related pool plant and it's future should be rationalized.
- CLM profit and loss trend shows a $20k (20%) improved result on the previous year.

Figure 3.14: CLM reported profit and loss trend. Source: KCCP 2023/24 Annual Report



- This financial position has placed pressure on CLM which has resulted in reduced opening hours for the 2024/25 season. This decision was made to reduce wage costs.

3.6.10 CLM has prepared a 'priority schedule' with a cost of $165k to address some of the maintenance issues and reduce pressure from pool staff. The cost estimation should be further tested.

3.6.11 Additionally, a letter addressed to KDC (Oct 2024) by Plumbing and Heating Centre Dargaville as maintenance contractor referenced several troublesome plant items and stated that *"the issues outlined above not only hinder the pool's functionality but also increase operational costs and pose safety concerns. I hope this matter will receive the necessary attention so that appropriate steps can be taken to resolve these long-standing problems."* The full letter can be found in Appendix 4.

Figure 3.14: CLM recommended costings and priority schedule.

Recommended Asset Priority Schedule		
ITEM	**PRICE (ESTIMATES)**	**IMPORTANCE**
CHLORINE TANK REPLACEMENT (RETURNING ITEM)		
This is a health and safety concern due to staff needing to manually handle chemicals deeming this high importance	$45,995	Major
HYDRO POOL TILING		
This item has returned last year did see this pool retiled, however due to age more tiles have come away from the pool. Missing tiles pose a health and safety injury risk.	$2,200	High
OVERHEAD LIGHTHING (RETURNING ITEM)		
During early and late it becomes very dark come opening and closing times making lifeguarding a higher challenge and increasing risk due to poor visibility.	$18,000	High
ANALYSERS (RETURNING ITEM)		
Analysers communicate with our chlorine dosing pumps in order to correctly treat pools with the most effective amount of disinfectants. It is Ideal to have this on site ready for the chlorine tank replacement.	$4,000	High
SOLAR HEATING PROJECT		
Highly recommend that we accept Gasworks and Plumbing's proposal to undergo the re-engineering of solar heating system to avoid further breakdowns in the future.	$90,000	High
POOL COVER ROLLER'S		
The rollers are currently very worn with damaged clips, wheels, and corrosion. They are of concern for staff to use.	TBA	Mid - High
POOL GRATING		
The pools grating has also deteriorated over time, leaving gaps in the pools grating this causes trip hazards.	$5,000	Mid - High
AUTOMATIC REFILL FLOATS		
	TBA	Moderate
PLANT ROOM LEAKS		
There are several concerning leaks that are currently being assessed.	TBA	Mid - High

3.7 KCCP Advisory Committee Feedback

3.7.1 During the analysis, feedback and insights were received from representatives of the KCCP Advisory Committee to further understand the user experience. The committee is primarily charged with taking an advisory role, to meet the needs of the community and to ensure the community is listened to and considered.

3.7.2 As reported by Sport Northland in the KCCP 2023/24 Annual Report, "the committee has been instrumental in tidying up minor maintenance and operational issues, providing feedback on program delivery and ensuring improved club, school and community engagement".

3.7.3 The Advisory Committee members who provided feedback for this report included Lynley, Liz, Jemma and Sam. The following represents their feedback and future views.

Summary Feedback

- KCCP is a wonderful facility that is appreciated by users we know.
- We have seen an increase in visitor numbers this season and we mostly think this is due to favorable weather.
- Some usage clashes occur with the hydro/toddler's pool although CLM manages this very well.
- Dargaville High School pool is only available outside of school hours; access is limited.
- CLM staff are excellent, are engaging and have created a warm family-friendly environment.
- In the past, and current, we have tried to recruit locally and from the Baylys Beach Surf Club. Employment opportunities are challenging when seasonal and to manage an aquatic facility you need appropriately qualified (Pool Safe) and experienced people. We currently get this expertise with CLM.

- Closing KCCP completely for the 'off-season' surely has an impact on plant performance and therefore maintenance challenges. We understand that pipes are regularly failing with the solar system due to it being closed during winter months.
- The warm water of the hydro/toddler's pool provides a necessary facility for learning to swim for the young ones and a relaxing 'soak' space for the not so young.
- There is currently a waiting list at KCCP for learn to swim lessons.
- It can be frustrating when there are closures due to plant and water systems not working properly.
- At various times local experts have provided information to assist with plant and pool repairs. We believe local expertise should be better utilized to help with pool maintenance.
- Locals like local water! We have seen a reduction in behavioral issues also. CLM can take a lot of credit for this too.
- The wind can be quite bitter from the south (50m pool end) and makes the pools less appealing.
- Whilst the 50-meter pool is mostly 25 meters in length, moving the bulkhead once per month is well received by the swim club and competent swimmers.
- It was noted that Swimming Northland merged with Swimming Auckland in 2024.
- As the Dargaville community is a high deprivation area, having KCCP is a real benefit to the community. Low entry prices help too.
- Selwyn Park Primary School sees KCCP as part of the local whenua; an essential connection.
- It is important to have our Tamariki being able to swim so they can be safe in the water. As KCCP is a 'controlled' water environment it creates a safe space for the community.
- Dargaville and Kaipara West haven't featured in 'drowning statistics' for a long time. KCCP surely is helping with this.
- Weather tends to impact on the visitation for KCCP. Last summer was quite indifferent and may explain the low numbers. CLM reports this year that numbers are up.
- We don't want KCCP to be a 'political football' and we understand the financial pressures. We see KCCP as an important part of the community just like a museum, library or sports field is important.
- Mark from Sport NZ commented that there is a 'social return' study nearing completion and would be available to assist with social and community need analysis.

Future Thinking and Views

- Greater and year-round access would be welcomed.
- Having the hydro/toddler's pool open year-round would make a big difference. There is a growing demand for learn to swim and warm water activities. This includes the Medical Centre, Physiotherapists, The Greenways Trust and local schools.
- A comprehensive review of the plant is essential to ensuring that costs don't 'blow-out'.
- Enclosing the hydro/toddler's pool could help with energy costs if open year-round and provide a better experience for users in winter.

- Having the 50-meter pool as seasonal and hydro/toddler's pool as year-round would make a big difference and would be worth exploring further.
- Constructing a 'wind break' at the southern or Carrington St end would make a big difference to user experience.
- Covering the 50-meter pool would be welcomed based on the concept designs from Shade Systems. Preliminary costings of circa $2m were suggested for a development of this scale.

3.8 Strategic Overview or assessment

3.8.1 The strategic overview covers relevant references, documents and data points to form a strategic context for this report.

3.8.2 It is a snapshot to form a rationale and provides evidence for continued investment. It is also useful when establishing and refining critical success factors which the options would be reviewed against.

3.8.3 Given that KCCP already exists and that the report is concerned with continued investment and funding, the focus is on provision and access to facilities and alignment to various plans.

3.8.4 Much of this analysis will be further tested when considering future options for ownership and operations.

3.8.5 Provision and Access. When comparing the Kaipara District, a useful comparison can be made with neighbouring territorial authorities and comparative population authorities in the North Island. Taken from https://www.infometrics.co.nz using 2024 data, it looks at what the neighbours have and the next closest option.

Table 3.9: Territorial Authorities for comparison include (Kaipara District baseline 2024 pop 27,900)

Territorial Authority	Population[10]	Reason	Has Pool?
Whangārei District	102,200	Proximity	Yes
Far North District	74,700	Proximity	Yes
Rodney Local Board	82,400	Proximity	No
Hibiscus and Bays Local Board	120,400	Proximity	Yes*
Thames Coromandel	33,300	Size	Yes

*Stanmore Bay Pool and Leisure Centre (Hibiscus and Bays Local Board) is the northernmost public pool of Auckland Council, although Albany Pool, located in the Upper Harbour Local Board is a similar travel distance. Travel times will vary depending on traffic density.

3.8.6 Distance to facility is also an important measure and whilst proximity to neighbouring Territorial Authority provides a capital provision measure, travelling distance for communities is more realistic to determine need. Particularly for low socio-economic communities. If the facility is 'not on our back door' they are unlikely to travel to the next closest pool.

3.8.7 Conversely, residents of Mangawhai or Kaiwaka will more likely travel to Whangārei Aquatic Centre, Stanmore Bay Pool and Leisure Centre, Albany Pool before KCCP. Unless a 50-meter pool is required.

[10] https://rep.infometrics.co.nz/kaipara-district/population/growth

Table 3.9: Travel distances to/from locations.

To KCCP from	Distance (km)
Whangārei	58
Mangawhai	87
Wellsford	97
Kerikeri	107
Kawakawa	114
Warkworth	118
Silverdale	143
Albany	156

Table 3.10: Travel from Kaiwaka to next closest pool.

From Kaiwaka to	Distance (km)
KCCP	77
Whangārei Aquatic	62
Stanmore Bay Pool	72
Albany Pool	78

The distances above are measured using Kaiwaka, as a central Kaipara District location.

3.8.8 Other factors including cost, lifestyle, convenience, facility provision, customer service levels, social interaction, and expertise will be reasons for visiting KCCP.

3.8.9 It will be highly likely that KCCP will serve the Dargaville and local catchment area well with specialist facility provision such as a 50-meter pool for competitive swimmers. It is noted that in Table 3.10 above, none of the comparative pools have 50-meter capabilities.

3.8.10 Table 3.11 and 3.12 below compare various pools across Territorial Authorities with respective facility provision and common pricing. This provides a snapshot comparison of the variety of ownership and operating models, various pool ages, and facility provision.

Table 3.11: Comparative pool information across Territorial Authorities.

	General Pool Information				Pool Offerings						
	Owner	Operator	Age	Open	Lei	Tod	25m	50m	Spa	Hyd	Other
KCCP	Sport Northland	CLM	16	Seasonal		1		1		1	
Whangārei	WDC	CLM	18	Year Round	1	1	1		1	1	2
Bay of Islands	Sport Northland	Belgravia/CBEC	50	Year Round			1				
Thames	TCDC	TCDC	50	Year Round			1				
Whangamatā	Trust	Trust	34	Seasonal			1				
Stanmore Bay	Auckland Council	Auckland Council	34	Year Round		1	1		1		1
Albany	Auckland Council	Auckland Council	7	Year Round	1	1	(20m)				1

Table 3.12: Comparative 2024/25 pool pricing across Territorial Authorities.

	Casual				10 Card				Learn To Swim*			
	Snr	Adlt	Stu	Chld	Snr	Adlt	Stu	Chld	Snr	Adlt	Stu	Chld
KCCP	$4.40	$5.50		$3.00	$50.00	$50.00		$27.00				$13.00
Whangārei	$6.50	$8.50	$6.50	$6.50	$60.00	$75.00	$60.00					$19.50
Bay of Islands		$4.00		Free		$25.00						$8.00
Thames	$4.00	$5.00	$4.00	$4.00	$31.00	$41.00	$31.00	$31.00				$8.00
Whangamatā	$4.50	$5.50	$4.50	$4.50	$40.00	$50.00	$40.00	$40.00				$14.00
Stanmore Bay	$4.80	$8.00	$4.80	Free	$43.20	$72.00	$43.20		$20.00	$20.00	$20.00	$18.00
Albany	$4.80	$8.00	$4.80	Free	$43.20	$72.00	$43.20		$20.00	$20.00	$20.00	$18.00

*per lesson, best price.

3.8.11 When looking at the pricing comparison, KCCP is well priced for the community minimizing barriers to entry. The financial case provides a high-level cost analysis based on this pricing strategy when looking at year-round provision.

3.8.12 Plan alignment. The basis of alignment for this report is KDC's vision "Kaipara – the place to be!" as noted in The Long Term Plan (LTP) 2024–2027 document.

3.8.13 This vision is underpinned by five key community outcomes. A prosperous economy, affordable living, dependable roading, vibrant communities and healthy environment.

3.8.14 When aligning to affordable living and vibrant communities, this report and the relevant sport and recreation-based plans are the basis for the principal recommendation Part A, that for the 2025/26 Year, KDC continue to invest by way of subsidy into KCCP as a vital component of community infrastructure and a premier aquatic facility.

3.8.15 The key sport and recreation plans were commissioned by Sport Northland in their capacity as the regional sports body for Te Tai Tokerau, Northland. The plans include.

Kōkiri ai te Waka Hourua 2021-31 strategy for play, active recreation and sport in Te Tai Tokerau is the over-arching regional strategy for play, active recreation and sport. The strategy will help guide and undertake planning for future provision. It is intended this will help guide Councils across Te Tai Tokerau, and relevant funding agencies, in their decision making. It will also help the sector be better informed as to what the needs, rather than wants, are across the region.

Kaipara Spaces and Places Plan 2021-2030 is a district facility-focused plan that supports Kōkiri ai te Waka Hourua. Where the regional strategy provides a high-level strategic framework to guide regional future decision making, the district level plan provides more detailed district guidance for planning and developing spaces and facilities (like playgrounds, sports fields, etc.). This is in the context of population and district growth trends, with particular reference to ongoing district and regional population growth.

Northland Aquatic Facilities Plan 2023 emanated out of the recommendations of Kōkiri ai te Waka Hourua 2021-31 and is intended to provide a roadmap for the region to navigate the complex challenges of managing aquatic facilities and ensure the community's continued access to safe and culturally relevant spaces for recreation and wellbeing.

3.8.16 Being able to access an affordable and local facility will be a critical factor for Kaipara West residents, and for those seeking specialized facilities that KCCP provides.

3.8.17 CAS can see no evidence of why KDC should not continue to invest by way of subsidy into KCCP as a vital component of community infrastructure and a destination aquatic facility.

3.8.18 CAS also notes that given that KCCP is already operational, it is prudent to maintain and enhance it rather than allowing it to become underutilized and potentially close.

4. Options Analysis

4.1.1 The options analysis offers a summary evaluation of four strategies provided to CAS in the scope of this report regarding ownership and operational approaches. The ethos of the analysis is to provide accurate and best practice advice on facility ownership and operations.

4.1.2 As noted in the background and context section, a key regional recommendation from the Northland Aquatic Facilities Plan 2023 was to investigate and review the most effective long-term ownership model for aquatic facilities.

4.1.3 To critically analyze the options, Critical Success Factors (CSF) have been established to help focus the evaluation leading to a preferred option. Each CSF comprises four separate elements, totaling sixteen measurable elements (scoring out of five per element)

4.1.4 CSF's are aspects essential to the evaluation which the options were appraised against and included community value, affordability, achievability, and sustainability. See Appendix 4 for the full description of the CSF's.

4.1.5 It is strongly recommended that CSF's be further utilized in the ensuing analytical or feasibility report of the principal recommendation.

4.1.6 The ownership options for evaluation included the following

Table 4.1: Options Analysis Summary

Option	Summary
One Status Quo	Sport Northland retains ownership of KCCP and receives an annual operating grant from KDC. Option One does not solve future ownership challenges. Future operational, renewal and maintenance costs are likely to increase as the facility ages, exacerbating KCCP's vulnerability.
Two Transfer Ownership to KDC	KDC takes on all ownership responsibilities from Sport Northland. Option Two transfers liabilities to KDC and doesn't address issues around plant condition. KDC will be required to asset manage the transferred asset under stricter fiscal policies, however, could be a viable option worthy of further investigation.
Three Alternative Ownership - private	KDC advises Sport Northland it does not intend to support a future operating grant or to transfer ownership to Council. Sport Northland requested to test the market for interested owners. Option Three also transfers liabilities to the new owner and doesn't address issues around plant condition. The new owner will be reluctant to absorb inherited liabilities and will be unlikely to assume the ownership and operation of a facility not purpose built for their needs.
Four Alternative Ownership – Charitable Trust	KDC advises Sport Northland it does not intend to support a future operating grant or to transfer ownership to Council. Sport Northland to investigate the establishment of a Charitable Trust or divest to an existing Charitable Trust. Option Four also transfers liabilities to new owner and doesn't address issues around plant condition. KDC will face local and/ or political pressure to retain the subsidized approach. Could be a viable option worthy of further investigation.

4.2 Option One – Status Quo

4.2.1 This model is underpinned by a **community trust owned and managed** structure often established with charitable status to realize public funding and taxation advantages.

4.2.2 The model is reasonably common and that allows communities to access facilities unobtainable by other models, i.e., it is affordable.

4.2.3 Once built the facility relies heavily on the capability and ability of the owner to continue to apply prudent budgets whilst reinvesting into 'mission critical' tasks such as long-term maintenance.

4.2.4 The subsidizer relies heavily on a trust relationship to ensure the performance of the subsidy is carried out. When resources are stretched this can often be overlooked.

Table 4.2: Option One Pros v Cons

Pros	Cons
Affordable for small communities	Owner becomes reliant on operator to effectively deliver services
Value for money achieved through spread across rateable area	Operator can become 'lazy' with heavy reliance on subsidy
Subsidizer can be unaware of specialist areas of provision e.g., specialist asset requirements	At risk of owner and operator capability
Subsidizer may not have the resources to appropriately review and manage subsidy performance	Vulnerable to political and financial priorities
Able to be managed by a lean structure	Facility scale and cost to maintain. Vulnerable to affordability of owner for reinvestment and appropriate budgeting
Able to attract public and private funding	Vulnerable to contestable processes and financial priorities of funders.

Conclusions and for this model to meet the CSF's

i. Sport Northland sources specialist asset management expertise with aquatic facility experience that is independent of the operator (currently CLM).

ii. Sport Northland commissions a detailed facility conditioning report and invests into pool operating plant as soon as possible. This should align with the expertise engaged above.

iii. Sport Northland, in partnership with KDC assesses and monitors the performance of the operator annually.

iv. KDC introduces an independent performance monitoring process for the subsidy agreement with Sport Northland.

v. KDC separates the operating subsidy into two separate grants as noted in recommendation one to ensure appropriate renewals and maintenance is adhered to and is separate to the operating subsidy. KDC may engage an independent operator and fund this operator independently ensuring separate monitoring.

vi. Operating costs should be regularly reviewed to ensure costs are managed appropriately.

4.3 Option Two – Transfer Ownership to Council

4.3.1 The model is underpinned by a **council owned and managed** organizational structure.

4.3.2 Typically, the most common model in New Zealand where Councils the facilities and can spread costs across the rateables budgets. Value to ratepayer will be via a larger rate pool however will not benefit some/many ratepayers.

4.3.3 This option requires Council to be resourced appropriately to support best-practice management and reporting.

4.3.4 This option also relies heavily on the fiscal accountabilities of the Council when owning the assets, e.g., accounting for depreciation and renewals.

4.3.5 A Council owned and managed model can also present challenges around financial policies for procurement and staffing. This may not result in the best value for money for ratepayers.

4.3.6 Ratepayers will have high expectations for service delivery and presentation of the facilities.

Table 4.3: Option Two Pros v Cons

Pros	Cons
Affordable for small communities	Facility scale and cost to maintain
Value for money through spread across rateable area	Vulnerable to political pressures and financial priorities
Council will be able to appropriately asset manage the facility through policy	Will create debate amongst ratepayers when no accessing the facility/asset. "*Why should we pay for something we don't use?*"
Council can engage internal or external operator to effectively deliver services	Retaining current or new operator external of Council will take time to bed in Council resourcing models can negate cost efficiencies
Council internal management could realise savings against subsidy model when identifying 'best-practise' operations.	Divestment of assets can also mean divestment of liability with unseen costs burdening new owner

Conclusions and for this model to meet the CSF's

i. KDC takes on all ownership responsibilities and honours the management contract with CLM in good faith. This will ensure aquatic facility expertise remains in place.

ii. KDC requests a detailed facility conditioning report and requests that investment is made in making good' pool operating plant as soon as possible.

iii. KDC introduces an independent performance monitoring process for the subsidy agreement with Sport Northland.

iv. Operating costs should be regularly reviewed to ensure costs are managed appropriately.

4.4 Option Three – Alternative ownership (Private)

4.4.1 The model is underpinned by a **privately owned and managed** organizational structure. For the purposes of this analysis a commercial model is evaluated.

4.4.2 As current owner Sport Northland will be pressured into finding a suitable owner.

4.4.3 This type of ownership model is uncommon in New Zealand with only a few privately owned facilities in existence. Examples of private ownership include,

- CLM The Bays, St Johns, Auckland.
- Northern Arena, Silverdale, Auckland.
- Swimtastic, St Johns, Auckland.
- Next Generation Club, Parnell, Auckland.

4.4.4 The facilities described in 4.4.3 have been designed and built to suit the owners' requirements and operating model. A publicly designed facility, such as KCCP, generally will not suit a private owner/operator due to the number of water spaces, especially a 50-meter pool.

4.4.5 Privately owned facilities are generally open only to members or the owner.

Table 4.4: Option Three Pros v Cons

Pros	Cons
Ownership transferred to private operator	Facility scale and cost to maintain will 'scare' potential new owners
Able to be managed by a lean structure	High cost of entry will likely result due to operating model Without a secured way to fund future operations, a new operator may be unable to operate and service the community
Owner can engage internal or external operator to effectively deliver services	Restricted access to public may be a reality
	Traditional or existing pricing and services may be amended to suit new owner and not community and regular users
	Vulnerable to reinvestment into assets
	Design of facility won't suit income potential derived from learn to swim

Conclusions and for this model to meet the CSF's

i. The new owner requests a detailed facility conditioning report and requests that investment is made into 'making good' pool operating plant as soon as possible.
ii. The new owner requests an extension of the operating subsidy be extended to them.
iii. KDC introduces an independent performance monitoring process for the subsidy agreement with the new owner.
iv. Pricing strategies should meet the needs of the community and regular user groups.

4.5 Option Four – Alternative ownership (Charitable Trust)

4.5.1 The model is underpinned by a charitable status owned and managed organizational structure.

4.5.2 As current owner Sport Northland will be pressured into finding a suitable new owner or supporting the creation of a charitable trust or divesting to an existing charitable trust. Existing

charitable trusts may be able to assume ownership, which could present streamlined opportunities e.g., Sportsville Dargaville.

4.5.3 In 2019 the Kauri Coast Community Pool (Charitable) Trust was the previous owner.

4.5.4 This model is less common in NZ and relies heavily on committed trustees with appropriate skills and networks.

4.5.5 Trust models still require financial support from Council and other funders to remain viable and provide expected levels of service.

Table 4.5: Option Three Pros v Cons

Pros	Cons
Ownership transferred to private operator	Facility scale and cost to maintain will 'scare' potential new owners
Able to be managed by a lean structure and does not require members to form a Trust. Members won't necessarily dictate ownership or operations	Relies heavily on trustee (mostly volunteers) skills, experience and networks
Owner can engage internal or external operator to effectively deliver services	No guarantee of financial acumen with owner
Access to new sources of funding can be realised e.g., Gaming and Trust Funders	Vulnerable to refocused Trust objectives
	Prudent asset management and service delivery relies heavily on accessing public funds

Conclusions and for this model to meet the CSF's

i. The new owner accepts all ownership responsibilities and initially honours the management contract with CLM in good faith. This will ensure aquatic facility expertise remains in place.

ii. The new owner requests a detailed facility conditioning report and requests that investment is made into 'making good' pool operating plant as soon as possible.

iii. The new owner requests an extension of the operating subsidy be extended to them.

iv. KDC introduces an independent performance monitoring process for the subsidy agreement with the new owner.

v. Pricing strategies should meet the needs of the community and regular user groups.

4.6 Future Ownership Option Scoring Summary

4.6.1 To determine the preferred option for this report, CAS employed a combination of subjective and objective analyses. This blended approach integrates measurable data with personal insights and industry experience ensuring a broad evaluation.

4.6.2 The introduction of the CSF's provides a scoring summary based on this subjective and objective analysis and is not an exhaustive evaluation which should be further tested during the recommended analytical (or feasibility) report.

4.6.3 The following scoring (table 4.6) utilises the CSF model and is evaluated against known factors.

Table 4.6: Evaluating the options

Option	CSF	CSF Score (/5)	Weighted Score
One Status Quo	CSF 1 CSF 2 CSF 3 CSF 4 **Total**	3 2.5 2.5 3 **11**	55%
Two Transfer Ownership to KDC	CSF 1 CSF 2 CSF 3 CSF 4 **Total**	4 3 3 3 **13**	65%
Three Alternative Ownership - Private	CSF 1 CSF 2 CSF 3 CSF 4 **Total**	2 3 2.5 2 **9.5**	48%
Four Alternative Ownership - Charitable Trust	CSF 1 CSF 2 CSF 3 CSF 4 **Total**	4 2.5 3 3.5 **13**	65%

4.7 Preferred Option

4.7.1 Following the determination of the CSF scoring table, this report identifies Option Two and Option Four as equally preferred options.

4.7.2 Arriving at this determination has triggered the recommendation for further investigation by way of an analytical (feasibility) report as noted in the recommendations.

4.7.3 Whilst the evaluation resulted in equal scoring for options two and four, **hybrid options** should also be considered. Hybrid options are particularly beneficial when traditional models alone do not adequately address all parameters for desired outcomes. By integrating the strengths of multiple approaches, hybrid models offer enhanced flexibility and adaptability, leading to more accurate and interpretable results, especially in complex situations such as this.

An example of this is made in the recommendations where KDC could choose to apply an amended subsidy as shown below

KDC to provide an amended operating subsidy to Sport Northland to the value of $480k to allow time over 2025/26 financial year for further analysis and to not disrupt provision. Further, divide the subsidy into two parts with,

i. *Part A being the operating subsidy to the value of $300k + GST, and,*

ii. *Part B being a dedicated renewals and maintenance subsidy to the value of $180k (KDC may request a specialist provider to deliver Part B.)*

5. Recommendations

5.1.1 A principal and five additional recommendations, categorized into four focus areas, are summarized from the previously detailed options analysis. The recommendations are presented as short-term (0–3 years) and long-term (3+ years) options to align with LTP budget cycles.

5.1.2 Identifying focus areas is essential to ensure that appropriate resources are allocated effectively, thereby facilitating thorough due diligence in addressing the findings of this report i.e., allocating specialist resources to report monitoring and pool operating plant renewals.

5.1.3 This targeted approach seeks to enhance efficiencies and project outcomes by aligning resources with critical objectives (see CSF approach in options analysis)

5.1.4 The summary recommendations are as follows

Table 5.1: Summary recommendations

Number	Key Area	Term	Recommendation
One	Council General	Short	KDC to provide an amended operating subsidy to Sport Northland to the value of $480k[11] to allow time over 2025/26 financial year for further analysis and to not disrupt provision. Further, divide the subsidy into two parts with, i. Part A being the operating subsidy to the value of $300k + GST, and, ii. Part B being a dedicated renewals and maintenance subsidy to the value of $180k (KDC may request a specialist provider to deliver Part B.)
Two	Council General	Short Long	Review the current Operating Subsidy Agreement to ensure appropriate management and monitoring. Consideration should be given to an independent and specialist asset management function to assist with managing and monitoring performance.
Three	Plant	Short	Complete a detailed condition assessment of the plant to further review underperformance. Develop a one-to-three-year priority plan for future investment and should commence in the 2025/26 year of Part B above.
Four	Ownership	Short Long	Further review preferred ownership and the recommendations of the Northland Aquatic Facilities Plan 2023 independently to allow a further review of future options. In conjunction with recommendation five (below) complete a detailed analytical report that aims to provide tailor-made solutions to KDC for next steps[12].
Five	Operations	Short Long	Retain status quo. Operator appointment should be made in partnership with KDC (and advisors) as major funder. CLM provides technical expertise for day-to-day operations that will be difficult to replace.

[11] $480k + GST is understood to be the indicative subsidy for 2025/26.

[12] This report type provides a mix of qualitative and quantitative insights and aims to provide recommendations about the next steps and help with problem-solving. In this situation, a feasibility study may not be the most effective approach.

6 Other Considerations

6.1.1 Consider a fixed subsidy amount for the 2025/26 KDC financial year and Long-Term Plan (LTP) budget that is not adjusted against the annual CPI. CPI adjusted inflation using 'last years' rate is not entirely accurate of the situation for KCCP. Using a historic adjusted calculation[13] over a reasonable period may render a more accurate measure.

6.1.2 The continued subsidy should be further split into an (a) operating subsidy and an (b) asset management subsidy (see recommendation one in table 6.1)

6.1.3 Investing in both an operating and asset management subsidy will give KDC time to further review any future investment and comply with relevant Council fiscal policies.

6.1.4 The asset management subsidy should be assigned to an independent operator who specializes in asset management and should focus on plant and critical facility renewals following the implementation of an Asset Management Plan.

6.1.5 Both subsidies should be managed and monitored by KDC officers following the introduction of reviewed subsidy or policy guidelines.

6.1.6 A full review of performance indicators and policy guidelines should be undertaken after year one, which will indicate what further investment, if any, is required.

6.1.7 This review would ideally be undertaken in conjunction with the recommended analytical report and will also allow time to embed the Asset Management Plan.

6.1.8 Ensure that an experienced pool operator continues to operate KCCP. This is to align with the subsidy and operations recommendations noted above and will ensure the appropriate expertise is employed.

6.1.9 A suitable governance review should be undertaken so that expectations of current and new users are considered. Where possible this review should be as inclusive as possible and be community led. This function could be initiated independently and/or led by the existing KCCP Advisory Committee.

6.1.10 As a result of a governance review, developing a 'Usage Policy' will provide clear and transparent guidelines on access, pricing, and service provision for KCCP.

6.2 Future Development Analysis

6.2.1 Along with investment into pool operating plant, the report explores opening KCCP year-round and enclosing the hydro/toddler pool to provide increased access.

6.2.2 A summary financial case is presented to support the promoted opportunities, the recommendations and preferred options.

6.2.3 When viewing a simplified 'potential' forecast based on minimal closures and a weather friendly summer, the following income scenario could be expected operationally.

6.2.4 Income Scenario. By adding a winter provision, table 6.1 highlights income potentially adding $30,469 (33%) to summer income. This scenario assumes the toddler/hydro pool open only and is enclosed.

[13] https://www.rbnz.govt.nz/monetary-policy/about-monetary-policy/inflation-calculator

Table 6.1: Year-round income scenario	Actual 2023/24	Budget 2023/24	Potential
Admissions + Other	$60,366	$76,056	$83,661
Learn to Swim	$6,118	$9,504	$10,454
Total 2023/24	**$66,484**	**$85,560**	**$94,115**
Add a Winter (12-month operation)			
Admissions + Other			$23,465
Learn to Swim			$7,004
Total Potential Winter Income			$30,469
Total Operating Income if Year-Round			$124,584
Add Recommended Operating Subsidy			$300,000
Total Potential Position			**$425,584**

Assuming prices remain the same.

6.2.5 **Expense Scenario**. By adding a winter provision, table 6.2 highlights expenses potentially adding $30,469 (33%) to summer expenses. This scenario assumes plant improvements have been made, and the toddler/hydro pool open only and is enclosed.

Table 6.2: Year-round expense scenario	Actual 2023/24	Potential
All expenses	$277,639	
All expenses (+40%)		$388,695
All expenses (+45%)		**$402,577**
Add a Winter (12-month operation)		

Table 6.3: Key expense scenarios		Potential
Water	$46,838	$58,548
Energy	$45,551	$56,940
Staff Costs	$185,249	$231,561

6.2.6 **Bottom-line Scenario**. By adding a winter provision to make KCCP year-round, the bottom-line presents slightly better than a break-even position. By refining the subsidy model savings on this scenario should be expected resulting in a facility that expenses less than $400k per year.

6.2.7 This assumptive position is subjective and should be further tested when completing the recommended analytical or feasibility report.

Appendix 1: Condition Grading Table

Element	1. Very good	2. Good	3. Moderate	4. Poor	5. Very poor
Estimated proportion of life consumed	**Up to 45%**	**Between 45% to 90%**			**90% to 100%**
Structure	Sound structure.	Functionally sound structure.	Adequate structure, some evidence of foundation movement, minor cracking.	Structure functioning but with problems due to foundation movement. Some significant cracking.	Structure has serious problems and concern is held for the integrity of the structure.
External	Fabric constructed with sound materials, true to line and level. No evidence of deterioration or discolouration.	Showing minor wear and tear and minor deterioration of surfaces.	Appearance affected by minor cracking, staining, or minor leakage. Indications of breaches of weather proofing. Minor damage to coatings.	Fabric damaged, weakened or displaced. Appearance affected by cracking, staining, overflows or breakages. Breaches of weatherproofing evident. Coatings in need of heavy maintenance or renewal.	Fabric is badly damaged or weakened. Appearance affected by cracking, staining, overflows, leakage or damage. Breaches of waterproofing. Coatings badly damaged or non-existent.
Internal			Appearance affected by minor cracking, staining, or minor leakage, some dampness or mildew. Minor damage to wall/ ceiling finishes.	Fabric damaged, weakened or displaced. Appearance affected by cracking, staining, dampness, leakage, or breakages. Breaches of weatherproofing evident. Finishes of poor quality and in need of replacement.	Fabric is badly damaged or weakened. Appearance affected by cracking, staining, leakage, or willful damage. Breaches of waterproofing. Finishes badly damaged and in need of replacement.
Services	All components operable and well maintained.	All components operable.	Occasional outages, breakdowns or blockages. Increased maintenance required.	Failures of plumbing, electrical and mechanical components commonplace.	Plumbing, electrical and mechanical components are unsafe or inoperable.
Fittings	Well secured and operational. Sound of function and appearance.	Operational and functional. Minor wear and tear.	Generally operational. Minor breakage.	Fittings of poor quality and appearance, often inoperable and damaged.	Most are inoperable or damaged.
Maintenance	Well maintained and clean.	Increased maintenance inspection required.	Regular and programmed maintenance inspections essential.	Frequent maintenance inspections essential. Short term element replacement/ rehabilitation.	Minimum life expectancy, requiring urgent rehabilitation or replacement.
Customers	No customer concerns.	Deterioration causes minimal influence on occupational uses. Occasional customer concerns.	Some deterioration beginning to be reflected in minor restrictions on operational uses. Customer concerns.	Regular customer complaints.	Generally not suitable for use by customers.

Source: SPM Assets

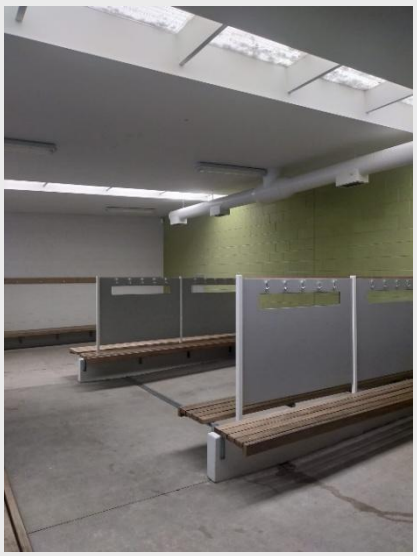
Appendix 2: Current State Image Gallery

2.1. Superficial repairs required

2.2. Roof gutter rusting

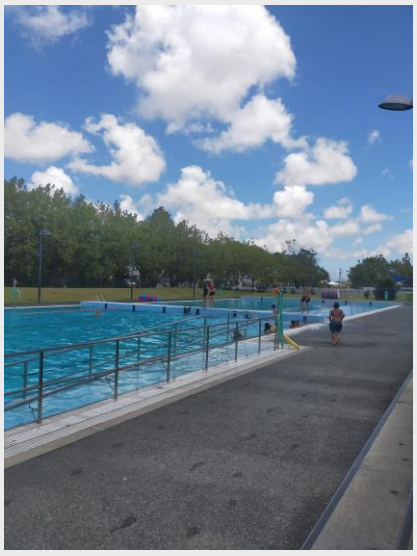
2.3. View to toddler/hydro pool

2.4. Shade sails replaced 2023



2.5. Spacious change room.

2.6. Accessible change rooms.



2.7. 50m pool with bulkhead in place

2.8. Pool side water play equipment

2.9. View to toddler/hydro pool

Appendix 3: Solar System Article 2009

Solar flair on the boil in Dargaville

A Nelson solar technology firm has designed and installed the country's biggest solar swimming pool system – in a small Northland town.

Solar Technology Systems director Frank Witowski said Dargaville, population 4672, now had one of the most modern swimming pools in New Zealand.

He said the size of the installation had scared a few people off, "but that's exactly what I like to do, push the envelope".

"People said it was too big. It wasn't everybody's cup of tea, but I'm a risk-taker."

He took four Germans and three Kiwis to Dargaville "and nailed it in 3 1/2 days".

"It's unbelievable because of the size of the job," he said. "Normally it takes a day to do just one system, but we did 63. It's like a solar farm up there."

The solar outfitting of Dargaville's new $6 million Kauri Coast Community Pool cost close to $200,000 and included 300 square meters of pipes and framing angled to capture the sun.

Almost two million litres of pool water will be pumped to the roof and run through the pipes to be warmed by a heat exchange system before being pumped back.

Mr Witowski said when the weather was ideal, the sun would heat all the water. When it wasn't, five back-up heat pumps would keep the main pool at 26 degrees Celsius.

The complex has a learners' pool, hydrotherapy facility and spray park and the main outdoor 50-metre pool. Kauri Coast Community Pool Trust chairman Vern Stevens said Solar Technology Systems had done "a fantastic job".

"We've gone for solar because it's, hopefully, in the end cheaper and greener and there's reasonable sun hours up here – not as many as you in Nelson, though," he said.

An Energy Efficiency and Conservation Authority subsidy covered much of the cost.

Mr Stevens said he was expecting to keep the main pool open seven to eight months of the year, and the smaller pool all year round, by diverting the solar power.

By NAOMI ARNOLD

The Nelson Mail

December 03, 2009 •01:00pm

Appendix 4: Letter to KDC from Plumbing and Heating Dargaville

Plumbing & Heating CENTRE

7th October 2024

Kaipara District Council
Private Bag 1001
Dargaville 0340

RE: Dargaville Kauri Coast Community Swimming Pool

To Whom This May Concern,

I am writing to address several longstanding issues with the design, maintenance, and operation of the Dargaville Kauri Coast Community Swimming Pool. The following points outline some of the key challenges we have faced:

1. **Solar Heating System**: The pool's solar heating system was not originally designed to be winterised or shut down for extended periods. As a result, during the winter months, copper pipes burst and fittings split due to the lack of water circulation. Additionally, when the system is reactivated each season, the solar pumps often engage before the main pool pumps, causing water temperatures exceeding 200°C to flow through the heat exchangers. This surge damages the PVC fittings and pipework, which has occurred multiple times over the years.
2. **Pool Pumps**: The prolonged inactivity of the pool pumps during off-season periods has resulted in significant wear and tear. These pumps, which cost thousands of dollars, are subject to corrosion due to the chlorinated water remaining stagnant within them. Each season, we are forced to dismantle and replace bearings in the pumps. Furthermore, last year, one of the pump controllers malfunctioned, which resulted in only partial functionality. This issue caused the water levels in both pools to remain 3-4 inches below the required level throughout the season, leading to filtration inefficiencies.
3. **Chlorine Dosing System**: The automatic chlorine dosing system, a crucial component of pool maintenance, has been dysfunctional for several years due to lack of upkeep. As a result, staff have been manually dosing the pools, which poses safety risks and is not a sustainable solution.
4. **Splash Pad**: While the splash pad was a fantastic addition and worked well for the first few seasons, it has been inoperative for some time due to issues with the pump and suction lines. Unfortunately, budget constraints have prevented the necessary repairs.
5. **Filtration System**: For many years, filtration sand has been entering the pools and causing blockages in the solar system's heat exchangers, reducing their efficiency in heating the pool. Despite cleaning the heat exchangers multiple times, the issue persists. It appears that the mesh grills in the sand filters, which are supposed to prevent sand from entering the pools, may have developed holes, but no corrective action has been taken to resolve this problem.

The issues outlined above not only hinder the pool's functionality but also increase operational costs and pose safety concerns. I hope this matter will receive the necessary attention so that appropriate steps can be taken to resolve these long-standing problems.

Kind regards,

Andrew Boakes

PLUMBING & HEATING CENTRE LTD

Appendix 5: Critical Success Factors (CSF)

Factor	Description and how well the option can
Strategic fit and community value (CSF 1)	1. meet the report objectives, related facility, and community needs. 2. fit with community facility strategies, programmes, and projects. 3. meet the expectations of community stakeholders when identifying need (see KCCP Advisory Committee notes) 4. ensure the facility is accessible to current and future community groups
Affordability (CSF 2)	1. deliver against the operating funding plan/resources without compromising provision or service. 2. optimize value-for-money (optimal mix of benefits, costs, and risks). 3. deliver against future investment, planning and policies for renewals and maintenance (cash reserve policies). 4. match any known or other funding constraints.
Achievability (CSF 3)	1. is likely to be provided given the facility's ability to respond to changes required. 2. match any known supply or logistic constraints. 3. match the level of best practice design and specific component expectations for successful provision. 4. match the level of available skills required for successful provision.
Sustainability (CSF 4)	1. result in operations that optimizes value-for-money and provides opportunities for locals to be involved. 2. result in a facility that is easily operated and meets expectations for facility provision and services. 3. result in a facility that is easily maintained and minimizes disruption to the facility and service provision. 4. provide environmentally friendly features and opportunities to help minimize operating costs.