Recreation and Sport Facility Management Guide

Government of South Australia
Office for Recreation, Sport and Racing

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Purpose of this guide

Designed to supplement the South Australian Regional Level Recreation and Sport Facilities Planning Guidelines this resource has been developed to assist local government officers and others responsible for the planning, development and operation of recreation and sport facilities identify the appropriate facility management model for their facility.

Background

Sustainable asset management plays a critical role in supporting effective Local Government planning and service delivery. Due to their characteristics regional level recreation and sport facilities are assets that generally require large amounts of public money to develop, operate and maintain and consequently it is important for councils to decide early on:

1. What outcomes they expect from the facility in return for the public investment and how this performance will be measured? and

2. What facility management model is best suited to helping council achieve these outcomes?

Decision making steps

STEP 1: Clarifying what is expected from the facility

The successful management of facilities requires a shared understanding and commitment by council and facility operators to manage the facility in an efficient, effective and responsible way. To do this, it is important for councils to determine what they want from the facility especially in terms of **COMMUNITY/SOCIAL, ENVIRONMENTAL and FINANCIAL outcomes.**

Most critical to the long-term sustainability of a facility is achieving a balance between maximising community/social outcomes while minimising costs. These two concepts are often in tension with each other with councils having to find a balance between providing the standard of facility and level of services that community need and expect at a cost which is equitable and affordable (for users and council).

Outcomes	Things to consider
What are the **community/social outcomes** and targets you want the facility to achieve in the short, medium and long term?	To be sustainable a facility should provide the right mix of programs and services to cater for the community it has been built for. To do this requires councils to understand what the community needs actually are (both now and into the future). This can be done by: • **Undertaking an analysis of the current and projected future demographic characteristics of the local community.** Understanding characteristics such as the communities' social-economic status, gender and age mix now and projected can help inform the types of programs and services to be delivered, when they should be delivered, and at what cost. • **Consulting with the community to develop a better understanding of their needs and wants.** This will help to further refine the program and cost mix and help determine the community/social outcomes and targets you need to set for a facility. **Tips:** • It is important to ensure the outcomes and targets set align with councils Community Strategic Plan priorities. • To be successful recreation and sport facilities need to be welcoming and accessible to people regardless of age, cultural background, abilities and income levels. This principle should be embodied in the design, activities, programs and management of the facility.
What **environmental outcomes** and targets do you want the facility to achieve in the short, medium and long term?	The cost of utilities such as electricity and water is rising, which may place increased pressure on the operating and maintenance life-cycle costs of facilities. Consequently, it is becoming increasingly important for councils to consider implementing strategies that reduce costs and support climate net-zero emissions targets such as installation of solar panels on community facilities and use of energy efficient LED lighting. **Tips:** • Conduct a facility environmental/climate risk and adaptation audit and set objectives and energy and water use, net-zero emission targets for the next 3–5-year period. Ensure you have a mechanism in place to measure and report

What **financial outcomes** and targets do you want the facility to achieve in the short, medium and long term?	In terms of financial management, it is important that councils consider what level of financial support if any through mechanisms such as subsidies and/or grants will be provided to off-set some or all of the costs of managing, operating and maintaining the facility. Council has to decide whether: • It will utilise a 'user pays' model for a facility where user groups and/or participants pay all the costs associated with the facility (full cost recovery), or • Where the facility and the programs and services it delivers supports council to meet its social and community priorities and targets: ◦ Fully fund' all or some costs of maintaining the facility, or ◦ Use a 'shared cost' subsidy model to reduce the cost to user groups and/or participants. **Tips:** • It is important that the outcomes and targets set are consistent and align with the council asset and financial management plan targets. • Consider implementing a 'Community Facilities Subsidy Policy' which provides a framework to standardise the level of subsidy provided to community groups who use facilities (e.g. sports clubs) based on the extent to which they meet councils' priority community/social outcomes (e.g. provide programs for men and women, provide membership concessions or discounts to low income earners). • To offset costs, consider other income generating opportunities for the facility that can such as inclusion of an onsite commercial tenancy for example: ◦ Health Club (24/7Gym) ◦ Child Care Centre ◦ Retail ◦ Office/administration ◦ Allied Health Service (e.g. Sports Physio) ◦ Neighbourhood House ◦ Youth/Other Community Services ◦ Explore sponsorship opportunities (i.e. facility naming rights) ◦ Monthly Community Markets

STEP 2: Monitoring and evaluating performance

Once the desired outcomes for a facility are determined it is important that there is a mechanism in place to monitor and evaluate whether they are being met. This can be achieved by including them as Key Performance Indicators (KPI's) in facility operators' leases, licence or management agreements.

KPI's establish what is expected from the facility. Once established they become the benchmark against which performance is evaluated.

KPI's can be challenging to establish and monitor. Outcomes which are easily quantified, and relatively easy to prepare, include indicators such as **income and expenditure, and patronage levels**. On the other hand, qualitative outcomes which are much more complex to draft, include **customer satisfaction levels and social outcomes such as contribution to the health of the community and quality of life issues.**

Performance measure should be:

- Relevant–to the specific outcomes you want the facility to achieve.
- Well-defined -be written in a way that is easily understood and most importantly measurable by those responsible for the reporting.
- Cost-effective–it is important to remember that there is a cost associated with monitoring and reporting on performance, and you need to set KPI's that are achievable to deliver and report against especially when working with volunteer organisations (e.g. sporting clubs).
- Time-framed -dates performance reports are due should be documented and adhered to.

Things to consider:

- Set a broad range of KPI's, for example in the areas of finance, attendances/use, customer/ user satisfaction, condition/ maintenance of the asset, reporting.
- Include the KPI's in all tenure documents, such as licence agreements and management contracts.
- Require facility operators to prepare an annual facility operational plan detailing how the KPI's will be met.
- Link renewal of tenure to meeting KPI's.

STEP 3: Determining the appropriate management model

Providing the community with well-located and well-designed sports and recreation facilities with the right mix of programs and services does not guarantee success in itself; how the facility is managed is equally important. Determining the most effective and efficient management and operating model is therefore a key element in a facility's success and should be considered on a venue-specific basis, reflecting the needs of the community it serves.

Below are five management options applicable to the management of publicly owned recreation and sport facilities

Model	Description	Best suited when...	Not suited when...	Key council responsibilities
In-house (Direct)	Council staff run daily operations, programming and pricing; full asset maintenance control.	Council wants strong control, consistent standards, and direct risk management.	Primary purpose is commercial return; council lacks capacity/ skills.	Set KPIs; recruit/retain skilled staff; integrate with asset & financial plans.
In-house (Committee/Section 41 or subsidiary)	Council oversight via governing committee with delegated powers.	Community partnership and council control are both important.	If rapid market responsiveness and specialist expertise are required.	Clear charter; training; transparent reporting to Council.
External Contract Management	Specialist operator engaged under a management contract.	Competitive market; need for expertise; predictable operating budget.	When council must control program mix/pricing for social objectives.	Robust contract KPIs, fee structure, reporting and audit rights.
Lease/Licence to Club/Not-for-profit	Club or NFP operates facility under lease or licence.	Strong club capacity; clear community benefit; lower council overhead.	Where lessee lacks skills or strategic plan; risk of narrow programming.	Performance clauses, maintenance standards, equitable access KPIs.
Shared Management / Joint-Use (e.g., School–Community)	Formal shared use with partner	Maximises utilisation and community benefit; shares costs/risks.	If parties cannot agree to access windows, standards or cost sharing.	Detailed joint-use agreement, dispute resolution, cost & access schedule.

(Source: Guidelines for Sustainable Management of Community Recreation Facilities, Local Government Recreation Forum, South Australia.)

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