



# Wanneroo Basketball Association Inc.

## Briefing Notes

### For The

### Relocation Of The

## Wanneroo Basketball Association's Operations

Telephone:	08 9300 1325
Fax:	08 9300 1387
Website:	<a href="http://www.wolves.asn.au">www.wolves.asn.au</a>
E-mail:	<a href="mailto:welcome@wolves.asn.au">welcome@wolves.asn.au</a>

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**BRIEFING NOTES**  
**WANNEROO BASKETBALL ASSOCIATION**  
**INCLUDING A CHRONOLOGY OF FACTS AND STADIUM RELOCATION**

**Overview**

The Wanneroo Basketball Association (the Association) is a not-for-profit sporting body located in Joondalup. The Association has in excess of 6,000 members of which 2,200 are playing members. Comprising a Board of 12, the Association has two full time employees with the remaining contribution to the operation of the Association coming from volunteers.

The Association is affiliated with the Western Australian Basketball Federation (WABF), and is responsible for the recruitment and development of young people into the sport of basketball, and provide them with the facilities and training to participate in the sport at domestic, district, interstate or international level. The Association also provides facilities for people to engage in the recreation of playing basketball.

In addition to the domestic competition, the Association holds a licence from WABF to compete in the men's and women's State Basketball League and also has 16 teams competing in the representative Western Australian Basketball League (WABL).

The Association operates from a four-court stadium in Joondalup Drive, which is fully utilised from 4:00 pm to 10:30 pm Monday to Friday, and Saturday 8:00 am to 4:30 pm approximately 42 weeks of the year. In addition, WABL is played throughout winter each Sunday and the SBL predominately on Saturday nights also during winter. Further, there is daytime and mid week usage of the Stadium for school carnivals or training on a casual basis for both schools and the Associations Cubs.

Other than the income received from player registration, membership, playing fees, admission fees and sponsorship, the Association has no other form of income. All of the revenue received is allocated against the costs associated with the delivery of the game to the players. There are however some sponsorships which are donations in kind.

The Association has been located at its present location since 1983 under a lease arrangement with the City of Joondalup (the City). For the past two years the Association has been engaged in negotiations with the City for the relocation of the Association's operations to an alternative location within the City. These negotiations have become more urgent after the City advised that they would not be granting a second option on the lease past the expiry of the first option being December 2007.

The negotiations have come to a head as the Association is unsure of the City's intentions with respect to any assistance it would provide the Association with its relocation costs and ongoing financial commitment toward the construction of an alternative facility.

The City recently undertook road works adjacent to the Association's premises wherein the road encroached a portion of that area defined under the Association's lease with the City without first informing the Association. While undertaking to ascertain from the City our rights it was discovered that the City similarly had constructed a road over the Association's leased land on another portion of its lease approximately four years previously, again without informing the Association. The Association has viewed these actions as not helpful to the negotiations that are currently being undertaken.

The Association has found itself in a position of disadvantage in that the lease has been prematurely terminated, necessitating alternative premises be sourced. Consequently, the Association entered into negotiations with the City but now finds itself unsure of its position with the City.

### **Background**

1. The then Shire of Wanneroo (the Shire) entered into a lease with the Joondalup Development Corporation (now Landcorp) in December 1983. The Association entered into a sub-lease (the sub-lease) with the Shire on the 24<sup>th</sup> December 1983. The term of the sub-lease is 20 years and 364 days expiring on the 24<sup>th</sup> December 2002. There are two options to extend the sub-lease for a further 5 years. The options are subject to the approval of the head Lessor, Landcorp. The annual payment under the sub-lease is \$1.00. There were other deeds entered into between the Shire, Landcorp and the Association in relation to the construction of the Association's stadium.
2. Contemporaneously the Association entered into a mortgage with the then Rural & Industries Bank of Western Australia (the Bank) in the amount of \$225,000.00 (the mortgage) for the construction of the Association's stadium. The Shire guaranteed the Association mortgage with the Bank.
3. In 1987 the Shire paid out the mortgage under its guarantee due to financial difficulties the Association was experiencing at the time.
4. On the 27<sup>th</sup> April 1987 the Shire passed a motion at Council which set the terms of the restructure of the Association's finances incorporating the bringing to an end the sub-lease and entering into a new lease (the lease)

for a term of 21 years and setting out a repayment schedule. The lease has a provision for an extension of the term.

5. The Association has been making payments to the City in the terms of the lease up until recently. Till now, in excess of \$600,000 has been paid, and over \$220,000 is remaining.
6. The Association requested an extension of the sub-lease for 5 years. At the time of the request the management and Board of the Association was not aware of the existence of the lease. The City granted the request for the extension. The Association then requested the second extension of the sub-lease but was refused by the City to be advised that Landcorp would not grant the extension under the Head Lease. Notwithstanding, the City has since requested the Association to quit the premises by 2005.
7. The request to quit the premises by the City has been made on the basis that it is a term of the Normalisation Agreement (the Agreement) to be entered into between the City and Landcorp.
8. The Association has requested to be a part of the negotiations of the Agreement, as to that part which affects the Association, but has been refused by the City. The Association is not cognisant of the final terms agreed as to the Agreement between the City and Landcorp even though it has been requested to the City. The Association has now lodged an FOI application with the City, Landcorp and the Department of Sport and Recreation.
9. The Association wrote to the Mayor on the 5<sup>th</sup> September 2002 setting out its concerns as to the treatment of the Association by the City and requesting a meeting with the Mayor. The Association met with the CEO and other senior managers of the City on the 23<sup>rd</sup> September 2002 with the understanding that the City would be resolving the issues raised in its letter to the Mayor. There was no resolution and in fact the CEO informed the Association that the City would not be assisting the Association in any capacity as to its relocation. The CEO further advised that it was the view of the City that it had no legal or moral obligation to assist the Association.

As to the matter of the road works, the City ignored our concerns and requests for the breach, as to quiet enjoyment, be addressed. The Association has written numerous letters on this issue to the City requesting that the road works are stopped until the Association's concerns are resolved. The City did not cooperate on this issue and the Association felt that it was exposed as to public liability. This last aspect was subsequently resolved.

10. On the 24<sup>th</sup> September 2002 the Association lodged a caveat over the land on which the sub-lease is granted.

### **Options for Relocation**

The Association has for some time been aware of the likelihood that it will need to relocate, and has therefore been studying alternatives for the relocation. Five possible options were considered, and these were:

- (a) Edith Cowan University, Joondalup Campus
- (b) The Arena at Joondalup
- (c) New premises somewhere else within the City of Joondalup
- (d) New premises somewhere within the City of Wanneroo
- (e) The existing premises are redeveloped.

After much discussion, and searching, it was felt that the options be narrowed down to two, namely (a) and (b).

1. Option (c) was discounted because of the demographics associated with our player base. It was felt that the area known as the hub of the centre of the City of Joondalup was geographically preferable, as, with the proximity to the train line, provided the best opportunity for access.
2. The available options within the City of Wanneroo are of interest. The options seem to be between Kingsway and further north of the City of Joondalup. Discussions have been held with the City of Wanneroo, on a very cordial basis. It was felt that the Kingsway option is too far south, and would disenfranchise the population in the northern part of the catchment area, and was too close to the Stirling Basketball facility in Warwick Road. The urban spread to the northern areas is of concern to the Association, and meetings are currently being held to determine how the youth of that region can be adequately serviced. It may be that a new facility is also required in the further northern area around Butler to provide that service. Discussions in that respect are currently being undertaken with the City of Wanneroo.

Meetings were subsequently held between the Association, the Arena and ECU, respectively, wherein presentations were made to the Association, in the presence of management from the City of Joondalup. The Association came to the conclusion that the best option was ECU, for the following reasons:

- (a) The proposal from ECU was in the form of a partnership between the Association and ECU wherein an additional four courts and a show court would be added to the existing two courts. The

Association would manage the delivery of Basketball at the facility, including the daytime activity currently operating from the campus, and other adjacent centres including TAFE, the Police Academy etc. Arrangements would be entered into for the equitable operation of the bar etc.

The show court would be a multi use facility and would be shared with interested parties such as a local church group (which currently utilises the ECU sports centre), and also be a valuable asset for ECU for graduations etc. In addition, it may have some concert hall or performing arts type capabilities if that was a requirement, and the acoustics etc could be incorporated into the original plans if that were thought to be viable.

This option was seen as preferable, on the basis that it would be a long term lease, and that the partnership arrangement would help enhance campus activities, increase after hours security on campus through increased activity, and allow the Association to continue to develop the players and the sport in the region. In addition, the additional court space would accommodate the existing number of competitive teams, (more than 250) and allow room for further growth.

The other significant contributing factor which makes the ECU proposal preferred is the peppercorn rent, and that any revenue generated by the hiring out of the [new] facility would go to the Association.

ECU have adopted a positive approach to the plan throughout discussions held, even to the extent that it has been agreed that the Association prepare a Memorandum of Understanding to be executed between the parties as a means of evidencing the parties understanding of the partnership.

- (b) The Arena proposal was made on the basis that the Association would be one of the users of the facility. To accommodate the increased need, the Arena advised that it was intended that they duplicate the current 3 court facility with a further three or even four courts on the southern side of the existing building. The existing show court would remain. The Arena advised that it would be intended that the courts be multi-purpose, and that the usage be shared with other sports, eg netball. The view expressed was that the six or seven courts be used on a rotating weekly basis.

There had been some history between the Association and the Arena following the use by the Association of the Arena in an

overflow capacity, and also playing some SBL games there. This did not end happily, and was referred to by the Arena during their presentation to the Association. This, together with the public argument between the Arena and West Perth Football Club did not add to the level of confidence that the Association held in the proposed arrangements. In addition, the presentation did not include any real direction regarding sharing the increased turnover through the Arena from the relationship.

The main negative though was the proposed multi and shared usage of the facility, and the uncertainty of the flow of finances through the undoubted increased usage of the facility. As can be seen from the background, the Association requires a minimum of four courts to be used six days per week (minimum) for forty weeks of the year, accommodating the needs of our membership base and providing the opportunity for the players to regularly participate in the sporting activity of their choice. In addition training venues and needs would be added to that.

We are not simply providers of recreation opportunities, but developers of athletes and custodians of the sport in the region. We need to control the facility we operate in, so as to deliver the sport at an affordable level to our members, and cater for the flexibility required to service their needs.

One other contributing factor was that the Arena would be seeking a financial contribution from the Association in the form of annual rent. They would not provide any indication as to what level that rent would be or, in the event they were not able to provide that information, any formula that may apply as to the calculation of that rent, including the variables which would be applied in calculating the rent.

### **The Way Forward**

The Association welcomes the opportunity to work together with all the stakeholders in the process to plan the way forward to obtain premises to continue to provide the opportunity for people in the community to learn and compete in the sport of basketball.

The Association believes that the future philosophically together with its geography puts the Association within the City of Joondalup hence its desire to work in a cooperative manner with the City.

During those discussions the City, at all levels, has publicly stated on many occasions that the sport of basketball is an important contributor within the community and that the Association is vital to the future of the sport.

The Association recognises that it does not have the funds to be master of its own destiny, and relies on the good will of the various levels of Government together with the wider community. For the moment, the Association is unsure of its relationship with the City and therefore does not feel that the best interests of the sport are being considered in the decision making process.

The Association also recognises the need for the relocation is inevitable, and has cooperated in complying with the wishes of Council to be flexible to move earlier rather than later, notwithstanding the sub-lease will expire in December 2007. At the same time the Association must discharge its responsibilities to the members to ensure the long-term viability of the sport within the community and the wider northern districts.

We trust that through the good will and efforts of all concerned, the Association will be able to meet the commitments made to its members, and to the community.

Further information is available from the Association via Mr. Wayne Primrose at the Joondalup Stadium on 9300 1325, or from the President, Brian Atkin on 0419 914 343.