

Sport and Recreation Services

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Requested by: Internally generated

Urgent

Non-urgent

Ministerial Reference: *ML/09/0778*

Departmental Reference: MC09.797

MINISTER FOR CHILD SAFETY & MINISTER FOR SPORT

<input checked="" type="checkbox"/>	Memorandum for Approval	<input type="checkbox"/>	Response to Question on Notice
<input type="checkbox"/>	Briefing Note for Information	<input type="checkbox"/>	Ministerial Statement
<input type="checkbox"/>	Speaking Points	<input type="checkbox"/>	Draft Media Release

SUBJECT

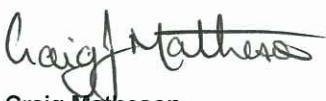
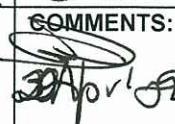
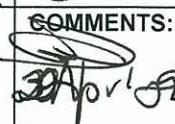
- Approval of applications for the Major Facilities Program.

PURPOSE

- To seek the Minister's approval of the attached schedule of projects under the Major Facilities Program (**Attachment 1**).

RECOMMENDATION

- It is recommended the Minister:
 - approve the attached schedule (**Attachment 1**) recommending 35 applications for funding totalling \$25,899,991 under the Major Facilities Program;
 - approve the attached letter to be sent to successful applicant organisations (**Attachment 2**);
 - approve the attached letter to be sent to the relevant Members of Parliament regarding successful projects in their electorates (**Attachment 3**);
 - approve the media release and the electorate releases for approved projects (**Attachment 4**); and
 - approve for the Department to write to the six applicants who have not met program criteria seeking further information to support their application by 15 May 2009.

<u>NOTED / ENDORSED /</u> <u>NOT ENDORSED</u>	<u>NOTED / APPROVED /</u> <u>NOT APPROVED</u>	<u>NOTED / APPROVED /</u> <u>NOT APPROVED</u>
 Craig Matheson Deputy Director-General (Sport and Recreation Services) (w) 32354303 (m) 0410424925 <i>30/04/2009</i>	 Linda Apelt Director-General Department of Communities <i>30/4/09</i>	 Phil Reeves MP Minister for Child Safety and Minister for Sport <i>25/04/09</i>
COMMENTS: 	COMMENTS: 	

BACKGROUND

- The Major Facilities Program (Majors) supports the construction, extension or improvement of significant sport and recreation facilities. The Majors budget is currently \$30 million, representing an increase of \$10 million from the previous round.
- The Majors funding provides opportunities for communities to develop significant facilities for local, regional, state, national and international sport and recreation needs, and funds are provided at 50 per cent of eligible project costs, up to a maximum of \$1.5 million.
- The construction of these projects provides economic and employment opportunities and facilitates access to new and improved spaces to participate in sport and recreation - which enables more people to lead active, healthy lifestyles.
- The Majors application process for 2009 involved two stages which included the submission of an Expression of Interest (Stage 1) which was assessed for compliance against the program criteria, and the submission of a full application for funding (Stage 2).
- On 3 February 2009, 44 organisations were invited by the former Minister for Sport to proceed to Stage 2 (Application for Funding) which required the submission of detailed project information such as Development Approvals to commence projects; confirmed project funding; business plans for the management and maintenance of the infrastructure; and construction program timeframes to ensure projects are completed within the funding period.
- The closing date for the submission of applications was 27 March 2009. The Department of Communities received 42 applications requesting \$33,126,344 for a total project cost of \$76,189,155. The projects would be funded in the 2009 – 10 and 2010 – 11 years
- An existing commitment of \$1.4 million for the Ballymore redevelopment project exists against the 2009 - 10 budget.
- The application for Cairns Police Citizens Youth Club (PCYC) for an amount of \$1,186,500 was forwarded to the Minister for separate approval as Community Renewal Funding was due to expire at the end of the 2008-09 financial year and urgent advice was requested.

DETAILS/ISSUES

- A comprehensive summary of the applications and results of the assessment process is provided at **Attachment 1**. The assessment has been completed to identify those projects that are at the stage where they are ready to progress and will be delivered within the program timeframes.
- Based on the Department's assessment, 35 applications are currently recommended with project funding of \$25,899,991 (excluding Cairns PCYC). It is estimated these projects will create 193 jobs during the construction phase.
- The draft letter informing successful applicants has been prepared for the Minister's approval (**Attachment 2**). A draft letter to the relevant Members of Parliament is attached for the Minister's approval (**Attachment 3**).

- Six applicants have not supplied all necessary information to support their projects being recommended at this time. The applicants and the information required, is as follows:
 - **Diggers Memorial Bowls Club Inc (requesting \$220,000):**
The organisation has not provided designs and costings, not all funding sources are confirmed and the business plan has not addressed all of the needs for the project including financial requirements and revenue to support the project once completed.
 - **Fraser Coast Regional Council (requesting \$683,870):**
The project is at schematic design stage so is unlikely to be completed during the funding timeframes. Council has not obtained development approval and the quantity surveyor (QS) summary provided is for building costs only, so total project costs are not complete.
 - **MacGregor State High School (requesting \$580,000):**
Only partial information on the Community Use Agreements has been provided. No designs or documentation have been provided on the project. Department of Education and Training approvals are indicated as not being required but no evidence to support this was supplied. Key milestones are not achievable so the project is unlikely to be completed within the project funding period. No QS estimate or quotations have been provided, and no funding confirmation is provided.
 - **Morningside Australian Football Club Ltd (requesting \$88,359):**
Tenure expires on 31 December 2009 although the club has indicated it is in the process of negotiating a further 10 year lease. The scope of works is unclear and the project cost in the application is lower than the information provided by the QS. The funding contributions are not confirmed and the club has indicated it does not have immediate access to funds for its contribution.
 - **Rockhampton Regional Council (requesting \$733,250):**
There is no evidence of consultation with sporting clubs or the community or of how the project will increase participation opportunities. There has been little evidence provided that the project is ready to proceed. The scope of works is unclear and no QS estimate has been provided. The documentation submitted in the application indicates that Council has not endorsed financial support and the project is not expected to be granted development approval until August 2010, indicating the project will not be completed within the program timeframes.
 - **YMCA of Brisbane (requesting \$4 million):**
YMCA had to vacate their previous centre at Windsor due to the construction of the Inner Northern Busway and the organisation is seeking funding to construct a new facility at Bowen Hills. YMCA has requested \$4 million to construct a facility that will provide mostly for local sport and recreation activities, although YMCA has provided a letter of support from the Chief Executive Officer of the Sporting Wheelies and Disabled Sport and Recreation Association of Queensland stating that competitions and state-squad training will occur at the site.

The Majors guidelines clearly state the program will only fund above the \$1.5 million when an applicant can establish that a facility will meet state, national and/or international training and competition needs. In the case of projects meeting this definition, funding will be provided at a maximum of \$1.5 million per annum over multiple funding years (in the case of YMCA three financial years).

The YMCA was advised of this condition however, developed their application on the basis the \$4 million would be provided in two financial years. The case for the facility being a state/national standard is not strong, although it is noted there will be potential for these events to be held for certain sports. While the project could be provided with \$1.5 million (the maximum for non state/national projects), a significant shortfall (\$2.5 million) would remain, placing significant risk for delivery of the project.

- As these projects were invited to Stage 2, the Department recommends that each applicant be contacted in writing by the Department and afforded two weeks to supply the information required to enable assessment of the application to be finalised. The Department will review any information supplied and submit a further schedule to the Minister for consideration in regards to these six projects.

FINANCIAL IMPLICATIONS

- The Department has budgeted for all of the invited applications to be delivered over the 2009/10 and 2010/11 financial years (noting YMCA was budgeted at \$1.5 million).
- A funding request from Sunshine Coast Regional Council for \$5 million is being assessed separately to the Majors applications.

Director's Signature

A/Executive Director's Signature



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