PARKS & LEISURE AUSTRALIA

A GUIDELINE TO MANAGING CONSTRUCTION COSTS IN THE PARKS AND LEISURE INDUSTRY

Prepared by PLA Advisory

Abstract

Increasing construction costs has been a significant issue for the parks and leisure industry over the past few years, so much so that Parks and Leisure Australia members nominated this as the most critical issue facing them.

These guidelines have been developed by Parks and Leisure Advisory as a practical tool intended to complement the wide variety of "How to" resources that are readily available. The focus of this guideline is to show how to manage or reduce costs at each stage of a project. It is written for parks and leisure professionals that will manage a range of technical experts and stakeholders through their coordination of significant construction projects.

Contributors

Steph McCallum-Keily
Anand Pillay
Cathy Kiss
Dr John Tower
Wendy Holland
Jarrod Hill
Neal Ames

Please cite this report as:
Pillay, A., Ames, N., Hill, J., Holland, W., Kiss, C., McCallum, S. and Tower, J. (2025). *A Guideline to Managing Construction Costs in the Parks and Leisure Industry.* Parks and Leisure Australia. [PLA to provide the URL to access the report].

Foreword – The Importance of Leisure Planning

A fundamental strategy to ensure the effectiveness of any park and leisure construction project is to invest in a rigorous leisure planning process. This needs to be accomplished at the community level and typically well before the planning and construction phases starts.

The key principles of leisure planning include:

- Recognising that the planning process (including the collection, evaluation and updating of data) is a continuous cycle and not a step-by-step process.
- Recognising that the leisure planning phases and components (see Table 1.1) are interconnected and impact on each other throughout the planning process.
- Committing to stakeholder engagement as an essential component throughout the whole process.
- Planning for the "big picture", but focusing on the deliverables
- Aligning your planning with your organisational goals and desired outcomes.

Leisure Planning Process

Table 1.1 provides an overview of the leisure planning process (much more detail about the process is provided by the Leisure Planning Resources / Case Study links below). Good planning outcomes can be achieved by focusing on the phases and discrete components. It is important for staff managing construction costs to have a good understanding of how to plan deliver a project; invest in gaining the skills to become an effective planner; or contract a leisure planning consultant. Other aspects of this Guide provide insights about key aspects of leisure planning, e.g. project governance, stakeholder engagement, business planning and monitoring and evaluation.

Table 1.1 - A leisure planning process

Phase	Components
Establish the planning context	Plan's mission, goals and objectives – Identify what the leisure plan is trying to achieve within the wider community context.
	Stakeholder engagement plan – establish systems to gain all organisation and community stakeholders' input.
	Governance – establish systems to guide the decision-making process of your leisure plan.
	Costs / budget – set the budget for the planning process.

	Plan the process – document how the planning process will proceed.
	Participation targets – document the levels of leisure participation to be achieved in the plan.
	Stakeholder engagement – collect insights from stakeholders to gain data and help interpret other data insights.
	Community profile – document community demographics and compare data to region, state or another relevant locality.
	Existing reports – review other relevant reports, e.g., transport, social, and specific population policies, that may impact on the plan.
Data collection	Existing conditions – document current status of leisure programs, facilities and services.
	Participation levels – document leisure participation data trends.
	Community leisure needs – conduct community consultations to identify leisure aspirations.
	Interim findings – share data collection reports with stakeholders to gain their insights. A feasibility report may be produced in the future as an output of the data collection.
	Evaluate collected data – draw on collected data to identify insights from the data collection phase.
Write the plan	Draft plan – prepare the draft plan to document the planning process, collected data, and set a plan with actions, timeframes, budget, responsibilities and performance monitoring approach.
	Stakeholder engagement – gain insights from stakeholders to confirm data analysis and response from draft plan.
	Adopt the plan – get the plan formally adopted by relevant planning authority and stakeholders.
Implementation	Monitor and evaluate the plan – establish systems to continuously gather and report data about the plan's implementation. Assess outputs and outcomes.
	Stakeholder engagement – communicate with stakeholders and seek feedback about the plan's adoption and implementation.

(adapted from McDonald, Hanlon & Tower, 2024 Table 1)

Research about leisure planning identified that in most instances not all individual components that should be part of the planning process were included in the development of leisure planning. Potential improvements included a need to adopt an overall planning process (as detailed above), improve the establishment of the planning context and adopt effective monitoring and evaluation (McDonald, Tower & Hanlon, 2024). Effective leisure planning establishes the foundation to contribute to efficient management of construction costs.

Effective planning takes time. Recognition of the time, skills and resources required for effective planning will contribute to a better managed construction project and ultimately lead to reduced costs. Good planning should be viewed as an investment rather than an expense. The leisure plan needs to document what it is trying to achieve, i.e., the plan's vision, mission, goals and objectives; set a budget for the plan; define the governance process; define the stakeholder engagement process; and outline the

breadth and depth of the approach. Clearly defining the costs of the planning process and recognition of what decisions will be required establishes an effective approach to guide the planning stage of the project.

Gathering sufficient data to guide decisions about a leisure planning project is essential to achieve success. The availability of existing data and recognition of what new data, e.g., community leisure needs, has to be acquired, e.g., community leisure needs, impacts on the overall costs of a project. LGAs should have a community profile; existing reports about complementary issues such as community transport and specific population groups; data about existing programs, facilities and services. Data may need to be collected about community leisure needs and participation levels. Recognition of the costs of collecting valid and reliable data will impact on the project. Making decisions about leisure planning projects without sufficient data should not be accepted. The construction project needs to monitor and evaluate the quality of the data being used to guide decisions.

Stakeholder engagement is an important component throughout the planning process. The essentials of stakeholder engagement are explained in a separate section of this guide.

Managing Costs in the Implementation Phase

An effective leisure planning process will make an essential contribution to managing the costs of a plan's implementation. Establishment of a monitoring and evaluation approach will guide the expectations of the project's outputs, outcomes and impacts. An investment in a thorough planning process will guide a construction project's delivery within realistic financial parameters.

Introduction

The park and leisure sector supports community well-being by offering spaces for physical activity, recreation, relaxation, contemplation and social interaction. Over the past few years, parks and leisure construction projects have faced a significant challenge with rising construction costs for new or upgraded park and leisure facilities. At the same time, community expectations continue to rise for more sophisticated facilities to cater to a range of recreation and social needs.

Finding ways to manage cost increases while maintaining quality and access has become critical. This paper builds on a range of PLA Advisory hosted workshops that explored the issues and considers strategies to help local governments and community groups navigate these challenges.

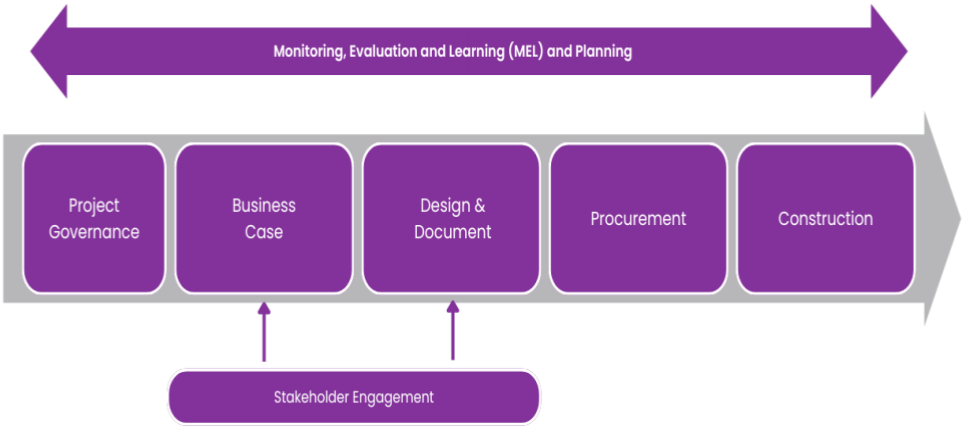
As construction prices have escalated, local governments are struggling to balance the need for new developments and facility upgrades with the constraints of tight budgets. Without addressing this issue, local governments risk failing to meet community demand for recreation spaces and facilities.

This discussion paper responds to a critical issue that has been raised repeatedly in recent surveys and feedback from Parks and Leisure Australia (PLA) members. The rising cost of park and leisure facility construction was identified as the greatest challenge faced by local governments in a 2023 survey of members.

A workshop was held with attendees at the PLA National Conference in October 2024. This workshop identified the impacts of increased construction costs, the common themes experienced, and if collective actions across the sector could assist with navigating the challenges facing facility provision. Workshop participants discussed how rising construction costs are placing immense pressure on the ability of Local Government Authorities (LGAs) to provide new park and leisure facilities, while also still maintaining and upgrading existing infrastructure. Without changes, they anticipate there will be a growing gap between community expectations and the facilities available, exacerbating inequities in access to public recreation spaces. Initial findings and strategies were presented at the NSW/ACT and VIC/TAS regional conferences with additional feedback and refinements provided by participants.

This set of guidelines is the sum effort of the thoughts and strategies of PLA members that has been harnessed and refined by the contributing members of PLA Advisory. This resource is intended to be a suite of practical guidelines that is intended predominantly for use by sport, recreation and parks professionals when facilitating or leading planning, design and construction projects.

The structure of this document is intended to follow the phases of a generic construction project. It is important to note that there are many ways to plan and deliver a construction project and the basis of this document reflects just one of those. The individual sections should still have relevance even if a different approach is taken. The diagram below shows the process flow that this guideline has been based on.



1. Monitoring, Evaluation and Learning: and Planning

Key Principles

The key principles of Monitoring, Evaluation and Learning (MEL), and Planning are:

- Integration – MEL should be integrated into all phases of the project and not considered as an afterthought or a standalone process.
- Clearly defined – The three components of MEL (monitoring, evaluation and learning) each serve different functions and should be clearly identified in each phase of the project.
- Regular revision – Learnings and progress should constantly inform future phases of the project. As MEL is a process recommended to cover the life of the project it should be implemented as the project moves from one stage to the next. It should also inform subsequent projects.

MEL - An ongoing process

Monitoring, Evaluation and Learning sit across the entirety of project planning and delivery. It is about using data and information to know what is working, assessing impact and if changes or course correction are needed.

Monitoring involves reporting and oversight of key data or factors to inform internal or external stakeholders.

Evaluation is systematically collecting, analysing and using information to enhance learning and decision making (Australian Evaluation Society).

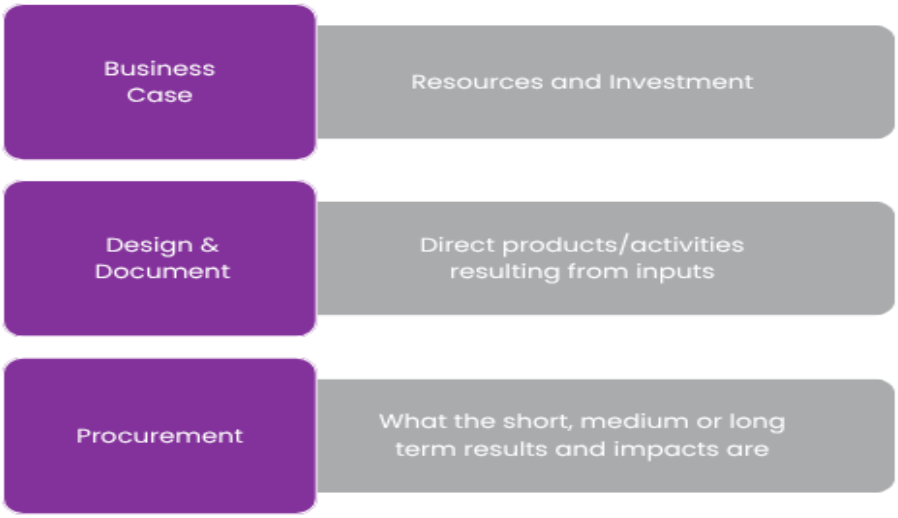
Learning is the application of both evaluation and monitoring contributing to a culture of continuous improvement.

It is important to monitor, evaluate and share learnings as the project progresses. Without the information and oversight, cost increases may occur, or the intended project outcomes may not be achieved. Through embedding these practices into construction projects, costs can be effectively monitored and controlled.

Identifying and documenting project goals

To plan for evaluation, it is important to identify what is intended to be achieved from the outset i.e. starting with the end in mind. This ensures the data required to know if you have achieved the goal at the end, is collected along the way. For a sport or recreation construction project, understanding and documenting the primary and secondary purposes of the project can include catering for more or diverse participation, safety improvements, improved revenue generation or reducing operating costs. Setting clear, documented targets against the project goals will enable objective oversight of the project as it progresses.

A logic model or outcomes framework can assist in identifying and formalising the intended goals and outcomes of the project and will provide clarity on inputs and activities required. A logic model can be as simple or as complex as required, but would at a minimum include the following:



While predominantly written for government contexts – example logic model frameworks and resources are available here:

- *How to develop a program logic for planning and evaluation* – Australian Institute of Family Studies
- *Developing and using a program logic* – NSW Health

Evaluating outcomes – key evaluation questions

In order to evaluate the intended outcome of the project and ensure value for money, the following key evaluation questions may be beneficial:

Efficiency

- Are minimal resources (funding, people, facilities) being used to deliver maximum outputs?
- Is the project being implemented as intended?

Effectiveness

- To what extent were the intended outcomes achieved?
- Is value for money being achieved?

Impact

- What community value has been achieved as a result of the activities?
- What were the particular features of the program and context that made a difference?

Data that may be useful to respond to the key evaluation questions includes:

- **Monitoring data** – A project plan is a simple and effective tool to monitor the health and progress of your construction project. The data needed to monitor should be captured in the project plan and can include budget, timeframes and key project milestones. This monitoring should part of the project governance arrangements (see section 2).
- **Learning data** – A register of learning and continuous improvements is another simple way to capture learnings from the project. This is particularly useful for future and subsequent projects and may include learnings from many project stakeholders. This could be captured along the way or through a 'retrospective' session at various points during the project i.e. mid-cycle or project conclusion.
- **Evaluation data** – The outcomes framework will inform the type of data needed for evaluation – as this will help to determine if key goals have been achieved. Example data may include – participation, demographics, usage, or financial. Key data points may need to be revisited following the conclusion of the project to ascertain the long-term outcomes.

MEL is a crucial element to control costs in construction projects. Regular monitoring and practical learnings allow early course corrections, prevent errors and ensure decisions throughout the project are well informed by the facts. MEL should be a key component of project governance frameworks and practice.

Planning - An ongoing process

Like MEL planning is an ongoing process that needs to be integrated into all stages of a parks and leisure construction project. A detailed explanation of planning steps required for each individual stage is beyond the scope of this guideline however it is worth noting that good planning is key feature of all the stages covered here. You should have a MEL plan, governance framework, stakeholder engagement plan, project plan, procurement plan and finally a construction timetable (typically depicted as a Gant chart).

The old adage that planning is important and plans are not, definitely rings true for this context. Have formal plans is important however it should be the product of the key stakeholders, hopefully those that will form part of your parks and leisure project governance arrangements.

2. Project Governance

Key Principles

The key principles of Project Governance are:

- Clear Documentation – Governance arrangements for a project should be documented for every stage. The governance documents should be easily available to all stakeholders and project partners.
- Change is Good - Project governance documents should be living documents that reflect the decisions taken in the preceding stages. For example, if following the business case there is a successful funding application, the funding partner (typically State or Federal government) may need to be involved in the governance arrangements (make sure this is included in funding agreements).
- Clear Roles and Responsibility – Are documents clear about who is responsible for a function and a decision at every stage of the project? Avoid decision making structures that leave any phase of the project with doubt about who is responsible. Typically, this can happen when there is an attempt to appease multiple stakeholders or partners. Clear governance arrangements can be invaluable to a project. It's also worth making sure that there are clear processes about tiebreakers if there is an equal number of voting members.
- Identify Transition Points – "It fell between the cracks", has been heard often. In an infrastructure project there are few bigger "cracks" than the transition points where a project moves from one phase to the next and potentially from one governance arrangement to the next. Setting milestone handover points that are clear can help avoid this.
- Regular Risk Identification and Mitigation – Regular review of project risks, who will do that and how decisions on these will be made should be included in the governance documents. This can change at different stages.
- Establish Clear Communication – Clear communication will help to avoid any number of issues in a project. Consider how information will be shared, decisions recorded, risks and progress reported and items requiring decisions presented. Clear mechanisms and timing for communication are very important to any project and when done well will keep stakeholders informed, allow issues to be raised, risks managed and ensure efficient decision making.

What is Project Governance?

Project governance is the formal, agreed and documented set of rules that enable decision making and delegate authority for those decisions, to individuals or groups in the project. The governance documents should provide clarity on how the project will be managed at each stage and who will make decisions. This is crucial especially when things do not go to plan.

How you can save money by getting this right

With parks and leisure construction projects, time is literally money and delays usually cost you money. Being able to make decisions quickly and with the right information is crucial to keep projects moving and avoid additional expenses like time penalties and cost escalation. Delays can also lead to facilities coming into operation later than planned disrupting participation opportunities and resulting in reduced revenue. There are also constant choices to be made between professional services, contract clauses, construction methods and materials that will all have an impact on costs. Rigorous governance and monitoring arrangements will ensure you can manage costs throughout.

Efficient decision making in a parks and leisure construction project can help prevent increased costs if the right people are involved in making the decisions. Unexpected issues develop even in the most well-planned projects. Getting the project governance and monitoring data right means that the most appropriate people are making decisions with the best information available. For example, if a project is facing cost pressures and is required to value manage (typically this means reduce scope or quality of finish) the end users, designers, project and construction managers should be involved to make sure the descoped project can still provide a good community outcome. Generally, this means having good balance in the governance group so that the project can still achieve the best outcome. Most decisions will have a direct or indirect cost implication.

What are the key pitfalls in this area that lead to increased costs?

Construction of parks and leisure projects typically brings together numerous stakeholders. Developing multi use facilities is widely accepted as the standard at the community level as these types of facilities provide an economy of scale, maximise use of land that can be difficult to obtain. and perhaps most importantly. because they have the power to draw large and hopefully diverse segments of a community together. This means multiple community, funding, peak body and technical stakeholders around the table, all with a view on what a project should be and how it should be done.

Project managers need to make sure there is a conversation about governance and decision making as early as possible. That conversation should only end when there is an agreed and documented project governance plan. A unanimous agreement is best, but often unattainable. When a governance group is established, it is important that members are aware of their roles and that consensus decision making is adopted. This is one of the most effective ways to manage the loudest voices in a project. A record of the meetings and the votes on key governance decisions is good governance. Trying to appease the loudest voices rather than openly resolving issues at this stage can cause major cost related issues as the project progresses.

A simple test of governance arrangements is considering the worst thing that could happen at any stage of the project and determining if the governance arrangements are clear about where the decision lies to resolve it. The project governance arrangements should reflect the scale, scope and complexity of the project.

It is important that project managers do not feel pressured to make all the decisions simply because they are the lead. When projects run into cost pressures and stakeholders are faced with difficult choices, stakeholders may try to pass those issues on to the project lead. Get the governance arrangements right at the outset and hold to them.

- **Links to Handy Resources**

A good how to guide by the ACT Government

https://www.treasury.act.gov.au/capital-framework/prove/business-case/project-governance

An example framework document available from the Victorian Government

https://sport.vic.gov.au/resources/project-governance-framework

A good example of generic governance process by the NSW Government

https://www.digital.nsw.gov.au/delivery/digital-service-toolkit/resources/building-a-service/governance

3. Stakeholder Engagement

Key Principles

The key principles of Stakeholder Engagement are:

- **Identify** key stakeholders who have a direct impact on the project
- Keep your key stakeholders **separate** from those that are just interested in your project
- **Effective and appropriate** stakeholder engagement leads to a clear planning framework, an efficient project scope, and smooth project delivery.

What is stakeholder engagement?

Stakeholder engagement is a broad term covering a process where a range of tools and techniques are used to collect information from key stakeholders relevant to the planning and design of a project, and that project's future management.

Why is stakeholder engagement important?

Stakeholder engagement is an important part of a project:

- It helps gather information to guide the planning and design as well as future management of the project.
- Engagement assists with the process of identifying needs vs wants in provision.
- Engagement can identify gaps in information. Often different or conflicting information is received, so the process can highlight where more investigation is required.
- Engagement can help manage the expectations of stakeholders.

These outcomes can assist in managing construction costs.

Process to plan and implement stakeholder engagement

A critical first step is preparation of a stakeholder engagement plan. This needs to be prepared as soon as possible in the planning phase for the project.

Preparing a stakeholder engagement plan assists the project team to be very clear about the questions to ask, and the type of information that will be collected, so the information will be useful. It will help the project team identify risks which could interrupt the project, and how to minimise these. Overall, good planning for stakeholder engagement can support the project to run more smoothly, and for the project team to manage stakeholder expectations.

Steps to include in a stakeholder engagement plan are:

- Identify the purpose of the stakeholder engagement.
- Identify the objectives of the engagement
- Map any previous engagement and decisions.

- Identify the negotiables and not negotiables of the project. What can the stakeholders influence and what can't the stakeholders influence, and why.
- Map the stakeholders, and their level of interest and influence (see the resource links at the end of this section for examples)
- Determine the level of community engagement for identified stakeholders.
- List the risks for engagement, including the impact, likelihood and actions.
- Develop a communication plan to support the process.

If the project is being delivered through Local Government, ensure a well-planned and early approach to informing Councillors and keeping them engaged. Their understanding of the project will assist the project progress and potentially reduce the risk of external influences at a later stage. This usually ends up costing more.

Seek the input of your organisation's stakeholder engagement advisors. They are experts in developing plans and advising on engagement tools and techniques.

Engagement tools and techniques

When the engagement plan has been prepared, it is time to explore engagement tools and techniques. There are many tools and techniques to use when engaging with stakeholders, and these are best selected specifically for the project. Their purpose is to help gather the information that is needed and encourage input from stakeholders.

Tools and techniques will vary for different levels of engagement. For example, the "inform" level of engagement is appropriate when there are no negotiables, while the "collaborate" level of engagement might involve a stakeholder with high interest and influence in a management steering group or similar governance arrangement.

Tools and techniques will also vary depending on the phase of the project. During the planning phase when information is being gathered, a broad range of tools and techniques are often required. Later phases where decisions have been made and the project is underway, such as detailed design, provision of information and project updates are more appropriate.

Managing expectations from stakeholders

It can be helpful to communicate with stakeholders from the early stages of the engagement that their input is one of many factors that will guide the planning and design of the facility / park. This can assist with managing their expectations, being clear that they may not be provided with everything they ask for as there is a responsibility to address a range of needs.

Developing a Project Brief important

One of the products of stakeholder engagement can be the development of a project brief, that can ultimately be used to inform future stages of the project, including the Business Case (see section 4) and Design and Documentation (see section 5). The Project Brief is essential for many reasons. In its preparation, you are unpacking all the things you need to know about what you are going to do. It is the way you determine the scope of the project. It explains what your project is, it's purpose, users and importantly what your project will not be doing.

The project brief explains the steps to finalise the scope of the project and this makes it an essential tool to bring others along on the journey so they can understand the scope and scale of the project. The project brief provides a vehicle for others in your governance framework (see section 2) to contribute if something has been missed during the concept development. It can also help ascertain if there is a better methodology for some tasks and identify who else might need to be involved in your project. A project brief is also very helpful during the final stages of stakeholder engagement.

Capital works processes in local governments can often only provide funding for "design and construction", without allowing adequate time and budget for good planning. This can so often be the root cause of construction cost increases. A good project brief generally means a clear project scope which helps to minimise scope creep and ultimately help control the costs of your parks and leisure construction project. A more detailed guide to developing a project brief is contained at Appendix 1.

A sample of relevant references and guides for stakeholder engagement:

- Levels of community engagement – Refer the IAP2 model which describes the levels from Inform, Consult, Involve, Collaborate and Empower. International Association for Public Participation

Useful templates for stakeholder engagement mapping, tracking and planning can be found at the links below;

https://www.apsc.gov.au/initiatives-and-programs/aps-mobility-framework/taskforce-toolkit/stakeholder-engagement/getting-stakeholder-engagement-right

4. Business Case

Key Principles

The key principles of the Business Planning Phase are:

- Evidence-based decision-making - projects must be supported by credible data, research, and community consultation to clearly demonstrate the need for the project.
- Alignment with strategic objectives - projects must support the organisation's policy goals such as liveability, health, sustainability and social inclusion.
- Stakeholder engagement - projects need to engage with and reflect the voices of users, community groups and relevant organisations.
- Value for money – projects need to be thoroughly assessed in terms of costs, benefits, risks and alternatives to justify the recommended investment.
- Risk management and accountability – projects must identify, mitigate, and monitor risks and undertake transparent reporting to stakeholders.

What is a business case?

The purpose of a business case is to present a detailed analysis of a specific project to key stakeholders to seek their support to develop the project. It evaluates the benefit, cost and risk of alternative options and provides a rationale for the preferred solution.

A well-prepared business case is an essential tool for managing construction costs for parks and leisure infrastructure and ensuring that resources are allocated efficiently. In the context of parks and leisure infrastructure projects, a business case will justify:

- why a particular infrastructure project is needed
- what benefits it will deliver to the community
- how risks and costs will be managed
- how the infrastructure project aligns with and helps achieve wider strategic goals (e.g. around liveability, health and wellbeing, sustainability, etc).

A business case not only informs investment decisions but also acts as both a strategic blueprint and a risk management instrument throughout the project lifecycle.

The key components of a business case

Business cases generally incorporate the following components:

Table 5.1 Business case components

	Component	Description
1	Background information	The background information section should provide details of why the particular infrastructure project is required and

		why the business case is being developed (i.e. to address a problem or to pursue an opportunity). There should be a feasibility study preceding the business case.
2	Project definition	A clear description of the infrastructure project should be provided.
3	Option analysis	Various options should be considered by exploring benefits to the community, challenges in delivering specific options, costs and risks.
4	Preferred option	The preferred option should be selected based on a clear evidence base. Data to inform the preferred option includes demographic analysis, projected usage, trends, community / stakeholder feedback and benchmarking.
5	Alignment with strategic objectives	The infrastructure project needs to align with Local, State and Federal Government / other key stakeholder plans and policies to ensure that it is relevant and will help the organisation achieve its long-term outcomes.
6	Identification of benefits	A cost-benefit analysis should be undertaken to identify the social, health, economic and environmental benefits and costs of constructing the infrastructure.
7	Identification of risks	Any potential risks, including their likelihood of occurrence and likely impact, along with risk mitigation strategies should be identified.
8	Project implementation plan	The project implementation plan should identify each step of the project in detail, including resources required, approvals needed, timelines, etc. Stakeholder engagement should remain a component in the implementation plan.
9	Financial analysis	The reliability and certainty of funding sources (such as grants and capital works budgets) for construction should be determined. Consideration should also be given to identifying operational costs and the cost of the project over its lifecycle.
10	Resource requirements	The resources required for the project to succeed and what the ongoing resource commitment is should be detailed, e.g. organisational resources, human resources, intellectual property, physical property, governance structure, communications, information technology and financial resources.
11	Monitoring, evaluation and learnings	Monitoring, evaluation and learning processes should be built into the Business Plan.

How a business case can help save money and reduce parks and leisure construction costs

A thorough business case clearly defines project goals, scope, and expected outcomes, which in turn helps avoid overdesign, scope creep, and unforeseen expenses. It enables

early identification of cost drivers and establishes realistic budgets. By showing evidence-based need and anticipated community benefits, it can also support funding applications and attract partnerships, further reducing the financial burden of the project.

More specifically the tools to reduce construction costs for parks and leisure projects through a business case include:

- Stakeholder Engagement: Early and ongoing engagement with Council / State Government Authorities, community groups, planners, architects, and contractors ensures the design is fit-for-purpose, incorporates what is needed and avoids unnecessary features (refer to Stakeholder Engagement section for more details).
- Needs Assessment: Rigorous analysis of community requirements prevents overbuilding and ensures facilities match actual demand, resulting in more targeted investment.
- Options Appraisal: Comparing multiple design and delivery options can highlight more cost-effective solutions:
    - refurbishment versus new build
    - increased utilisation of existing facilities versus a new build
    - different management models for existing facilities versus a new build
    - better promotion of existing facilities versus a new build
    - assessment of what exists or is planned in neighbouring LGAs / suburbs / towns.
- Accurate Scoping: Early clarity on scope helps to avoids costly last minute design changes, the need for contract variations, delays and disputes and reduces the risk of over- or under-building.
- Realistic Budgeting: Detailed cost planning and contingency allocation within the business case can prevent funding gaps
- Robust procurement processes: Clear specifications and broad promotion of the tender / request for quote encourages more contractors to submit an expression of interest and may assist contractors in providing more accurate costings.
- Risk Management: Proactive identification and mitigation of risks during the business case phase, such as site conditions, regulatory hurdles and market volatility can prevent cost blowouts.

- Value Engineering Workshops: Bringing together experts to challenge design assumptions often leads to smarter, lower-cost alternatives.
- Efficient Project Management: Effective planning streamlines approvals, procurement, and delivery phases, saving time and money.

What is the difference between a feasibility study and a business case?

The terms feasibility study and business case are often used interchangeably. The key difference between the two planning documents is that a feasibility study analyses whether or not a particular parks and leisure construction project is possible (feasible) from a technical perspective, an operational perspective, a legal perspective and a financial perspective. A business case justifies why it should be developed, i.e. does it help the organisation achieve its desired objectives, does it provide benefits to the community and do the benefits outweigh the costs. As the purpose of a feasibility study is to determine whether or not an infrastructure project is possible, it needs to occur before a business case. However, many organisations will undertake one or the other, and may combine aspects of both types of planning documents into one. Regardless, there are opportunities to explore options that may help to reduce construction costs in either of these documents.

A sample of relevant guides for business case planning and construction cost management:

- Infrastructure Australia Assessment Framework Stage 3 – Developing a Business Case: https://www.infrastructureaustralia.gov.au/assessment-framework-stage-3-developing-business-case
- Victorian Government Treasury and Finance – Business Case: https://www.dtf.vic.gov.au/business-case
- NSW Treasury (2024) NSW Government Business Case Guidelines: https://www.nsw.gov.au/sites/default/files/noindex/2025-03/tpg24-29-nsw-government-business-case-guidelines.pdf
- ACT Government - Capital Framework -Business Case: https://www.treasury.act.gov.au/capital-framework/prove/business-case
- Queensland Government Cost Benefit Analysis Guide – Business Case Development Framework – Release 3: https://www.statedevelopment.qld.gov.au/__data/assets/pdf_file/0013/55030/further-guidance-04-cost-benefit-analysis-guide.pdf

Examples of business cases for parks and leisure projects

- City of Kalamunda (WA) (2021) Business Case for a New Aquatic Facility – Park Two – The Business Case: https://www.kalamunda.wa.gov.au/docs/default-source/agenda-and-minutes/2021/attachments/pabf-agenda-june-2021/10-4-1-2-business-case-for-new-aquatic-facility.pdf?sfvrsn=edc1e4d3_2
- Towong Shire Council (Vic) (2023) Bellbridge Boathouse Business Case: https://www.towong.vic.gov.au/repository/libraries/id:2cvu1xfyg1cxby8c14xc/hierarchy/Projects/Bellbridge%20Boathouse/Final%20Docs%20for%20Web/Bellbridge%20Boathouse%20Business%20Case.pdf
- Shire of Serpentine Jarrahdale (WA) (2021) Keirnan Park Business Case: https://www.sjshire.wa.gov.au/Profiles/sj/Assets/ClientData/Documents/Keirnan_Park_-_Business_Case.pdf

5. Design and Documentation

Key Principles

The key principles of the Design and Documentation phase are:

- Obtain agreement for the project brief.
- A detailed site investigation is critical to move into subsequent stages.
- A concept design and high-level Opinion of Probable Cost (OPC) estimate must be developed.
- The Design and Documentation phase ensures that the detailed design and Value Management is in place.
- Finish this phase with effective “Issue for Tender” documentation and a Pre-Tender Estimate.

Before the Design and Documentation phase can commence, the project delivery model needs to be confirmed. There are different project delivery options that can be considered, each with their own advantages and disadvantages. The decision often comes down to who is responsible for the design and the associated project risk, i.e., the client, design consultant or the contractor. The following options are examples of common delivery models:

- Design only - client engages design consultant to lead the design process, in this option the design risk remains client side.
- Design and construction - client engages contractor typically based on reference design drawings and performance-based specification, in this option, due to the lack of formalised design, the design risk is transferred to the contractor led team.
- Novated design - client initially engages design consultant to produce design to a design development status at which point the design, and the design consultant, are novated across to the contractor to finalise the design and in doing so, inheriting the design risk.

There are other options that could be considered as well. Often the success of a project, including the financial success, is dependent on the right project design delivery model. The following steps outlined below are aligned with a conventional design only project delivery model, with most of the steps applicable to the other delivery approaches with minor changes required.

Agree Project Brief

During the first weeks of a project, the client and the design team need to attend inception meeting/s and liaise frequently to confirm the project brief (refer to Project

Brief explanation in section 3 and Appendix 1). Often the consultant team will issue a Return Brief which captures their understanding of the project brief.

In the early phases of a project, scope creep can come into play due to input from other key stakeholders. Project Managers need to ensure that any scope creep is identified and confirmed if those elements are in or out.

If all parties are not aligned with expectations on functionality and finishes, then this may result in over specification of project elements which will increase project costs.

Detailed Site Investigation

Often projects become financially unstuck because the client and the design team have not identified and addressed all the project unknowns at the start of a project. These unknowns, if not appropriately accounted for, will likely result in increases to costs and program delays (which often results in a cost increase as well).

The first step in any design phase, if not completed earlier in the project phases, is to conduct a thorough investigation of the site. A thorough investigation will look to confirm any assumptions made in the early project phases but also aim to identify any project risks. A detailed site investigation will typically consist of:

- Level and feature survey (including tracing of in-ground services)
- Geotechnical investigation
- Contamination and environmental assessments
- Flora and fauna assessments
- Confirmation of available property services to the site (i.e. electrical supply, water supply, etc.)
- Identification of any planning overlays (i.e. cultural heritage, flood inundation, etc.)

By conducting a detailed site assessment, any identified risk and/or constraint can be addressed in the design to ensure there are no surprises or costs increases during the tender or construction phase.

Concept Design and Opinion of Probable Cost Estimate

Once the detailed site investigation has been completed, the Concept Design phase will look to build on the work from earlier phases of the project. However, unlike the earlier phases of the project, the design team will be able to utilise the findings from the investigation and address any issues that had been identified during the Concept Design phase.

The increase in design input will help to alleviate any assumptions made in the earlier phases of the project. This will give the Quantity Surveyor a greater level of confidence that the project risk profile has been reduced and subsequently a reduced contingency

in the Opinion of Probable Cost (OPC) estimate. The OPC estimate will either validate the initial project budget or highlight the need to investigate ways to reduce project costs of find alternative funding streams.

Detailed Design and Value Management

Progressing the design beyond Concept Design phase will provide further details and greater level of coordination which will result in a higher-level of accuracy for the project cost plan. It is important to ensure that the design continues to adhere to the project brief but also meets relevant standards and/or authority requirements.

Service authorities i.e., electricity supplier, water and sewer authorities, etc., will have specific requirements that the design team will need to meet which may result in increases in project costs if major upgrades are required. These requirements need to be clearly identified during the design phase (if not already addressed in the planning phase of the project).

A more detailed and accurate OPC estimate can be developed and may highlight the need to conduct Value Management (VM) on the design. The VM session should have input from all design consultants on the project and look to initially identify changes that reduce project costs without reducing the design intent.

"Issue for Tender" Documentation & Pre-Tender Estimate

"Issue for Tender" (IFT) documentation, regardless of the delivery method, is the last opportunity to quantify and qualify a design before being sent out to Contractors for their review and pricing. All design packages should be fully coordinated and approvals received from any relevant third parties i.e., service authorities.

The IFT package should consist of, from a design perspective, drawing set/s, technical specifications and ideally a detailed Bill of Quantities (BoQ) (even though the project will likely be a lump sum contract, receiving a completed BoQ from the Contractor arms project managers with rates for any future variation claims).

Prior to submitting the tender package to the market, the project Quantity Surveyor should produce a pre-tender cost estimate to ensure there are no last-minute surprises.

6. Procurement

Key Principles

The key principles of the Procurement phase are:

- Procurement is governed by the Procurement Acts of the states and the Commonwealth.
- Functionality is a key factor during the procurement process in managing costs.
- Different procurement approaches, such as adoption of a design and construction method can reduce costs (see the options in the last chapter).
- Alignment of procurement processes with the planning phases and outcomes required is important.
- Tender assessment criteria must be aligned with the actual project
- Recognition the market will control the costs, the organisation can control the process.

Following the completion of the planning phases of the project management cycle the project moves into the procurement phase. This is the phase where technical specifications for the project are brought together, using the outputs identified during planning, business case and design and documentation phases. It is also where the project is tested with the market.

There are several considerations during procurement that will take the cost management outputs gained from planning into the construction phase. It is critical that all phases of a project flow from one to the next, creating synergistic cost management outcomes. The principles can be applied to any sized project from a new cricket pitch to a new grandstand.

Planning alignment

Sound planning, including stakeholder engagement and project governance, will assist the project manager to convert the strengths gained from effective planning into cost management during the procurement phase, as the project is put out to the market.

“Going to the market” is the ultimate test of all the work that has been done thus far. Before procurement, everything has been done in a controlled state. Now the “market” will decide what the project is worth. Many projects suffer significant cost blowouts when they go to the market, often because of poor planning, design or poor procurement practices.

If grants are included in the overall budget, then significant cost blowouts can/should force the cancellation of the project, especially if additional project funds can’t be sourced. See the case study for an example of this.

Cost estimates

For many years the production of a quantity surveyors cost estimate (QS), leading into the procurement phase, has been critical to an effective procurement process. The QS provides the link between planning and going to the market. It allows the project manager and governance group to understand the projected cost of their project, and what should be expected from tenders.

However, one of the recent key drivers of uncertainty in cost management, in parks and leisure construction projects, has been the increasing differentiation between the estimated costs provided by quantity surveyors versus the market costs due to the extreme uncertainty that has arisen in both the labour and materials market. Whether a quantity survey is contracted; or a market estimation is sourced from a publication such as Rawlinson's; or an in-house cost estimate tool is used, it is critical that the predicted cost of the project is understood before putting the project out to procurement. *If you don't know, don't go.*

Going to the market

The relevant state Procurement Act and an organisation's internal processes will dictate what form the procurement process will take. If the project is considered to be small (note different thresholds exist in each State)*, then organisations can generally develop a Request for Tender (RFT) to select contractors. However, if the project is large (note different thresholds exist in each State)* then the project will be required to go to an open tender, i.e. advertised and made available to the whole market. Most states have their own platform to do this, such as Vendorpanel or LocalBuy, which assists in producing the tender, and then managing the process.

During the tender period the market will engage with the appointed project manager (PM). It is critical that probity be applied so that all potential contractors have access to the same information. During this period, flaws or question related to the planning process may be identified by prospective contractors. This process is one of the last opportunities to identify any errors, especially in design and costings, and make changes. There is no penalty for changing your project during the tender period. If changes are made, this is an opportunity to reduce the risk of having cost variations during construction. Contractors' questions are a good way to get more external eyes on your planning, which help in the long run.

*This amount varies for different states, in accordance with the relevant State or local government regulations.

Tender assessment

Once tenders are received, the project manager will be able to see how well the final costs align with planning and cost estimates.

An assessment panel should be developed to assess all tenders. Ideally this panel will be made up of the following personnel:

1. The technical officer responsible for delivering the project and managing the asset
2. A director of the organisation or other delegated approving authority
3. The procurement officer / supervisor (or an independent probity advisor).
4. A third-party representative, representing a funding body or other relevant stakeholder.

Assessment criteria weighting

To assess tenders, assessment criteria with weighting should be developed. This will help to appoint an effective contractor and also reduce the risk of cost overruns during construction. Criteria should be weighted differently and reflect the elements considered most important for the project:

1. Cost
2. Experience of the company
3. Portfolio of similar projects
4. Past client referral / reviews
5. Post construction warranties (or service periods)

For construction projects, cost may be the most important criteria, unless the project is of such technical specification that experience or some other mitigating criteria is considered more important. If cost is the most important, then the lowest cost tender will gain a significant advantage at this point. The other criteria are then used to "confirm" that the lowest cost tender is suitable for the project. Careful consideration should be given to criteria and their weightings as selecting the wrong contractor can have a significant effect on project costs during the construction phase.

Reporting

Local Government Authorities must adhere to several different Acts in relation to procurement; so there are several reporting requirements that must be met. Often a report on the assessment of tenderers will need to be provided to the appropriate delegates and elected members, who will then undertake a final vote to confirm the recommendation. Throughout this additional assessment the project may be further analysed, mainly for its value for money and potential cost risk profile. This extra layer of scrutiny should provide an extra level of cross checking which ensures that the construction phase is entered with a level of confidence.

A case study – district level playspace

A local government authority (LGA) received a $2m Commonwealth Government grant to build a district level playspace. All the planning steps were undertaken, and the LGA clearly understood the project, its governance, and had conducted extensive stakeholder engagement. The project was identified as a priority in an adopted strategic plan, a business case was produced, and a project steering committee had been formed when the grant was announced.

During the procurement phase every step outlined above was followed, including the development of an independent QS report. The project was within budget.

The RFT was put to the market. Because of its specialist nature, there were only three tenders submitted. Two were non-complying, which means they did not meet the project specifications outlined in the technical specifications in the tender.

The only complying tender was almost triple the $2m budget ($5.7m), despite the independent QS. The market had spoken. The project was abandoned.

This was in fact an excellent outcome for cost management. Every step had been taken, every consideration analysed. The market considered the project and identified the price, and the LGA had built in guardrails to ensure they could terminate the project at critical points. The only damage done was to community expectations, which, when explained, were understood.

7. Construction

Key Principles

The key principles of the Construction phase are:

- Cost control is implemented in proceeding phases of the project
- Good planning can help avoid additional costs in the construction phase
- Functionality of the asset is the key driver
- Savings, if needed, should not compromise the activity space (i.e. should be focussed on things that don't impact the activity, such as finishes)
- Ensure the Project Manager is well equipped to manage the project
- The Contract is an important tool during this phase of the project

Functionality

All parks and leisure facilities have a function, or several functions, e.g. picnicking, playing Futsal, walking, playing, canoeing, etc. Therefore, the functionality of the space is of primary concern. As a cost management driver, functionality allows a Project Manager to identify those components of the project that are critical and those that are not. This analysis should be conducted throughout project management; however, it becomes critical if costs increase during construction.

Ensure the Project Manager is right for the project

Cost control during the construction phase ultimately rests with the PM. They will be responsible for signing off on progress claims and variations. Ensure that the PM is appropriately skilled to manage the size and complexity of the project or that they are adequately supported. Depending on the scale of the project, the LGA may engage a 3rd party Superintendent to oversee the management of the project contract.

Finding cost savings during construction

As the project moves into the final phase of the project development life cycle, construction, the opportunity to manage costs reduce. During the proceeding phases there are several opportunities to control and adjust to cost pressures. Once contractors have been appointed and materials are on the ground it becomes increasingly difficult to reduce costs. Therefore, cost management is undertaken before construction to avoid trying to find cost savings during construction.

However, although the construction phase provides limited opportunities to control costs, it also presents the greatest risks from increasing costs. The challenge in construction is to stick to the budget, and the available funds. It is during construction that failure to manage the budget during the proceeding phases will become evident and the pressure on your budget can be significant.

Once the head contractor has been selected based on their tender submission, where they have stated their overall cost, the project has reached an important milestone. You now know that you can cover all the costs of the project with your available funds. If there are going to surprise cost increases now is when they will come, and the impact on your budget can be significant.

Variations

“Variations” are a Project Managers and proponents' nightmare, and it is variations that present the greatest risk to the Construction phase. Variations are additional components i.e., costs, that must be added during the construction phase, which are not part of the original tender. Variations present one of the greatest risks in the construction phase. Some contractors may submit a low-cost tender to be competitive, hoping to add variations during construction. Looking closely at the tender during the Procurement phase assists to avoid this.

A case study – Regional Tennis Facility

In this example, a new Regional tennis facility is being constructed. It is a highly specialised project, with a limited market of contractors. After signing the contract and commencing the project, the contractor advises that old construction material, left over from the indoor court facility that is located right next door, has been struck. It turns out that a contractor on a previous project, instead of taking his spoil offsite, just dug a hole, pushed it all in, and then covered it up.

The contractor advises that it is going to cost $100,000 to dig up the old construction material and remove it. To keep the project moving the variation is accepted, as works cannot proceed without it. Instantly $100,000 is added to the project costs.

Always plan for the worst and look for options. The chance to reduce the scope of the project or include additional testing occurred back in the planning, business case, design and procurement phases. It is not preferable to reduce the 12-court regional facility, down to a 10-court district facility, as it would result in loss of satellite tournaments. Therefore, no savings can be found related to court construction.

Focus on the activity space

At this stage in the project negotiable and non-negotiable scope components (i.e. those that are critical to functionality of the facility, and those that are not critical) should be known to the Project Manager. For all park and recreation assets non-critical components can be found away from the “activity space”. The activity space is where the actual activity happens, in this case the tennis courts themselves. For playspaces it would be elements that are not directly involved in play, such as shade structures and landscaping.

Most often the non-critical components are the ancillary areas. In the tennis example it is the external finishes and the internal fit-out of the clubhouse. For a new sports field it might be the perimeter infrastructure such as fencing or shelters or sports lighting. It is the component that won't stop the activity being conducted. There are savings here, but it is important not to compromise functionality.

Savings are in your ancillary components. For the tennis facility it is the clubhouse. Short of removing the clubhouse completely, what steps can we take to find savings. Reduction of the floor size, cannot be considered as the contract is signed, and the savings you might find in reducing floor size will be eaten up with the penalties that you will need to pay the contractor. At this late phase in the project, the external finishes, landscaping and the internal fit-out are often where the savings are realised.

Cost savings

Following are some tips for saving costs on ancillary facilities from our case study:

- Labour cost savings
    - Think like a contractor. Their outcome is to make money, how do they do that, through labour, it is the greatest cost. Increase labour, increase cost, reduce labour, reduce costs. Look for areas that involve a lot of labour. A strong relationship with the contractor is critical here. A good working relationship should hopefully encourage the contractor to work with the Project Manager to help reduce costs.
- External finish savings
    - The external finishes of a building are normally done by a sub-contractor, who puts a margin on their labour, making the labour component more expensive than labour done by the head contractor's crew. The head contractors own crew does the internal fit-out, so they don't want you cutting internally, if it can be helped. The best savings are outside.
    - External finishes on all buildings are a major area of savings during the Construction phase. To save costs pick a cheaper paint, or paint instead of render, use a cheaper facing, consider removing windows, etc. All of these save in material and save in labour.
- Internal fit-out savings
    - Consider leaving some options out of the canteen, fridges, stoves, fans. Consider not painting internal walls. The client/s won't like it but rationalise it by saying that the project completion cannot be met without finding savings. If savings from external finishes are not enough, then most contemporary projects are using fit-out reductions to complete projects. There are several surf lifesaving clubs along the east coast of Australia that have been completed, and handed to the clubs, but do not have internal fit outs. While it is not ideal, they have the asset and can carry out their activities.

- Services savings
    - Another area of saving can be in services. It’s nice to have hot water in an amenity building, but it's not critical. Removing hot water systems will be a major cost saving. Changing light fittings in the building can also reduce costs.
- Landscaping savings
    - It’s nice to get a finished space, with turf, gardens and everything looking good. However, landscaping is not related to functionality and is an area for saving. Instead of laying turf seed future lawn areas instead. Plant seedlings instead of mature trees. Reduce the number of pathways that you include in the project.

Appendix 1 - Project Brief

Key Principles

- Well defined **project brief** that reflects your planning for the project to date
- Have a clear project scope
- Have clarity of the project functions, intended outcomes and costs
- An initial assessment of the project costs (not just the construction bit include engagement, consultancy, procurement
- Community consultation and validation of the outputs

What is a Project Brief?

A project brief one specific way a parks and leisure construction project can be planned. While planning needs to occur as part of each stage of this guide, a project brief can be used to scope a parks and leisure infrastructure development project. It identifies context and background about the steps required and the rationale. It poses the questions that need to be answered and identifies the decisions that need to be made regarding the scope of the project.

The Project Brief we are describing here is an outcome of the early planning process. It is essential to successful delivery of a project. Project briefs are also generally developed for consultants to respond to for business cases, development of business and master plans.

What should be included in a Project Brief?

Structuring your project brief within the following outline, can assist in thinking about all the steps you need to achieve:

- **Introduction:** Sometimes this section is the hardest to write, and it may change as you work through the brief. Such a process is part of being really clear about the purpose of your project.
- **Background and Context:** This is a statement about what the project is. This is where you explain how this project has come about and what it needs to achieve. It describes the current status and what we need to do. At this point the project brief can go into more detail, such as strategic context for the project, or you can move straight on to the project aim and objectives.
- **Area of study:** Where is the construction project located? There will always be relevant information to provide here including the community context in which it will operate.

- **Project Aim:** This is the overall aim of your project. It could be to determine **what you** need to build? It could draw on a feasibility study for your project. It could be preparation of options for decision making.

- **Project Objectives and Tasks**: This is the primary piece of the document. What do you need to do? Step out all the information you need to collect, and the questions you need to answer. Do you know how you want to do these steps? It doesn't need to be just about what you want to build; it should also examine management of the future facility. Do you need a business case (see next section)? Spell out the steps to develop it.

- **Project deliverables:** Include clear statements about the deliverables and outcomes sought from the project.

- **Project Timeframes:** Identify your key milestones from the project tasks, and your proposed dates. Quite often these are decision or reporting points in the project.

- **Project Management:** Who is leading the project? Who is the responsible Manager? (refer to the Governance section)

If you are seeking consultants, this is where you can request their submissions and how you will evaluate those. It gives a clear idea of where the emphasis and priorities for any potential consultant working on the project should be.

Other information to guide planning and design of a facility or park can include:

- Physical adjacencies – other facilities, open space, built form, roads,
- Social demographics of those who will or could use the facility / park – age, family type, and more
- Circulation – how people will access the facility or park, trails, walking paths, car parking, public transport, linkages.
- Sport and Recreation needs study – what are the local and regional needs?
- Open space strategy – how will this inform the project?
- Physical characteristics of the site – habitat, soils and geology, vegetation, topography, fauna, hydrology.
- Planning details – overlays and zones and access to services
- Program development – what are the possible programs and activities which need to be provided?

References

Marriott, K., Tower, J. & McDonald, K. (2021). *Community Leisure and Recreation Planning*. London: Routledge. https://www.routledge.com/Community-Leisure-and-Recreation-Planning/Marriott-Tower-McDonald/p/book/9780367342944

McDonald, K., Hanlon, C., & Tower, J. (2024). Leisure planning process: systematic adhocracy. *Managing Sport and Leisure*, 1–16. https://doi.org/10.1080/23750472.2024.2420064

Leisure Planning Resources / Case studies

Marriott, K., Tower, J. & McDonald, K. (2021). *Community Leisure and Recreation Planning*. London: Routledge. https://www.routledge.com/Community-Leisure-and-Recreation-Planning/Marriott-Tower-McDonald/p/book/9780367342944

This book provides a thorough explanation of all aspects of leisure planning. Case 2.1 (pages 33-36) provides an explanation of how Goulburn Mulwaree Council put the planning process phases into practice. This books Leisure and Recreation Planning Model was included in the development of Table X1 above.

McDonald, Katie (2021). *A Critical Analysis of Aquatic and Recreation Centre Planning and Decision-making: A Tale of Two Cases in Metropolitan Melbourne*. Doctoral Thesis. Victoria University, Melbourne.https://vuir.vu.edu.au/42968/1/MCDONALD_Kathryn-thesis_nosignature.pdf

The research about two aquatic and recreation centre (ARC) planning and decision-making processes provides useful insights about how two municipalities planned their ARCs. This PhD thesis won the 2024 PLA Research Award.

Veal, AJ. (2017). *Leisure Sport and Tourism, Politics, Policy and Planning – 4th edition*. CABI.

This book provides a comprehensive overview of the interconnections of politics, policy and planning in the leisure, sport and tourism sector. This book's U-Plan system was included in the development of Table X1 above.