

ITEM 7 ERSKINEVILLE OVAL - LICENCE AGREEMENT WITH THE SOUTH SYDNEY RABBITOHS AND SOUTH SYDNEY JUNIOR FOOTBALL CLUB

FILE NO: 5264950

SUMMARY

The South Sydney Rabbitohs (Rabbitohs) used Redfern Oval under an extended Lease for training and junior rugby league games. This use will soon cease as demolition and redevelopment of Redfern Oval and Park commence.

It is proposed to offer the Rabbitohs and South Sydney Junior Football Club a Licence Agreement for shared use of Erskineville Oval and its facilities for a period of two (2) years or until Redfern Oval is available for use.

It is also proposed to undertake \$385,000 of upgrade works to ensure the local community and the football clubs have access to contemporary facilities at Erskineville Oval. The Rabbitohs are also committing \$200,000 to upgrade and fit out the facilities.

RECOMMENDATION

It is resolved that approval be given to:

- (A) entering into a joint Licence Agreement with the South Sydney Rabbitohs and South Sydney Junior Football Club for the use of Erskineville Oval and facilities for a period of two (2) years or until Redfern Oval is available for use; and
- (B) the allocation of \$385,000 for upgrade works at Erskineville Oval and Grandstand.

ATTACHMENTS

Nil.

BACKGROUND

1. The South Sydney Rabbitohs (Rabbitohs) have used Redfern Oval under an extended Lease for training and junior rugby league games. This will cease in May 2006 as the demolition and re-development of Redfern Oval and Park commences.
2. Erskineville Oval is currently being used by South Sydney Junior Football Club (Juniors) for rugby league games and training. The Juniors had an 11 year lease which expired in December 2003. It is therefore timely that existing arrangements be reviewed.
3. The Rabbitohs have also used the oval and facilities in agreement with the Juniors.

KEY IMPLICATIONS

Licence Agreement

4. It is proposed to establish a joint Licence Agreement with the Rabbitohs and the Juniors for their respective use of Erskineville Oval.
5. The key terms of the Licence Agreement will be:
 - (a) a term of two (2) years or until Redfern Oval is available for use;
 - (b) exclusive use of the gymnasium, club changeroom, statistician's room, meal room and storerooms;
 - (c) use of the grandstand and public change-rooms;
 - (d) use of the oval for 24 hours a week during the pre-season and for 50 hours a week during the playing season;
 - (e) an annual Licence fee as identified in this report;
 - (g) agreement that the City will manage oval bookings; and
 - (h) a requirement to facilitate oval use by community groups eg school athletics, sports carnivals, and community events/festivals.

Community Access

6. Oval bookings were previously managed by the Juniors. Under the proposed arrangements the City will directly manage bookings for the use of Erskineville Oval and its facilities, and ensure the oval is available for community use. The Rabbitohs and the Juniors have both expressed willingness to facilitate and accommodate community use of the oval, and this will also be a requirement of the Licence Agreement.

Maintenance

7. Maintenance of the oval and facilities under previous leases was undertaken by the respective clubs in exchange for capital works and peppercorn rents. Under the new Licence Agreement it is proposed that maintenance will be managed and undertaken by the City of Sydney.

Facility Upgrade

8. The facilities at Erskineville Oval were identified for an upgrade in 2004 when Council allocated \$90,000 for the demolition of the perimeter fence and grandstand security works. Only the fence demolition proceeded at the time.
9. Site inspections since have identified further works to be undertaken by City Projects to bring the oval and facilities up to contemporary standards. These works include:
 - (a) upgrade public changerooms and toilets;
 - (b) repair and re-paint grandstand seating;
 - (c) new picket fence around oval;
 - (d) convert disused toilets into storage and physio room;
 - (e) upgrade statistician and meeting rooms;
 - (f) general repaint, concrete repairs, signage and services rationalization.
10. It is also proposed to laser level and re-turf the oval after the current playing season in September 2006.

Review

11. Other codes, notably AFL and Cricket have also expressed interest in the use of Erskineville Oval. It is anticipated that following completion of Redfern Oval, a review of Erskineville Oval will be undertaken to determine the most suitable use(s) with a view to ensuring equity, access and diversity for sport and recreation across the local government area.

FINANCIAL IMPLICATIONS

Licence Fees

12. A fee of \$60,000 per year for use of the oval is proposed for the joint Licence Agreement. The fee takes into account the days and hours of usage required by the clubs under the proposed Licence Agreement, and is based upon Council's approved fees and charges for Erskineville Oval, with a 25% discount for seasonal use.
13. In light of the proposed \$200,000 fit out works by the Rabbitohs (see paragraph 15 below) it is not proposed to charge a fee for the use of the gymnasium and rooms identified in paragraph 5(b) above. It should also be noted that the gymnasium was built by the Juniors in 1993 at a then cost of \$200,000.

Upgrade Costs

14. Upgrade works for the oval and grandstand will be undertaken by the City at an estimated value of \$385,000. Funding is available for this purpose in the 05/06 and 06/07 Capital Works budget.
15. The Rabbitohs are also committing a further \$200,000 for fitout and upgrade of the facilities.

Maintenance Costs

16. Under the proposed arrangements, the City will assume responsibility for maintaining the oval and facilities. Oval maintenance will be managed by the City at an estimated cost of \$25,000 per year. Building maintenance will be managed by the City's Property Unit at an estimated cost of \$25,000 per year. Funds will be available within Council's 06/07 and future operational budgets for this purpose. The City will also assume responsibility for outgoings associated with the building and oval.

RELEVANT LEGISLATION

17. Local Government Act 1993.

CRITICAL DATES / TIME FRAMES

18. The Rabbitohs are already using Erskineville Oval for training purposes. The upgrade works will commence in May 2006. The Licence Agreement needs to be finalised as soon as possible given that the former agreements for the use of Redfern and Erskineville Ovals have expired.

OPTIONS

19. Formalising a Licence Agreement with the Rabbitohs and the Juniors is the preferred option as it provides certainty for both clubs to provide training and game venues for their players. The upgrade of the facilities at Erskineville Oval is also recommended as it provides both the sporting clubs and community access to contemporary sporting and recreation facilities.
20. The City may continue with existing month to month arrangements for the use of Erskineville Oval by both the Rabbitohs and the Juniors, and not proceed with the proposed upgrade works. This is not recommended as it does not provide the clubs with certainty of access to playing and training facilities, particularly during the construction period of Redfern Oval.

PUBLIC CONSULTATION

21. Local residents will be advised of the upgrade works through on-site signage at Erskineville Oval and through information at the Erskineville Neighbourhood Service Centre.

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