

**WALLY HAGAN RECREATION CENTRE  
FINANCIAL MODEL SUMMARY  
10 COURT FACILITY RETAINING  
EXISTING COURTS**

CITY OF COCKBURN  
RFP CIP – 01/2023  
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## Version Control

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Version 1	5 September 2024	Draft Issued for City of Cockburn comments
Version 2	13 September 2024	Final version.

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## **Wally Hagan Recreation Centre Revised Financial Forecast 10 Indoor Courts inclusive of Maintaining Existing 4 Courts**

### **Key Assumptions**

The model has been developed to understand the feasibility of developing Phase 1 only of the proposed WHRC (six new indoor courts, health club and café facilities) and retaining the existing four court facility with a refurbishment of this facility completed.

The new indoor courts will be operational from 2029. The existing four court centre will be closed for 6 months in 2029 for refurbishment before reopening in the second half of 2029. The indoor stadium will be operated by the City of Cockburn with the Cockburn Basketball Association as the major tenant.

At the same time as the new indoor courts are built a café/kiosk will be built in the new six court centre together with function rooms. Childcare and creche are currently excluded for this model as they are components of Phase 2 of the proposed redevelopment.

All dollar values from 2024 assumptions have been indexed at the assumed growth rate (3% p.a.) to 2029-dollar values and grown at a constant rate for the rest of the forecast period.

Other assumptions documented in the Feasibility Study remain the same.

The construction cost for both the new courts and the refurbishment of the existing four court centre is assumed to be \$42,914,450 which is the Construction Cost of Phase 1 plus a \$1.85M allowance for refurbishment as advised to the City by Stantec. Lifecycle cost of 1.25% of the construction cost commences in year 4 of operations (2032).

The 10-year cashflow forecast for the entire facility is set out in Table 1 out below. Note that this is a cashflow forecast and it excludes non-cash items, such as depreciation, as well as GST and any applicable rates and taxes. No provision is made for financing costs.

FACILITY CASHFLOW - INFLOW/OUTFLOW	YEAR												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Cashflow Inflow by Area</b>													
Indoor Stadium				\$1,126,000	\$1,547,412	\$1,694,452	\$1,900,741	\$1,957,763	\$2,016,496	\$2,076,991	\$2,139,300	\$2,203,479	\$2,269,584
Health Club				\$3,102,451	\$3,240,648	\$3,430,821	\$3,629,488	\$3,836,987	\$4,053,670	\$4,279,900	\$4,516,056	\$4,762,529	\$5,076,887
Café/Kiosk				\$72,455	\$74,628	\$76,867	\$79,173	\$81,548	\$83,995	\$86,515	\$89,110	\$91,783	\$94,537
Function Rooms				\$43,473	\$44,777	\$46,120	\$47,504	\$48,929	\$50,397	\$51,909	\$53,466	\$55,070	\$56,722
Childcare				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Creche				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
				\$4,344,378	\$4,907,465	\$5,248,260	\$5,656,905	\$5,925,227	\$6,204,557	\$6,495,314	\$6,797,932	\$7,112,861	\$7,497,729
<b>Cash Outflow by Area</b>													
Indoor Stadium				-\$861,046	-\$886,877	-\$1,006,954	-\$1,037,162	-\$1,068,277	-\$1,100,326	-\$1,133,335	-\$1,167,335	-\$1,202,355	-\$1,238,426
Health Club				-\$1,452,956	-\$1,497,762	-\$1,543,915	-\$1,592,381	-\$1,641,405	-\$1,692,832	-\$1,744,908	-\$1,799,483	-\$1,854,805	-\$1,911,340
Café/Kiosk				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Function Rooms				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Childcare				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Creche				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
				-\$2,314,002	-\$2,384,639	-\$2,550,869	-\$2,629,544	-\$2,709,682	-\$2,793,157	-\$2,878,243	-\$2,966,818	-\$3,057,160	-\$3,149,766
<b>Operating Net Cashflow</b>				\$2,030,376	\$2,522,826	\$2,697,392	\$3,027,362	\$3,215,545	\$3,411,400	\$3,617,070	\$3,831,114	\$4,055,701	\$4,347,963
<b>Lifecycle Costs</b>				\$0	\$0	\$0	-\$536,431	-\$536,431	-\$536,431	-\$536,431	-\$536,431	-\$536,431	-\$536,431
<b>Net Cashflow after Finance and Lifecycle Cost</b>				\$2,030,376	\$2,522,826	\$2,697,392	\$2,490,931	\$2,679,114	\$2,874,969	\$3,080,640	\$3,294,683	\$3,519,271	\$3,811,533

Table 1: Facility Cashflow – 10 Court Indoor Stadium

## Indoor Stadium

The CBA will be the major tenant. The model assumes the CBA will lease 100% of available peak hours at a fixed rate together with 20% of the off-peak hours. The remaining off peak hours will be allocated to other users on a per hour basis. The hourly rates for each user (in 2024\$) are set out in Table 2 below. The hourly rate for each user type (including CBA) is grown at the assumed growth rate 3.0% over the 10-year forecast period.

Court Hire Fees per hour	
CBA	\$ 33.00
Venue	\$ 55.00
Community	\$ 55.00
Commercial	\$ 110.00
School	\$ 33.00
Casual Shoot-around	\$ 7.50

Table 2: Court Hire Fees by User – 10 Court Indoor Stadium

The 10-year cashflow forecast for the Courts component of the facility, inclusive of lifecycle cost share, is shown in Table 3 below. The indoor stadium represents 46.8% of the construction cost and therefore this percentage of the overall lifecycle cost is allocated to the indoor stadium as lifecycle cost.

	YEAR									
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
<b>Revenue</b>										
CBA	\$865,535	\$1,128,227	\$1,176,340	\$1,233,671	\$1,270,681	\$1,308,802	\$1,348,066	\$1,388,508	\$1,430,163	\$1,473,068
Venue	\$75,303	\$121,191	\$149,792	\$192,857	\$198,643	\$204,602	\$210,741	\$217,063	\$223,575	\$230,282
Community	\$89,647	\$144,275	\$178,324	\$229,592	\$236,480	\$243,574	\$250,882	\$258,408	\$266,160	\$274,145
Commercial	\$35,859	\$57,710	\$71,330	\$91,837	\$94,592	\$97,430	\$100,353	\$103,363	\$106,464	\$109,658
School	\$10,758	\$17,313	\$21,399	\$27,551	\$28,378	\$29,229	\$30,106	\$31,009	\$31,939	\$32,897
Casual Shoot-around	\$48,898	\$78,696	\$97,268	\$125,232	\$128,989	\$132,859	\$136,844	\$140,950	\$145,178	\$149,534
	<b>\$1,126,000</b>	<b>\$1,547,412</b>	<b>\$1,694,452</b>	<b>\$1,900,741</b>	<b>\$1,957,763</b>	<b>\$2,016,496</b>	<b>\$2,076,991</b>	<b>\$2,139,300</b>	<b>\$2,203,479</b>	<b>\$2,269,584</b>
<b>Operating Costs</b>										
Stadium Permanent Staff Costs	-\$527,309	-\$543,128	-\$559,422	-\$576,205	-\$593,491	-\$611,296	-\$629,634	-\$648,523	-\$667,979	-\$688,019
Stadium Casual Staff	-\$96,118	-\$99,001	-\$101,971	-\$105,030	-\$108,181	-\$111,427	-\$114,770	-\$118,213	-\$121,759	-\$125,412
Staff Oncosts (Permanent Staff Only)	-\$105,462	-\$108,626	-\$111,884	-\$115,241	-\$118,698	-\$122,259	-\$125,927	-\$129,705	-\$133,596	-\$137,604
	<b>-\$728,888</b>	<b>-\$750,755</b>	<b>-\$773,278</b>	<b>-\$796,476</b>	<b>-\$820,370</b>	<b>-\$844,981</b>	<b>-\$870,331</b>	<b>-\$896,441</b>	<b>-\$923,334</b>	<b>-\$951,034</b>
Utilities	-\$34,778	-\$35,822	-\$61,494	-\$63,339	-\$65,239	-\$67,196	-\$69,212	-\$71,288	-\$73,427	-\$75,629
Repairs and Maintenance	-\$20,867	-\$21,493	-\$36,896	-\$38,003	-\$39,143	-\$40,317	-\$41,527	-\$42,773	-\$44,056	-\$45,378
Security	-\$13,911	-\$14,329	-\$24,597	-\$25,335	-\$26,095	-\$26,878	-\$27,685	-\$28,515	-\$29,371	-\$30,252
Cleaning	-\$10,433	-\$10,746	-\$18,448	-\$19,002	-\$19,572	-\$20,159	-\$20,764	-\$21,386	-\$22,028	-\$22,689
Rubbish Removal	-\$10,433	-\$10,746	-\$18,448	-\$19,002	-\$19,572	-\$20,159	-\$20,764	-\$21,386	-\$22,028	-\$22,689
Insurance	-\$27,823	-\$28,657	-\$49,195	-\$50,671	-\$52,191	-\$53,757	-\$55,369	-\$57,030	-\$58,741	-\$60,504
Marketing	-\$13,911	-\$14,329	-\$24,597	-\$25,335	-\$26,095	-\$26,878	-\$27,685	-\$28,515	-\$29,371	-\$30,252
	<b>-\$132,157</b>	<b>-\$136,122</b>	<b>-\$233,676</b>	<b>-\$240,686</b>	<b>-\$247,907</b>	<b>-\$255,344</b>	<b>-\$263,004</b>	<b>-\$270,895</b>	<b>-\$279,021</b>	<b>-\$287,392</b>
<b>Total Operating Costs</b>	<b>-\$861,046</b>	<b>-\$886,877</b>	<b>-\$1,006,954</b>	<b>-\$1,037,162</b>	<b>-\$1,068,277</b>	<b>-\$1,100,326</b>	<b>-\$1,133,335</b>	<b>-\$1,167,335</b>	<b>-\$1,202,355</b>	<b>-\$1,238,426</b>
<b>Net Operating Cashflow</b>	<b>\$264,954</b>	<b>\$660,535</b>	<b>\$687,499</b>	<b>\$863,578</b>	<b>\$889,486</b>	<b>\$916,170</b>	<b>\$943,655</b>	<b>\$971,965</b>	<b>\$1,001,124</b>	<b>\$1,031,158</b>
Lifecyle Costs	\$0	\$0	\$0	-\$251,050	-\$251,050	-\$251,050	-\$251,050	-\$251,050	-\$251,050	-\$251,050
<b>Net Operating Cashflow after Lifecyle Costs</b>	<b>\$264,954</b>	<b>\$660,535</b>	<b>\$687,499</b>	<b>\$612,529</b>	<b>\$638,436</b>	<b>\$665,121</b>	<b>\$692,606</b>	<b>\$720,915</b>	<b>\$750,074</b>	<b>\$780,108</b>

Table 3: 10 Court Indoor Stadium Cashflow, including Lifecycle Cost Allocation

The effect of CBA change in hourly rental rate on overall revenue from CBA for court rental is shown below. The table below shows the impact from \$10 per hour up to \$80 per hour.

INDOOR STADIUM - NET RENTAL INCOME FROM CBA - SENSITIVITY TO HOURLY CHARGE											
YEAR											
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	
CBA COURT CHARGE PER HOUR IN 2024 \$	\$10	\$262,283	\$341,887	\$356,467	\$373,840	\$385,055	\$396,607	\$408,505	\$420,760	\$433,383	\$446,384
	\$20	\$524,567	\$683,774	\$712,933	\$747,679	\$770,110	\$793,213	\$817,009	\$841,520	\$866,765	\$892,768
	\$30	\$786,850	\$1,025,661	\$1,069,400	\$1,121,519	\$1,155,165	\$1,189,820	\$1,225,514	\$1,262,280	\$1,300,148	\$1,339,152
	\$33	\$865,535	\$1,128,227	\$1,176,340	\$1,233,671	\$1,270,681	\$1,308,802	\$1,348,066	\$1,388,508	\$1,430,163	\$1,473,068
	\$40	\$1,049,134	\$1,367,548	\$1,425,867	\$1,495,359	\$1,540,220	\$1,586,426	\$1,634,019	\$1,683,039	\$1,733,531	\$1,785,537
	\$50	\$1,311,417	\$1,709,435	\$1,782,333	\$1,869,198	\$1,925,274	\$1,983,033	\$2,042,524	\$2,103,799	\$2,166,913	\$2,231,921
	\$60	\$1,573,701	\$2,051,322	\$2,138,800	\$2,243,038	\$2,310,329	\$2,379,639	\$2,451,028	\$2,524,559	\$2,600,296	\$2,678,305
	\$70	\$1,835,984	\$2,393,209	\$2,495,266	\$2,616,878	\$2,695,384	\$2,776,246	\$2,859,533	\$2,945,319	\$3,033,679	\$3,124,689
	\$80	\$2,098,268	\$2,735,096	\$2,851,733	\$2,990,717	\$3,080,439	\$3,172,852	\$3,268,038	\$3,366,079	\$3,467,061	\$3,571,073

Table 4: Effect of CBA Court Hire Fees Change on Stadium Revenue from CBA, 10 Court Indoor Stadium

### Café-Kiosk and Function Rooms

The forecast assumes that the Café-Kiosk and the Function Rooms are leased to a third-party operator and the City receives an annual rental for these areas.

The rental per annum assumed is net of outgoings which are paid by the operator/tenant. Rental rates are grown in a straight line over the forecast period at the assumed growth rate (3%).

### Health Club

The forecast assumes that the Health Club is operated by the City of Cockburn. The 10-year forecast for the operations of the health club is based on projected membership produced by Active Exchange.

As the City is the operator of the Health Club there is no rental assumed in the forecast operating cashflow shown in Table 5 below.

HEALTH CLUB NET OPERATING CASHFLOW		YEAR									
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Membership		2,339	2,405	2,471	2,538	2,604	2,670	2,736	2,802	2,868	3,000
Weekly Fees per member		\$25.50	\$26.27	\$27.06	\$27.87	\$28.71	\$29.57	\$30.45	\$31.37	\$32.31	\$33.28
<b>Revenue</b>											
Membership Fees		\$3,102,451	\$3,240,648	\$3,430,821	\$3,629,488	\$3,836,987	\$4,053,670	\$4,279,900	\$4,516,056	\$4,762,529	\$5,076,887
		<b>\$3,102,451</b>	<b>\$3,240,648</b>	<b>\$3,430,821</b>	<b>\$3,629,488</b>	<b>\$3,836,987</b>	<b>\$4,053,670</b>	<b>\$4,279,900</b>	<b>\$4,516,056</b>	<b>\$4,762,529</b>	<b>\$5,076,887</b>
<b>Operating Costs</b>											
Permanent Staff		-\$674,414	-\$694,646	-\$715,485	-\$736,950	-\$759,058	-\$781,830	-\$805,285	-\$829,444	-\$854,327	-\$879,957
Casual Staff		-\$266,637	-\$274,636	-\$282,875	-\$291,361	-\$300,102	-\$309,105	-\$318,378	-\$327,930	-\$337,768	-\$347,901
Staff Oncosts (permanent staff only)		-\$134,883	-\$138,929	-\$143,097	-\$147,390	-\$151,812	-\$156,366	-\$161,057	-\$165,889	-\$170,865	-\$175,991
		<b>-\$1,075,933</b>	<b>-\$1,108,211</b>	<b>-\$1,141,458</b>	<b>-\$1,175,701</b>	<b>-\$1,210,972</b>	<b>-\$1,247,302</b>	<b>-\$1,284,721</b>	<b>-\$1,323,262</b>	<b>-\$1,362,960</b>	<b>-\$1,403,849</b>
Rent		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repair & Maintenance - Gym Equipment		-\$57,964	-\$59,703	-\$61,494	-\$63,339	-\$65,239	-\$67,196	-\$69,212	-\$71,288	-\$73,427	-\$75,629
Equipment Leasing		-\$49,500	-\$51,300	-\$52,200	-\$54,000	-\$54,900	-\$56,700	-\$57,600	-\$59,400	-\$60,300	-\$63,000
Cleaning		-\$52,167	-\$53,732	-\$55,344	-\$57,005	-\$58,715	-\$60,476	-\$62,291	-\$64,159	-\$66,084	-\$68,067
Marketing		-\$69,556	-\$71,643	-\$73,792	-\$76,006	-\$78,286	-\$80,635	-\$83,054	-\$85,546	-\$88,112	-\$90,755
Services		-\$57,964	-\$59,703	-\$61,494	-\$63,339	-\$65,239	-\$67,196	-\$69,212	-\$71,288	-\$73,427	-\$75,629
Insurance		-\$27,823	-\$28,657	-\$29,517	-\$30,402	-\$31,315	-\$32,254	-\$33,222	-\$34,218	-\$35,245	-\$36,302
Consumables		-\$62,049	-\$64,813	-\$68,616	-\$72,590	-\$76,740	-\$81,073	-\$85,598	-\$90,321	-\$95,251	-\$98,108
		<b>-\$377,023</b>	<b>-\$389,551</b>	<b>-\$402,458</b>	<b>-\$416,680</b>	<b>-\$430,433</b>	<b>-\$445,530</b>	<b>-\$460,188</b>	<b>-\$476,220</b>	<b>-\$491,845</b>	<b>-\$507,491</b>
<b>Total Operating Costs</b>		<b>-\$1,452,956</b>	<b>-\$1,497,762</b>	<b>-\$1,543,915</b>	<b>-\$1,592,381</b>	<b>-\$1,641,405</b>	<b>-\$1,692,832</b>	<b>-\$1,744,908</b>	<b>-\$1,799,483</b>	<b>-\$1,854,805</b>	<b>-\$1,911,340</b>
<b>Net Operating Cashflow</b>		<b>\$1,649,495</b>	<b>\$1,742,885</b>	<b>\$1,886,906</b>	<b>\$2,037,106</b>	<b>\$2,195,582</b>	<b>\$2,360,838</b>	<b>\$2,534,992</b>	<b>\$2,716,573</b>	<b>\$2,907,724</b>	<b>\$3,165,547</b>

Table 5: Health Club Cash Flow