



KEMPSEY
Shire Council

DIRECTOR SHIRE SERVICES REPORT

14th August 2007

DSS4	KEMPSEY SHOWGROUND
	FILE: LA2942 JM {Folio No. *}

SUMMARY:

Reporting on the Showground buildings and infrastructure ancillary to the Showground.

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DESCRIPTION:

The Kempsey Showground is under the care and control of the Showground Trust, a trust formed and managed under the Crown Lands Act. Over time the buildings at the Showground as well as the grounds themselves have deteriorated because funds have not been allocated for necessary maintenance.

At Council's meeting of 17th April, 2007 Council resolved *that the estimate for the upgrade of the showground buildings (prepared in 2002) be revised and an estimate of annual maintenance costs be prepared.*

In a report to Council in July 2004, a revised estimate in the amount of \$95,500 was provided to undertake necessary work at the Showground prior to Council contemplating trusteeship. Over the last five years since the preparation of that estimate further deterioration of the buildings and structures and significant increases in costs have occurred.

In May 2007 a detailed inspection of the Showground was undertaken including the:

- main pavilion;
- caretakers cottage;
- exhibition halls that satellite the main pavilion (including stalls);
- showground ring including "sideshow alley".

In general the buildings are in reasonable structural condition however the sub floor and foundations on all weatherboard buildings have subsided as a result of leakage from pipes, the poor drainage of roof and storm water, and flood inundation.

The estimate to "upgrade" the Showground has been prepared after defining three levels of standard. The three levels of standard used in this report are as follows:

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Level 1: urgent structural works;

Level 2: necessary repairs;

Level 3: preservation works.

Urgent structural works (level 1) include tasks that are needed to address the current condition of the buildings' structure or would reduce safety risks. Such tasks that are needed immediately include:

- repairs to existing foundations (piers and footings);
- repairs to bearers and joists, and construction of new bearers and joists where needed;
- installation of sub mains and circuit breakers, and the rewiring of the main pavilion.

Necessary repairs (level 2) include repairs to major components of the building that are needed to prevent any further deterioration in the building's structure and to ensure the building is in a good state of repair in the short to medium term. Tasks include:

- internal painting of the building (columns and walls);
- replacement of roof sheeting (to main pavilion);
- replacement the several sub boards with a central sub board;
- replacement of the Showground surface;
- the construction of piped storm water to manage and redirect runoff away from building foundations.

Preservation works (level 3) include the repairs to minor components of the building that are not necessarily needed to prevent any further deterioration in the buildings' structure but would be needed to keep the buildings in a good state of repair and extend the life of the buildings over the medium to long term. These tasks include:

- external painting of all buildings;
- replacement of roof sheeting (to smaller pavilions);
- replacement of kitchens and toilets;
- repairs to electrics in smaller pavilions;

Whilst a detailed assessment of the condition of the structures has been undertaken, it should be noted that the estimates are based on industry rates and not on actual quotations.

Details of the estimates to undertake stage 1, stage 2, and stage 3 are provided in Table 1.

Table 1: Estimate of Upgrade Kempsey Showground

Component	Stage 1	Stage 2	Stage 3	Total
Building Repairs	\$129,000	\$150,500	\$150,500	\$430,000
Pens and Stables	\$48,000	\$30,000	\$42,000	\$120,000
Showground Ring	\$0	\$49,200	\$32,800	\$82,000
Stormwater Construction	\$16,450	\$106,850	\$13,700	\$137,000
Repairs to Water Supply*	\$20,000	\$0	\$0	\$20,000

Component	Stage 1	Stage 2	Stage 3	Total
Repairs to Sewer*	\$20,000	\$0	\$0	\$20,000
Electrical Works**	\$36,000	\$36,000	\$88,000	\$160,000
TOTAL	\$269,450	\$372,550	\$377,000	\$1,011,000

* Allows for the repair of leaks that affect foundations only (stage 1)

** Allows for the urgent replacement of electrical cables and upgrade electrics to current safety standards (stage 1 and 2).

In general, it has been assumed that there will ultimately be many stages to the Showground project and that each successive stage when complete will realise a certain level of repair. This report considers level one and level two works should be funded as a minimum before Council takes control of the trusteeship, with the balance of the costs to be funded over a five year to ten year term.

The upgrade of flood lighting, internal lighting, placement of overhead power underground, entranceways, perimeter fencing, parking, installation of security systems, and the provision of landscaping have not been considered in these estimates. Such improvements are assumed to be beyond the realm of what is achievable in the medium term.

To determine the costs to further enhance the Showground a detailed plan of management would need to be prepared that would outline a strategy to turn the Kempsey Showground into a desirable and profitable venue for the Mid North Coast. As a part of this strategy a Business Plan would need to be developed to ensure that the venue would generate a return to fund future improvements and maintain the site without burdening rate payers.

A draft Plan of Management was prepared in 2004 by Wappett and Partners on behalf of the Kempsey Showground Trust. This plan was prepared at the time the Showground was being considered as the preferred site for the Slim Dusty Centre. It is recommended that this Plan of Management be reviewed and that a Business Plan be developed.

It is difficult to accurately estimate the annual maintenance costs that may be required to maintain the complex. The maintenance costs will be dependent on the amount of repairs undertaken on the existing buildings and structures and their condition. Maintenance and operating costs will also be dependent on the type and number of activities undertaken at the Showground.

Currently the day to day operational costs of the Showground Trust are being met by income derived from user hiring fees. No surplus funds have been available to undertake necessary major repairs to the buildings.

An amount of \$377,000 (stage 3) has been identified as being required to keep the buildings in a good state of repair over the medium to long term. If this work were to be spread over say a 10 year period an additional amount of \$40,000 per annum would need to be sourced. The preparation of a Business Plan would identify any potential sources of income that would offset these ongoing expenses.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

The Showground venue when properly maintained could provide increased facilities for social and recreational activities.

- *Economic (Financial)*

As reported at the Council meeting of 17th April 2007, financial assistance may be made available upon application to the Lands Department with a view to Council taking over the trusteeship for the Showground.

An estimated amount of \$269,450 would be needed to complete the urgent stage 1 structural works with an additional \$372,500 needed to undertake all stage 2 necessary repairs.

To markedly improve the aesthetics of the existing buildings and extend the life of the building over the medium to long term a further \$377,000 would be required in the longer term.

- *Policy or Statutory*

Nil

- *Director's Review*

Kempsey Showground is a vital community asset which has the potential to be developed to provide greater community facilities. However, given the current condition of the facilities, if Council were to accept Trusteeship for the Showground, Council would be taking over a huge liability. Before accepting Trusteeship Council should ensure that all works (stage 1 and stage 2) necessary to bring the Showground to a reasonable standard are funded and that a Business Plan is prepared that will identify future income streams.

RECOMMENDATION:

That funding be sought from the Lands Department for stage 1 and stage 2 works and to prepare a detailed Business Plan that would outline a strategy to turn the Kempsey Showground into a desirable and profitable venue for the Mid North Coast.

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DIRECTOR SHIRE SERVICES