



19 June 2024

Chris Milne

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Dear Chris Milne

**Request for Information – Local Government Official Information and Meetings Act 1987 (the Act)**

We refer to your request dated 20 May 2024 for:

*Please supply all the detailed operational plans and associated budgets for the new Naenae Pool, as noted within Table 3, item 3, on page 17 of the agenda papers for the LTP meeting on 17 May 2024.*

*Item 3 says:*

*Naenae pool operational budget*

*As the new build of the Naenae pool is nearing completion, the detailed operational plans and associated budgets have been reviewed and updated based on latest information.*

**Response:**

The information that was provided to Council on 17 May 2024 had been based on more up to date and detailed information on the expected revenues and costs of operating the new Naenae Pool. The table below shows a high level breakdown of the new costs compared to the original costs in the draft Long Term Plan 2024/34.

	LTP Budget 2024/25 \$M	LTP Budget 2025/26 \$M	LTP Budget 2026/27 \$M	LTP Budget 2027/28 \$M	LTP Budget 2028/29 \$M	LTP Budget 2029/30 \$M	LTP Budget 2030/31 \$M	LTP Budget 2031/32 \$M	LTP Budget 2032/33 \$M	LTP Budget 2033/34 \$M	Total LTP \$M
<b>Original Budgets</b>											
Revenue	(0.5)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.5)	(1.6)	(13.6)
Employee Costs	0.6	1.5	1.8	1.7	1.7	1.8	1.8	1.9	1.9	2.0	16.6
Operating Costs	0.4	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.0	8.4
Net	0.5	0.9	1.2	1.1	1.2	1.2	1.2	1.3	1.3	1.3	11.4
<b>New Budgets</b>											
Revenue	(1.6)	(1.9)	(2.0)	(2.0)	(2.1)	(2.1)	(2.1)	(2.2)	(2.2)	(2.3)	(20.5)
Employee Costs	1.3	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2	19.4
Operating Costs	0.9	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	12.5
Net	0.6	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	11.4
<b>Difference</b>	<b>Positives Favourable/(Negatives Unfavourable)</b>										
Revenue	1.1	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	6.9
Employee Costs	(0.7)	(0.3)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(2.8)
Operating Costs	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(4.1)
Net	(0.0)	(0.1)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Revenue has been based on expected numbers for pool entries, pool hire, learn to swim, fitness users, sales, and other revenue.

Employee costs have been based on the expected numbers of staff to operate the pool, which is a total of 28 FTEs. The costs have been updated to reflect the increase to the living wage.

Staffing includes 11 permanent staff covering management, reception/customer services, shift supervisors, swim school supervisor and fitness instructor roles. It also includes 17 full time equivalent part-time and casual lifeguard roles to ensure staffing requirements are met including during busier periods ie, public and school holidays, and afternoons/weekends.

Operating Costs include utilities costs (electricity, water charges etc), insurance, security, cleaning, operational costs such as chemicals, allowance for minor maintenance, etc. These costs reflect significant recent increases, in addition to normal inflation, in electricity and insurance costs. The increases in costs have been offset by similar increases in revenue.

The budgets in 2024-25 covers 9 months of operation.

Attached is the operating model work which was done in the design phase of the project and is the basis for operational manuals which are currently being developed.

Note that some aspects of design and operation have changed since this work was done (eg: the pool now has two bulkheads which enables more areas of

activity) and these figures did not make any allowance for inflation between 2020 and 2024 or changes to pricing for any other reason.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Please note that this response to your information request may be published on Hutt City Council's website. Please refer to the following link: [www.huttcity.govt.nz/council/contactus/make-an-official-information-act-request/proactive-releases](http://www.huttcity.govt.nz/council/contactus/make-an-official-information-act-request/proactive-releases)

Yours sincerely

Philip Rossiter

Senior Advisor, Official Information and Privacy

# 1.0 OPERATIONAL MODEL

## 1.1 INTRODUCTION

An indicative operating model has been developed for the proposed Naenae Pool and Fitness Centre to reflect the concept design following value management changes. The model is intended to provide an estimate of anticipated visits and the ongoing operating costs for the proposed concept design.

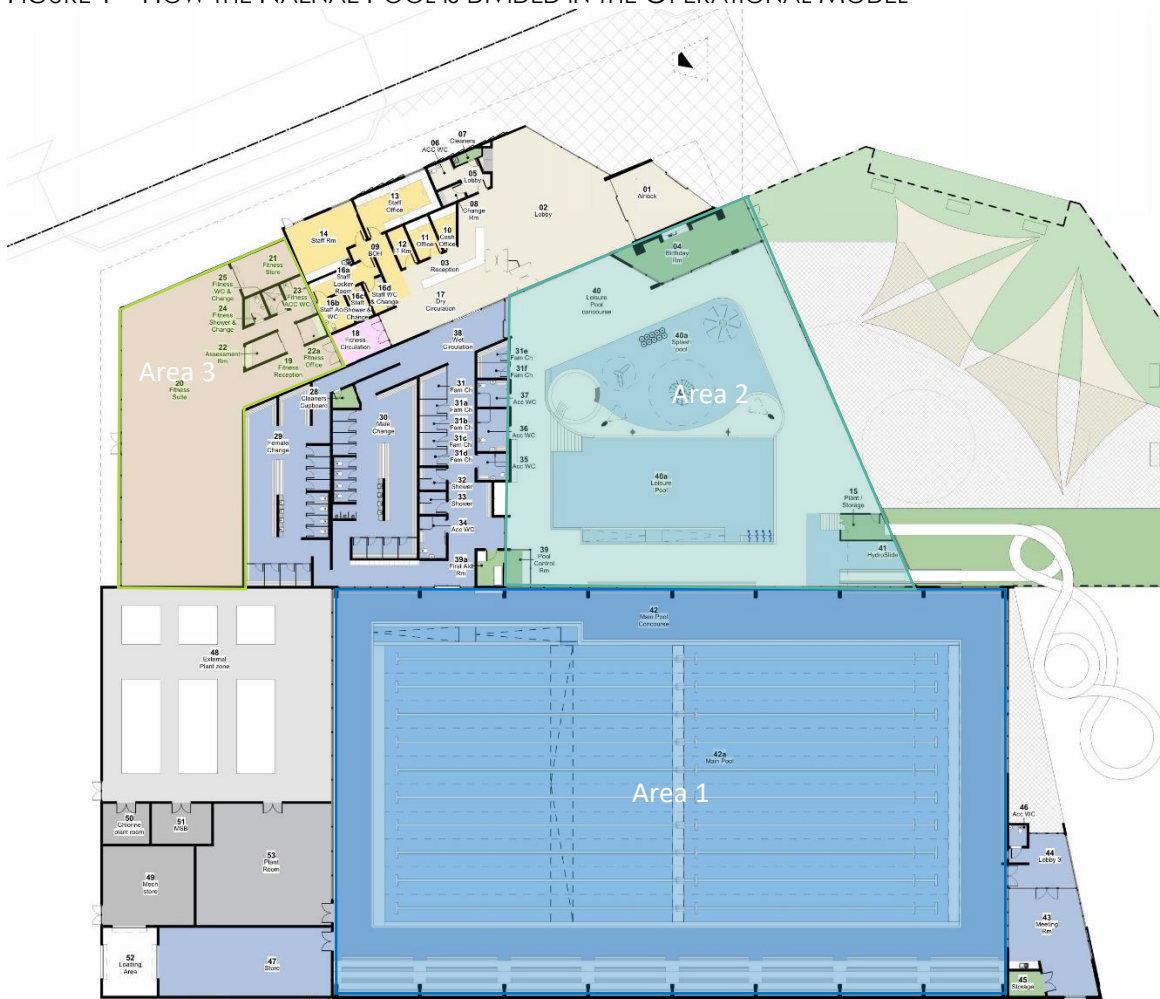
The base operational model is based on the following scope of facility:

- 50 by 25 metre (10 lane) lap-pool with side ramp entry with one bulkhead (1,295m<sup>2</sup>).
- Leisure pool with a shallow beach pool with water features and a multi-purpose leisure pool with depth from 0.8 metre to 1.2 metre (330m<sup>2</sup>).
- Outdoor area with BBQs and shaded recreational area.
- 1 hydroslide.
- 1 birthday party room.
- 296m<sup>2</sup> fitness space with individual changing spaces, storage and assessment room.
- Group, family and accessible changing rooms, administration, plant, and storage.
- Incorporates energy saving initiatives to GreenStar Level 5.

Figure 1.1 provides an outline of how the proposed design has been modelled:

- Area 1 - 50m pool and the pool hall.
- Area 2 - Multi-purpose leisure pool.
- Area 3 - Fitness Space.

FIGURE 1 – HOW THE NAENAE POOL IS DIVIDED IN THE OPERATIONAL MODEL



## 1.2 GENERAL ASSUMPTIONS

The following general assumptions have been applied in the operational model:

- All facilities are operated by Hutt City Council staff in an operating model similar to the previous Naenae Pool and Fitness Centre.
- No escalation has been included (as directed).
- The operational model assumes a full-year of operation following opening (ie no part years).
- The facility will be operational for 50 weeks per year, allowing for a 2-week shutdown period. No costs associated with a 2-week shutdown have been included. Day to day maintenance is included but not renewal costs.
- 12 public holidays are included, with an allowance for time and a half.
- The financial picture provides an EBITDA view (Earnings before Interest, Taxes, Depreciation and Amortization).
- No allowance has been included for internal costs, overheads, or insurance.
- All figures are GST exclusive.

It is important to note the operational modelling is inherently conservative and seeks to present an achievable result rather than an optimistic or aggressive result.

## 1.3 PRICING

The pricing in the model is based on the approved entry prices for 2020/21, as specified in Table 1. An allowance has been made for multi-visit and discounted rates for adults, seniors and child as specified in Table 1. Under 5 are assumed as free in this model. Spectators have been calculated but are assumed as free.

TABLE 1 PRICING STRATEGY FOR THE NEW AQUATIC FACILITY

	2021/22 PRICING	IN MODEL (NO GST)	MULTI-BUY	DISCOUNTING
Adults	\$6.00	\$5.22	\$4.43	55% full payment 40% multi-buy 5% non-payment
Senior	\$4.50	\$3.91	\$3.17	35% full payment 60% multi-buy 5% non-payment
Child	\$4.00	\$3.48	\$2.83	50% full payment 40% multi-buy 10% non-payment
Schools	\$1.50 per head	\$1.30		
Pool Hire	\$65.00 per hour for 25m x 15m \$150.00 per hour for whole 50m	\$52.17 \$130.43		
Learn to swim	Based on revenue per user 17/18	\$13.16		
Swimzone	Based on revenue per user 17/18	\$2.10		
Programmes	Based on revenue per user 17/18	\$5.65		
Hydroslide	\$4.50	\$3.91		
Parties	Based on similar facilities \$7.00/child	\$6.09		
Fitness	Based from average income 17/18	\$4.68		

## 1.4 OPERATING HOURS

The model is based on the following opening and operating hours when staff are on site.

	PUBLIC OPENING HOURS	OPERATING HOURS
<b>Weekdays</b>	5.30am - 8pm	4.30am - 10.30pm
<b>Weekends</b>	8am-6pm	6am - 9pm
<b>Public Holidays</b>	9am -6pm	7am-9pm

## 1.5 ESTIMATING THE FUTURE USE

The operational model uses two approaches to estimate the future use of Naenae Pool and Fitness Centre. The first approach uses Naenae Pool & Fitness Centre visit statistics to provide a starting point and using the visits per square metre to calculate a range of potential visits for the future facility. This is a rough approach but gives a useful guide for the lower and upper range of potential visits.

The second approach uses a pool loading model which estimates the potential loading of each water tank and builds the total visits using assumptions of use for different times of the day, week, and year.

### BASELINE VISITS

The last two full years of operation at Naenae Pool provide an indicative baseline for estimating future visits. The last two years had aquatic visits between 270,000 to 300,000 per annum, which correlates to between 245m<sup>2</sup> to 270m<sup>2</sup> visits/water-space. This represents a high level of occupancy for the old facility.

The draft design for Naenae Pool has a similar pool composition to the previous facility, except both pools are now larger:

- Main pool was 905m<sup>2</sup> and the proposed new main pool is 1,295m<sup>2</sup>
- Leisure pool was 201m<sup>2</sup> and the proposed new leisure pool is 330m<sup>2</sup>.

It is reasonable to assume the previous level of visits represents the lower range of potential visits and the previous visits/water space represents the upper end of potential visits. Table 2 provides the total aquatic visits (not including spectators) to Naenae Pool in 2017/18 and 2016/17 and the ratio of visits to the water space.

TABLE 2 CURRENT AND POTENTIAL AQUATIC FACILITY VISITS

	2016/17	2017/18	CONCEPT DESIGN
<b>Water area</b>	1,106	1,106	1,625
<b>Aquatic visits</b>	298,481	270,885	270,000 – 438,750
<b>Visits/m<sup>2</sup></b>	270	245	166 - 270

The starting point for future aquatic visits is 270,000 as the minimum expected aquatic facility visits, based on the aquatic visits achieved by the old facility. To estimate the upper end of facility visits, the ratio of visits per water-area is used, which calculates to 438,750 aquatic visits. 270 visits per water-space is high in comparison to other similar facilities, and therefore, this is considered the likely maximum aquatic visits for the facility.

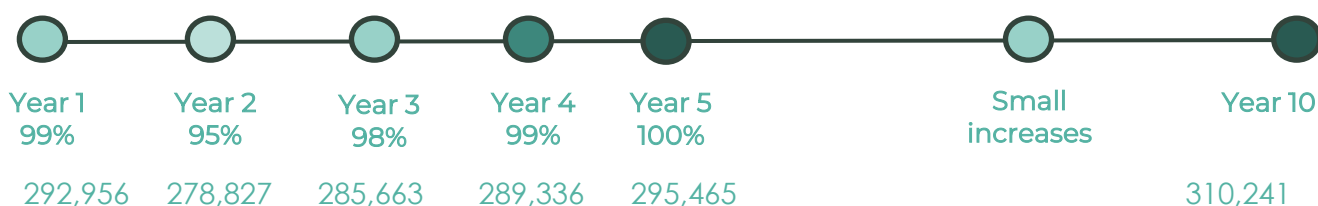
### POOL LOADING

This approach is more refined to determine the likely loading of the facility. Loading is different from maximum capacity. Maximum capacity is the absolute maximum number of

people a facility can accommodate all the time. It is very rare for aquatic facilities to reach maximum capacity as there is always peak and off-peak periods.

Loading is the expected number of people using the facility based on visits to each water tank across different times of the day, week, and year. The loading model utilises common use patterns in aquatic facilities by applying low, medium, and high loading patterns, to estimate the number of visits to each pool-tank.

Based on the loading model, full loading is anticipated at 292,956 aquatic visits per annum, this equates to 180 visits / square metre of water. It is typical for new aquatic facilities to operate very close to full loading in year 1 as the new facility will attract people to visit. It is very common for visits to drop-away in year 2 and build across several years to reach full loading (this is modelled in year 5 after opening). After this, it is expected small annual increases will be experienced based on population growth. At year 10, aquatic visits are estimated at 310,000 (equates to 190 visits/m<sup>2</sup>).



It is important to note, the model does not account for other variables such as opening or closing of other aquatic facilities and changing weather patterns, which can impact potential use (both positively and negatively). Therefore, we have not modelled visits beyond 10 years.

The loading assumptions for each pool tank are outlined in the following sections. Table 3 outlines the estimated visits across different categories for facility visits including estimated spectators, based on 50% aquatic sports and 50% child visits.

TABLE 3 – POOL LOADING ESTIMATED VISITS PER ANNUM

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Adult</b>	40,669	38,171	38,887	39,604	40,321	40,727	41,134	41,541	42,199	42,858
<b>Child</b>	70,154	65,795	67,064	68,333	69,602	70,304	71,005	71,707	72,826	73,945
<b>Hire</b>	71,679	68,812	70,245	71,679	72,396	73,113	73,829	74,546	75,263	75,980
<b>School</b>	43,680	44,117	44,558	45,004	45,454	45,908	46,367	46,831	47,299	47,772
<b>Events</b>	14,400	12,960	14,688	13,248	14,976	13,536	15,264	13,824	15,552	14,112
<b>LTS</b>	7,736	7,572	7,703	7,835	7,968	8,048	8,128	8,208	8,289	8,371
<b>Swimzone</b>	6,912	6,566	6,636	6,705	6,774	6,843	6,912	6,981	7,119	7,258
<b>Programmes</b>	5,092	4,751	4,859	4,968	5,076	5,127	5,178	5,229	5,302	5,375
<b>Senior</b>	9,271	8,590	8,828	9,065	9,303	9,396	9,488	9,581	9,694	9,807
<b>Under 5</b>	20,189	18,573	19,179	19,785	20,390	20,592	20,794	20,996	21,198	21,400
<b>Parties</b>	3,174	2,920	3,015	3,111	3,206	3,237	3,269	3,301	3,333	3,364
<b>Slide</b>	27,391	25,200	26,022	26,843	27,665	27,939	28,213	28,487	28,761	29,035
<b>Fitness</b>	62,515	63,936	65,357	66,778	68,198	69,619	71,040	72,461	73,882	74,592
<b>Spectators</b>	73,067	69,368	70,762	72,156	73,171	73,901	74,632	75,363	76,302	77,242
<b>Total Facility (No slide)</b>	<b>428,538</b>	<b>412,131</b>	<b>421,782</b>	<b>428,270</b>	<b>436,835</b>	<b>440,351</b>	<b>447,041</b>	<b>450,568</b>	<b>458,258</b>	<b>462,075</b>
<b>Total Aquatic visits</b>	<b>292,956</b>	<b>278,827</b>	<b>285,663</b>	<b>289,336</b>	<b>295,465</b>	<b>296,831</b>	<b>301,369</b>	<b>302,745</b>	<b>308,074</b>	<b>310,241</b>

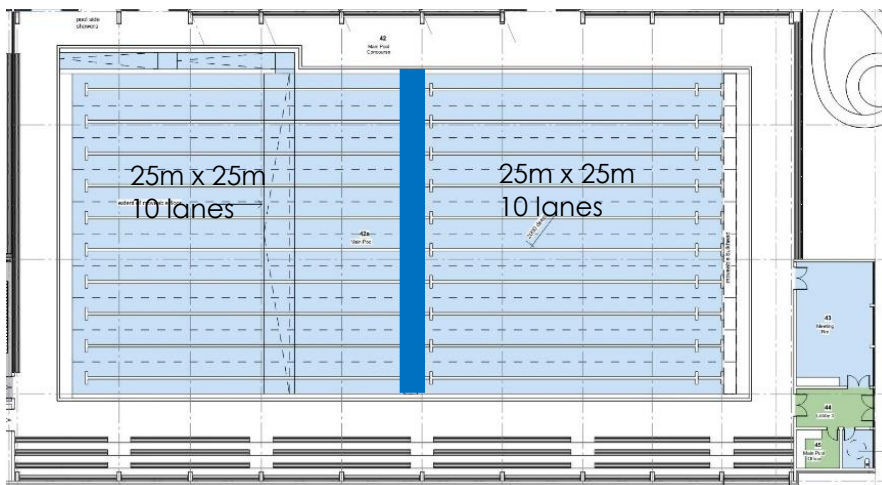
The pool loading has been built based on term and holiday periods as there are significant differences expected in the visits across the year.

## 1.6 50M POOL

The 50m pool is designed to be multi-purpose and used for a range of activities including:

- Casual swimming for fitness – lap swimming, aqua-jogging and aqua-walking.
- Recreational play in both shallow and deeper water.
- Learn to swim using the moveable floor to create shallow water.
- School swimming using the moveable floor for shallow and deeper water as required.
- Aquatic sport training – swimming, water-polo, synchronised swimming, canoe-polo and underwater hockey.
- Aquatic sport events – swimming, water-polo, synchronised swimming, canoe-polo and underwater hockey.

The loading model is based on operating in 2x25m zones 7 days/week with lanes allocated for different activities. It is noted the pool is likely to be in 50m mode at least once per week and lanes have been allocated pro-rata to each activity. The loading model includes variations between term and school holiday periods.



### LOADING MODEL

PERIOD	TIME	TERM TIME	HOLIDAYS
<b>Weekdays (5 days/week)</b>	Mornings	10 lanes casual laps	10 lanes casual laps
		10 lanes aquatic sport	10 lanes aquatic sport
	During day	6 lanes casual laps	5 lanes casual laps
		14 lanes schools	5 Lanes Learn swim mornings only
		-	10 lanes play
	After 3pm	2 lanes casual laps	4 lanes casual laps
		3 lanes learn to swim (3 days/week)	-
		2 lanes swim-zone	-
		10 lanes aquatic sport	6 lanes aquatic sport
	After 6pm	2 lanes play	10 lanes play
5 lanes casual laps		5 lanes casual laps	
15 lanes aquatic sport (20 lanes from 8pm to 10pm)		15 lanes aquatic sport	
<b>Weekends</b>	Mornings	2 lanes casual laps	5 lanes casual laps
		2 lanes play	5 lanes play
		2 lanes learn to swim	-
		4 Lanes swim-zone	-
	Afternoons	10 lanes aquatic sport	10 lanes aquatic sports
		9 lanes play	10 lanes play
		1 lane casual laps	10 lanes casual laps
		10 lanes aquatic sport	-
<b>Public holidays</b>	Day	10 lanes casual laps	10 lanes casual laps
		10 lanes play	10 lanes play
<b>Events</b>	Day	Allowance for 30 event days	



The model allows for 30 event days each year. These have been allocated in term periods but could be allocated during holiday periods as well. The model also includes an allowance to run 1 aquatic programme in the 50m pool every weekday (note most aquatic programmes are modelled in the leisure pool).

## MODELLED VISITS

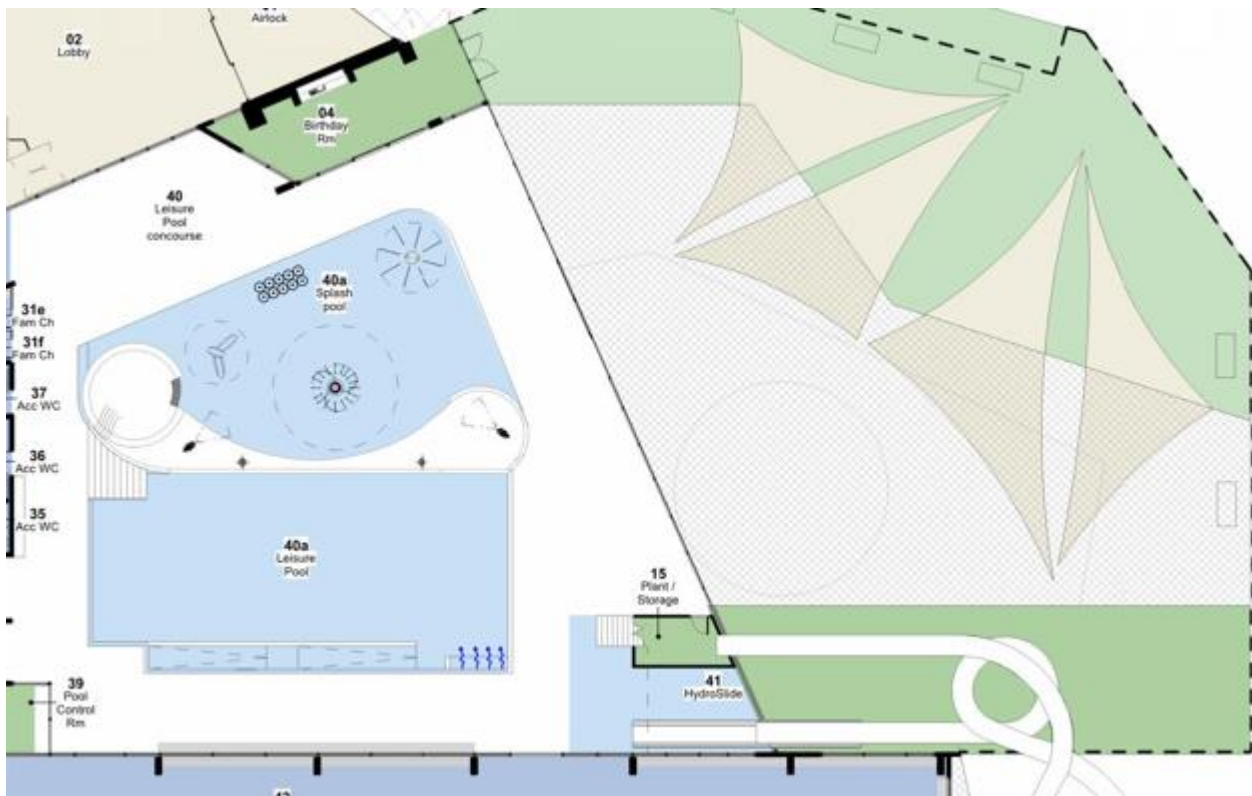
	MODEL	GROWTH ASSUMPTIONS
<b>Adult</b>	25,174	Estimated to grow in line with facility fluctuations
<b>Child</b>	41,782	Estimated to grow in line with facility fluctuations
<b>Hire (aquatic sport)</b>	71,679	Estimated to grow year on year by small percentage growth.
<b>Schools</b>	43,680	Estimated to grow year on year by small percentage growth.
<b>Events</b>	14,400	Estimated to grow on a 3 year cycle between high to low
<b>Learn to swim</b>	5,045	Estimated to grow year on year by small percentage growth.
<b>Swim zone</b>	6,912	Estimated to grow year on year by small percentage growth.
<b>Programmes</b>	2,208	Estimated to grow in line with facility fluctuations
<b>Seniors</b>	2,029	Estimated to grow in line with facility fluctuations
<b>Total</b>	<b>212,909</b>	164 visits per water-space

## 1.7 LEISURE POOL & HYDROSLIDE

The Leisure pool is designed to be multi-purpose and used for a range of activities including:

- Toddlers and young children play in the shallow water.
- Recreational play by older children and adults in the deeper water.
- Learn to swim in the deeper leisure pool.
- Aquatic programmes in the deeper leisure pool.
- Gentle hydrotherapy in the deeper leisure pool.

The loading model is based programming the pools for different activities across the day and week. The loading model includes variations between term and school holiday periods.



### LOADING MODEL

PERIOD	TIME	TERM TIME	HOLIDAYS
<b>Weekdays (5 days/week)</b>	Mornings	Aqua-fitness	Aqua-fitness
	During day	Adults and toddlers play swimming	Adults and toddlers for play swimming
		Seniors for hydrotherapy	Seniors for hydrotherapy
		3 Learn to Swim classes (3 days/week)	-
	After 3pm	-	Child for play swimming
		3.30-5pm learn to swim (3 days/week)	-
Adults and Child play swimming		Adults and Child play swimming	
After 6pm	Aquatic programmes	Aquatic programmes	
<b>Weekends</b>	Mornings	8.00-9.30am learn to swim classes	-
		Adult & child play swimming	Adult & child play swimming
	Afternoons	Adult & child play swimming	Adult & child play swimming
<b>Public holidays</b>	Day	Adult & child play swimming	Adult & child play swimming
<b>Hydroslide</b>	Day	Based on 25% of adult visits and 48% of child visits	

## MODELLED VISITS

	MODEL	ASSUMPTIONS
<b>Adult</b>	15,495	Estimated to grow in line with facility fluctuations
<b>Senior</b>	7,243	Estimated to grow in line with facility fluctuations
<b>Child</b>	28,372	Estimated to grow in line with facility fluctuations
<b>Under 5</b>	20,189	Estimated to grow in line with facility fluctuations
<b>Parties</b>	3,174	Estimated to grow in line with facility fluctuations
<b>Hydroslide</b>	27,391	Percentage growth in line with the rest of the facility
<b>Learn to swim</b>	2,691	Estimated to grow year on year by small percentage growth.
<b>Programmes</b>	2,884	Estimated to grow year on year by small percentage growth.
<b>Total (no hydroslide)</b>	<b>80,047</b>	242 visits per water-space

## 1.8 FITNESS SPACE



The estimated visits for the fitness space have been calculated using visits/square metre compared to the old fitness space at the previous Naenae Pool and Fitness Centre.

	Area	Visits	Visits/Area
<b>2016-17</b>	323m <sup>2</sup>	81,507	244/m <sup>2</sup>
<b>2017-18</b>	323m <sup>2</sup>	78,687	252/m <sup>2</sup>
<b>Estimated visits</b>	296m <sup>2</sup>	<b>71,040</b>	240/m <sup>2</sup>
<b>Estimated capacity</b>	296m <sup>2</sup>	<b>74,592</b>	252/m <sup>2</sup>

The model anticipates it will take 6 years to reach estimated visits as a conservative estimate. Maximum capacity is anticipated by year 10.

## 1.9 OTHER ASSUMPTIONS

COMPONENT	ASSUMPTIONS																																																			
<b>Vending machines</b>	Based on previous vending machine income, it is assumed income of \$0.5 of casual aquatic visits.																																																			
<b>Retail</b>	Based on a limited retail offering to begin with, it is assumed \$1.02 of learn to swim entries.																																																			
<b>Staff</b>	<p>Facility Staff include:</p> <ul style="list-style-type: none"> <li>• Facility Manager – full-time salaried</li> <li>• Operations Manager – full-time salaried</li> <li>• 6 Shift Supervisors – full-time salaried</li> <li>• Reception Team Leader – full-time salaried</li> <li>• Receptionist to cover all opening hours plus 20% cover for peak periods. Based on a living wage hourly wage of \$22.75.</li> </ul> <p>Lifeguarding staff – all lifeguards paid a living wage of \$22.75</p> <ul style="list-style-type: none"> <li>• Minimum of 1 lifeguard for each pool for all <u>operating</u> hours.</li> <li>• 2 additional lifeguards for 50m pool for afternoons, weekends and holidays.</li> <li>• 2 additional lifeguards for leisure pool during afternoons and weekends.</li> <li>• 3 additional lifeguards for leisure pool for school holidays. Assuming some of this capacity can float.</li> </ul> <p>Learn to swim staff include:</p> <ul style="list-style-type: none"> <li>• Supervisor – full-time salaried</li> <li>• 1 Teacher for all class/space hours at \$22.75 living wage</li> </ul> <p>Programme staff include an instructor on an hourly rate of \$25.00 for all programme hours.</p> <p>Fitness staff include:</p> <ul style="list-style-type: none"> <li>• Team Leader – full-time salaried</li> <li>• 5 instructors on 30 hours per week at the Living Wage \$22.75</li> </ul> <p>KiwiSaver and ACC levies at 5% of all wages.</p>																																																			
<b>Utilities</b>	<p>Power for pool heating, air handling, pumping and treatment has been calculated by Powell Fenwick for each pool area using their own modelling on energy consumption and efficiency. The potential savings from Green Star 5 have been applied. Water and chemicals have also been calculated by Powell Fenwick.</p> <table border="1"> <thead> <tr> <th colspan="5">Cost Estimates - Greenstar Case</th> </tr> <tr> <th>Cost per kWh Electricity</th> <th>\$</th> <th>0.16</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Total Cost:</td> <td>\$</td> <td>470,600</td> <td>\$</td> <td>73,300</td> </tr> <tr> <td></td> <td></td> <td>50M</td> <td>Leisure</td> <td>Fitness</td> <td>Remaining</td> </tr> <tr> <td>Pool Heating</td> <td>\$</td> <td>78,000</td> <td>\$</td> <td>49,500</td> <td>-</td> </tr> <tr> <td>HVAC</td> <td>\$</td> <td>49,800</td> <td>\$</td> <td>24,400</td> <td>\$ 25,600</td> </tr> <tr> <td>Pumping &amp; Treatment</td> <td>\$</td> <td>72,000</td> <td>\$</td> <td>38,100</td> <td>-</td> </tr> <tr> <td>Chemical Cost</td> <td>\$</td> <td>20,000</td> <td>\$</td> <td>40,000</td> <td>-</td> </tr> <tr> <td>Water Consumption Cost</td> <td>\$</td> <td>6,000</td> <td>\$</td> <td>20,000</td> <td>-</td> </tr> </tbody> </table>	Cost Estimates - Greenstar Case					Cost per kWh Electricity	\$	0.16			Total Cost:	\$	470,600	\$	73,300			50M	Leisure	Fitness	Remaining	Pool Heating	\$	78,000	\$	49,500	-	HVAC	\$	49,800	\$	24,400	\$ 25,600	Pumping & Treatment	\$	72,000	\$	38,100	-	Chemical Cost	\$	20,000	\$	40,000	-	Water Consumption Cost	\$	6,000	\$	20,000	-
Cost Estimates - Greenstar Case																																																				
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Chemical Cost	\$	20,000	\$	40,000	-																																															
Water Consumption Cost	\$	6,000	\$	20,000	-																																															
<b>Repairs &amp; Maintenance</b>	An allocation has been identified for each pool area and the remaining facility based on a new facility.																																																			
<b>Administration</b>	To cover promotion, training, uniforms, software, office supplies.																																																			
<b>Consumables</b>	To cover changing room and cleaning supplies.																																																			

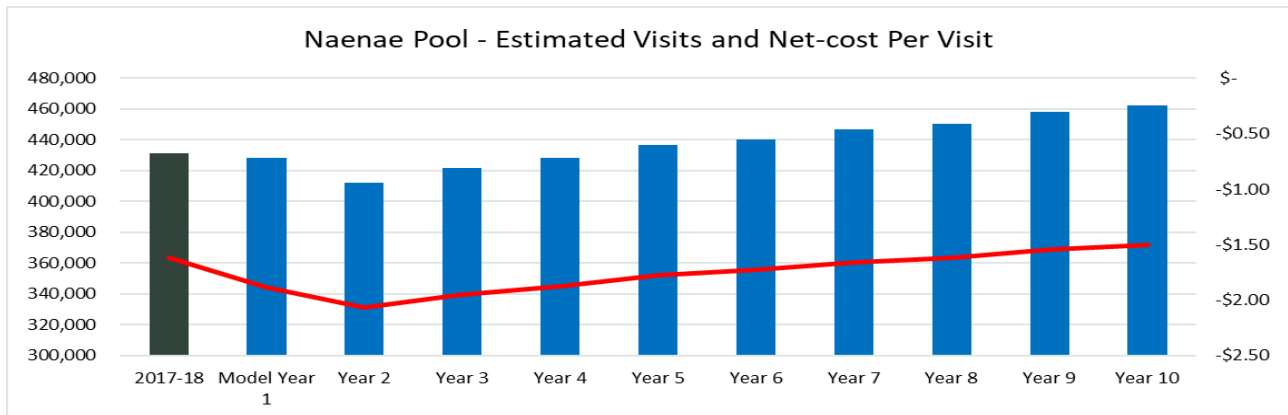
## 1.10 FINANCIAL FORECASTS

The following pages outline the estimated forecasts for each pool and the facility overall.

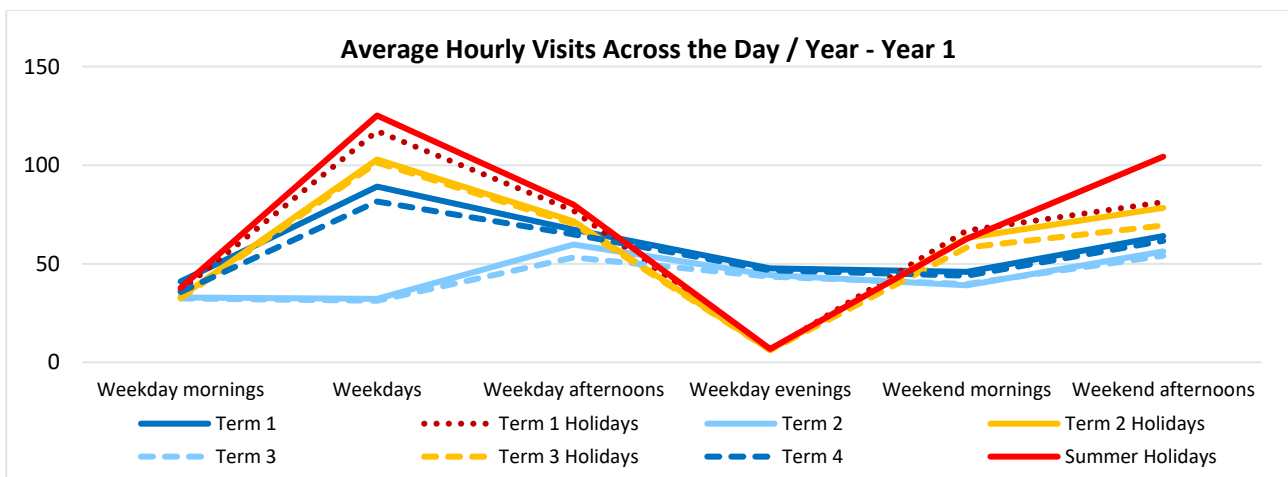
### COMPARISON BETWEEN ACTUAL AND ESTIMATED – VISITS & FINANCIAL

VISITS	2016-17	2017-18	Model Year 1
Adult	45,494	42,104	40,669
Senior	10,534	10,607	9,271
Child	73,757	72,061	70,154
Under 5			20,189
Schools	45,253	42,252	43,680
Pool Hire	90,761	80,244	86,079
Learn to Swim	11,917	7,437	7,736
Programmes	4,014	5,019	5,092
Swimzone	16,751	14,858	6,912
Fitness	81,507	78,687	62,515
Parties			3,174
Hydroslide			27,391
Spectator	87,377	78,265	73,067
<b>Total</b>	<b>467,365</b>	<b>431,534</b>	<b>428,538</b>
FINANCIAL RESULTS			
<b>Revenue</b>	\$ 1,095,862	\$ 955,820	\$ 1,261,933
<b>Operating Cost</b>	\$ 1,708,270	\$ 1,653,669	\$ 2,068,664
<b>Net Cost</b>	\$ 612,408	\$ 697,849	\$ 806,731
<b>Net Cost / User</b>	\$ 1.31	\$ 1.62	\$ 1.88
<b>Revenue / User</b>	\$ 2.34	\$ 2.21	\$ 2.94

### ESTIMATED VISITS AND NET COST OVER FIRST 10 YEARS



### VARIATION OF VISITS ACROSS THE DAY AND YEAR



## WHOLE AQUATIC FACILITY OPERATING MODEL 10 YEAR FORECAST

Naenae Pool - Combined View										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Income</b>										
<b>Revenue</b>										
- Adults	188,846	177,245	180,573	183,900	187,228	189,116	191,005	192,893	195,951	199,008
- Child	201,311	188,803	192,445	196,086	199,728	201,741	203,754	205,767	208,979	212,191
- Seniors	30,353	28,124	28,902	29,679	30,457	30,761	31,064	31,368	31,738	32,108
- Pool Hire	125,896	120,860	123,378	125,896	127,155	128,414	129,673	130,931	132,190	133,449
- Pool Events	31,304	28,174	31,930	28,800	32,557	29,426	33,183	30,052	33,809	30,678
- Schools	56,974	57,544	58,119	58,700	59,287	59,880	60,479	61,084	61,695	62,312
- LTS	101,811	99,642	101,375	103,115	104,861	105,906	106,958	108,017	109,083	110,156
- Swimzone	14,515	13,789	13,935	14,080	14,225	14,370	14,515	14,660	14,951	15,241
- Programmes	28,779	26,851	27,464	28,078	28,692	28,980	29,268	29,555	29,968	30,381
- Fitness	292,339	298,983	305,627	312,271	318,915	325,559	332,203	338,847	345,491	348,813
- Hydroslide	107,183	98,608	101,824	105,039	108,255	109,326	110,398	111,470	112,542	113,614
- Parties	19,320	17,774	18,354	18,934	19,513	19,706	19,900	20,093	20,286	20,479
<b>Facility Income</b>	<b>1,198,631</b>	<b>1,156,397</b>	<b>1,183,925</b>	<b>1,204,578</b>	<b>1,230,872</b>	<b>1,243,185</b>	<b>1,262,399</b>	<b>1,274,738</b>	<b>1,296,682</b>	<b>1,308,430</b>
Vending Machine - net profit	55,412	51,983	52,976	53,969	54,961	55,515	56,070	56,624	57,513	58,401
Retail - net profit	7,891	7,723	7,857	7,992	8,128	8,209	8,290	8,372	8,455	8,538
<b>Total Income</b>	<b>1,261,933</b>	<b>1,216,103</b>	<b>1,244,758</b>	<b>1,266,539</b>	<b>1,293,961</b>	<b>1,306,909</b>	<b>1,326,758</b>	<b>1,339,734</b>	<b>1,362,649</b>	<b>1,375,369</b>
<b>Expenditure</b>										
Facility Staff Costs	575,656	575,656	575,656	575,656	575,656	575,656	575,656	575,656	575,656	575,656
Lifeguarding	446,253	446,253	446,253	446,253	446,253	446,253	446,253	446,253	446,253	446,253
Learn to Swim Teachers	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947
Programmes Instructors	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700
Fitness Staff	218,125	218,125	218,125	218,125	218,125	218,125	218,125	218,125	218,125	218,125
Staff costs	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384
Energy - pool heating	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500
Energy - air	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000
Energy - pumping & treatment	110,100	110,100	110,100	110,100	110,100	110,100	110,100	110,100	110,100	110,100
Chemicals	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Water	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Cleaning	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Repairs and maintenance	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Fitness Equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Administration	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Consumables	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Total Operating Expenditure</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>	<b>2,068,664</b>
<b>EBITDA</b>	<b>-806,731</b>	<b>-852,561</b>	<b>-823,906</b>	<b>-802,126</b>	<b>-774,704</b>	<b>-761,755</b>	<b>-741,906</b>	<b>-728,930</b>	<b>-706,015</b>	<b>-693,295</b>

## 50M POOL OPERATING FORECAST

Naenae Pool – 50 Metre Pool										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Income</b>										
<i>Quantity of visitors</i>										
- Adults	25,174	23,915	24,167	24,419	24,670	24,922	25,174	25,426	25,929	26,433
- Child	41,782	39,693	40,111	40,529	40,946	41,364	41,782	42,200	43,035	43,871
- Pool Hire (Hours)	2,413	2,316	2,365	2,413	2,437	2,461	2,485	2,510	2,534	2,558
- Schools	43,680	44,117	44,558	45,004	45,454	45,908	46,367	46,831	47,299	47,772
- Pool Events (Hours)	240	216	245	221	250	226	254	230	259	235
- Swimzone	6,912	6,566	6,636	6,705	6,774	6,843	6,912	6,981	7,119	7,258
- Learn to swim	5,045	5,096	5,147	5,198	5,250	5,303	5,356	5,409	5,463	5,518
- Programmes	2,208	2,098	2,120	2,142	2,164	2,186	2,208	2,230	2,274	2,318
- Seniors	2,029	1,927	1,947	1,968	1,988	2,008	2,029	2,049	2,089	2,130
<i>Revenue per visitor – Unit Rate</i>										
- Adults	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22
- Child	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48
- Pool Hire (per hour)	\$ 52.17	\$ 52.17	\$ 52.17	\$ 52.17	\$ 52.17	\$ 52.17	\$ 52.17	\$ 52.17	\$ 52.17	\$ 52.17
- Schools	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30
- Pool Events (per hour/25 pool)	\$ 130.43	\$ 130.43	\$ 130.43	\$ 130.43	\$ 130.43	\$ 130.43	\$ 130.43	\$ 130.43	\$ 130.43	\$ 130.43
- Swimzone	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10
- Learn to swim	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16
- Programmes	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65
- Seniors	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91
<b>Revenue per unit</b>										
- Adults	116,894	111,050	112,218	113,387	114,556	115,725	116,894	118,063	120,401	122,739
- Child	119,896	113,901	115,100	116,299	117,498	118,697	119,896	121,095	123,493	125,891
- Pool Hire	125,896	120,860	123,378	125,896	127,155	128,414	129,673	130,931	132,190	133,449
- Schools	56,974	57,544	58,119	58,700	59,287	59,880	60,479	61,084	61,695	62,312
- Pool Events	31,304	28,174	31,930	28,800	32,557	29,426	33,183	30,052	33,809	30,678
- Swimzone	14,515	13,789	13,935	14,080	14,225	14,370	14,515	14,660	14,951	15,241
- Learn to swim	66,397	67,061	67,732	68,403	69,093	69,784	70,482	71,187	71,899	72,618
- Programmes	12,480	11,856	11,981	12,106	12,230	12,355	12,480	12,605	12,854	13,104
- Seniors	6,641	6,309	6,375	6,442	6,508	6,575	6,641	6,708	6,840	6,973
Retail Income	7,891	7,723	7,857	7,992	8,128	8,209	8,290	8,372	8,455	8,538
<b>Total Income</b>	<b>558,889</b>	<b>538,267</b>	<b>548,626</b>	<b>552,111</b>	<b>561,238</b>	<b>563,435</b>	<b>572,533</b>	<b>574,758</b>	<b>586,587</b>	<b>591,543</b>
<b>Expenditure</b>										
Lifeguarding	242,265	242,265	242,265	242,265	242,265	242,265	242,265	242,265	242,265	242,265
LTS Staff	86,846	86,846	86,846	86,846	86,846	86,846	86,846	86,846	86,846	86,846
Programmes staff	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700
Staff costs	16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991	16,991
Energy – pool heating	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Energy – air	49,800	49,800	49,800	49,800	49,800	49,800	49,800	49,800	49,800	49,800
Energy – pumping & treatment	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Chemicals	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Water	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Cleaning	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Repairs and maintenance	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>50m Pool Expenditure</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>	<b>622,602</b>
<b>EBITDA</b>	<b>-63,712</b>	<b>-84,334</b>	<b>-73,975</b>	<b>-70,490</b>	<b>-61,364</b>	<b>-59,166</b>	<b>-50,068</b>	<b>-47,844</b>	<b>-36,015</b>	<b>-31,058</b>



## LEISURE POOL OPERATING FORECAST

### Naenae Pool - Play Pool

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Income</b>										
<b>Quantity of visitors</b>										
- Adults	15,495	14,256	14,721	15,185	15,650	15,805	15,960	16,115	16,270	16,425
- Senior	7,243	6,663	6,880	7,098	7,315	7,387	7,460	7,532	7,605	7,677
- Child	28,372	26,102	26,953	27,805	28,656	28,939	29,223	29,507	29,791	30,074
- Learn to Swim	2,691	2,476	2,556	2,637	2,718	2,745	2,772	2,799	2,826	2,852
- Programmes	2,884	2,653	2,739	2,826	2,912	2,941	2,970	2,999	3,028	3,057
- Hydroslide	27,391	25,200	26,022	26,843	27,665	27,939	28,213	28,487	28,761	29,035
- Parties	3,174	2,920	3,015	3,111	3,206	3,237	3,269	3,301	3,333	3,364
<b>Revenue per visitor - Unit Rate</b>										
- Adults	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22
- Senior	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91
- Child	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.48
- Learn to Swim	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16	\$ 13.16
- Programmes	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65	\$ 5.65
- Hydroslide	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91	\$ 3.91
- Parties	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09
<b>Revenue per unit</b>										
- Adults	71,952	66,196	68,354	70,513	72,672	73,391	74,111	74,830	75,550	76,269
- Seniors	23,712	21,815	22,526	23,237	23,949	24,186	24,423	24,660	24,897	25,134
- Child	81,415	74,902	77,345	79,787	82,229	83,044	83,858	84,672	85,486	86,300
- Learn to Swim	35,414	32,580	33,643	34,705	35,768	36,122	36,476	36,830	37,184	37,538
- Programmes	16,299	14,995	15,484	15,973	16,462	16,625	16,788	16,951	17,114	17,277
- Hydroslide	107,183	98,608	101,824	105,039	108,255	109,326	110,398	111,470	112,542	113,614
- Parties	19,320	17,774	18,354	18,934	19,513	19,706	19,900	20,093	20,286	20,479
Aquatic Income	<b>355,294</b>	<b>326,870</b>	<b>337,529</b>	<b>348,188</b>	<b>358,847</b>	<b>362,400</b>	<b>365,953</b>	<b>369,506</b>	<b>373,059</b>	<b>376,612</b>
Vending Machine - net profit	55,412	51,983	52,976	53,969	54,961	55,515	56,070	56,624	57,513	58,401
<b>Total Income</b>	<b>410,706</b>	<b>378,853</b>	<b>390,505</b>	<b>402,157</b>	<b>413,808</b>	<b>417,915</b>	<b>422,022</b>	<b>426,129</b>	<b>430,571</b>	<b>435,013</b>
<b>Expenditure</b>										
Lifeguarding	203,988	203,988	203,988	203,988	203,988	203,988	203,988	203,988	203,988	203,988
Learn to swim Staff	10,101	10,101	10,101	10,101	10,101	10,101	10,101	10,101	10,101	10,101
Staff costs	10,704	10,704	10,704	10,704	10,704	10,704	10,704	10,704	10,704	10,704
Energy - pool heating	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500
Energy - air	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400
Energy - pumping & treatment	38,100	38,100	38,100	38,100	38,100	38,100	38,100	38,100	38,100	38,100
Chemicals	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Water	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Cleaning	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Repairs and maintenance	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>Play Pool Expenditure</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>	<b>436,793</b>
<b>EBITDA</b>	<b>-26,088</b>	<b>-57,940</b>	<b>-46,288</b>	<b>-34,637</b>	<b>-22,985</b>	<b>-18,878</b>	<b>-14,771</b>	<b>-10,664</b>	<b>-6,222</b>	<b>-1,780</b>

**FITNESS OPERATING FORECAST**

<b>Fitness Centre</b>										
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Income</b>	88%	90%	92%	94%	96%	98%	100%	102%	104%	105%
Swim / Gym Visits	62,515	63,936	65,357	66,778	68,198	69,619	71,040	72,461	73,882	74,592
Revenue per visit	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68
<b>Total Income</b>	<b>292,339</b>	<b>298,983</b>	<b>305,627</b>	<b>312,271</b>	<b>318,915</b>	<b>325,559</b>	<b>332,203</b>	<b>338,847</b>	<b>345,491</b>	<b>348,813</b>
<b>Expenditure</b>										
Staff	218,125	218,125	218,125	218,125	218,125	218,125	218,125	218,125	218,125	218,125
Staff costs	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906
Heating - Air	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600
Fitness equipment minor	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cleaning	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Repairs and maintenance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Marketing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total Expenditure</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>	<b>294,631</b>
<b>EBITDA</b>	<b>-2,293</b>	<b>4,351</b>	<b>10,995</b>	<b>17,640</b>	<b>24,284</b>	<b>30,928</b>	<b>37,572</b>	<b>44,216</b>	<b>50,860</b>	<b>54,182</b>

## SENSITIVITY ANALYSIS

Sensitivity analysis has been undertaken on different levels of income and costs. The following graph shows EBITDA (Earnings before interest, depreciation and tax) or the operating result for different assumptions of income up/down or costs up/down. The graph shows there are no scenarios where breakeven is possible.

