



Community Gym Report

June 2018



INTRODUCTION

This report has been compiled in response to Council's resolution motion no. 102.05.2018 at the May 2018 Council Meeting.

Council notes the overall recommendation as expressed through the Notice of Motion (as included at the end of this motion) and requests a detailed report of the Whitemark Gym operation during the trial period for discussion at the June Workshop and consideration of the Gym's operation past the trial period at the June Council Meeting.

Notice of Motion:

1. "That Council agrees to continue to provide the Whitemark Community Gym facility on an ongoing basis for a further period of 3 years by providing rent for the facility and in-kind support.
2. That the weekly user rate rise from \$5 per week to \$10 per week, with \$3 per week going to a Council trust fund to purchase new equipment/ replace existing equipment.
 - \$5 per week rate for students up to 16yrs and people receiving government benefits (i.e. all pensioners, unemployment benefits etc.) with no contribution to trust fund.
 - Single use rate be \$5 (i.e. one visit in a week) with a rate for single usage of \$3 for students (up to 16yrs) and pensioners and other government benefits.
 - If the Royal Flying Doctor Service (RFDS) funding continues after 30 June 2018 for the existing aged/chronic health clients, then a rate of at least \$50 per day (i.e. 2x days = \$100 per week) comes out of the RFDS funding for rental of the premises. 50% of this money (i.e. \$50 per week) goes into a trust fund to purchase new equipment/ replace existing equipment."

As stated in this report, it could be detrimental to Council's reputation to give either the Whitemark Community Gym or the Lady Barron Fitness Annex a perceived advantage one over the other. For this reason, the Lady Barron facility has been included in this report.

WHITEMARK COMMUNITY GYM

Background

The Whitemark Community Gym started out as a privately-run business by David Heap. It was being used by the general community and as part of the RFDS program helping people with chronic conditions.

On 6th July 2017 David made a presentation to Council and explained that he could no longer financially support the gym. From that, the Whitemark Community Fitness Facility Business Case was compiled and then later presented to Council at a workshop on 3rd August 2017. At the 17th August Council Meeting, Council agreed in principal to a trial operation period of the Whitemark Community Gym.

Alignment with Strategic Plan

The Whitemark Community Gym addresses point 2 (Infrastructure and Services - placed based approach to planning and delivery to ensure community and environmental values are maintained) and point 5 (Liveability - protect, improve and promote the safety, creativity, health and wellbeing of the Islands' communities) in the Flinders Council Strategic Plan.

Performance

Council took over the running of the Whitemark Community Gym in September 2017 on a trial basis. Since that time the need for a permanent Community Gym has been proven through the patronage of the gym alone. The gym has fast become the most popular tool for health and well-being on the Island.

Currently user groups include, youth, seniors, and entire families attending the gym together on a weekly and sometimes daily basis, supporting opportunities for physical activity and healthy lifestyle options. Flinders Island District School is using the gym as part of their physical education program at the school, with students designing exercise programs and then putting them to the test in the gym.

Operation of the Community Gym is also an essential requirement for the RFDS program to continue. This has provided a supportive gym environment for clients suffering from Chronic Obstructive Pulmonary Disease, Mental Illness, Cardiovascular Disease and Dementia, enabling them to improve their health and well-being and manage their conditions.

Usage & Costs

A complete analysis of the Gyms operation is attached. A few summary points are as follows:

- The RFDS program has been well attended. Since commencing in April 2017, 85 individual people have participated in the program.
- RFDS sublets the gym on Mondays and Fridays between 8am and 2pm to run the program, with the income going towards operational costs of the gym.
- Although the RFDS program provides additional financial support, the Community's use is the dominant feature such that from a cost benefit basis it is considered justified to continue its operation regardless of the RFDS Funding, which is an added bonus.
- In addition to user groups, the gym has also provided a source of income for The Lions Club enabling them to enhance their work within the Community.

Financial Implications

Like all Council run facilities it is a matter for the Council to establish an operational budget, a component of which includes revenue raised as fees and charges. This was considered in the original business case presented to Council. The data collected since Council operation shows the annual running costs to be significantly less than first projected (approximately 28% less). The reduced cost to Council is in part due to the community support for the gym shown through greater patronage of the facility than first expected.

As noted in the budget provided, if the fee structure remains as it is the Whitemark Community Gym will run at a cost to Council of approximately \$6,500 per annum. An increase of fees to \$5 per day/\$10 per week would see the cost to Council reduced to approximately \$2,000 per annum.

Risk/Liability

Financial risk to Council, low – Even with the current fee structure the overall financial risk to Council is low at \$6,500 per annum.

Risk to Council reputation, high – The Gym is a well-supported and much needed part of the continual improvement of health and well-being on the Island. With over 150 people inducted, more than 15% of the Island's population would be impacted by the potential closing of the Gym. This would be significantly detrimental to Council's reputation within the Community.

Secondly, when making any decisions on the Whitemark Community Gym or the Lady Barron Fitness Annex, the other must be taken into consideration as giving either a perceived advantage/disadvantage would be detrimental.

There is a medium Risk of raising fees as this may deter some people from using the gym and inadvertently increase the cost to Council through reduced patronage. The Community has only just started to use the facility at a high rate and hitting them with an increased cost so soon may deter some people. Equally, the fees are starting from an introductory low base with the \$10 per week fee suggested still very cheap.

LADY BARRON COMMUNITY GYM

Background

After community consultation in 2015 regarding the upgrade to the Lady Barron Hall, it was identified there was a need for a community fitness facility. The brief was to construct a purpose-built annex appropriate for a small 'community fitness centre' to house the current 8 fitness machines plus weights, barbells, trampolines, steps, skipping ropes etc. The Lady Barron Hall Committee secured a grant for the fitness annex then together with Council they devised an operational structure for an unsupervised Community Fitness Annex which has also been adopted for the Whitemark Community Gym.

Performance

As is with the Whitemark Community Gym, current user groups include entire families attending the Fitness Annex together on a weekly and sometimes daily basis allowing them to spend quality time together while maintaining a healthy lifestyle. Community associations such as the Flinders Island Netball team use the Fitness Annex as part of their training regime.

Usage & Costs

A complete analysis of the Gym's operation is attached. A few summary points are as follows:

- The depreciation of the gym space has been taken into account and is one of the major running costs.
- The Lady Barron Fitness Annex only has user fees as an income source.
- Potential users of the Annex are using the Whitemark Gym as they are in the RFDS program.

Comments	Whitemark		Lady Barron	
Whitemark is based on data from the start of January to the end of May.	Business case projection	17/18 EOFY Based on current data	Business Case projection	17/18 EOFY Based on current data
Income				
User Fees	\$ 3,000.00	\$ 4,477.92	\$ 3,000.00	\$ 1,190.00
RFDS	\$ 3,380.00	\$ 3,380.00		
Private Classes	\$ 2,400.00	\$ -		
Total Income	\$ 8,780.00	\$ 7,857.92	\$ 3,000.00	\$ 1,190.00
Expenses				
Rent	\$ 5,632.00	\$ 4,160.00	\$ 5,000.00	\$ 5,000.00
Equipment depreciation	\$ 2,900.00	\$ 2,900.00	\$ -	\$ 2,000.00
Utilities	\$ 520.00	\$ 1,040.00	\$ 520.00	\$ 520.00
Council staff - Compliance	\$ 2,823.00	\$ 2,184.00	\$ 2,624.00	\$ 2,184.00
Cleaning	\$ 2,288.00	\$ 2,288.00	\$ 2,288.00	\$ 2,288.00
Equipment Service	\$ 500.00	\$ 1,300.00	\$ 500.00	\$ 1,300.00
Insurance	\$ 2,704.00	\$ -	\$ 600.00	
Total Expenses	\$ 17,367.00	\$ 13,872.00	\$ 11,532.00	\$ 13,292.00
Net Position	\$ (8,587.00)	\$ (6,014.08)	\$ (8,532.00)	\$ (12,102.00)
	Whitemark		Lady Barron	
	18/19 no change	18/19 Increase	18/19 no change	18/19 Increase
Income				
User Fees	\$ 4,477.92	\$ 8,955.84	\$ 1,190.00	\$ 2,380.00
RFDS	\$ 3,380.00	\$ 3,380.00		
Private Classes	\$ -	\$ -		
Total Income	\$ 7,857.92	\$ 12,335.84	\$ 1,190.00	\$ 2,380.00
Expenses				
Rent/Building Depreciation	\$ 4,160.00	\$ 4,160.00	\$ 5,100.00	\$ 5,100.00
Equipment depreciation	\$ 2,958.00	\$ 2,958.00	\$ 2,040.00	\$ 2,040.00
Utilities	\$ 1,255.00	\$ 1,255.00	\$ 572.00	\$ 572.00
Council staff - Compliance	\$ 2,184.00	\$ 2,184.00	\$ 2,184.00	\$ 2,184.00
Cleaning	\$ 2,288.00	\$ 2,288.00	\$ 2,288.00	\$ 2,288.00
Equipment Service	\$ 1,326.00	\$ 1,326.00	\$ 1,326.00	\$ 1,326.00
Insurance	\$ -	\$ -		
Total Expenses	\$ 14,171.00	\$ 14,171.00	\$ 13,510.00	\$ 13,510.00
Net Position	\$ (6,313.08)	\$ (1,835.16)	\$ (12,320.00)	\$ (11,130.00)

Note: Insurance costs were budgeted for but due to compliance actions by staff and the Community these costs have not resulted and have been able to be incorporated into Council's General Insurance.

Whitemark Community Gym Attendance					
Month	Total No. of Visits	RFDS Visits (free)	Other Visits (paid)	Income (per month)	Income (running total)
January	214	133	81	\$ 164.00	164
February	360	157	203	\$ 552.45	716.45
March	319	117	202	\$ 320.00	\$1,036
April	227	105	122	\$ 386.20	\$1,422.65
May	394	129	265	\$ 443.15	\$1,865.80
Totals	1514	641	873	\$ 1,865.80	

Lady Barron Fitness Annex			
Month	No. Visits	Monthly Income	Running Total
July	101	\$ 238.70	\$ 238.70
Aug	75	\$ 217.85	\$ 456.55
Sep	43	\$ 30.00	\$ 486.55
Oct	30	\$ 68.60	\$ 555.15
Nov	22	\$ -	\$ 555.15
Dec	38	\$ 105.00	\$ 660.15
Jan	50	\$ 50.00	\$ 710.15
Feb	78	\$ 60.00	\$ 770.15
Mar	45	\$ 80.00	\$ 850.15
April	68	\$ 75.00	\$ 925.15
Totals	550	\$ 925.15	

Whitemark Analysis	
Average income per paying visit	\$ 2.14
Projected Cost per Visit no RFDS	\$ 3.59
Projected Cost per Visit with RFDS	\$ 1.32
Lady Barron Analysis	
Average income per visit	\$ 1.68
Projected Cost per visit	\$ 18.34