PURPOSE

The purpose of this report is to seek endorsement from the Fleurieu Regional Aquatic Centre Authority (Authority) Board of the draft Key Performance Indicators for YMCA South Australia for management and operations of the Fleurieu Aquatic Centre for 2018-2019.

RECOMMENDATIONS

That the Authority:

1) Under the provisions of Section 90(2) of the Local Government Act 1999 make an order that the public be excluded from the meeting, except for Ms Leonie Boothby, Executive Officer; Ms Elizabeth Williams, General Manager Organisation & Community, Alexandrina Council; and Ms Kellie Knight-Stacey, Director Corporate & Community Services City of Victor Harbor; in order to consider in confidence a report relating to Section 90(3)(d) of the Local Government Act 1999:

   (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
   (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
   (ii) would, on balance, be contrary to the public interest;

relating to the consideration of draft Key Performance Indicators for YMCA South Australia for management and operations of the Fleurieu Aquatic Centre for 2018-2019, being information that must be considered in confidence in order to ensure that the Authority does not disclose commercial information of a confidential nature (not being a trade secret); and

2) Accordingly, on this basis, the Authority is satisfied that public interest in conducting meetings in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the disclosure of commercial information of a confidential nature (not being a trade secret).

Substantiation:

The matter of the agenda item being consideration of draft Key Performance Indicators for YMCA South Australia for management and operations of the Fleurieu Aquatic Centre for 2018-2019 pursuant to Section 90(3)(d) of the Local Government Act 1999 ("the Act") being information that must be considered in confidence to ensure that commercial information of a confidential nature (not being a trade secret); is not divulged.

There is strong public interest in enabling members of the public to observe the Authority’s transparent and informed decision-making. This helps to ensure accountability, maintain transparency of public
expenditure, facilitate public participation, assist public awareness and allow for the scrutiny of information. Attendance at a meeting of the Authority is one means of satisfying this interest. The public will only be excluded from a meeting of the Authority when the need for confidentiality pursuant to Section 90(2) of the Act outweighs the public interest of open decision-making.

In this matter, the reasons that receipt, consideration or discussion of the information or matter in a meeting open to the public would be contrary to the public interest are that discussion will include discussion pertaining to the disclosure of commercial information of a confidential nature (not being a trade secret) that may prejudice the commercial position of the person who supplied the information or confer a commercial advantage on a third party.

On balance, the above reasons which support the need for confidentiality pursuant to Section 90(2) of the Act outweigh the factors in favour of the public interest of open decision making.

3) That the Authority endorse the Key Performance Indicators for YMCA South Australia for management and operations of the Fleurieu Aquatic Centre for 2018-2019 (as detailed in the report for Agenda Item 9.2 Draft Operational Management Key Performance Indicators 2018-2019).

4) Having considered this matter in confidence under Section 90(2) and 90(3)(d) of the Local Government Act 1999, makes an order pursuant to Section 91(7) and (9), that the agenda report, associated documents and minutes in relation to the 18 April 2018 confidential item 9.2, Draft Operational Management Key Performance Indicators 2018-2019, be kept confidential and not available for public inspection other than information required to be released in accordance with any relevant requirements of Section 91(8) of the Local Government Act 1999; and

In accordance with (3) above and Section 91(9)(c) of the Local Government Act 1999, authorises the Executive Officer to review and revoke the order.

INFORMATION

The Management Agreement between the Authority and YMCA South Australia (YMCA) provides:

4.1 Performance Criteria & Key Performance Indicators

4.1.1 The Manager must, during the Term, provide the Services through achievement of the Performance Criteria.

4.1.2 Other than during the first year, at least four months prior to the start of each financial year during the Term, the Manager must provide the Authority with draft Performance Criteria for consideration and approval.

4.1.5 The Manager must, within 30 days of the Commencement Date, provide the Authority with draft Key Performance Indicators for consideration and approval.

Criteria for annual Key Performance Indicators (KPIs) is set out in Annexure C to the Management Agreement; YMCA has provided draft KPIs for Authority Board consideration in line with that criteria.

The Performance Criteria is reviewed annually. No changes are anticipated for 2018-2019. Existing Performance Criteria (as set out in the Management Agreement) is provided for information as Appendix A.

Draft Key Performance Indicators (KPIs) for 2018-19 have been developed in line with criteria set out in the Management Agreement and key parameters of the draft 2018-19 Budget. Current forecast results against KPIs set for 2017-18 are included in the table below.
## Draft Operational Management KPIs 2018-2019:

<table>
<thead>
<tr>
<th>KPI</th>
<th>Source</th>
<th>What we are measuring</th>
<th>Description</th>
<th>2017/18 target</th>
<th>2018/19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance growth</td>
<td>Total attendance level forecast by YMCA in revised 2018/19 operational budget</td>
<td>Community impact / Centre Performance</td>
<td>Cumulative growth – monthly comparison to previous year (same month) as well as year to date growth in total centre attendance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member growth</td>
<td>Membership target forecast by YMCA in revised 2018/19 operational budget</td>
<td>Community impact / Centre Performance</td>
<td>Cumulative growth – monthly comparison to previous year (same month) as well as (financial) year to date growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member retention</td>
<td>YMCA indicative benchmark</td>
<td>Community impact / Centre Performance</td>
<td>Percentage of current members with length of stay greater than 12 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swimming lesson growth</td>
<td>Enrolment target forecast by YMCA in revised 2018/19 operational budget.</td>
<td>Community impact / Program Performance</td>
<td>Number of enrolments – monthly comparison to previous year (same month) as well as (financial) year to date growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swimming lesson occupancy</td>
<td>YMCA indicative benchmark</td>
<td>Program Performance</td>
<td>Total enrolments as a % of total available capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swimming lesson wage cost ratio</td>
<td>YMCA indicative benchmark &lt;30%.</td>
<td>Financial / Program Performance</td>
<td>Total swimming lesson wage costs as % of swimming lesson income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating result</td>
<td>Target net FAC operating result forecast by YMCA in revised 2018/19 budget</td>
<td>Financial performance</td>
<td>Net FAC operating result for each month as well as end of year position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary spend profit margin</td>
<td>YMCA indicative benchmark</td>
<td>Financial performance</td>
<td>Gross profit margin (income net of cost of sales) for secondary spend (café and merchandise) – cost of sales as a % of income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wage cost ratio</td>
<td>YMCA indicative benchmark &lt;55% (aspirational target).</td>
<td>Financial performance</td>
<td>Total salary and wage costs (excluding on-costs) as a % of total income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### KPIs and Source

<table>
<thead>
<tr>
<th>KPI</th>
<th>Source</th>
<th>What we are measuring</th>
<th>Description</th>
<th>2017/18 Target</th>
<th>2018/19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidents per 1000 visits</td>
<td>YMCA indicative benchmark &lt;1</td>
<td>Safety performance</td>
<td>Number of incidents / injuries that occurred divided by the total number of visits – monthly result as well as year to date performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Hazard management</td>
<td>Monthly Facility Hazard Inspection</td>
<td>Safety performance</td>
<td>Electronic audit completed monthly and report provided</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Life Saving Society - Facility Safety Assessment</td>
<td>Assessment completed in 2016/17 with result of 90% or greater (YMCA indicative benchmark). Assessment undertaken biennially thereafter with result of 90% or greater.</td>
<td>Safety performance</td>
<td>Assessment completed as scheduled and report provided</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Audit and Risk Management Committee considered the draft KPIs at its meeting on 22 March 2018 and resolved as follows:

**Moved:** Ms Alison Kimber  
**Seconded:** Mr John Coombe  
FRACA-ARMC0013

The Committee recommend that the Fleurieu Regional Aquatic Centre Authority endorse the Key Performance Indicators for YMCA South Australia for management and operations of the Fleurieu Aquatic Centre for 2018-2019 (as detailed in the report for Agenda Item 9.1 Draft Operational Management Key Performance Indicators 2018-2019).

**CARRIED**

**RISK ASSESSMENT**

**Governance** - the recommendation meets the requirements of the Charter and legislation. *Low risk.*

**Financial** – there is a risk that non-performance by YMCA in managing and operating the Fleurieu Aquatic Centre (reflected in non-achievement of set KPIs) will result in decreased financial performance, reduced services levels and safety for users of the centre. This risk will be managed by regular communication between the Authority Executive Officer and the YMCA Area Manager; monthly and quarterly reports from YMCA to the Authority as set out in the Management Agreement; and on-site review by the Authority Executive Officer as required. With these controls in place the risk is assessed as – *Low risk.*

**BUDGET IMPLICATION**

Nil.
<table>
<thead>
<tr>
<th>PERFORMANCE CRITERIA</th>
<th>MEASURE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective: Operate facility effectively</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Customer service performance standards | Facility is open and operating during Operating Hours (no more than 1% non-achievement per annum)  
Facility is clean and free from uncontrolled hazards  
Employees are friendly and welcoming to all customers  
Employees are well trained and competent for their position  
Customer satisfaction survey indicates customer service charter is met  
Customer complaint handling is in accordance with agreed policy |
| Marketing plan is effective | Marketing complies with the Authority branding standards |
| Event planning is effective | Target levels of event attendance (as agreed between the Manager and the Authority) are met or exceeded |
| Programming is effective | Program participation targets (as agreed between the Manager and the Authority) are met or exceeded |
| **Objective: Operate facility efficiently** | |
| Cost effectiveness | Competitive procurement is undertaken  
Attendance meets or exceeds the Key Performance Indicators.  
Membership meets or exceeds the Key Performance Indicators  
Admission fees and charges are applied correctly |
| Business Planning and Reporting | Draft Annual Business Plan and budget submitted by 28 February each year  
Monthly Reports submitted on time with accurate data  
Quarterly Reports submitted on time with accurate data  
Annual Report submitted on time with accurate data  
Incidents are reported within the agreed time frames |
| Maintenance | Cleaning meets agreed standards and schedule  
Planned maintenance meets agreed schedule |
| Legislated performance standards | Swimming pool water maintained to legislated standards  
Café meets Food Handling regulatory requirements.  
Work Health Safety requirements for staff, customers and contractors are met |