

7.2.4 COMMUNITY ORGANISATION LOAN GUARANTEE POLICY - WAVERLEY HOCKEY CLUB

Responsible Manager:	Tony Oulton, Manager Active Monash
Responsible Director:	Russell Hopkins, Director Community Services

RECOMMENDATION

That Council:

1. Acts as a guarantor for Waverley Hockey Club for a loan of up to \$200,000 for the replacement of the synthetic hockey pitch surface at Ashwood Reserve on the condition that the club enters into a funding agreement with Council.
2. Allocates up to a maximum of \$200,000 of funds, secured through the Local Roads and Community Infrastructure Program (LRCIP) grant to fund Council's portion of the project costs.
3. Authorises the club to undertake the procurement and project management for the replacement of the synthetic hockey pitch surface at Ashwood Reserve.

INTRODUCTION

The purpose of this report is to seek Council support to fund its share of the replacement of the synthetic hockey pitch at Ashwood Reserve using funds secured from the Federal Government Local Roads and Community Infrastructure Program. The report also seeks Council approval to act as a loan guarantor for the Waverley Hockey Club to enable the club to fund its 50% contribution of the cost to replace the synthetic pitch in accordance with their Lease Agreement with Council.

COUNCIL PLAN STRATEGIC OBJECTIVES

Inclusive Services

Renew our community assets to deliver contemporary services.

Good Governance

Ensure a financially, socially and environmentally sustainable organisation.

BACKGROUND

The Waverley Hockey Club is based at Ashwood Reserve, which forms part of a large and high-profile linear sporting hub in Monash that accommodates hockey, rugby, cricket, and casual soccer. The club is one of Melbourne's largest hockey clubs and fields an average of 25 winter teams each year, as well as running summer outdoor social competitions entering teams across all age groups.

The synthetic hockey field surface was first installed in 1988 and has been renewed on two occasions. New lights (8 poles with LED globes) have been erected over the hockey field.

The most recent pitch replacement was undertaken in 2011 and included the pitch shock pad. This project cost \$340,000 and was entirely funded by the club, including a \$190,000 loan. Council acted as guarantor for the club to secure the loan. The club has subsequently paid down its loan to approximately \$27,000 in addition to making a \$40,000 contribution toward the lighting upgrade and pitch repairs costing \$80,000 in 2020.

The club's current lease with Council commenced in 2022 and is for a ten-year period. Under the terms of the lease, the club is required to contribute 50% toward the cost of the synthetic pitch which is estimated to cost up to \$400,000 in total.

The club is seeking a contribution of up to \$200,000 in Council funding to cover a 50% contribution toward this project. The hockey club would fund the remaining 50% of project costs via a new loan arrangement with Council acting as guarantor.

DISCUSSION

The pitch at Ashwood Reserve is assessed regularly to identify any required maintenance and determine its suitability for play. An inspection completed in 2022 identified that the pitch had a limited life span (< 2yrs) before it became unsafe and unsuitable for play and that high wear areas needed to be repaired or replaced as soon as possible. Given the limited lifespan of the pitch, the option to just replace worn sections of the pitch as previously undertaken in 2020 was deemed unviable.

Council has therefore been approached by the club to contribute toward the replacement of the synthetic hockey pitch at Ashwood Reserve at the end of the current 2023 winter season.

PARTICIPATION & CAPACITY

The club's participation levels remain strong with over 500 members, including a female and non-binary participation rate of more than 40%.

LOAN GUARANTOR CONDITIONS

Council's willingness to act as guarantor for the club's loan would be subject to the following requirements being met:

- The club supplying Council with the last three years of audited financial reports demonstrating its capacity to service the loan.
- The loan is for no more than 20 years.
- Evidence of current membership details.
- Written confirmation from the financial institution granting the loan that the club has completed a credit check and has received loan pre-approval.
- The proposed funding model and loan be signed off at a Council meeting via a Council report.

In accordance with clause 12.4 of the club's lease with Council, ownership of all alterations or works made to the premises by the tenant (if any) shall vest in the Council at the expiry or earlier determination of the lease.

TIMING AND DELIVERY

Due to the nature of the project and club scheduling the best time to undertake the surface replacement works is November – December 2023. In this regard, the club requires a Council contribution and consent from Council to act as guarantor for its contribution toward the project to enable it to complete the works.

Under the proposal, the club will procure and project manage the resurfacing project in accordance with Council requirements.

A decision to not fund the project at this time may result in the club being unable to use the venue for matches, significantly impacting their ongoing viability. The pitch's capacity to accommodate future use cannot be guaranteed, nor deemed safe in its currently condition. Training and practice may be limited to sections of the pitch.

FINANCIAL IMPLICATIONS

Council is required to contribute 50% towards the cost of the synthetic surface replacement. Council's contribution is expected to cost a maximum of \$200,000 towards the replacement of the synthetic hockey pitch at Ashwood Reserve.

The project was not raised by the club in time for consideration as part of the development of Council's 2023/24 budget.

Council has recently been advised that it has been granted funding through the Federal Government's Local Roads and Community Infrastructure Program. This project meets the criteria for funding under the program. The allocation of part of these funds to this project will see it undertaken in a timely manner without impacting on Council's adopted 2023/24 budget.

POLICY IMPLICATIONS

Community Organisation Loan Guarantee Policy.

CONSULTATION

The community will be informed as to the timing of the replacement of the synthetic pitch.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

It is recommended that Council funds its portion of the synthetic pitch replacement at Ashwood Reserve up to a maximum of \$200,000 using un-budgeted funds secured through the Federal Government Grant - Local Roads and Community Infrastructure Program.

Funding will ensure the club is able to continue to use the pitch in the short term and mitigates any risk.

It is also recommended that Council acts as a loan guarantor for the Waverley Hockey Club for its portion of funding to replace the synthetic hockey pitch.

If approved, works would be completed in November – December 2023 and in time for the 2024 hockey season.

ATTACHMENT LIST

Nil