

Item 8.12

Ordinary Meeting

Thursday, 25 July 2019

commencing at 9:00am

Council Chambers, 1 Omrah Avenue, Caloundra

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8 REPORTS DIRECT TO COUNCIL**8.12 TRUSTEESHIP OF LAND - DOONAN****File No:** F2019/23395**Author:** Property Officer
Office of the CEO**Attachments:** Att 1 - 60 Fellowship Drive, Doonan - Building Images 15**PURPOSE**

The purpose of this report is to seek Council's endorsement for

- accepting Trusteeship from Department of Natural Resources, Mines and Energy over Lot 103 on SP251355 at 60 Fellowship Drive, Doonan, and
- referring a funding request for required site holding costs to the next available budget review process.

EXECUTIVE SUMMARY

In February 2019, the Department of Natural Resources, Mines and Energy (DNRME) contacted Council seeking its interest in becoming Trustee for Lot 103 on SP251355, a 21ha land parcel located at 60 Fellowship Drive, Doonan.

The site previously formed part of a larger 64ha land parcel, parts of which were transferred to Council as Trustee in 2009 (following Council resolution) as Reserve for Recreation and Reserve for Environmental Purposes. The subject site represents the balance area, which was at the time leased from DNRME by a disability services and support organisation, namely House With No Steps (HWNS). HWNS surrendered their lease in March 2019 due to dwindling occupancy and an inability to meet the ongoing operational costs of the site.

Approximately half the site is densely vegetated. The balance land is improved with a number of buildings and facilities designed for recreation and accommodation uses, including dormitories, storage sheds, meeting hall, amenities blocks, defunct high ropes course, swimming pool and internal road network. There is also a large dam on the site.

Council's Property Management Branch have undertaken a preliminary condition assessment of the site and have determined the buildings to be in an overall average to poor condition. The high level estimated immediate and ongoing costs to bring all of the buildings and facilities to a habitable standard are:

Statutory maintenance	\$54,100
Safety maintenance	\$276,100
General maintenance	\$486,900
Ongoing annual maintenance	\$90,150

At an onsite meeting between Council officers, Minister for DNRME, DNRME officers, Noosa Council officers, House With No Steps and Independent Member for Noosa, it was confirmed that DNRME may offer trusteeship of the site to other parties should Sunshine Coast Council decline to accept the proposal.

DNRME have advised that should Council become Trustee of the land it must be for a community purpose as described in the Land Act (to be nominated by Council). DNRME have further stated that the DNRME Secondary Use of Trust Land Policy, which regulates

commercial activity on Reserves, must be complied with, however submissions for secondary uses will be considered on a case by case basis.

Property Management Branch have obtained comments from across the organisation regarding the proposal, wherein the land is acknowledged as being a strategically useful acquisition for locating sporting and community groups, now and into the future, particularly those that may be ordinarily constrained on land near urban centres. However, the initial costs of remediation and maintenance of the improvements are seen as a possible impediment to secure tenure with community groups.

Alternate uses with a commercial element, such as a holiday park, school activity camp, or recreation camp, have also been considered, as a means to improve the financial sustainability of the site.

The ability for Council to secure land for community uses is highly valuable. While there are challenges in identifying an urgent demand for uses of this land that matches the capacity of the 21ha land parcel, there does remain localised interest (it is acknowledged that due to the proximity to the LGA boundary, some of that interest originates from within Noosa LGA) and Council should seek to support and broaden these uses as an interim measure until the land is required to satisfy future growth demand.

There are a range of community, sport and recreation activities that could be accommodated on the land, though it is acknowledged that opportunities for commercial activities, which might offset initial costs of remediation and maintenance, will be subject to regulation by DNRME. However, DNRME have indicated that commercial activities which are in keeping with the nominated purpose of the land may be considered on a case by case basis.

The improvements on site are assessed as being in an average condition, which suggests these assets may still hold approximately one third of their remaining useful life. If the improvements are deemed to be too much of an operational burden, Council could consider not utilising any of the facilities or the demolition of all improvements, thereby significantly reducing Council's long term lifecycle cost while retaining land to accommodate future uses.

Council must plan for growth and for realising future demand for recreation. Concerns regarding the financial liability of ageing building assets are valid, however the opportunity for Council to secure land for community use is becoming increasingly challenging especially considering the region's growth, and Council's trusteeship of the subject parcel is an appropriate mechanism to secure community land for the future.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Trusteeship of land - Doonan"**
- (b) resolve to accept the offer from Department of Natural Resources, Mines and Energy for Council to act as Trustee over Lot 103 on SP251355 at 60 Fellowship Drive, Doonan and**
- (c) resolve to refer a funding request for required site holding costs to the next available budget review process.**

FINANCE AND RESOURCING

There are no land acquisition costs associated with the transfer of this land to Council as Trustee. However, funding will be required to perform immediate statutory and safety maintenance, further general maintenance and ongoing annual maintenance as shown below:

- Statutory and Safety maintenance \$330,200
- General Maintenance \$486,900
- Annual Maintenance \$90,150

However, these are 'worst case' estimates adopted to acknowledge the financial risk of inheriting ageing building assets. Council is yet to determine an immediate use of the land and is therefore yet to accurately define the required operational service level and ongoing operational cost.

Council may choose to perform minimal services to the land for security, mowing and slashing, as an interim measure until use is established. These holding costs are estimated at approximately \$40,000 per year.

Alternatively, Council could consider providing a caretaker lease over the site to keep the site secure and well-presented as interim measure until a use is established. This arrangement will enable Council to receive minor caretaking services in lieu of market rent, thereby reducing the holding costs.

CORPORATE PLAN

Corporate Plan Goal: *Service excellence*

Outcome: We serve our community by providing this great service

Operational Activity: S24 - Property management - comprehensive management of Council's land and building assets to ensure that Council's property dealings are optimised, centrally managed, and support Council's objectives.

CONSULTATION

Councillor Consultation

Division 9 Councillor S Robinson has been consulted regarding this proposal.

Internal Consultation

- Strategic Planner, Strategic Planning
- Environment Project officer, Environment & Sustainability Policy
- Manager, Transport & Infrastructure Policy
- Coordinator, Technical Services
- Senior Capital Works Program Officer, Asset management & Capital Planning
- Coordinator, Business Development
- Technical Officer Open Space Planning, Parks and Gardens
- Project Officer, Environmental Operations
- Manager, Sport & Community Venues

External Consultation

Consultation has been held with the Department of Natural Resources, Mines and Energy represented by

- The Hon. Dr Anthony Lynham Minister for Department Natural Resource, Mines and Energy
- South Region Executive Director
- Regional Manager
- Principal Land Officer

Consultation has also occurred with

- Independent Member for Noosa, Sandy Bolton MP
- Community Development Manager, Noosa Shire Council

Community Engagement

Due to the administrative nature of this report, there has been no community consultation. However, engagement with community organisations will be necessary for determining a suitable longer term use of the site.

PROPOSAL

In February 2019, the Department of Natural Resources, Mines and Energy (DNRME) contacted Council seeking its interest in becoming Trustee for Lot 103 on SP251355, a 21ha land parcel located at 60 Fellowship Drive, Doonan.

The site is bounded at its eastern boundary by Noosa National Park and at its western boundary by State Reserve for Recreation for which Sunshine Coast Council is the Trustee. The northern boundary of the site fronts Fellowship Drive, which is the border between the local government areas of Sunshine Coast and Noosa.



The site previously formed part of a larger 64ha land parcel, parts of which were transferred to Council as Trustee in 2009 (following Council resolution) as Reserve for Recreation and Reserve for Environmental Purposes. The subject site represents the balance area, which was at the time leased from DNRME by a disability services and support organisation, namely House With No Steps (HWNS). HWNS surrendered their lease in March 2019 due to dwindling occupancy and an inability to meet the ongoing operational costs of the site.



Approximately half the site is densely vegetated. The balance land is improved with a number of buildings and facilities designed for recreation and accommodation uses, including dormitories, storage sheds, meeting hall, amenities blocks, defunct high ropes course, swimming pool and internal road network. There is also a large dam on the site. Images of the improvements are shown in **Attachment 1 – 60 Fellowship Drive, Doonan – Building Images**.



DNRME have also issued a Permit to Occupy to The Rotary Club of Noosa Heads, who use the land approximately six times a year for road safety training courses on the internal road network. The Rotary Club are aware that ongoing tenure is not guaranteed.

Council's Property Management Branch have undertaken a preliminary condition assessment of the site and have determined the buildings to be in an overall average to poor condition, based on a six point scale of condition as described below.

Condition Score	Score Short Description	Score Description
5	Very Poor	In very poor condition with evidence of multiple failures and the inability of the element to continue to satisfactorily provide the intended purpose.
4	Poor	In poor condition with evidence of minor isolated failure in an element which will reduce future life, maintenance cost high
3	Average	In a fair condition, minor evidence of deterioration of the element which could potentially shorten life
2	Good	In excellent condition with only very slight conditions decline (obvious no longer new)
1	Very Good	New condition, no visible signs of wear and tear or defect
0	New	New condition less than 12 months old

The high level estimated immediate and ongoing costs to bring all of the buildings and facilities to a habitable standard are:

- Statutory maintenance \$54,100
- Safety maintenance \$276,100
- General maintenance \$486,900
- Ongoing annual maintenance \$90,150

However, these are 'worst case' estimates adopted to acknowledge the financial risk of inheriting ageing building assets. Council is yet to determine an immediate use of the land and is therefore yet to accurately define the required operational service level and ongoing operational cost.

Council may choose to perform minimal services to the land for security, mowing and slashing, as an interim measure until a use is established.

This could potentially be undertaken by a caretaker on site which would reduce costs to Council.

DNRME have recently demolished the main house on site as it was beyond economical repair and contained asbestos. DNRME have confirmed that there is no further funding to be allocated to this site and they will not be undertaking any further works.

At an onsite meeting between Council officers, Minister for DNRME, DNRME officers, Noosa Council officers, House With No Steps and Independent Member for Noosa, it was confirmed that DNRME may offer trusteeship of the site to other parties should Sunshine Coast Council decline to accept the proposal.

DNRME have advised that should Council become Trustee of the land it must be for a community purpose as described in the Land Act (to be nominated by Council). DNRME have further stated that the DNRME Secondary Use of Trust Land Policy, which regulates commercial activity on Reserves, must be complied with, however submissions for secondary uses will be considered on a case by case basis.

Council's Property Management Branch have obtained comments from across the organisation regarding the proposal, wherein the land is acknowledged as being a strategically useful acquisition for locating sporting and community groups, now and into the future, particularly those that may be ordinarily constrained on land near urban centres. However, the initial costs of remediation and maintenance of the improvements are seen as an impediment to securing tenure with community groups.

Alternate uses with a commercial element, such as a holiday park, school activity camp, or recreation camp, have also been considered, as a means to improve the financial sustainability of the site.

The following two organisations have or still hold occupancy over the land:

- **Sunshine Coast Motor Sport Club**

Currently has approximately 350 members and have previously operated on the site for approximately 12 events a year, over a period of three years. However, the group have not held formal tenure for some time. The group now predominantly use Nambour Showgrounds and Lakeside Driver Training Complex (Kurwongbah). Given the high risk nature of the sport and issues with complimentary uses (noise, safety, etc.), it is acknowledged by DNRME that the land is not suited to motor sport activities. Council continue to work with them to identify other venues for their activities.

- **Eumundi Pony Club**

Currently occupy part of the adjoining Reserve for Recreation under a lease with Council. Operations of the club take place outside of the former HWNS area, which is not well suited for equestrian purposes. Current tenure should continue unaffected.

In regards to the Trusteeship of the site, the following internal Council areas have commented as follows:

Sports Planning and Development Team

Has not identified any immediate need to activate the site further for formalised sporting activities. However, the Environment and Liveability Strategy does recommend the acquisition of a new district sports park to meet Rural 2 Planning Area demand post 2031 (not site specific).

Holiday Parks Team

Of the 21ha only a small portion of the lot (approximately 01.5ha) would be usable for camping/holiday park use due to limitations of wetlands/flood prone area and heavy vegetated land which is understood to be retained for environmental linkages. The site does not have essential services (water or sewer). There is no specific reason for tourists to want to stay in this particular location to use as a draw to the area, and therefore the site does not fit the demand profile nor current model for Council's existing holiday parks portfolio.

Community Planning and Development Branch

The initial expenditure required to prepare the site, the significant annual operating costs and a lack of public transport options strongly reduces the attraction for community groups seeking management of Council owned community facilities in the Sunshine Coast LGA. This scenario is exacerbated by potential restrictions on generating revenue through commercial activities on Reserve land.

Environment and Sustainability Policy Branch

The southern portion of the property contains approximately 7ha of remnant vegetation with 6ha of this being an endangered regional ecosystem (12.5.6c, Eucalypt forests on tertiary sand). This portion of the property provides an excellent vegetated link between the Noosa National Park (Weyba section) and Council's Grays Road Environmental Reserve.

The ability for Council to secure land for community uses is highly valuable. While there are challenges in identifying an urgent demand for uses of this land that match the capacity of the 21ha land parcel, there does remain localised interest (it is acknowledged that due to the proximity to the LGA boundary, some of that interest originates from within Noosa LGA) and

Council should seek to support and broaden these uses as an interim measure until the land is required to satisfy future growth demand.

There are a range of community, sport and recreation activities that could be accommodated on the land, however it is acknowledged that opportunities for commercial activities, which might offset initial costs of remediation and maintenance, will be subject to regulation by DNRME. However, DNRME have indicated that commercial activities which are in keeping with the nominated purpose of the land may be considered on a case by case basis.

The improvements on site are assessed as being in an average condition, which suggests these assets may still hold approximately one third of their remaining useful life. If the improvements are deemed to be too much of an operational burden, Council could consider not utilising any of the facilities or the demolition of all improvements, thereby significantly reducing Council's long term lifecycle cost while retaining land to accommodate future uses.

Council must plan for growth and for realising future demand for recreation. Concerns regarding the financial liability of ageing building assets are valid, however the opportunity for Council to secure land for community use is becoming increasingly challenging especially considering the region's growth, and Council's trusteeship of the subject parcel is an appropriate mechanism to secure community land for the future.

Should Council decide at a later date that the addition of this land parcel into its asset portfolio is diminishing, not enhancing, service delivery, it could elect to negotiate with the State to relinquish its position as trustee.

Legal

There are no known legal implications in relation to this report.

Policy

There are no policy implications in relation to this report.

Risk

There is a risk that Council will not be able to service future growth demand for community land, if the land is not transferred to Sunshine Coast Council as Trustee.

Should the land be transferred to Sunshine Coast Council as Trustee, there may be a significant financial operating liability to remediate and maintain ageing building and facility assets. There is a risk that Council may not be able to offset or recover these costs through commercial activities.

Previous Council Resolution

Ordinary Meeting 18 March 2010 (OM10/056)

That Council:

- (a) receive and note the report titled "Land for Community Purposes – Doonan",*
- (b) authorise the Chief Executive Officer to write to the Department of Environment and Resource Management and advise that Council desires to actively continue to negotiate to establish a Reserve for Sport and Recreation Purposes and a Reserve for Environment Purposes over parts of Lot 142 CP 892284 with Council as trustee; and*
- (c) refer a funding request for capital works and operational funds to the 2010/2011 Budget for consideration.*

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

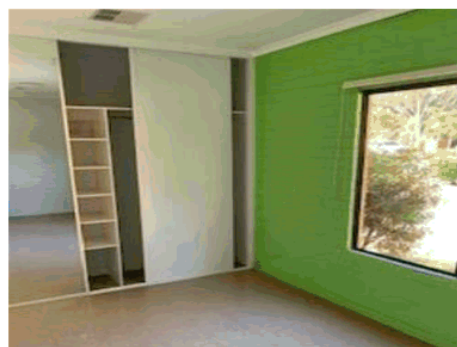
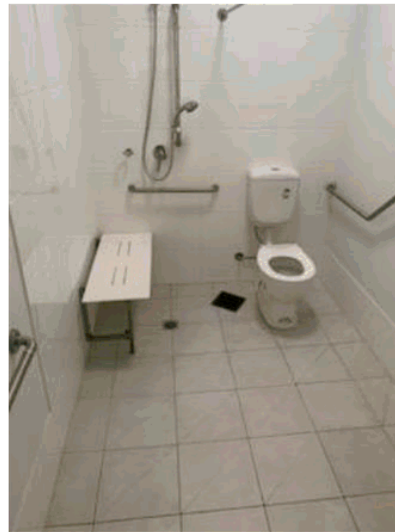
Whilst there are no critical dates the Department of Natural Resource Mines and Energy have requested an outcome as soon as practical.

Implementation

It is recommended that the following directions be given to the Chief Executive Officer:

- Write to the Department of Natural Resource Mines and Energy advising that Sunshine Coast Council accepts Trusteeship of Lot 103 on SP251355, 60 Fellowship Drive, Doonan.
- Refer a funding request for required site holding costs to the next available budget review process.

Dorm 1



Dorm 2



Main Building Shed



Meeting Room



Mess Hall Building







Pool & Shelter



Pool Toilet Block



Shelter



Stage & Retaining Wall



Toilet Block



Shed 1



Shed 2



BBQ Shelter



Bore & Pump Shed

