



WHANGANUI COMMUNITY SPORTS CENTRE INC.

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Basketball, Badminton, Boys & Girls Club, Cricket, Futsal, Indoor Bowls, Inline Hockey, Netball, Pickleball, Roller Sports, Table Tennis.

62nd Annual Report

2024

On behalf of the Board it is my pleasure to report on the year's activities ending 31st December 2024.

Overview

2024 marked the full transition from a committee structure into a Board and governance format. This move helps to future-proof the Centre as the societal volunteer base diminishes.

A study of the annual hall-hire amounts generated by each of the member sports reveal the organizations that have measures in place to cope with the societal changes that are rapidly taking place. Some sports will struggle to survive, or disappear, if they don't make changes.

The Springvale Stadium Extension was used for 362 days during 2024. The big question is how to eliminate those 4 days of no usage. And how to increase the usage for the remainder of the facilities. Locked doors generate no income.

Net cash reserves are sitting at a healthy figure of \$400,771 which is an increase of 7.47% on last year. However, big-ticket items of maintenance in the future will quickly gobble up these reserves.

The two website-based booking systems that operate in the Springvale Stadium generated over \$50,000 (gross) for the year. Valuable information is also provided with the bookings which helps with the understanding of how today's society want their sport delivered. Two further systems, in the Jubilee Stadium, will become operational in 2025.

All the maintenance and improvements planned for the year have been completed within the year. This is a rare occurrence as normally the December work spills over into January.

In April, the Centre reregistered under the Incorporated Societies Act, 2022.

Board meetings

3 meetings were held during the year with attendance of 5 at the first meeting and 4 at the other two. An apology was given for the two absences. Meetings have focused on governance issues resulting in 2 hours and 12 minutes of total meeting time. Comprehensive information, including financial and maintenance details, was sent out with the agenda to ensure that the board members had the capacity to be well briefed for the meetings and the resultant decision making. Some matters decided required much research to define the issue and involved comprehensive discussion at the table.

Usage

Rental income for 2024 was \$248,598 (2023 \$242,864; 2022 \$229,921; 2021 \$207,415; 2020 \$127,458; 2019 \$175,239; 2018 \$170,617; 2017 \$159,195).

The 2024 rental income is 30.85% of the potential income calculated at the member-sports rate. This is a small increase of 2.36% compared to 2023. A hire charge price increase of 13.33% at the start of the year has not been matched by the income received.

Percentage of use for the previous 15 years were: 2009 33.6%; 2010 34.05%; 2011 32.11%; 2012 34.66%; 2013 26.9%; 2014 22.84%; 2015 26.73%; 2016 23.87%; 2017 25.91%; 2018 26.74%; 2019 27.46%; 2020 23.8%; 2021 31.34%; 2022 32.43%; 2023 34.25%.

Income came from four categories of users: The 4 founding sports (Badminton, Basketball, Bowls and Table Tennis) produced 25.94% (2023 27.72%; 2022 25.35%; 2021 28.0%; 2020 29.3%; 2019 33.4%) of the rental income while the 4 'new' groups (Cricket, Futsal, Link Netball and Pickleball) generated 21.48% (2023 22.08%; 2022 29.32%; 2021 32.2%; 2020 28.3%; 2019 20.5%) and 22.50% (2023 18.71%; 2022 12.10%; 2021 18.0%; 2020 17.1%; 2019 18.8%) came from the other member-associated sports. Income from non-member groups (other bookings and casual) accounted for the remaining 30.08% (2023 31.49%; 2022 33.22%; 2021 21.8%; 2020 25.3%; 2019 27.3%).

Pickleball is a keen new sport that has come on board and produced much needed income. Badminton has had a pleasing increase in use just missing the \$30k of income.

This year the Member sports sporting income totaled \$123,296 which is 49.60% of hire income (2013 63%; 2014 60%; 2015 68%; 2016 49%; 2017 52%; 2018 58%; 2019 55%; 2020 58%; 2021 62.6%; 2022 66.77%; 2023 72.31%).

The 2 web-based Pay2Play systems in the Springvale Stadium are operating well and are gaining in use as more people become aware of the system and how it meets their needs. There is enormous income earning capacity in the system as there is a 24/7 capability. Casual use is easy to control and gives an excellent record of that use. Records show that much of the bookings are made on 'impulse' rather than planned in advance. The key is that people can participate on the basis of when they want and with who they want. Setting up a similar system for Table Tennis and Cricket in the Jubilee Stadium is near to being operational. Agreements with the sports operating the systems have been upgraded and locked in with the hire charges setting mechanism.

Hire Charges

An important part of the governance procedure is in keeping the rental hire charges relevant and appropriate. From 1 January 2024 the base rate increased to \$34, compared to the previous 2-year period of \$30. This 13.33% increase only resulted in a 2.36% increase of rental income. Various factors are at play in causing this less than hoped for return.

Finance

The Centre has solid cash reserves of \$400,771 (2023 \$372,910; 2022 \$330,744; 2021 \$326,046). This gives around 21 months of equivalent routine expenditure which is considered very healthy. This solid base gives much certainty in the planning and operation of the activities of the Centre.

3 items of expenditure are increasing, due to decisions made through the year, and these increases will show up fully in 2025. The managerial contract has lifted substantially to make this more realistic for today's market and

succession planning, insurance costs have risen and the Whanganui District Council lease and rates have jumped up. Currently, these will amount to around a \$25,000 increase in expenditure for those items for 2025.

NZ Community Trust (\$18,000 and \$15,000) \$18,000 was received for the floor recoating of the Jubilee and Springvale changing rooms. \$15,000 assisted with the Jubilee Stadium floor resealing.

Four Regions Trust (\$10,000 and \$7,000). \$10,000 was granted for the seating replacement in the Springvale Stadium Extension. \$7,000 was received for the Jubilee Stadium and Springvale Stadium Extension lights replacement.

The \$50,000 received from these two trusts is gratefully acknowledged. The improvements enabled by the grants has given enhancement to our facilities. Without this funding much needed improvements to the facilities wouldn't happen.

Rental income for the year came to \$248,598, other income (membership fees, storage, cleaning fees and interest) yielded \$36,986 to give a sum of \$285,584. Grant-aid added \$50,000 for total income of \$335,584.

Operating expenses for 2024 were down on last year. Net rental operating expenses were \$92,155 (2023 \$100,110; 2022 \$93,935; 2021 \$80,914; 2020 \$76,491; 2019 \$68,643; 2018 \$80,831; 2017 \$70,352; 2016 \$69,113; 2015 \$73,725).

Administration/Manager costs of \$112,504 were substantially up due to the managerial contract increase of \$30,933 (2023 \$81,403; 2022 \$79,149; 2021 \$79,172; 2020 \$60,313; 2019 \$65,823; 2018 \$64,660; 2018 \$64,612; 2016 \$61,491; 2015 \$59,439).

Operating and administration expenses totaled \$204,659.

\$28,180 was spent on cleaning hire but this was offset by cleaning fees collected of \$14,709 leaving a net cost of \$13,371.

In addition, maintenance and improvements came to \$74,888 to give a total spend of \$307,727 resulting in a cash surplus for the year of \$27,860.

The rental operating costs incur expenses in 3 main areas: Regulatory (insurance, lease, rates, fire alarms) \$60,165 (65.29%); Energy (power, gas) \$18,310 (19.87%); Cleaning/Repairs \$13,680 (14.84%). The percentage share has altered slightly compared to last year due to regulatory costs being up.

Administration expenses of \$13,571 are very slightly up on last year. Review and accounting fees totaled \$6,015, Pay2 Play management fee \$1380 and \$6,176 for the telephone and other administrative items.

Managerial services of \$98,933 (2023 \$68,000) have greatly increased due to having the contract on a more realistic basis and for succession planning. The market is dictating the terms of such a task and our remuneration needs to reflect this.

As the accounts show, there is a very tight control of the operating expenses. Security cameras have given a greatly improved scrutiny of the operations and more control on the repairs needed. Replacement of lights over the last few years has resulted on most fittings being of the 'LED' type which means lower power consumption.

There is concern about New Zealand's gas supply for the future and current pricing is reflecting the shortage.

The Centre is in an excellent budget situation where much of the income is known before there is a commitment to major maintenance decisions. Due to reduced income opportunities, December provides an ideal period for a shut-down for major work.

Prudent management of the collection of rental income has resulted in no unmanaged debts. Debtors rarely get past the 30-day period which ensures that there is a steady and reliable flow of income.

The accounts have again been professionally produced by Tait Pearce, Chartered Accountants, and reviewed by Spooner, Toy & Hood Ltd, Chartered Accountants.

Maintenance and Improvements

\$74,888 (2023 \$38,852) was spent this year on maintenance and improvement items.

Terraflake coating was added to the Jubilee Stadium changing room floors (\$22,437). This action has improved the safety of use.

Seating in the Springvale Stadium Extension was replaced (\$15,000). Safety concerns with the old seating prompted this action. The new seating greatly enhances the facility.

Lights were replaced in the Jubilee Stadium and the Springvale Stadium Extension (\$12,149 & \$4,050)

The Jubilee Stadium floor was resealed (\$17,500).

Pay2Play door locks for the Jubilee Stadium (\$2,278). Technical issues with the installation of the system into the Jubilee Stadium has added extra cost compared to the Springvale Stadium.

Computer (\$1,474). Technology changes rapidly in this field and this equipment is a vital tool in the operation of the Centre

User expectations, new and changing regulations plus the age of the buildings will pressure the need for additional improvements. It is important to maintain an annual programme with a sizable budget to ensure that the needs and expectations are met.

Safety

Every effort is been made to ensure that the Centre has full compliance with the Health and Safety at Work Act 2015. While the management has plans and controls in place, it requires that each Member and user also plays a part in following safety procedures and promptly reporting any short-comings.

Contracts

All of the agreements are signed and are in a current state.

Lease:

The signed lease with the Whanganui District Council commenced on 1 July 2012 and expires on 29 June 2047 with the next triennial rental review due in 2027. The Council are currently reviewing their Community Organization Lease Policy and when this is completed an alteration to the Centre's lease will be made to give more clarity to the document.

Boys and Girls Gym Club:

This 'License to Occupy' signed agreement commenced on 19 February 1987 and continues on an open-ended basis. Currently efforts are being made with Sport Whanganui to get changes made with the Council so that the Gym Club can operate totally separate from the Centre.

Springvale Stadium Storage:

Signed agreements are in place with three different parties for the use of the four storage areas contained in the Springvale Stadium Extension under-floor area. The Wanganui Rugby Union (half a unit) and Sport Whanganui occupy one area each while the Whanganui District Council (NZ Masters Games) has the use of two other areas.

Cricket:

A comprehensive hire agreement is currently in place with Cricket. This agreement covers the normal hire conditions but gives more certainty to long-term tenure due to the costs that Cricket had in setting up this facility and that guarantees usage and income to the Centre.

Badminton:

An agreement for the Pay2Play system is signed and in place with Badminton.

Cleaning and Setup Services:

A cleaning and setup service contract with Steve Meredith were renewed on 1 March 2024. This contract gives the Manager the needed break from the later evening duties especially when usage is at a peak.

Our grateful thanks are extended to Steve for his diligent operation of the contract.

Manager Services:

The signed open-ended contract for the Managerial Services, with Alan Kenny, commenced on 1 May 2024. This document now reflects a more realistic task with more realistic remuneration.

A key strategy of the Centre is that we are a 'facility provider' rather than being 'event management'. This decision is aimed at keeping the cost structure to minimum levels and affordable for our every-day users. In keeping with this philosophy, there is just one person performing the management duties to cover the 24/7 operation. The cleaning and setup contract with Steve assists as a good safety valve for the sanity of the job.

Frequent discussions with the Chair identify the issues and then plan for a practical improved way forward. This strategy appears to be working well and is keeping the Centre working well.

Increasing regulatory demands and reporting are adding to the difficulty of the position and leave a feeling of "choked by procedures". There is also the uncertainty of the outcome of incorrect implementation adding to the stress of the task.

Manager:

The Centre offers Alan many grateful thanks for his diligent application to the job and the high quality of outcomes that he achieves.

Alan's forward-thinking and actions has kept the Centre ahead of the issues resulting in timely and appropriate measures being taken. Reviewing the annual costs clearly shows the tight controls he has in place and the management skills used to make for a very smooth and economical operation.

Each year the wants and expectations of the users seems to get more demanding. People have instant access to information through social media and expect their needs to be satisfied in a similar fashion. Alan has developed knowledge and techniques to keep pace with this societal change and keeps the Centre sailing onwards with a smooth passage.

Providing close to a 24/7 service with all the highs and lows is no easy task and Alan's diligent and efficient service to the Centre is gratefully acknowledged. His understanding of Whanganui's recreational industry coupled with empathy for the needs of society has given many advantages to the Centre.

Board Members

2024 was the first year that the Board has operated entirely as a Board. Thank you to all the board members who have attended the meetings and given careful thought to the decisions that have been required to keep the Centre operating as the member bodies and sportspeople expect. Measures are in place to keep the focus on governance and enable Alan to perform the management role uninterrupted.



Graham Feist
Chairman.

14 February 2025.