



18. LEISURE UNIT FINANCIAL REPORT TO 29 FEBRUARY AND PROJECTIONS TO 30 JUNE 2000

Officer responsible Leisure Manager	Author Lyall Matchett
Corporate Plan Output: Leisure Unit	

The purpose of this report is to inform the Parks and Recreation Committee of the Financial Position and projections to 30 June 2000 of the Leisure Unit due to the six monthly monitoring report indicating a level of over expenditure of approximately \$550,000 in relation to its annual budget.

At the February monitoring meeting the Committee requested that a monthly report be presented to the remaining meetings for this financial year updating them on the units performance.

The following report presents the Year to Date costs and variances and a projection to the remainder of this financial year.

These are summarised into outputs with commentary relating to the reasons for the over expenditures. In most cases these are similar to that presented to the February Meeting.

Recreation and Arts

The area of over expenditure identified in this output relates to a reduction in revenue from holiday programmes due to a reduction in numbers available on programmes for health and safety reasons. This is made up by savings in the Special Events area.

	Year to 29 February 2000			Projection to 30 June 2000		
	YTD Actual	YTD Budget	Over/under	Projection	Budget	Over/under
Recreation & Arts						
Arts	91,795	88,742	3,053	133,081	133,081	-
Recreation Promotion & Programmes	657,717	655,117	2,600	1,002,546	982,546	20,000
Special Events	403,269	428,989	- 25,720	623,404	643,404	- 20,000
	1,152,781	1,172,848	- 20,067	1,759,031	1,759,031	Nil

Information & Advice/Plans and Policies & Customer Centre

The cost of setting up and operating the Leisure and Parks Customer Centre is greater than the nil budget provided from existing resources. These relate to telephone transfer charges - \$19,000 pa and the computerised booking system annual licence fees. Information and advice costs are effected by increases in unit overheads.

	Year to 29 February 2000			Projection to 30 June 2000		
	YTD Actual	YTD Budget	Over/under	Projection	Budget	Over/under
Information & Advice/Plans, Policies						
Information & Advice	290,047	283,841	6,206	435,040	425,731	9,309
Plans & Policy Statements	156,551	167,928	- 11,377	251,862	251,862	-
Leisure and Parks Customer Centre	48,082	24	48,058	26,116	-	26,116
	494,680	451,793	42,887	713,018	677,593	35,425

Grants and Sport Liaison and Development

Projection is on target with budget.

	Year to 29 February 2000			Projection to 30 June 2000		
	YTD Actual	YTD Budget	Over/under	Projection	Budget	Over/under
Grants & Leisure Services						
Grant Administration	- 602	- 2,316	1,714	- 3,500	- 3,500	-
Sport Liaison & Development	90,910	92,057	- 1,147	138,024	138,024	-
	90,308	89,741	567	134,524	134,524	-

Events and Promotion

As reported sponsorship revenue from Summertimes is \$51,500 lower than projected with a main sponsor withdrawing and other major events competing against each other for sponsorship funding. The delay in the operation of the Cathedral square markets reduced revenue by approximately \$25,000. Savings in event marketing and research of approx \$20,000 reduces the impact of this reduction in income.

	Year to 29 February 2000			Projection to 30 June 2000		
	YTD Actual	YTD Budget	Over/under	Projection	Budget	Over/under
Events & Promotions						
Events In-house	340,043	342,640	- 2,597	500,563	500,563	-
Events – Contracted	563,338	650,778	- 87,440	809,971	809,971	-
SummerTimes	714,403	686,015	28,388	927,206	875,699	51,507
Events Marketing & Research	116,676	126,794	- 10,118	170,174	190,174	- 20,000
Turning Point 2000	369,509	363,444	6,065	545,084	545,084	-
Cathedral Square Maintenance	11,538	- 19,997	31,535	- 4,326	- 30,000	25,674
	2,115,507	2,149,674	- 34,167	2,948,672	2,891,491	57,181

Stadia – Council Operated/Leased

There are a number of influencing factors relating to the performance of these facilities. In relation to the leased swimming pool, there has been some impact on their operation by the opening the two new Leisure Centres. The Pioneer Stadium has been affected by the opening of the WestpacTrust Centre to the amount of \$50,000 in income. The additional cost at Cowles relates to increased depreciation. The Leased Stadia have all been affected by a revaluation, and are being charged a higher amount of depreciation which will amount to \$81,300 by the end of the year. At present depreciation on Centennial Pool has not been charged. The projections provide for full depreciation to be applied by the end of the financial year. The poor weather this summer resulted in the outdoor pools being closed earlier than normal. Maintenance expenditure has also been deferred to next financial year to reduce over expenditures on other items. Additional maintenance has been required at Wharenui Pools with a heatpump being replaced in March of this year.

Additional income is being generated from an increase in fees at Rawhiti Golf Links.

Operating costs at the Spencer Park Holiday Camp are effected by the increase in depreciation of \$20,000. Additional work was required prior to the Christmas Holiday season in replacing a section of underground electrical reticulation.

The opening of the new pools has created a downturn in the other three Council owned indoor pools, however the total number of swimmer is approximately 75% higher than was previously being catered for.

Swimmer Admissions	Pioneer	Centennial	QEII	Jellie Park	Total	% increase
6 months July - Dec 99	145,148	111,879	141,897	31,524	430,448	75%
Comparative 1998	-	-	200,709	45,235	245,944	

Note these figure exclude Wharenui Pool as actual attendance figures were not available.

	Year to 29 February 2000			Projection to 30 June 2000		
	YTD Actual	YTD Budget	Over/under	Projection	Budget	Over/under
Stadia						
Council Operated						
Pioneer	168,713	108,886	59,827	213,281	163,281	50,000
Sockburn	73,988	67,038	6,950	100,513	100,513	-
Cowles	146,465	101,232	45,233	161,808	151,808	10,000
	389,166	277,156	112,010	475,602	415,602	60,000
Leased						
Cuthberts Green	15,755	11,141	4,614	22,974	16,695	6,279
Porritt Park	15,565	16,234	- 669	31,844	24,344	7,500
Denton Park	20,994	37,821	- 16,827	51,715	56,715	- 5,000
English Park	4,506	71,269	- 66,763	76,000	106,888	- 30,888
Wharenui	30,453	22,277	8,176	47,899	33,399	14,500
Addington	18,444	20,096	- 1,652	40,139	30,139	10,000
	105,717	178,838	- 73,121	270,571	268,180	2,391
Pools						
Council Operated						
Sockburn	118,304	111,958	6,346	160,000	191,523	- 31,523
Halswell	101,122	88,968	12,154	141,000	154,053	- 13,053
Waltham	104,438	106,917	- 2,479	151,950	181,297	- 29,347
Suburban Pools	118,581	100,700	17,881	145,500	151,005	- 5,505
Centennial Leisure Centre	90,767	282,202	- 191,435	423,248	423,248	-
Pioneer Leisure Centre	309,308	314,021	- 4,713	470,974	470,974	-
	842,520	1,004,766	- 162,246	1,492,672	1,572,100	- 79,428
Leased						
Jellie Park	148,241	131,857	16,384	205,000	197,768	7,232
Wharenui	77,343	58,204	19,139	107,293	87,293	20,000
	225,584	190,061	35,523	312,293	285,061	27,232
Cathedral Square Conveniences						
Cathedral Square Conveniences	286,951	298,391	- 11,440	437,525	447,525	- 10,000
Pioneer Creche Building	7,439	373	- 7,812	7,500	548	- 8,048
Golf Courses						
Rawhiti	10,530	35,143	- 24,613	10,000	14,359	- 24,359
QEII Park	- 45,682	- 51,562	- 5,880	- 71,000	- 76,245	- 5,245
	- 35,152	- 16,419	- 18,733	- 81,000	- 61,886	- 19,114
Camping Grounds						
Spencer Park	11,126	3,686	14,812	22,464	5,536	28,000
South Brighton	- 4,274	- 2,025	- 2,249	3,048	3,048	-
	6,852	- 5,711	12,563	19,416	- 8,584	28,000

The overall affect on the above Leisure Unit Items is a projected net increase of \$93,639 or 1.12% above a budget of \$8.4 Million dollars.

QEII

As was reported in February – the net cost of operating at QEII has been the one item that has most effected the Leisure Units performance for the 1999/2000 financial year. This has been caused by the hosting of two high profile events for the city during a period of redevelopment, and the reduction in usage of the pools due to the impact of the Council's other new Leisure Centres plus the tired image of QEII pools, and an over projection of income in the stadium.

The overall impact of the projections for QEII is additional costs to the Council of \$580,000 representing 20% of the total net budget. This is in comparison to the deficit at 29 February of \$780,000 – an improvement of \$200,000. There is a budget provision in the Leisure Unit relating to the operating portion of the QEII redevelopment which is under the responsibility of the Major Projects Unit. These costs will be apportioned to the unit budget at 30 June 2000.

As previously reported the reduction in admissions has effected revenue projections for Pools. This has also effected other areas such as the Hydroslide and revenue for the Sports Shop. The operation of the swim academy while being effective has resulted in higher wage costs than projected.

The hosting of the World Under 17 Soccer Championships and the Wheelchair Games resulted in additional maintenance being required to the athletic track and also in the construction of the media boxes in the grandstand. Labour costs in preparing grounds for the higher standard of competition were also increased. Due to the higher level of activity at the park in the summer months it is difficult to reduce/pull back on the maintenance and operating costs of this facility:

QEII	Year to 29 February 2000			Projection to 30 June 2000		
	YTD Actual	YTD Budget	Over/under	Projection	Budget	Over/under
Administration	-	-	-	-	-	-
Asset Maintenance	34,075	-	34,075	-	-	-
Pool	935,834	754,961	180,873	1,272,507	1,135,982	136,525
Hydroslide	- 59,308	- 59,372	64	- 76,000	- 67,143	- 8,857
Swim Academy	20,884	- 43,081	63,965	-	- 64,625	64,625
Stadium	855,549	612,519	243,030	1,138,654	919,210	219,444
Recreation Centre	325,216	158,068	167,148	345,259	237,055	108,204
Grounds	245,136	213,288	31,848	358,952	319,880	39,072
Café	6,284	6,710	- 426	10,059	10,059	-
Sports Shop	28,299	- 22,701	51,000	- 13,135	- 23,135	10,000
Fun Park	21,053	11,301	9,752	28,554	16,958	11,596
Sub total QEII	2,413,022	1,631,693	781,329	3,064,850	2,484,241	580,609
Maintenance portion of Redevelopment	-	233,537	- 233,537	350,284	350,284	-
Total QEII	2,413,022	1,865,230	547,792	3,415,134	2,834,525	580,609

The following table is a list of the major sports events held at QEII since the start of this year. In addition to this, the facility is used by the Aranui Sports Academy (3 classes) 75 students, Aoraki Performance Institute (3 classes) 60 students - both using rooms, the fields, pools and team gym every day.

The Canterbury Crusaders, Canterbury Bulls, Canterbury Flames and NZ Women's Hockey are all making use of the QEII facilities for training purposes. Many senior rugby teams use the dive well for recovery and training sessions.

	50 Metre Pool	Dive Well	Main Stadium	Village Green
JANUARY				
8			Athletics	
9				
10			Rugby	
11			Rugby	
12			Athletics	
13	Canterbury Swim Champs			
14	Canterbury Swim Champs			
15	Canterbury Swim Champs		Athletics	
16	Canterbury Swim Champs			
18			Athletics	
22			Athletics	
23			Athletics	
29		Canty Diving Champs		
30	Canty Swim Carnival			
FEBRUARY				
2			Athletics	
5			Athletics	
6			Athletics	
12			Athletics	Shell Trophy Cricket
14	School Swimming Sports		School Athletics	Shell Trophy Cricket
15	School Swimming Sports		School Athletics	Shell Trophy Cricket
16	School Swimming Sports			Shell Trophy Cricket
17	School Swimming Sports		School Athletics	
18	School Swimming Sports			
19	Canty Swim Carnival		Athletics	
20			Athletics	
21	School Swimming Sports		School Athletics	
22	Primary Schools Triathlon		School Athletics	
23			School Athletics	
24			School Athletics	
25	Canty Div B Swim Champs		School Athletics	
26	Canty Div B Swim Champs		Athletics	
27	Weetbix Kids Triathlon		Athletics	
28	Sec. School Swim Champs			
29	Int. Schools Triathlon		School Athletics	
MARCH				
1	Zone Swimming Sports			
2	Zone Swimming Sports		School Athletics	
3			School Athletics	
4			Athletics	
5			Athletics	
6	Zone Swimming Sports		School Athletics	
7	Zone Swimming Sports		School Athletics	
8	Zone Swimming Sports		School Athletics	
9		National Diving Champs		
10		National Diving Champs	National Athletic Champs	
11		National Diving Champs	National Athletic Champs	
12			National Athletic Champs	
14	ChCh Int.Schools Swim Champs		School Athletics	
18			ChCh Sec Schools Athletic Champs	
19			Athletics	
21		Canty Sec Schools Lifesaving Champs		
23	Canty Primary Swim Champs	SI Sec Schools Water Polo		Shell Trophy Cricket
24		SI Sec Schools Water Polo		Shell Trophy Cricket
25		SI Sec Schools Water Polo	Canty Soccer	Shell Trophy Cricket
26		SI Sec Schools Water Polo	City to Surf/Soccer	Shell Trophy Cricket

Overall Position

The projected net cost of the Leisure Units operating is likely to exceed budget by \$674,250 or 6% on a net operating cost of \$11.2 million dollars. \$80,000 represents additional depreciation that is the result of a revaluation of the Council's assets and reflects in some part the upgrading and asset maintenance work that has been undertaken. Approximately \$360,000 reflects a reduction in the revenue projections for the year due to a variety of reasons for each facility or activity. In most cases these reductions have been further reflected in revenue targets for the 2000/2001 financial year. Increases in operating costs/maintenance has been the result of preparation for major events and activities or necessary unplanned maintenance at facilities. Savings have been implemented in a number of areas, and the overall financial position will improve from the current position between now and the end of the financial year.

Recommendation: That the information be received.

**Chairman's
Recommendation:**