

## 11.2 Mudgee Centre of Excellence Training Facility Progress Report

REPORT BY THE DIRECTOR COMMUNITY  
TO 18 OCTOBER 2023 ORDINARY MEETING  
GOV400103, FIN300368

### RECOMMENDATION

#### That Council:

1. **receive and note the report by the Director Community on the Mudgee Centre of Excellence Training Facility Progress Report; and**
2. **provide an additional \$3,000,000 in funding in the 2024/25 year for the Mudgee Centre of Excellence Training Facility Project to be funded from unrestricted cash.**

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### Executive summary

This report provides an update to Council on the progress of the Mudgee Centre of Excellence training camp facility. The project is currently well into its construction design phase to enable a Construction Certificate to be issued. This will allow construction of the buildings to commence as soon as possible.

### Disclosure of Interest

Nil

### Detailed report

The Mudgee Centre of Excellence training camp project is a major project being delivered to provide an accommodation facility to compliment the Glen Willow Regional Sporting Complex. The training camp is being designed to cater for elite sporting teams as well as schools and junior sports teams and other groups that can make use of the area and the sporting facilities at Glen Willow.

In total, the approved budget for the project includes \$1,792,893 for the 2022/23 financial year and \$9,725,487 for the 2023/24 financial year – totalling \$11,518,380.

Over \$2 million has already been spent on the facility. The majority of this early work has been involved in the earthworks and construction of the extensive retaining walls around the accommodation area, as well as significant expenditure in providing potable water to the site through Council's town water supply. These works have now been completed and, along with the completion of the access road to Putta Bucca, the site of the complex is ready for construction.

A contract has been signed with North Construction for the building of the main three buildings (two accommodation blocks and the training camp building that will house the dining facilities, kitchen, seminar room and gymnasium). Since the timing of the tender earlier in the year there have been a variety of cost escalations. Alongside this, there have also been changes to the Design and

Building Practitioners Act 2020 for accommodation class buildings that have come into force between the tender and the contract signing. These changes have led to complications in understanding who is required to take responsibility for the overall design of all of the works undertaken under the Development Application consent. Council is currently undertaking further consultation with North Construction on these matters.

Further estimates have been undertaken to consider new budgeting (including contingencies) for the overall works, construction costs and fit out of the buildings. It is estimated that up to \$3 million in additional funding may be required to complete the works on the project.

In considering these additional costs, it is worth noting that Council has been highly successful in securing funds for this project. A total of \$8 million has been received from the following grant funding programs:

- Office of Sport (NSW Government) - \$5,000,000
- Resources for Regions (NSW Government) - \$1,046,288
- Local Roads & Community Infrastructure Program (Australian Government) - \$2,761,864

This means that, even with an additional \$3 million in Council funds added to the budget, Council's contribution will be less than 40% of the project costs. It is recommended that this \$3 million in funding be sourced from surplus unrestricted cash, mostly the result of savings from last financial year outcomes.

As part of the process of considering this change to the project, a review of the business case has taken place given the additional amount of funding requested. This review has shown that the cost benefit ratio remains positive at 1.66 and continues to provide a strong benefit to Council and the community into the future.

## Community Plan implications

<b>Theme</b>	<b>Looking After Our Community</b>
Goal	Effective and efficient delivery of infrastructure
Strategy	Provide infrastructure and services to cater for the current and future needs of our community

## Strategic implications

### Council Strategies

Not Applicable

### Council Policies

Not Applicable

### Legislation

Not Applicable

## Financial implications

There is currently \$9,725,487 available as an approved budget for the 2023/24 financial year. It is probable that some of these funds may need to be transferred to the 2024/25 financial year as the project reaches completion towards the end of 2024. It is proposed that the additional funds requested with this report go directly to the 2024/25 financial year.

<b>Budget Year</b>	<b>Operating Performance Ratio</b>	<b>Own Source Revenue</b>	<b>Building &amp; Infrastructure Renewal</b>
<b>2022/23</b>	-	-	-
<b>Future Years</b>	-	-	<b>X</b>

## Associated Risks

It is important that Council has a full appreciation of the range of costs associated with this project and getting the Centre of Excellence to a position where it can be opened for business. Work with the contractors over the past few months has highlighted a number of areas where additional costs may be required. The risk of not adding additional budget to this project at this time is that it potentially creates bottle necks during the construction timeline where work may need to be paused while additional budget is sought.

SIMON JONES  
DIRECTOR COMMUNITY

4 October 2023

*Attachments:* Nil

APPROVED FOR SUBMISSION:

BRAD CAM  
GENERAL MANAGER