

Agenda

Ordinary Meeting

Thursday, 23 February 2017

commencing at 9.00am

Council Chambers, Corner Currie and Bury Streets, Nambour

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1 DECLARATION OF OPENING

On establishing there is a quorum, the Chair will declare the meeting open.

2 WELCOME AND OPENING PRAYER**3 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE****4 RECEIPT AND CONFIRMATION OF MINUTES**

That the Minutes of the Ordinary Meeting held on 25 January 2017 be received and confirmed.

5 OBLIGATIONS OF COUNCILLORS**5.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

5.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

6 MAYORAL MINUTE**7 PRESENTATIONS / COUNCILLOR REPORTS**

8 REPORTS DIRECT TO COUNCIL**8.1 CORPORATE SERVICES****8.1.1 QUARTERLY PROGRESS REPORT - QUARTER 2, 2016/2017**

File No: Council Meeting 23 February 2017

Author: Coordinator Corporate Plan Reporting and Risk
Corporate Services Department

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PURPOSE

This report presents the Quarterly Progress Report for the period 1 October to 31 December 2016 - Quarter 2.

This report has been prepared to inform council and the community on delivery of the services, implementation of operational activities and significant operating projects from council's Operational Plan 2016/2017 and Corporate Plan 2014-2019.

EXECUTIVE SUMMARY

Each quarter, council receives a progress report on the delivery of the Corporate and Operational Plans. The report once adopted, is published and made available to the community.

The Report is comprised of:

- Appendix A – reports from the Chief Executive Officer and Directors which outline service delivery
- Appendix B – report on the 140 operational activities flowing from Council's Operational Plan 2016-2017 and
- Appendix C – report showing corporate plan goal performance.

Highlights for the quarter ended 31 December 2016 are:

A new economy

- Sunshine Coast Airport Expansion – council announced preferred partner for the project and Federal Government approved a loan of \$181 million
- Nine major events attracted more than 15,000 visitors, generating an estimated \$9.7 million in economic activity.

A strong community

- Council's Disaster Management response was implemented to manage the impact of a severe storm cell that caused major damage to the Dicky Beach Caravan Park and the surrounding area
- New animal pound at Sippy Creek is now fully operational
- Council's Festive Season program attracted a combined audience of approximately 12,000 at the Cotton Tree and Kings Beach carols events; and approximately 30,000 people attended the New Year's Eve celebrations at Mooloolaba.

A healthy environment

- One of the largest remaining vegetated lots, a 27.5 hectare parcel of land in Buderim was acquired as part of the Environment Levy land acquisition program
- Midge control program at Currimundi Lake a huge success with 78% reduction in larvae.

Service excellence

- Sunshine Coast Solar Farm construction continued and is on track with 88% of the 15,174 screw piles, 1456 PV module tables and just under 11,000 solar panels now installed
- Council's commitment to customer service confirmed with the endorsement of the new Customer Charter.

An outstanding organisation

- Five awards in recognition of outstanding contributions were received during the quarter - including the 2016 Resilient Australia National Award for council's disaster hub
- Jack Morgan Park Upgrade Project (Stage One) took out the Excellence in Design and Delivery of Public Works Project under \$2 million Award
- Nambour Youth Activity Precinct and RSL War Memorial (Heroes Walk) took out the Innovation in Public Works Award and also received the Overall Winner Award at Institute of Public Works Engineering Australasia Awards.

OFFICER RECOMMENDATION**That Council:**

- receive and note the report titled "Quarterly Progress Report - Quarter 2, 2016/2017"**
- note the Chief Executive Officer's Quarterly Progress Report – Quarter 2, 1 October to 31 December 2016 (Appendix A) on service delivery**
- note the Operational Plan Activities Report – quarter ended 31 December 2016 (Appendix B) reporting on implementation of the Corporate and Operational Plans and**
- note the Performance Measures Report as at end of December 2016 (Appendix C) reporting on Corporate Plan goal performance.**

FINANCE AND RESOURCING

Financial reporting information is not included in the report. A Financial Performance Report is provided to Council each month covering operating revenue and expenses and capital programs.

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*

Outcome:

Operational Activity:

We serve our community by providing this great service
S31 - Governance - providing internal leadership, legal opinion, governance and audit functions ensuring legislative accountability, transparency and ethical obligations are supported

CONSULTATION

Portfolio Councillor Consultation

Councillor Hungerford as Portfolio Councillor for Governance and Customer Service has been briefed on this report.

Internal Consultation

Consultation has occurred with each department of council to provide information on service delivery and status of operational activities.

External Consultation

There has been no external consultation in relation to this report however the report is made available to the community.

Community Engagement

There has been no community engagement in relation to this report.

PROPOSAL

The Corporate Plan 2014-2019 and Operational Plan 2016/2017 have a strong focus on the core services that council delivers to the community. In addition, these plans also identify the operational activities that council will undertake, that align to council's goals.

Service delivery

The Chief Executive Officer's Quarterly Progress Report – Quarter 2 (Appendix A) consists of the Chief Executive Officer's summary report and Directors' detailed reports. The purpose of the report is to inform council and the community on the delivery of core services outlined in Council's corporate plan.

Operational activities

The Operational Plan Activities Report – Quarter ended December 2016 (Appendix B) provides details on the implementation of operational activities and significant operating projects outlined in council's operational plan. It includes the status of each activity and project in the operational plan covering percentage complete, anticipated completion date and progress commentary.

Table 1 provides a summary on the status of all operational activities and significant operating projects.

Status	Number
Completed	6
Underway	134
Not started	0
Total	140

Table 1: Summary of all operational activities and significant operating projects

Corporate Plan Goal Performance Measures

The 28 performance measures endorsed by council, are included as Appendix C to this report. The majority of the measures have a three-monthly reporting frequency with performance for other measures captured and reported at agreed intervals. All performance measures will be reported to council across the year and published in the Annual Report.

Legal

There is a legislative requirement to provide a report on performance against the corporate and operational plans. This report meets the requirements of the *Local Government Act 2009* and Regulation.

Policy

There is no policy associated with the presentation of a quarterly progress report however it is a component of the Strategic Corporate Planning and Reporting Framework.

Risk

Directors have provided in their reports an overview of service delivery for the quarter, including the outlook for the future and any associated risks.

In accordance with council's Enterprise Risk Management Framework, the risks and opportunities identified in relation to the quarterly progress report include:

- reputation/public image: the report provides complete information on council's operations and builds a positive reputation for council with the community
- legislative: the report meets the legislative requirements of the Local Government Act and Regulation, and
- business activity: the report keeps council informed about the progression of the operational plan activities and provides a timely account of council's progress to the community.

Previous Council Resolution

Council adopted the:

- Corporate Plan 2014-2019 on 12 May 2014
- Operational Plan 2016-2017 on 9 June 2016

Related Documentation

- Corporate Plan 2014-2019
- Operational Plan 2016-2017
- Financial information provided to council in the Financial and Capital management report.

Critical Dates

Quarterly Progress reports are usually presented to council within eight weeks of the end of the calendar quarter, subject to the scheduled meeting cycle. Legislation requires the report to be presented to council at intervals of not more than 3 months.

Implementation

The report will be published and available for community access via council's website. The Chief Executive Officer and Directors will provide a verbal report to council at the Ordinary Meeting.

8.1.2 MALENY GOLF CLUB LEASE BOUNDARY AND SOUTHERN WETLANDS LANDSCAPE PLAN

File No:	Council Meeting
Authors:	Senior Property Officer Corporate Services Department Coordinator Natural Areas Management Infrastructure Services Department
Appendices:	App A - Recommended Lease Boundary February 201795 App B - Southern Wetland Landscape Plan.....97
Attachments:	Att 1 - Maleny Golf Club Inc. Submission November 2016..... 103 Att 2 - Consultation Maleny Golf Club Inc. Lease Boundary & Southern Wetlands Landscape Plan 107 Att 3 - Endorsed Golf Lease Boundary July 2016..... 115 Att 4 - Maleny Golf Club Inc. Request for Lease Boundary Variations November 2016 117 Att 5 - The Detailed Master Plan map page 23 119

PURPOSE

The purpose of this report is to seek Council endorsement of the lease boundary to Maleny Golf Club Inc. This report also seeks to resolve that an exception in accordance with *Local Government Regulation 2012* to enter into a lease with a community organisation other than by tender or auction exists. This report also seeks to finalise the Southern Wetlands Landscape Plan and the community volunteer engagement approach to implement the Southern Wetlands Landscape Plan at the Maleny Community Precinct being part of Lot 14 SP287418.

EXECUTIVE SUMMARY

This report presents seven (7) variations to the 2016 endorsed lease boundary for Maleny Golf Club Inc. as shown in **Appendix A – Recommended Lease Boundary February 2017** for Council endorsement and seeks an exception to *Local Government Regulation 2012* to enter into a lease with a community group other than by tender or auction.

The report also presents the Southern Wetlands Landscape Plan **Appendix B – Southern Wetlands Landscape Plan** and outlines the community volunteer engagement approach to implement the Southern Wetlands Landscape Plan at the Maleny Community Precinct being part of Lot 14 SP287418 for endorsement by Council.

In a submission to Council (**Attachment 1 – Maleny Golf Club Inc. Submission November 2016**), Maleny Golf Club Inc. have proposed that the seven (7) variations to the lease boundary:

- improve the quality of hole one (1)
- makes better use of fallow land
- enables the establishment of a championship tee
- allows for improved access to the location of the future maintenance facility and
- streamlines access arrangements near the southern area of the course.

The *Local Government Regulation 2102*, section 224(6) provides that “the grant of a lease over land or buildings” is a disposal of a valuable non-current asset and section 227 provides that this disposal must be by written tender or auction.

Section 236(1) lists allowable exceptions to the tender or auction provision. Community organisations are excepted under section 236(1)(b), "if the local government has decided by resolution, that the exception may apply" under section 236(2).

A new lease to Maleny Golf Club Inc. is proposed to be offered in accordance with the strategic policy, *Community Groups Occupying Council Owned or Council Controlled Land and/or Infrastructure*, noting that at the Ordinary Meeting 21 July 2016 Council resolved to enter into a new lease with Maleny Golf Club Inc. expiring in 2046.

At the Ordinary Meeting 21 July 2016 Council endorsed the amended recommendations of the Maleny Community Precinct Leases Report. A number of recommendations related to the Southern Wetlands area of the Maleny Community Precinct including the requirement to investigate forming a volunteer community nature conservation group.

As a result of the amended recommendations, Council's Environmental Operations Branch has established the Southern Wetlands Volunteer Conservation Group whose purpose will be to commence active wetland environmental rehabilitation and weed management of the Southern Wetlands under the supervision of the Environmental Operations Branch using the Southern Wetlands Landscape Plan **Appendix B – Southern Wetlands Landscape Plan**.

Council Officers carried out consultation with identified stakeholders regarding the seven (7) lease variations, the development of the Southern Wetlands Landscape Plan and the formation of the Southern Wetlands Volunteer Conservation Group. Queries raised by stakeholders regarding these matters were satisfactorily resolved. A summary of the consultation process is available in **Attachment 2 – Consultation for Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan**.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan"**
- (b) resolve pursuant to section 236(2) of the *Local Government Regulation 2012*, that an exception to dispose of an interest in land (lease) at 15 Porters Land North Maleny being part of Lot 14 SP287418, other than by tender or auction be applied as the disposal is to a community organisation as per section 236(1)(b)(ii)**
- (c) resolve that Maleny Golf Club Inc. be offered a lease, the boundary of which is detailed in the Recommended Lease Boundary February 2017 (Appendix A)**
- (d) note the inclusion of special clauses in the lease to Maleny Golf Club Inc. which:**
 - (i) requires compliance with Managing Fairview 2014 where applicable**
 - (ii) allows for Council access in the lease area traversing the Heritage Precinct**
 - (iii) ensures the integrity of land noted in the Maleny Community Precinct Master Plan 2010 is maintained for a shared clubhouse and function centre**
 - (iv) allows Council and public access to the Wetlands viewing Deck B**
 - (v) provides that any unauthorised pruning, removals or damage to vegetation is to be rectified to the satisfaction of Council's senior arborist or other such qualified specialist**

- (vi) allows Maleny Golf Club Inc. access to the southern part of the Golf Course and
- (e) endorse the Southern Wetlands Landscape Plan (Appendix B) as the final plan for implementation by Council, community partners and volunteers.

FINANCE AND RESOURCING

The cost to surrender the existing lease arrangement, enter into a new lease, establish a new survey plan and register the new arrangement is provided for in the Maleny Community Precinct Project Budget and is estimated at \$7,000.

The Southern Wetlands Landscape Plan is supported by Council through an approved five (5) year funding project at \$40,000 per year.

CORPORATE PLAN

Corporate Plan Goal: *A healthy environment*

Outcome: 3.1 - Healthy natural ecosystems and protected remnant vegetation

Operational Activity: 3.1.1.2 - Maintain and manage Council's existing environmental reserves

Corporate Plan Goal: *Service excellence*

Outcome: We serve our community by providing this great service

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

CONSULTATION

Portfolio Councillor Consultation

The Portfolio Councillor Community and Environment has been engaged in discussions with Council Officers regarding the lease variations. The Councillor indicated support on the proviso that any increase of leased land to the Maleny Golf Club Inc. is not adversely impacting land that could be developed and utilised for community space into the future.

Council Officers provided information to Councillors at a Strategic Discussion Forum regarding the Southern Wetlands Landscape Plan on 24 November 2016.

Internal Consultation

Lease Variation

An internal Request for Comments was circulated in December 2016 regarding the lease variations and the following Council Officers were consulted:

- Planning & Environment - multiple officers
- Coordinator, Technical Services
- Coordinator, Stormwater Management
- Senior Capital Works Program Officer
- Coordinator, Asset Strategy
- Parks & Gardens – multiple officers
- Project Officer, Environmental Operations
- Coordinator, Property Projects & Development
- Manager, Community Response
- Coordinator, Community Land Permits & Parking

- Coordinator, Response Services
- Manager, Community & Sporting Programs & Facilities Branch
- Manager, Community Planning
- Coordinator, Sport & Community Venues
- Team Leader Sports Planning & Development
- Coordinator, Community Planning and Strategy
- Coordinator, Open Space & Social Policy
- Coordinator, Cultural Heritage Services
- Senior Cultural Heritage Officer
- Coordinator, Natural Areas Management
- Senior Property Officer.

The internal stakeholder engagement was robust and points raised were addressed by the relevant Council Officer; wherein all variations were supported by all those consulted, noting the amendment of variation A. A summary of the internal stakeholder engagement is provided in **Attachment 2 – Consultation for Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan**.

Advice in relation to the exception provisions of the *Local Government Regulation 2012* has been received from:

- Manager - Procurement and Contracts and
- Solicitor - Legal Services.

External Consultation

In relation to the seven (7) variations to the Maleny Golf Club Inc. lease boundary, the Department of National Parks, Sport and Racing were consulted and indicated support for all variations as it provides a more functional layout to compliment golf activities and development on the Sunshine Coast.

In developing the Southern Wetlands Landscape Plan comment was sought from Unitywater and the Planning and Development Services Unit of the Department of Infrastructure, Local Government and Planning in relation to the use of recycled water on the Maleny Community Precinct.

Community Engagement

Council Officers have engaged with the following Maleny Community Precinct stakeholders for the lease variations and the Southern Wetlands Landscape Plan:

- Maleny Golf Club Inc.
- Maleny District Sport and Recreation Club Inc.
- Barung Landcare Association Inc.
- Maleny District Green Hills Fund and
- Friends of Pattemore House Inc.

Lease Variation

The Maleny Community Precinct stakeholders listed above supported all variations. A summary of the consultation regarding the lease variations is provided in **Attachment 2 – Consultation for Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan**.

Southern Wetlands Landscape Plan

The Maleny Community Precinct stakeholders have been consulted through a two stage approach with initial comments sought prior to developing the initial draft Southern Wetlands Landscape Plan and then invited to further comment on a final draft Southern Wetlands Landscape Plan. Stakeholders provided a range of comments in relation to the final draft

Southern Wetlands Landscape Plan which have been considered and included in the final draft Southern Wetlands Landscape Plan.

A summary of the consultation regarding the final draft Southern Wetlands Landscape Plan is provided in **Attachment 2 – Consultation for Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan.**

PROPOSAL

Lease Variation

This report seeks Council endorsement of the lease boundary to Maleny Golf Club Inc. at the Maleny Community Precinct being part of Lot 14 SP287418, 15 Porters Lane North Maleny and an exception from Council, in accordance with *Local Government Regulation 2012*, to enter into a lease with a community organisation other than by tender or auction.

At the Ordinary Meeting 21 July 2016 Council endorsed a new lease boundary to Maleny Golf Club Inc. to accommodate an eighteen (18) hole golf course (**Attachment 3 – Endorsed Golf Lease Boundary July 2016**). The land endorsed at the Ordinary Meeting 21 July 2016 was approximately 15 hectares. Council further resolved to extend the expiry date of the new lease to 2046. Maleny Golf Club Inc. is seeking seven (7) variations to the 2016 endorsed lease boundary within the Maleny Community Precinct (**Attachment 4 – Maleny Golf Club Inc. Request for Lease Boundary Variations November 2016**).

Maleny Golf Club Inc. provided a submission to Council to support the request for variations (**Attachment 1 – Maleny Golf Club Inc. Submission November 2016**). The seven (7) variations to the lease boundary labeled A to G equate to an additional 9,489 m² of land. The variations proposed do not adversely impact land that is leased to or under agreement to lease to other community groups at Maleny Community Precinct.

A summary of the submission by Maleny Golf Club Inc. is provided below:

- **Variation A** – is made up of land from the south west corner of the Heritage Precinct. This includes the gully area further to the south of the Heritage Precinct which is currently open space. Maleny Golf Club Inc. do not intend to build or change vegetation in this area. Supplementary planting may occur in conjunction with Council advice and approval. There is a tree barrier between this area and Fairview so there are no perceived impacts on the heritage value of Fairview house. Variation A is approximately 2,911 m².

In the Maleny Golf Club Inc. submission dated November 2016 it is stated “The land requested under Variation A will allow Graham Papworth to design a great par 3 hole without disadvantaging any other parties.”

- **Variation B** – This variation is also in the south west corner of the Heritage Precinct and is proposed to make better use of unplanted land to increase the scope for tee placement of the first hole. Variation B is approximately 590 m².
- **Variation C** – This variation is the proposed location for a clubhouse. This area is currently noted in the endorsed Maleny Community Precinct Master Plan 2010 for a shared clubhouse and function centre (**Attachment 5 - The Detailed Master Plan map page 23**). There is merit in including this parcel of land in the revised lease as it would remove the requirement to renew the Maleny Golf Club Inc. license. Variation C is approximately 2,387 m².
- **Variation D** – The inclusion of this area would facilitate a championship tee in this par 4 hole, the land is adjacent to Variation C. This area of land was originally within the provisional lease boundary for Barung Landcare Association Inc. At the Ordinary Meeting 21 July 2016 Council endorsed an alternative location for Barung Landcare Association Inc. Variation D is approximately 1,334 m².

- **Variation E** – The land is situated to the south of the Old Milking Bails and was originally part of the Maleny Golf Club Inc. lease boundary, as per the endorsed Maleny Community Precinct Master Plan 2010. The Maleny Golf Club Inc. request the variation to be included in the lease boundary to improve access to the proposed location of the maintenance facility. The endorsed Maleny Community Precinct Master Plan 2010 has the golf maintenance facility in what is now designated as open space and part of the Heritage Trail (**Attachment 5 - The Detailed Master Plan map page 23**). Variation E is approximately 420 m².
- **Variation F** – If supported, this variation would provide flexibility to both Council and the Golf Club by removing the requirement for the northern 15 metre Licence to Use, (from Maleny Golf Club Inc. in favour of Council). This enables the establishment of a 25 metre trail easement under full Council control and proposes to include the existing southern Licence to Use into the lease area to Maleny Golf Club Inc. Variation F is approximately 1,663 m².
- **Variation G** – Is a small section of land adjacent to the Wetlands area and would support the location of the Tee for hole three as part of second stage – 18 Hole Golf Course. Variation G is approximately 184 m².

The Maleny Golf Club Inc. submission was circulated to a wide range of internal stakeholders and relevant internal specialists addressed comments. A summary of the internal consultation is available in **Attachment 2 – Consultation for Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan**.

Maleny Golf Club Inc. and Council have consulted with the adjoining community tenure holders regarding the seven (7) variations. A summary of the community consultation is provided in this report in **Attachment 2 – Consultation for Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan**.

Queries raised regarding the seven (7) variations have been discussed and agreement reached to progress the seven (7) variations to Council for consideration with an amendment to variation A recommended (refer **Appendix A – Recommended Lease Boundary February 2017**).

The *Local Government Regulation 2102*, section 224(6) provides that “the grant of a lease over land or buildings” is a disposal of a valuable non-current asset and section 227 provides that this disposal must be by written tender or auction. Section 236(1) lists allowable exceptions to the tender or auction provision.

Community organisations are excepted under section 236(1)(b), “if the local government has decided by resolution, that the exception may apply” under section 236(2).

A new lease to Maleny Golf Club Inc. is proposed to be offered in accordance with the strategic policy, *Community Groups Occupying Council Owned or Council Controlled Land and/or Infrastructure* noting that at the Council Ordinary Meeting 21 July 2016 Council resolved to enter into a new lease with an expiry date in 2046.

The Southern Wetlands Landscape Plan

At the Ordinary Meeting 21 July 2016 Council resolved a number of recommendations associated with the Maleny Community Precinct Leases Report. Amongst the number of recommendations the following are relevant for the Southern Wetlands:

- Authorise the Chief Executive Officer to investigate forming a volunteer community nature conservation group i.e. the Southern Wetlands Volunteer Conservation Group, under the supervision of the Environmental Operations Branch
- With the support of the Southern Wetlands Volunteer Conservation Group will commence active wetland environmental Landscape and weed management activity

- of the Southern Wetlands as per existing management plans and will maintain the wetland and surrounding buffers as per defined operational service levels
- Ensure access to the Southern Wetlands will be maintained for the enjoyment of the general public and
 - on the matters of investigating the formation of a volunteer community group and with the support of the volunteer community group commence active wetland Landscape above, a further report be brought back to Council.

At the Ordinary Meeting 10 June 2010 Council endorsed the Maleny Community Precinct Master Plan 2010 as the guiding plan for the development of the Maleny Community Precinct. The Maleny Community Precinct Master Plan 2010 provided general guidance on the Southern Wetlands. At the time of the Maleny Community Precinct Master Plan 2010 development the Southern Wetlands was listed as an 'Of Concern Palustrine Wetland' under the *Vegetation Management Act 1994*. Given this, Council undertook a more detailed assessment (McGarry and Eadie Southern Wetland Management Plan - 2011) which made recommendations regarding landscape treatments and associated buffers for the Southern Wetlands. Subsequent to this, c.2013, the current classification of the Southern Wetlands was reviewed and the site was amended with the 'Of Concern Palustrine Wetland' listing being removed.

In progressing the development of the landscape plan for the Southern Wetlands a two-step process was undertaken. Input was sought from the lessees and community partners on the Maleny Community Precinct in regards to:

- (i) public access to the Southern Wetlands
- (ii) revegetation arrangements associated with the wetlands and buffers and
- (iii) seeking an indication from these groups if they wished to participate in a conservation volunteer group managed by Council for the purpose of rehabilitating and maintaining the Southern Wetlands.

The following groups were contacted and provided feedback to Council on the issues noted above:

- Friends of Pattemore House Inc.
- Maleny Golf Club Inc.
- Barung Landcare Association Inc.
- Maleny District Green Hills Fund and
- Maleny District Sport and Recreation Club Inc.

In conjunction with the community engagement the following plans were referenced to assist in the development of the landscape approach to the Southern Wetlands:

- McGarry & Eadie Southern Wetland Management Plan - September 2011
- Maleny Community Precinct Master Plan Report 2010 (Final Issue) and
- Fauna and Flora Assessment Maleny Precinct – Southern Wetland - October 2016, Native Foresters.

These documents in conjunction with the initial feedback provided by the community stakeholders were used to assist in developing the initial draft Southern Wetlands Landscape Plan.

On 24 November 2016 a Strategic Discussion Forum was held to provide Councillors with an overview on the initial feedback from the community stakeholders and the key issues identified as part of the feedback. This included the following issues:

- (i) not utilising recycled water from the Maleny Sewerage Treatment Plant within the Southern Wetlands and
- (ii) the recommended approach to the removal and replacement of the large woody weeds.

Advice provided by Unitywater relating to the use of recycled water was that there was no current need to distribute recycled water away from their current lease arrangements associated with the northern wetlands on the Maleny Community Precinct. In addition several issues were identified that included how water would be stored, legislative and permitting requirements and public safety. The current endorsed Maleny Community Precinct Master Plan 2010 does not support the use of recycled water within the Southern Wetlands. Based on advice received from Unitywater, the use of recycled water is not recommended for use within the Southern Wetlands.

In December 2016 the draft Southern Wetlands Landscape Plan was forwarded to the stakeholders for comment.

All groups other than Barung Landcare Association Inc. have provided comments back on the draft Southern Wetlands Landscape Plan. The comments provided are outlined in **Attachment 2 – Consultation for Maleny Golf Club Lease Boundary and Southern Wetlands Landscape Plan**.

Based on this feedback the final draft Southern Wetlands Landscape Plan was developed, refer to **Appendix B – Southern Wetlands Landscape Plan** for the final outcome.

Community Volunteer Engagement

The Community Nature Conservation Program supports the community to conserve and restore our natural environment in Council reserves. The range of tasks undertaken by the community volunteers include:

- Undertake bush restoration activities, such as planting and weeding
- Attend workshops and learn new skills
- Mentor your local school and
- Enhance wildlife corridors and assist in the recovery of threatened local species.

Delivery and coordination of this program currently takes two forms:

- (i) An established group with regular planned group activities, and/or
- (ii) Community planting events and bush restoration activities throughout the year.

In determining community interest initial engagement with Maleny Community Precinct stakeholders was undertaken. Additional interest has been expressed by the Montville/Maleny Lions Club to be involved in implementing the Southern Wetlands Landscape Plan and associated infrastructure.

Opportunities have also previously been provided to local schools to be involved in plantings on the Maleny Community Precinct. Invitations will be provided to local schools advising of planned events associated with the implementation of the Southern Wetlands Landscape Plan.

All community engagement activities associated with the implementation of the Southern Wetlands Landscape Plan will be undertaken under the Community Nature Conservation Program process.

Legal

No legal implications are expected in relation to this report. Legal Services were consulted to ensure Council is compliant with application of section 236 of the *Local Government Regulation 2012*. Legal Services will be consulted to finalise the special clauses referred to in the resolution should all items be endorsed.

Policy

This request is in accordance with the following Council Policies:

- *Procurement Policy*

- *Community Groups Occupying Council Owned or Managed Land and / or Infrastructure* noting that Council resolved at the 21 July 2016 Ordinary Meeting to issue a new lease to Maleny Golf Club Inc. with an expiry date of 2046 and
- *Sunshine Coast Council Biodiversity Strategy 2011.*

Risk

Failure to resolve the Maleny Golf Club Inc. lease boundary may result in the Golf Club forfeiting a recent State Government 'Get Playing Places and Spaces' grant of \$100,000 for further golf course construction.

The finalisation of the Maleny Golf Club Inc. lease boundary has delayed plantings on the Maleny Community Precinct in various areas and this will continue if the lease boundary is not finalised.

Previous Council Resolution**Council Ordinary Meeting 21 July 2016 - (OM16/115)**

That Council:

- (a) receive and note the report titled "Maleny Community Precinct Leases"*
- (b) amend the Unitywater Lease boundary on the Maleny Community Precinct to accommodate a community lease for Barung Landcare Inc.*
- (c) establish an "Agreement to Lease" with Barung Landcare, with land tenure arrangements being conditional upon submitting a viable business case to Council and meeting agreed milestones that demonstrate their financial and administrative capacity to develop their proposed leased area*
- (d) note that finalisation of the Barung Lease will not occur until Council has formally considered the business case of Barung Landcare Inc.*
- (e) amend the MDSRC Lease to excise the area around the Southern Fig Tree for future parking, this is intended to be a public parking area and funded by Council for consideration in the 2016/2017 Capital Budget BR2 program*
- (f) receive and note "Maleny Golf Club Inc. Draft Business Case" (Attachment 6)*
- (g) establish a new "Maleny Golf Club Lease" and "Deed of Agreement - Transitional Zone" for the period in line with the existing lease to a new termination date of 2046*
- (h) establish the lease boundary (40) metre minimum width on the second hole from the tee to the green, for reasons of safety. This will require the "Hit Through Area" to be expanded to incorporate thirty five (35) metres of mown fairway from the western boundary with Maleny District Sport and Recreation, and 5 metres of rough and sedges to the Southern Wetland. The area of rough and sedges will be designated within the "Transition Area" and be deemed playable. An access licence will be retained within the Maleny Golf Lease along the western boundary with Maleny District Sport and Recreation Lease in favour of Council for access when Golf is not in progress.*
- (i) authorise the Chief Executive Officer to investigate forming a volunteer community nature conservation group i.e. the "Southern Wetlands Volunteer Conservation Group" under the supervision of the Environmental Operations Branch*
- (j) with the support of the "Southern Wetlands Volunteer Conservation Group": will commence active wetland environmental Landscape and weed management activities of the Southern Wetlands as per existing management plans and will maintain the wetland and surrounding buffers as per defined operational service levels*
- (k) ensure access to the southern wetland will be maintained for the enjoyment of the general public*
- (l) investigate funding for the construction of the Golf Course in the 2016/2017 Capital Budget BR2 program in a future report to Council and*
- (m) on the matters of (i) and (j) above, that a further report be brought to council.*

25 February 2016 (OM16/40)

That Council:

- (a) dispose of the rural residential land - Maleny Community Precinct identified as Lots 10, 11, 12 and 13 on SP287397 by public auction and if unsuccessful, the property be sold pursuant to the terms in (b) below and*
- (b) if the property is not sold when offered for sale by auction or tender, Council resolves, pursuant to section 236(2), that an exception under section 236 (1)(a) of the Local Government Regulation 2012 applies provided the property is sold:*

- i. for more than the highest bid received at the auction or tender, and
- ii. for no less than the market value of the land and improvements (if any).

13 November 2014 (OM14/164)

That Council:

- (a) endorse the amended lease boundary for Maleny District Sport and Recreation Club Inc. to reflect survey plan (Appendix A) and
- (b) endorse the Maleny District Sport and Recreation Club Inc. lease on the Maleny Community Precinct, Maleny, for a period of 10 years.

17 October 2013 (OM13/214)

That Council:

- (a) adopt the Maleny Golf Club Incorporated as a specialist supplier as it would be impractical or disadvantageous to invite quotes or tenders in this instance and
- (b) endorse the Maleny Golf Club Lease, Deed of Agreement – Transitional Zone, and Funding Contract.

28 March 2013 (OM13/58)

That Council:

- (a) note the request from Maleny and District Sport and Recreation Club that it no longer wishes to proceed with the establishment of sports fields on the Maleny Community Precinct and that the Club supports the possible establishment of an equestrian facility on the Sports and Recreation Sub Precinct within the Maleny Community Precinct
- (b) resolve to no longer proceed with plans for an aquatic facility within the Community Facility Sub Precinct based on the outcomes of the "Maleny Aquatic Facility Feasibility Study – January 2013"
- (c) request that the Chief Executive Officer review the Maleny Community Precinct Master Plan implications of (a) and (b) above taking account of the overall sport and recreation needs of the wider Maleny community and
- (d) resolve to refer the possible funding for the maximum value of \$450,000 of the proposed Maleny Golf Course via land sales (Lots 1 & 2 on SP242420) on the Precinct, for consideration in the preparation of the 2013/14 capital budget process, noting that such funding to be conditional on a further report to Council detailing:
 - (i) any necessary approvals under the Local Government Act
 - (ii) the identification and agreement of project performance and construction Milestones
 - (iii) business case performance and satisfactory lease terms with "Maleny Golf Incorporated".

31 May 2011 (OM11/146)

That Council:

- (a) receive and note the report titled "Maleny Community Precinct Lease boundaries, Interpretive pathway and Planning Approval Process"
- (b) endorse the indicative lease boundaries for Barung Landcare, Maleny Golf and Maleny District Sport and Recreation Club (Appendix A)
- (c) delegate authority to the Chief Executive Officer to finalise the "Agreements to Lease" with Barung Landcare, Maleny Golf and Maleny District Sport and Recreation Club with land tenure arrangements being conditional upon each group submitting a viable business case to council and meeting agreed milestones that demonstrate their financial and administrative capacity to develop their proposed leased area
- (d) note that finalisation of any "Lease" will not occur until council has formally considered the business cases of the groups listed in (c) above
- (e) endorse the route and schematic design of the Pattemore House to Gardiners Falls and Maleny Township Interpretive Trail (Appendix B)
- (f) with regard to obtaining Planning Approvals for the Maleny Community Precinct Master Plan area:
 - (i) agree that a development application for a Preliminary Approval (Material Change of Use under S.242 of the Sustainable Planning Act) is no longer required
 - (ii) note that the approved Maleny Community Precinct Final Master Plan will inform the new Planning Scheme as it relates to the Maleny Community Precinct and
 - (iii) agree that Lessees (or entities holding Agreements to Lease) and council proceed with the necessary development applications to reflect the land use intent of the Master Plan in their respective areas in accordance with the agreed staging plan
- (g) note that Unitywater is investigating options for upgrade and augmentation of sewage treatment services for the Maleny sewerage services area to serve existing and future populations
- (h) provide in-principle support for an option which would involve council entering into a long term agreement to lease the northern wetlands section of the Maleny Community Precinct to Unitywater (Appendix C). The purpose of this agreement being to:
 - (i) allow the beneficial reuse of treated effluent and the development of an irrigation forest and wetland system on the Precinct
 - (ii) restore biodiversity and water quality to drained former rainforest and wetlands and riparian zones
 - (iii) provide recreational opportunities in accordance with the Maleny Community Precinct Master Plan and
- (i) authorise the Chief Executive Officer to enter into appropriate long-term lease arrangements with Unitywater for the northern wetlands section of the Maleny Community Precinct should this option be adopted.

6 October 2010 (OM10/266)

That Council:

- (a) note the report titled "Staging of the Maleny Community Precinct"
- (b) endorse the following additions to the Maleny Community Precinct Stage 1A plan detailed on page 111 of the final Maleny Community Precinct Master Plan Report:
 - (i) the development of the walking trail between the Maleny Riverside precinct and Gardiners Falls and
 - (ii) access be provided to the lower sports field area
- (c) agree that the \$1 million 2010/2011 capital works funding for the Maleny Community Precinct be allocated generally as detailed below:

- Survey \$ 30,000
 - Preparation of lease agreements \$ 20,000
 - Planting, weed control and maintenance of precinct \$ 80,000
 - Detailed design work \$250,000
 - Construction works (incl. project management and fees) \$620,000
 - Total \$1,000,000
- (d) *acknowledge that as a result of council not proceeding with the sale of the residential land due to market conditions, the following commitments made by Caloundra City Council on 5 July 2007 cannot be met for the foreseeable future:*
- (i) *a return (to council) of the cost of land, including interest on the loan and purchase costs and all project costs to date*
 - (ii) *\$1 million contribution towards the cost of establishing the golf course*
 - (iii) *\$1 million to be distributed on a needs assessment basis amongst upgrading Witta Sports Club, Maleny Community Centre, Maleny Showgrounds and establishing a hinterland park/garden and*
 - (iv) *\$1 million towards the cost of Landscape and walking trails*
- (e) *agree all future allocations after 2010/2011 for the development of the Maleny Community Precinct be applied for as part of council's annual budget process, or through State or Federal Government funding applications, with consideration being given to any future council capital works expenditure on the precinct to be funded from land sales excepting works on Pattermore House which potentially can be funded from the Heritage Levy and works on wetlands can potentially be funded from the Environment Levy.*

10 June 2010 (OM10/161)

That Council:

- (a) *receive and note the report titled 'Maleny Community Precinct Master Plan'*
- (b) *endorse the 'Maleny Community Precinct Master Plan' (Appendix A) (as amended unanimously by the Maleny Stakeholders on 4 June 2010) and the 'Maleny Community Precinct Master Plan Report (Appendix B) as the guiding plan for the development of the Maleny Community Precinct*
- (c) *request the Chief Executive Officer to provide a further report to council outlining options for the staging of the Maleny Community Precinct project with an analysis of the financial implications and the funding/partnership opportunities of the preferred option(s)*
- (d) *proceed with a development application for a Preliminary Approval that reflects the intent of the master plan, with the application being for a Material Change under S.242 of the Sustainable Planning Act (to vary the effect of the planning scheme for the land) over the whole master plan site (excluding Barung Landcare area)*
- (e) *note that any finalised Preliminary Approval will inform the new Planning Scheme as it relates to the Maleny Community Precinct*
- (f) *agree to Barung Landcare changing their current application for a Material Change of Use to reflect their location as depicted in the master plan*
- (g) *authorise the Chief Executive Officer to enter into formal lease negotiations with Barung Landcare, Maleny District Sport and Recreation Club, and the Maleny Golf Club, with land tenure arrangements being conditional upon each group submitting a viable business case to council and meeting agreed milestones that demonstrate their financial and administrative capacity to develop their proposed leased area*
- (h) *authorise the Chief Executive Officer to enter into negotiations with Education Queensland regarding access to the Precinct from the Maleny/Landsborough Road next to the Maleny Primary School as per Option B in the master plan and to further report to council on the outcome of these negotiations*
- (i) *establish a Maleny Community Precinct Advisory Committee to:*
 - *ensure integration and collaboration of site activities*
 - *facilitate communication between all parties on the Precinct*

- *provide a forum to settle neighbourhood disputes as they arise*
 - *provide advice to council on the progress of development of the Precinct and*
 - *provide advice on lease boundaries and location of trails, and report back on these to council before implementation of recommendation (d) and (g)*
- (j) *authorise the Chief Executive Officer to enter into negotiations with Maleny District Green Hills Fund to develop a Memorandum of Understanding regarding its ongoing involvement and contribution to the precinct development*
- (k) *authorise the Chief Executive Officer to enter into negotiations to formalise licence to use arrangements with the Friends of Pattemore House, the Maleny History Preservation and Restoration Society Incorporated and Maleny Golf Inc with regard to Pattemore House*
- (l) *receive and note the Pattemore House Conservation Management Plan (Appendix C) to guide the conservation and restoration of Pattemore House and its surroundings; and*
- (m) *formally thank the independent community representatives Bob Grice, Graham Hart, and the various representatives from Barung Landcare, Maleny District Green Hills Fund, Maleny District Sport and Recreation Club Incorporated, Maleny Golf Club, Maleny History Preservation and Restoration Society Incorporated, Maleny Precinct Action Network, for their commitment and contribution made to the Maleny Community Precinct Stakeholder Advisory Group over the past two years and formally thank council staff.*

14 May 2009 (OM09/141)

Regarding the development of appropriate governance, financial and land management models alongside the development of a Master Plan for the Maleny Community Precinct.

21 August 2008 (OM08/194)

Supports the commencement of master planning and establishment of a community working group to continue Precinct planning.

31 July 2008 (OM08/147)

Regarding approval of the development application for the two contractual lots on the Maleny Community Precinct.

19 June 2008 (OM08/94)

Regarding the relocation of Barung Landcare to the Maleny Community Precinct.

29 May 2008 (OM08/47)

Regarding Council's need to review documentation before making any decisions in relation to the site and liaising with Barung Landcare about their relocation.

Related Documentation

- Maleny Community Precinct Master Plan 2010;
- Maleny Sport and Recreation Master Plan 2016-2031;
- McGarry & Eadie Southern Wetland Management Plan - September 2011;
- Maleny Community Precinct Master Plan 2010;
- Fauna and Flora Assessment Maleny Precinct – Southern Wetland - October 2016, Native Foresters; and
- Managing Fairview 2014.

Critical Dates

There are no critical dates relevant to this report.

Implementation

Should Council resolve to include the seven (7) variations in the lease boundary to Maleny Golf Club Inc. and that an exception to the *Local Government Regulation 2012* applies, a new lease to Maleny Golf Club Inc. will be entered into noting the relevant special clauses with an expiry date in 2046 by Property Branch.

Should Council resolve to endorse the Southern Wetlands Landscape Plan Council Officers will commence implementation.

8.1.3 EXCEPTION UNDER LOCAL GOVERNMENT REGULATION 2012 FOR A COMMUNITY ORGANISATION

File No: F2015/14669
Author: Senior Property Officer
Corporate Services Department

PURPOSE

The purpose of this report is to seek an exception from Council, in accordance with the *Local Government Regulation 2012*, to enter into a lease with a community organisation, other than via a tender or auction process.

EXECUTIVE SUMMARY

The *Local Government Regulation 2012*, section 224(6) provides that “the grant of a lease over land or buildings” is a disposal of a valuable non-current asset and section 227 provides that this disposal must be by written tender or auction.

Section 236(1) lists allowable exceptions to the tender or auction provision.

Community organisations are excepted under section 236(1)(b)(ii), “if the local government has decided by resolution, that the exception may apply” under section 236(2).

On 10 November 2016, Council adopted the “Conondale Memorial Recreation Park Master Plan 2016-2031”, and also resolved to enter into a 30 year lease with the Sunshine Coast Motorcycle Club Inc. over part of the Conondale Memorial Recreation Park. The Sunshine Coast Motorcycle Club Inc. currently holds a lease from council over the site which will be renewed in the near future. Prior to formalising this new longer term lease, a council resolution pursuant to section 236(2), that an exception may apply in this instance, is required.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Exception under Local Government Regulation 2012 for a Community Organisation” and**
- (b) resolve pursuant to section 236(2) of *Local Government Regulation 2012*, that an exception to dispose of an interest in land (lease) to the Sunshine Coast Motorcycle Club Inc. other than by tender or auction be applied, as the group is a community organisation, under section 236(1)(b)(ii).**

FINANCE AND RESOURCING

The annual rent for this community lease is one unit. In accordance with Council’s Fees and Charges for 2016/17 is \$250 (inclusive of GST).

Building maintenance and outgoings will be the responsibility of the lessee in line with “*Council’s Community Groups Occupying Council Owned or Council Controlled Land and/or Infrastructure Policy*”, therefore, there are no ongoing operational costs to council.

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

Portfolio Councillor Consultation

Councillor McKay supports the issue of a new lease to the Sunshine Coast Motorcycle Club Inc as evidenced by support for the "Conondale Memorial Recreation Park Master Plan 2016- 2031", considered by Council on 10 November 2016.

Internal Consultation

Advice in relation to the exception provisions of *Local Government Regulation 2012* has been received from Manager Procurement and Contracts and Solicitor Legal Services.

External Consultation

Extensive consultation was undertaken with the Sunshine Coast Motorcycle Club Inc. and the wider community when the Master Plan was being developed.

Community Engagement

Due to the internal administrative nature of this report there has been no community consultation.

PROPOSAL

The *Local Government Regulation 2012*, section 224(6) provides that "the grant of a lease over land or buildings" is a disposal of a valuable non-current asset, and section 227 provides that this disposal must be by way of written tender or auction.

Section 236(1) lists allowable exceptions to the tender or auction provision. Community organisations are excepted under section 236(1)(b), "if the local government has decided by resolution, that the exception may apply" under section 236(2).

On 10 November 2016, Council adopted the "Conondale Memorial Recreation Park Master Plan 2016-2031", and also resolved to enter into a 30 year lease with the Sunshine Coast Motorcycle Club Inc over part of the Conondale Memorial Recreation Park. The Sunshine Coast Motorcycle Club Inc. currently holds a lease from council over the site which will be renewed in the near future. Prior to formalising this new longer term lease, a council resolution pursuant to section 236(2), that an exception may apply in this instance, is required.

Legal

Legal Services has been consulted on this process to ensure council complies with section 236 of the *Local Government Regulation 2012*.

Policy

This request is in accordance with the following council policies:

- (a) Procurement Policy, and
- (b) Community Groups Occupying Council Owned or Council Controlled Land and/or Infrastructure.

Risk

There are no risks identified in relation to this report.

Previous Council Resolution***Council Resolution (OM16/204)***

That Council:

- (a) receive and note the report titled "Conondale Memorial Recreation Park Master Plan 2016-2031"*
- (b) adopt the "Conondale Memorial Recreation Park Master Plan 2016-2031" (Appendix A)*
- (c) note that any future allocations towards the implementation of the Master Plan will be assessed and prioritised against other projects in councils 10 year Capital Works Program, contributions by users and the community and successful applications for external funding*
- (d) notwithstanding the Master Plan's recommendation, in recognition of the significant costs associated with any upgrade of the site's access and subject to the Minister's approval under the Land Act 1994, grant to the Sunshine Coast Motorcycle Club ("SCMC") a lease of the proposed lease area as identified in the Master Plan (Map 16) for a term of 30 years to commence on the expiration or sooner termination of the SCMC's current lease and*
- (e) note that the buffer to the north of the proposed Open Space be extended to include a minimum of 10 metres for recreation and waterways protection in consultation with the Sunshine Coast Motorcycle Club.*

Related Documentation

Sunshine Coast Council standard lease template for community organisations will apply.

Critical Dates

There are no critical dates relevant to this report.

Implementation

Should council resolve that an exception applies, a new lease will be executed and registered.

8.1.4 DECEMBER 2016 FINANCIAL PERFORMANCE REPORT

File No:	Financial Reports
Author:	Coordinator Financial Services Corporate Services Department
Attachments:	Att 1 - December 2016 Financial Performance Report133

PURPOSE

To meet Council's legislative obligations, a monthly report is to be presented to Council on its financial performance and investments.

EXECUTIVE SUMMARY

This monthly financial performance report provides Council with a summary of performance against budget as at 31 December 2016 in terms of the operating result and delivery of the capital program.

The financial results as at 31 December 2016 reflect the budget adjustments applied during Budget Review 2 which were adopted 8 December 2016.

The operating result at 31 December 2016 shows a positive variance of \$6.5 million compared to the forecast position.

Operating Performance**Table 1: Operating Result as at 31 December 2016**

December 2016	Current Budget \$000	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Operating Revenue	419,648	199,117	206,539	7,422	3.7
Operating Expenses	394,723	192,634	193,605	971	0.5
Operating Result	24,925	6,483	12,934	6,451	99.5

Achievement of the full year budgeted operating result will allow Council to meet its debt repayments and capital expenditure commitments.

As at 31 December 2016, \$92 million (35%) of Council's \$267.2 million 2016/17 Capital Works Program was financially expended.

The core Council Capital Program has progressed 45% of budget, an actual spend of \$62.7 million.

Council's investment portfolio remains within the guidelines established under the Investment Policy.

OFFICER RECOMMENDATION

That Council receive and note the report titled "December 2016 Financial Performance Report".

FINANCE AND RESOURCING

There are no finance and resourcing implications from this report.

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*
Outcome: 5.2 - A financially sustainable organisation
Operational Activity: 5.2.2.1 - Ensure Council's finances are well managed and systems are in place to analyse performance, generate revenue and reduce costs

CONSULTATION

Portfolio Councillor Consultation

No consultation with the Portfolio Councillor is required for this report

Internal Consultation

All departments and branches participated in the formation of the recommendations associated with this report.

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

PROPOSAL

The financial results as at 31 December 2016 reflect the budget adjustments applied during Budget Review 2 which were adopted 8 December 2016.

The operating result at 31 December 2016 shows a positive variance of \$6.5 million compared to the forecast position.

Achievement of the full year budgeted operating result will allow Council to meet its debt repayments and capital expenditure commitments.

Operating Revenue

Year to date revenues as at 31 December 2016 of \$199 million shows a positive variance of \$7.4 million.

Table 2: Substantial Revenue variances as at 31 December 2016

Operating Revenue Large Variances	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Fees and Charges	35,768	38,588	2,820	7.9
Net Rates and Utility Charges	127,515	129,932	2,417	1.9
Other Revenue	6,049	6,795	746	12.3
Internal Revenue	2,326	3,288	962	41.3

Fees and Charges

Fees and charges revenue of \$38.6 million, is \$2.8 million ahead of year to date budget. Significant variances include:

- \$719,000 relates to increased revenues at the Sunshine Coast Holiday Parks with some associated increased expenditure. These net to an operating result which is \$322,000 favourable to budget.
- \$636,000 is attributable to development service revenue being ahead of budget. This relates to market driven volumes being above expectation and compensating for the adjustment for superseded planning scheme applications last financial year.
- \$685,000 across the Community Response Branch, predominantly relating to infringements. Some of this fee revenue will cover slightly higher employee costs and required transfers to restricted cash.

Net Rates and Utility Charges

The favourable variance of \$2.4 million, is mostly attributable to higher than anticipated growth and prepayment of rates.

Other Revenue

Other revenue has exceeded the year to date budget by \$746,000, this is made up of:

- Increase in the sale of recoverable materials at the Waste facilities of \$179,000.
- \$200,000 associated with fleet operations and the sale of minor, non-capital equipment.
- \$121,000 across the organisation for recoupment of expenditure

Internal Revenue

Internal sales for the Quarry Business are resulting in a favourable variance to budget of \$985,000. This is associated with the resale program and is dependent on the ongoing scheduling of the resale program and the ability to utilise Council's quarry product.

Operating Expenses

Year to date expenditure as at 31 December 2016 of \$193.6 million shows a variance over budget of \$971,000.

Table 3: Substantial Expenditure variances as at 31 December 2016

Operating Expenditure Large Variances	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Employee Costs	64,493	65,103	610	0.9
Materials and Services	78,438	77,662	(776)	(1.0)
Finance Costs	5,031	6,087	1,056	21.0

Employee Costs

As at 31 December 2016 employee costs were above budget by \$610,000, just under 1%. \$515,000 relates to employee expenditure to deliver projects across capital, operating and region making whereby funding is balanced at project level.

During December a significant amount of leave was taken which reduced expenditure in employee costs during that period. The variance to budget for core employee costs is immaterial at \$95,000.

Materials and Services

As at 31 December 2016, materials and services costs were below budget by \$776,000.

Project materials expenditure is under budget by \$913,000 which is partially offset by project employee expenditure as explained above.

Planning and Environment has incurred expenditure higher than budget for Community Not for Profit Discounts Allowed on Infrastructure Charges. This has caused an overspend in materials however is offset by higher revenue.

Finance Costs

Finance costs are ahead of budget by \$1 million as a result of further interest associated with Region Making Projects being expensed to operating. This will be addressed at the next budget review and will still be funded from project budgets, through a transfer from capital.

Capital Revenue

Capital revenues are 91% of full year budget as at 31 December 2016. Contributed assets account for most of this with \$70 million recognised to date against a full year forecast budget of \$75 million. Cash contributions to date are reasonable to budget at 46%.

Capital Expenditure

As at 31 December 2016, \$92 million (34.5%) of Council's \$267.2 million 2016/17 Capital Works Program was financially expended.

The core Council Capital Program is progressing well with an actual spend of \$62.7 million, which is 45% of the \$138.1 million program. This expenditure is ahead of forecast and the table below outlines this is predominantly due to settlements for land acquisitions approved through council resolution.

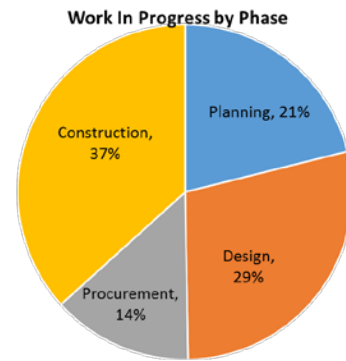
Region Making Projects have incurred some delays for the period to December. Corporate Major Projects and Maroochydore City Centre will recognise deferrals in the upcoming budget review, however the Solar Farm is anticipated to meet scheduled delivery this financial year.

Table 4: Capital expenditure variances by program as at 31 December 2016

Capital Works Program	Forecast Budget \$000	YTD Forecast Budget \$000	YTD Actual \$000	YTD Variance	% Variance on YTD budget
Aerodromes	372	39	56	17	44.4
Buildings and Facilities	10,916	4,980	5,377	397	8.0
Coast and Canals	1,590	641	547	(94)	(14.7)
Divisional Allocations	3,765	735	747	12	1.7
Environmental Assets	4,905	3,571	4,301	731	20.5
Fleet	3,000	111	564	453	408.8
Holiday Parks	2,576	1,507	1,664	157	10.4
Information Technology	3,144	875	1,035	160	18.3
Parks and Gardens	16,180	9,714	9,626	(87)	(0.9)
Quarries	674	95	137	42	44.9
Stormwater	4,623	1,492	1,282	(209)	(14.0)
Strategic Land and Commercial Properties	10,093	5,409	7,473	2,064	38.2
Sunshine Coast Airport	4,746	1,811	1,590	(221)	(12.2)
Transportation	58,840	23,426	23,706	280	1.2
Waste	12,680	5,558	4,638	(920)	(16.6)
Total SCC Core Capital Program	138,106	59,962	62,744	2,782	4.6
Corporate Major Projects	18,461	65	61	(4)	(6.6)
Maroochydore City Centre	52,808	8,097	7,632	(465)	(5.7)
Solar Farm	31,645	27,220	19,704	(7,516)	(27.6)
Sunshine Coast Airport Runway	26,223	1,666	2,172	506	30.3
Total Other Capital Program	129,136	37,048	29,568	(7,480)	(20.2)
TOTAL	267,242	97,010	92,312	(4,698)	(4.8)

Table 5: Projects by status (SCC Base Only)

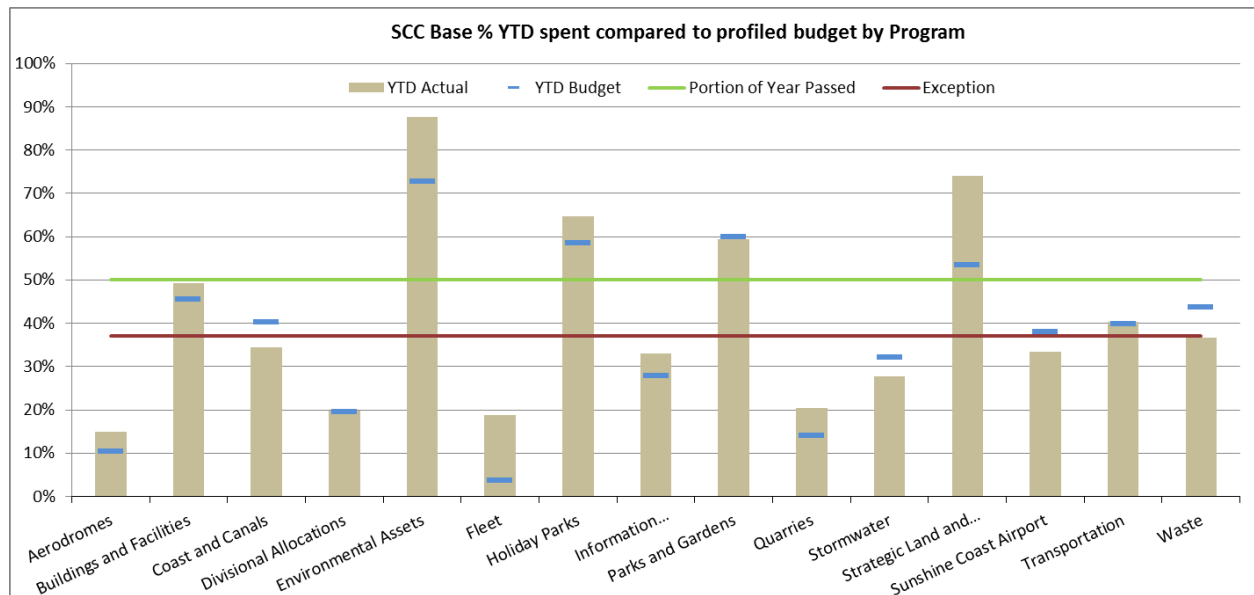
Project summary by Job status (SCC Base only)	Number of Capital Jobs	%	Current Budget \$000	%
Not Started	92	8.7	4,192	3.0
Works in Progress	654	61.9	111,749	80.9
Complete	287	27.2	20,492	14.8
On Hold/Cancelled	24	2.3	1,672	1.2
Total	1,057		138,106	



The targeted capital completion rate for 2016/17 is 81.3%. This is due to a number of multi-year projects and whole of region accounts.

At the end of December 654 jobs were in progress equating to 80.9% of the core capital budget, a reduction from last month with some projects moving into completion status. The additional chart above indicates the phase these projects have progressed to.

Table 6: Capital Exceptions Graph



Aerodromes

The aerodromes program is scheduled for works to occur in the second half of the year. Expenditure to date relates to the finalisation of projects that commenced last financial year.

Coast and Canals

Program budget was increased during budget review 2 to progress emergent works. Construction has been delayed until after the holiday period, however the full program will be delivered.

Fleet

Fleet is progressing ahead of schedule with the first major acquisitions occurring in December. Significant commitments have been raised indicating that the 2016/17 program will be finalised by the end of the financial year.

Information Technology

The information technology program has suffered some delays during the scoping and tender phases while seeking better understanding of costs and timeframes for delivery. The full program is still planned for delivery in 2016/17 except for the Online Customer Development Information project for \$100,000 which will likely be deferred until 2017/18.

Quarries

Expenditure to date reflects the completion of projects commenced in 2015/16. Replacement of the weight bridge software is one of the larger projects for 2016/17 and is scheduled for tender in early February with implementation anticipated in April. Resource modelling is scheduled to be completed in January which will inform the resource drilling projects to follow.

Stormwater

Stormwater projects in construction are progressing well with 42% delivered to budget at the end of December. Some delays are being experienced with projects in design phase, due to approvals and easement acquisitions.

Investment Performance

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 December 2016 Council had \$293.3 million cash (excluding Trust Fund) with an average interest rate of 2.82%, being 1.10% above benchmark. This is compared to the same period last year with \$289 million cash (excluding Trust Fund) where the average interest rate was 2.94%, being 0.68% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill Index (BAUBIL) and the Bank Bill Swap Rate (BBSW) for term deposits.

Legal

This report ensures that Council complies with its legislative obligations with respect to financial reporting in accordance with Section 204 of the *Local Government Regulation 2012*.

Investment of funds is in accordance with the provisions of the *Statutory Bodies Financial Arrangements Act 1982* and the associated Regulations and the *Local Government Act 2009*.

Policy

Council's 2016/17 Investment Policy.

Risk

Failure to achieve the budgeted operating result will negatively impact Council's capacity to complete its capital expenditure program.

Previous Council Resolution**Special Meeting Budget 16 June 2016, Council adopted the 2016/2017 budget - Council Resolution (SM16/16)**

That Council:

- (a) *receive and note the report titled "Adoption of the 2016/2017 Budget and Forward Estimates for the 2017/2018 to 2025/2026 Financial Years"*
- (b) *adopt the 2016/2017 Budget Schedules (Appendix A) including Forward Estimates and*
- (c) *adopt the 2016/2017 Capital Works Program, endorse the indicative four-year program for the period 2017/2018 to 2020/2021, and note the five-year program for the period 2021/2022 to 2025/2026 (Appendix B).*

Ordinary Meeting Budget 15 September 2016, Council adopted the Budget Review 1 2016/2017 (OM16/163)

That Council:

- (a) *receive and note the report titled "Budget Review 1 2016/17 " and*
- (b) *adopt the amended 2016/17 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A).*

Ordinary Meeting Budget 8 December 2016, Council adopted the Budget Review 2 2016/2017 (OM16/221)

That Council:

- (a) *receive and note the report titled "Budget Review 2 2016/17"*
- (b) *adopt the amended 2016/17 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A) and*
- (c) *in addition to (b), amend the 2016/17 budget to include the additional sum of \$50,000 for the Maroochy Basketball Extension.*

Related Documentation

2016/17 Adopted Budget

Critical Dates

There are no critical dates for this report.

Implementation

There are no implementation details to include in this report.

8.1.5 2015/16 FINAL MANAGEMENT REPORT FROM QUEENSLAND AUDIT OFFICE

File No:	Financial Management
Authors:	Coordinator Financial Accounting Corporate Services Department Manager Finance Corporate Services Department
Attachments:	Att 1 - 2015/16 Final Management Report from Queensland Audit Office145

PURPOSE

The attached report from the Queensland Audit Office (QAO) provides the audit opinion of Council's 2015/16 consolidated financial statements, as well as details of any significant audit matters.

This report was presented to 30 January 2017 Audit Committee.

Section 213(3) of the Local Government Regulation 2012 requires that the report be presented at the next ordinary meeting of Council.

EXECUTIVE SUMMARY

Council has a statutory obligation to prepare "General Purpose" Financial Statements on an annual basis, culminating in audit certification in late October, before publication in Council's Annual Report.

Queensland Audit Office conducted its final audit of Council's 2015/16 consolidated financial statements in September 2016, with the audited statements adopted by Council in November 2016.

In its Final Management Report (Attachment 1), the Queensland Audit Office issued an unmodified audit opinion on Council's 2015/16 consolidated financial statements, and there were no significant audit matters. This is an important achievement for Council.

The report also provides a summary of issues formally reported to management, which were identified during the Interim Audit in May 2016.

These issues have previously been reported to Council (October 2016 Ordinary Meeting) and status updates were provided to the January 2017 Audit Committee. A summary follows:-

	Issue	Status
Information systems security		
	Logging and monitoring changes in the database environment	Complete
	Privileged user activities	Complete
	Resetting passwords over the phone	Complete
	User access for TechnologyOne Property system	Complete
	User profile maintenance and financial delegations	Complete
Property, plant & equipment		
	Capitalised costs for Maroochydoore City Centre Priority Development Area includes operational expenses	Complete

Asset Management Plans awaiting adoption by Council	In progress
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QAO will follow up on the above issues during the 2016/17 Interim Audit visit scheduled for March 2017.

OFFICER RECOMMENDATION

That Council receive and note the report titled “2015/16 Final Management Report from Queensland Audit Office”.

FINANCE AND RESOURCING

There are no finance and resourcing implications relating to this report.

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*
Outcome: 5.2 - A financially sustainable organisation
Operational Activity: 5.2.2.1 - Ensure Council's finances are well managed and systems are in place to analyse performance, generate revenue and reduce costs

CONSULTATION

Portfolio Councillor Consultation

The Portfolio Councillor has received advice of this report through the Audit Committee process.

Internal Consultation

Internal consultation was held with the following areas:

- Internal Audit Branch
- Information Communication Technology Services Branch
- Finance Branch
- Project Delivery Branch
- Audit Committee

External Consultation

External consultation has been held with Queensland Audit Office as well as external members of Council's Audit Committee.

Community Engagement

No community engagement required.

PROPOSAL

Queensland Audit Office conducted its final audit of Council's 2015/16 consolidated financial statements in September 2016, with the audited statements adopted by Council in November 2016.

In its Final Management Report (Attachment 1), the Queensland Audit Office issued an unmodified audit opinion on Council's 2015/16 consolidated financial statements, and there were no significant audit matters. This is an important achievement for Council.

The report also provides a summary of issues formally reported to management, which were identified during the Interim Audit in May 2016.

These issues have previously been reported to Council (October 2016 Ordinary Meeting) and status updates were provided to the January 2017 Audit Committee. A summary follows:-

	Issue	Status
Information systems security		
	Logging and monitoring changes in the database environment	Complete
	Privileged user activities	Complete
	Resetting passwords over the phone	Complete
	User access for TechnologyOne Property system	Complete
	User profile maintenance and financial delegations	Complete
Property, plant & equipment		
	Capitalised costs for Maroochydoore City Centre Priority Development Area includes operational expenses	Complete
	Asset Management Plans awaiting adoption by Council	In progress

QAO will follow up on the above issues during the 2016/17 Interim Audit visit scheduled for March 2017.

Legal

Sections 212 and 213 of the *Local Government Regulation 2012*.

Policy

There are no internal policy documents relating to this report. It is a legislative requirement – refer Sections 212 and 213 of the *Local Government Regulation 2012*.

Risk

Council has a statutory obligation to prepare general purpose financial statements that are subject to audit by the Auditor-General or their contracted representative.

Previous Council Resolutions

Ordinary Meeting 10 November 2016 – Council Resolution (OM16/197)

That Council:

- (a) receive and note the report titled “2015/16 Financial Statements” and
- (b) note the 2015/16 Financial Statements and associated financial information will be included as Section 4 of the 2015/16 Annual Report.

Audit Committee Meeting 30 January 2017

That the Audit Committee receive and note the report titled “Queensland Audit Office Final Management Report 2016, and Queensland Audit Office Draft External Audit Plan 2017”.

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

There are no critical dates associated with this report.

Implementation

There are no implementation details to include in this report.

8.2 INFRASTRUCTURE SERVICES

8.2.1 BURGESS STREET BRIDGE, GLASS HOUSE MOUNTAINS

File No: Council Meeting

Author: Manager Transport Infrastructure Management
Infrastructure Services Department

Attachments:	Att 1 - SCC to Queensland Rail 23.6.2016.....	159
	Att 2 - SCC to Queensland Rail 4.10.2016.....	161
	Att 3 - TMR Correspondence 28.5.2014.....	163
	Att 4 - Queensland Rail Correspondence 10.07.2015.....	167
	Att 5 - Queensland Rail Correspondence 17.12.2016.....	169
	Att 6 - Burgess Street Bridge Location	171

PURPOSE

The purpose of this report is to advise council of a recent finding by officers that the Burgess Street road-over-rail bridge in Glass House Mountains is owned by council and that it needs urgent maintenance work to maintain its structural integrity to safely cater for heavy vehicle use.

While representations have been made to Department of Transport and Main Roads (DTMR) and Queensland Rail (QR) that council is not the owner of the structure (Attachments 1 and 2), correspondence received makes it clear that DTMR and QR both have stated that the bridge sits within council jurisdiction (Attachments 3 and 4). Accordingly, council will need to arrange to undertake the urgent and unfunded remedial work as soon as practicable.

EXECUTIVE SUMMARY

Burgess Street is a section of a former state-controlled road that was demained by DTMR and transferred to council (former Landsborough Shire) in June 1987 (Attachment 3).

After protracted discussions with representatives from both DTMR and QR, it is now apparent that along with the transfer of the road control to council, the road-over-rail bridge at Glass House Mountains was also transferred to council.

Whilst council was aware of the road transfer at the time, and has maintained the former state-controlled road since, council was not aware that ownership of the bridge had also been transferred. Advice received at the time by the former Landsborough Shire was silent about the bridge being transferred to council. Consequently, no authority has maintained the bridge since the demaining in 1987. Advice from council's Legal Services section confirms that based on known information, council is the owner of the bridge and therefore responsible for its maintenance.

As part of the investigations into the matter, council has recently had a structural engineer inspect the condition of the bridge. Whilst the Inspection Report identified the bridge as being in *very poor condition*, and in need of urgent remedial works, the bridge is still capable of safely carrying heavy vehicles. Burgess Street is part of a route frequently used by Heavy Mass Vehicle Permit holders who cart to / from two local businesses west of the rail line. Any closure, or load limit placed on the bridge, would require truck drivers to take a longer alternate route to access Steve Irwin Way from the businesses.

Council's Asset Strategy Unit have sought quotations to undertake only the urgent structural repair work identified in the Inspection report. The estimated cost is \$40,000.

Further, the current bridge is due to be replaced when the State Government upgrade the North-Coast rail line, between Beerburrum and Landsborough. Whilst no confirmed date is known for the upgrade, a recent press announcement says that the project heads a list of big ticket projects for the Sunshine Coast announced with the recent release of the second 'Building Queensland Infrastructure Pipeline' report. The \$780 million rail duplication project will hopefully gain some funding in the mid-year state budget.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Burgess Street Bridge, Glass House Mountains"
- (b) undertake the necessary urgent structural remedial work on Burgess Street road-over-rail bridge, Glass House Mountains as emergency works, with the estimated cost of \$40,000 and be considered as part of Budget Review 3
- (c) include the Burgess Street road-over-rail bridge in council's asset register and
- (d) advise Queensland Rail that Council will not be the owner of the new replacement road-over-rail bridge in Burgess Street Glass House Mountains, as part of upgrade of the Beerburrum to Landsborough section of the North-Coast rail line, although council will continue to be responsible for the road pavement and wearing surface.

FINANCE AND RESOURCING

The Inspection Report on the condition of the Burgess Street Bridge, prepared by structural consultants Instrada, has identified a number of matters needing urgent remedial works. The total cost of the remedial works is estimated at \$118,200. Due to the limited life of the bridge, council's Asset Strategy Unit are seeking quotations to undertake only the identified urgent structural remedial works on the headstocks. This is estimated to cost around \$30,000, plus costs to QR for a permit and provision of "spotters". The total cost is likely around \$40,000.

As council was unaware of its obligations toward the bridge, no funding allocation has been provided for in the current budget. It is proposed that the cost of the urgent remedial works will be funded by the Restricted Cash Hanson - Extra Ordinary Traffic account and this will be formalised as part of BR3.

There will be a need to provide an allowance in future budgets to cater for necessary maintenance of the road-over-rail bridge, until Queensland Rail replace the bridge. As the new bridge will not be owned by council, it is not considered necessary that any long-term maintenance strategies, or funding, will be required by council. There will be a need for council staff for on-going monitoring of the bridge condition and it may require occasional additional periodic maintenance to ensure its capacity is not diminished.

The bridge will be recognised in council's asset register.

CORPORATE PLAN

Corporate Plan Goal: *A strong community*
Outcome: 2.4 - People and places are connected
Operational Activity: 2.4.2.1 - Facilitate the delivery of efficient transport systems and connections through multi modal network planning and studies, and partnerships with the Department of Transport and Main Roads

CONSULTATION

Portfolio Councillor Consultation

Councillor R Baberowski has been consulted on the matter, in his role as divisional councillor and as Transport Portfolio Councillor.

Internal Consultation

During the investigation of this matter, internal consultation has been held with:

- Council's Asset Strategy Unit
- Manager, Construction and Asset Maintenance
- Transport Infrastructure Management Branch
- Finance
- Legal Services
- Manager, Transport Infrastructure Policy
- Director, Infrastructure Services
- Chief Executive Officer

External Consultation

During the investigation of this matter, internal consultation has been held with:

- Queensland Rail – Senior Manager Track & Civil, Network South East Queensland
- Queensland Rail – Acting CEO (Attachment 3)
- Department of Transport and Main Roads – General Manager, Program Delivery and Operations
- National Heavy Vehicle Regulator (NHVR)
- Hanson Quarry
- Armensto's Transport

Community Engagement

There has been no community engagement conducted on this matter.

PROPOSAL

Background

In April 2014 Department of Transport and Main Roads (TMR) received a query from Andrew Powell MP who had been approached by a constituent concerned that the road-over-rail bridge in Burgess Street, Glass House Mountains may "*not be structurally able to cope with the vast number of trucks that use it every day*". The MP sought details from TMR on when the bridge was last inspected, what were the results, and what determined what the load limit on the bridge is?

The matter was referred by TMR to council, as Burgess Street is a council-controlled street, although it was previously on a State-controlled Road (the former Glasshouse Mountains – Coonowrin Road). Council officers responsible for the maintenance of council's bridges believed the bridge was not council's responsibility as it was not on council's asset register, it had never maintained the bridge (only the road surface), and that all other road-over-rail bridges across the region were not owned by council.

Subsequent discussions were held with the TMR, who advised that the bridge transferred to council when the former main road was "demanded" in June 1987. Whilst council was aware of and accepted responsibility for the transfer of the road, there are no records of any advice that council was to assume responsibility for the bridge as well.

Queensland Rail have advised that they contributed 50% of the construction cost of the bridge in 1968. The contribution was on the basis that maintenance would be the responsibility of the then Main Roads Department. They also believe that the demanding

process that occurred in 1987 transferred the responsibility for the bridge maintenance to council.

All other road-over-rail bridges in the region are owned and maintained by Queensland Rail, and all road-over-road bridges involving state-controlled roads are owned by the TMR. This arrangement suits council as inspection of the bridges involves closing either the rail-line or traffic lanes, which is difficult to arrange and very costly to undertake. Any maintenance works can take considerable time to arrange and complete, and this invariably has a significant impact on either the state-owned rail or road service. The ownership of the road-over-rail bridge at Glass House Mountains is unique for council.

Bridge Condition

The bridge is a two-lane, three span prestressed concrete beam bridge. The span between abutments is 26.4m and there are 12 deck units in the bridge. There is no provision for pedestrians.

Soon after contact with Queensland Rail about the bridge, they arrange a Level 1 (basic) inspection of the bridge to assess its condition and understand what risk there maybe to train services due to the long period of no bridge maintenance. The Inspection Report identified several large cracks and spalling in some concrete members, and leakage of backfill behind abutments.

Whilst not acknowledging any council responsibility, council arranged a specialist consultant to undertake a Level 3 inspection of the bridge in mid-2016. Bridge consultants Instrada undertook the inspection in September 2016 to assess "*whether the bridge has sufficient capacity to allow oversize and over mass vehicles operating under permit to traffic the bridge in its current condition*". The Instrada report identified the nature and location of all major issues with the bridge and concluded that "*this structure was assessed and rated as an Overall Condition State 4 (very poor condition)*". That is, there are defects that are affecting the performance and structural integrity of the structure which require urgent action as determined by a detailed structural engineering inspection. According to Instrada, this *represents a high risk to council with regard to its current serviceability, structural integrity and performance.*

The Instrada report estimated that the total cost to undertake all the identified remedial work is \$118,200.

Despite the bridge being assessed as being in 'very poor condition' there has been no need for a load limit to be imposed, however, council has limited the duration of their support for National Heavy Vehicle Regulator's (NHVR) heavy mass permit applications until ownership of the bridge was settled.

Since council officers have become aware that council is the owner of the bridge, council's Asset Strategy Unit have sought quotations to undertake the urgent structural work only during the first weekend in April when Queensland Rail have allocated a time-slot for council to undertake the work without being impacted by train services. The more extensive waterproofing work is not deemed necessary at this stage considering the expected short-life of the bridge. The estimated cost for the structural concrete work on the headstocks is \$30,000, plus costs to QR for a permit and provision of "spotters". With council's supervisory and administration costs included, the likely total cost is around \$40,000.

The bridge will be closed during the repair works, and possibly closed for a few days afterwards to allow for the repair work to gain sufficient strength. Alternate sealed road access is available for vehicles to detour around the site.

Once the repair work has been completed, the bridge will be able to continue to safely carry all traffic. Current heavy mass permits are due to expire in March 2017, and permit holders will be advised to renew their permits. When contacted by the NHVR, council officers will offer no objection to the new permits being issued by NHVR.

Future Bridge

The current Burgess Street road-over-rail bridge is due to be replaced when the State Government upgrade the North-Coast rail, between Beerburrum and Landsborough. The bridge does not meet height or width requirements and therefore needs to be replaced on a new alignment immediately adjacent to, and the south of, the existing structure. The new bridge will be required to span two rail tracks, compared to the existing single rail line.

Whilst no confirmed date is known for the upgrade, a recent press announcement says that the project heads a list of big-ticket projects for the Sunshine Coast announced with the recent release of the second Building Queensland Infrastructure Pipeline report. The \$780 million rail duplication project will hopefully gain some funding in the mid-year State Budget.

When discussions take place with Queensland Rail about the future of the existing bridge and details of the future road bridge, QR will be advised that council will not be accepting ownership of the new road-over-rail bridge at Glass House Mountains, and will limit its maintenance responsibilities to the road pavement and surface only.

Legal

Legal Services advise that based on known information, council is the owner of the Burgess Street road-over-rail bridge in Glass House Mountains and therefore responsible for its maintenance.

Policy

There are no identified policy implications resulting from the recommendations

Risk

The Instrada Report states "*that this structure was assessed and rated as an Overall Condition State 4 (very poor condition). This represents a high risk to Sunshine Coast Regional Council, with regards to its current serviceability, structural integrity and performance.*"

Whilst there is no identified likelihood of an immediate failure, the condition of the bridge will continue to deteriorate and the structural aspects needs to be remediated as soon as possible to avoid any on-going risks of poor structural integrity and potential loss of serviceability.

Any loss in serviceability of the bridge will have adverse impact on residents, local businesses and the school, requiring additional distances to be travelled, if the bridge condition is allowed to further deteriorate.

Previous Council Resolution

There is no previous council resolution on this matter.

Related Documentation

Copy of letter from Regional Director (North Coast) of the Department of Transport and Main Roads, dated 28 May 2014 (Attachment 4)

Copy of letter from Senior Manager Track & Civil, Network South East Queensland, Queensland Rail, dated 10 July 2015 (Attachment 5)

Critical Dates

The dates being sought from Queensland Rail to undertake the remedial work is their next available programmed shut-down of the rail. If council are unsuccessful with this timeframe, the next scheduled track shutdown in early June, and then in late August 2017.

Implementation

Once approved by council, planning for the remedial works will be finalised and a communication plan developed, advising of the temporary closure of road-over-rail Bridge in Burgess Street Glass House Mountains, required to allow for urgent remedial works.

8.3 PLANNING AND ENVIRONMENT

Nil

8.4 OFFICE OF THE MAYOR AND THE CEO

8.4.1 2017-2021 SUNSHINE COAST COUNCIL CORPORATE PLAN

File No: F2016/222048

**Author: Coordinator Corporate Planning and Performance
Office of the Mayor and Chief Executive Officer**

To be provided

8.5 COMMUNITY SERVICES**8.5.1 COOLUM LIBRARY FACILITY DEVELOPMENT PLAN****File No:** Council Meetings**Author:** Team Leader Library Operations
Community Services Department**Appendices:** App A - Coolum Library Facility Development Plan 2017 5/140

PURPOSE

To present the Coolum Library Facility Development Plan to council for consideration in the 2017/18 Budget development.

EXECUTIVE SUMMARY

The *Sunshine Coast Libraries Plan 2014-2024* lists the Coolum Library as a short-term (2-5 years) priority to investigate the opportunities for the expansion of the library building. The Plan prescribes the undertaking of a Facility Development Plan to enhance the library functionality and service delivery.

The Coolum Library has the second highest number of visitations by floor area in the Sunshine Coast Libraries network. With a total floor area of 403m², the Coolum Library is also the third smallest in the network. Its small footprint poses issues for its current and future use. Based on current population levels, Coolum Library does not meet the Queensland Public Library Standards and Guidelines – Library Buildings Standards (2009) (the Guideline).

A program of community engagement was undertaken in 2015. Noting the extensive engagement undertaken to develop the *Sunshine Coast Libraries Plan 2014-2024*, and Master Plan Jack Morgan Park in which the Library sits, this consultation was specifically aimed at obtaining local community comment and feedback on the concept design of the proposed expansion of the Coolum Library.

The Coolum Library Facility Development Plan 2016 is provided at Appendix A. Detailed concept plans indicate that \$2.48M is required to complete the proposed expansion. \$1.22M was included as an indicative cost in Councils 10 Year Capital Works Program over two financial years (2016/17 and 2017/18). In an attempt to minimize the cost difference between the indicative figure and the concept plan cost, Council applied for and successfully obtained \$900,000 from the State Government, leaving a shortfall of \$360,000.

The report requests council to refer the remaining \$360,000 to its 2017/18 budget discussions for consideration.

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled **Coolum Library Facility Development Plan**
- (b) endorse the **Coolum Library Facility Development Plan (Appendix A)**
- (c) note the detailed quantity survey cost estimates as outlined in **Appendix A** and
- (d) refer an amount of **\$360,000** to the **2017/18 Capital Works (sub-program Community Facilities) Budget development process for consideration by Council.**

FINANCE AND RESOURCING

In the 2014/15 adopted capital budget an allocation of \$62,500 was provided to complete the Facility Development Plan for the Coolum Library. These funds were expended on the development of the Coolum Library Facility Development Plan, high level concept designs and preliminary costings.

Detailed concept plans indicate that \$2.48M is required to complete the proposed expansion. This includes the cost of construction, furniture and furnishings, fees and charges, and a 7.5% construction contingency allowance. The costs are detailed in the Facility Development Plan (Appendix A).

\$1.22 million was included as an indicative cost in Councils 10 Year Capital Works Program over two financial years (2016/17 and 2017/18). In an attempt to minimize the cost difference between the indicative figure and the concept plan cost, Council applied for and successfully obtained \$900,000 from the State Government, leaving a shortfall of \$360,000.

	2016/2017	2017/2018	Sub-total	Total
Coolum Library extension				\$2,484,240
SCC	\$300,000	\$922,575	\$1,222,575	
State	\$271,008	\$632,352	\$903,360	
Shortfall				(\$358,305)

The report request council to refer this \$360,000 shortfall to its 2017/18 budget discussions for consideration.

CORPORATE PLAN

Corporate Plan Goal: *A strong community*
Outcome: 2.2 - Resilient and engaged communities
Operational Activity: 2.2.2 - Implement the annual program of actions in the Sunshine Coast Libraries Plan 2014-2024

CONSULTATION

Portfolio Councillor Consultation

- Cr McKay – Portfolio Councillor for Community and Environment

Internal Consultation

Internal consultation included meetings and conversations with a range of stakeholders between December 2014 and October 2015:

- Cr Robinson – Divisional Councillor (Division 9)
- Cross-council internal stakeholder meetings, including staff representing:
 - Community Services
 - Regional Strategy and Planning
 - Infrastructure Services
 - Corporate Services
- Staff involved in the Jack Morgan Park precinct planning and projects were specifically engaged and consulted.

Library staff were engaged via a range of opportunities including staff meetings and through the library weekly newsletter Heads Up.

All feedback received has been considered in the development and finalisation of the Coolum Library Facility Development Plan.

External Consultation

There has been no external engagement in relation to this report.

Community Engagement

A Community Engagement Plan was developed and delivered to ensure the Coolum community was comprehensively and effectively engaged in the proposal to expand the Coolum Library. External community engagement took place from 5 February, 2015 to 31 March, 2015 and consisted of a range of events, meetings and activities in and around the Coolum Library.

The program involved providing opportunities in the community for feedback at shopping centres, in the library and online. The engagement was promoted through Council's Community Engagement webpage, the Library Facebook page and advertisements in the Coolum and North Shore News. The Community Engagement program included:

- the display of draft concept drawings of the new library extension in the Coolum Library during March 2015 for community comment and feedback.
- pop-up library stalls outside Coolum Woolworths and Coles during March 2015.
- attendance at a Project Coolum meeting on 5 February, 2015.

The Project Coolum group is chaired by Cr Robinson and includes representatives of a range of community organisations, who disseminate information across the Coolum community to seek feedback on desired ways forward. The meeting discussed the justification and plans for the extension of Coolum Library and members agreed to distribute information and collect comments. The member organisations are:

- Coolum Residents Association
- Coolum Beach Lions Club
- Coolum High School
- Coolum Business and Tourism
- Coolum Library
- Coolum Boardwalk
- Coolum Community Centre

Engagement also occurred at the Friends of Coolum Library meeting on 10 February, 2015. Draft concept drawings were shown to this group for feedback and comment.

All feedback received has been considered in the development of the Coolum Library Facility Development Plan. There was overwhelming support for the proposed extension with the main message being the library was too small and more space was required.

The time between the consultation and reporting was used to secure State Government funding for the project and to confirm detailed plans and detailed costings.

PROPOSAL

The Council adopted *Sunshine Coast Libraries Plan 2014-2024* identified Coolum Library as experiencing a continued increase in visitor numbers and as a facility that has outgrown its current space. The Coolum Library has the second highest number of visitations by floor area, in the Sunshine Coast Libraries network. Its small footprint poses issues for its current and future use. Coolum Library, due to its small size is unable host regular library programming such as holiday activities and popular information workshops. The library trialed using alternative community spaces, but this detracted from the service and stretched staffing. The small space often leads to conflicts between users as there is no dedicated quiet space.

During busy periods customers often sit on the floor creating safety issues for other users and staff.

The Libraries Plan lists the Coolum Library as a short-term (2-5 years) priority to investigate the opportunities for the expansion of the library building. The Plan prescribes the undertaking of a Facility Development Plan to enhance the library functionality and service delivery.

The Coolum Library Facility Development Plan (Appendix A) takes into account:

- The role and function of the Coolum Library within the library network and in relation to the community it services;
- The gross floor area (GFA) requirements and identification of any additional land requirements based on current and anticipated future populations; and
- The strategic policy objectives including co-location and shared services, precinct planning and place making opportunities.

It also responds to the Operational and Infrastructure Recommendations outlined in the Libraries Plan for the Coolum Library (p. 21) by:

- Describing the option to extend the Coolum Library floor space;
- Ensuring the use of floor space is maximised and meets the needs of the community and follows the direction set out by the *Sunshine Coast Libraries Plan 2014-2024*;
- Providing an estimate of costs involved in the extension and inclusions for fit-out;
- Including a range of sustainability principles in the proposal; and
- Maximising the use of indoor and outdoor areas.

The design of the extension specifically considered and responded to the extensive consultation and subsequent precinct planning for Jack Morgan Park. Detailed concept plans indicate that \$2.48M is required to complete the proposed expansion. \$1.22M was included as an indicative cost in Councils 10 Year Capital Works Program over two financial years (2016/17 and 2017/18). In an attempt to minimize the cost difference between the indicative figure and the concept plan cost, Council applied for and successfully obtained \$900,000 from the State Government, leaving a shortfall of \$360,000.

Detail:

The Coolum Library, with a total floor area of 403m² is the third smallest in the network. However, it continues to experience a significant increase in the number of visitors. It is estimated that based on current visitation rates that over 190,000 people will access the Coolum Library in the current financial year.

A library catchment is usually calculated as being the population within a 15 minute drive from the library branch. In 2011, the population catchment within a 15 minute drive time to the Coolum Library was 40,206 people. This is estimated to increase to 48,218 people by 2021.

The current size of the library limits the amount and types of activities that can occur to support this growing visitation. The significant population growth during holiday periods also places limitations on programs and activities.

Despite the fact that many library users now also access library services and resources online, Coolum Library experiences annual increases in visitor numbers. In the 2015/16 financial year, the Coolum Library:

- recorded 180,761 visits
- loaned an average of 18,900 items monthly
- had 18,429 members
- offered 212 programs which attracted more than 4,291 people.

Whilst the Coolum Library complies with all codes and standards that were current when the original structure was built, based on current population levels, it does not meet the Queensland Public Library Standards and Guidelines – Library Buildings Standards (2009). The guideline recommends a library floor space (including collections, staff, public seating areas, utilities, foyer and toilets) of 1,716m² for a catchment of 40,000 people and a minimum floor area of 2,035 m² for a catchment of 50,000 people. It also describes the need for a meeting room to increase the functionality of the library – and recommends an additional 40m² for this purpose. This is a total floor requirement of 1,756m².

In addition, the current public toilet facility at the Library does not meet current Australian Standards prescribed for access for people with a disability. Accessible toilets must comply with AS1428.1-2009.

The proposed library extension would provide an additional 285m² of internal floor space for public use and an extra 80m² for an external deck to provide easy access to Jack Morgan Park, resulting in an increase of 365m², which when added to the current library space, would provide a total floor space of 768m². While still well below the recommended guideline of 1,756m², such an extension would increase the current floor space and provide greater access to the park – an outdoor reading room and space that may be activated with programming.

Internal and external consultation for the *Sunshine Coast Libraries Plan 2014-2024* and specifically for the Coolum Library identified the importance of the library having ongoing synergy with and linkages to Jack Morgan Park and the Coolum Civic Centre. New pathways leading to the library, an option of a second entrance from the deck and increased parking options for library users with direct access to the library entrance will contribute to the activation of the precinct. The pathways and space around the Civic Centre will also allow a more robust relationship, with opportunities for increased and more diverse activities and events.

The increased size of the library will allow for flexible spaces that can be used for public access internet computers, children's areas, quiet reading areas and space for the large number of programs delivered by this library. The proposed extension includes duplication of the large window with views across Jack Morgan Park and a space that can be closed off for community meetings and events.

Coolum Library has been designed to make extensive use of natural light with large windows overlooking the park and skylight windows under the roofline. The proposed extension will continue to take advantage of natural light with large windows overlooking Jack Morgan Park and natural ventilation to take advantage of sea breezes.

In line with Council's adherence to sustainability it has been proposed that the up-lights in the current Coolum Library be replaced with an energy saving system. This will reduce electricity usage.

The current air conditioning unit is more than 10 years old and in poor condition. While remedial action may repair the unit in the short term, it is proposed that the unit be replaced with a new cost effective system as part of the proposed library expansion. Such a system would be required to manage a larger library space.

The inclusion of a stepped deck area overlooking the park will encourage activation of the Jack Morgan Park and provide outdoor reading and an additional space for library programs and activities.

Once construction commences, there will be a need to close the Coolum Library for a period of time. This closure time is yet to be determined, however, it will be kept to a minimum and managed with the customer in mind, with alternative service options being made available (i.e. potential use of mobile library service, extension of library borrowing times etc.).

An extensive communication program will also be rolled out to ensure ongoing awareness and updates are provided to library users and more generally, to the community.

Legal

There are no legal implications to this report.

Policy

The Coolum Library Facility Development Plan specifically considers the:

- Australian Standard AS1428.1-2009
- Sunshine Coast Libraries Plan 2014-2024 including Supporting Resources
- Jack Morgan Park Landscape Master Plan
- Sunshine Coast Performance and Community Venues Service Plan 2014-2029
- Social Infrastructure Strategy 2011
- State Library of Queensland - Queensland public library standards and guidelines 2009
- Sunshine Coast Open Space Strategy 2011
- Sunshine Coast Social Strategy 2015.

Risk

There is a risk of community dissatisfaction if the proposed extension to the Coolum Library is not supported and the service is not enhanced to deal with the current and future pressures.

Previous Council Resolution

Ordinary Meeting 21 August 2014 - Council Resolution OM14/119

That Council:

- (a) *receive and note the report titled "Sunshine Coast Libraries Plan 2014-2024"*
- (b) *adopt the "Sunshine Coast Libraries Plan 2014-2024" (Appendix A) and*
- (c) *note the "Sunshine Coast Libraries Plan 2014-2024 – Supporting Resources" (Appendix B).*

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

The timeframe for the conclusion of the facility development plan and extension to the Coolum Library was identified in the *Sunshine Coast Libraries Plan 2014-2024* as being short term (2-5 years). The projected completion of this project will occur in the fourth year of this timeframe.

The State Government grant has a two year timeframe with the final instalment to be received in 2017/18. Work will need to commence this financial year 2016/17, to ensure the receipt of the first instalment of the grant and the spend of the 2016/17 Council allocation to this project of \$300,000.

Implementation

Should Council endorse the officer recommendations contained in this report (and pending 2017/18 Capital Works Budget development to provide additional funds for the proposed Coolum Library extension), officers will progress planning in 2016/17 and construction in 2017/18.

8.6 ECONOMIC DEVELOPMENT AND MAJOR PROJECTS**8.6.1 LIFEGUARD SERVICES CONTRACT**

File No:	Council Meetings
Author:	Coordinator Holiday Parks and Lifeguard Services Economic Development and Major Projects Department
Attachments:	Att 1 - Sunshine Coast Council Lifeguard Service Annual Report 2015-2016 187

PURPOSE

The purpose of this report is to exercise the extension option of the Lifeguard Services contract with Surf Life Saving Queensland (SLSQ) for a further five years.

EXECUTIVE SUMMARY

Sunshine Coast Council holds a five-year contract with Surf Life Saving Queensland for the provision of Lifeguard Services. Through the contract, SLSQ and the Australian Lifeguard Service Queensland (ALSQ) work directly with Council to watch over and protect beachgoers across the region.

On 29 October 2017, the contract for Lifeguard Services expires. A provision of the contract (Clause 11.2) provides Council with an option to extend the contract for a further five years by way of a notice delivered not earlier than nine months and not later than six months prior to the commencement of the second term on 29 October 2017.

Among the significant achievements since the contract commenced over four years ago is the delivery of more lifeguard services hours for less cost. The services have also continued to receive a high rating result through Council's Community Satisfaction Survey for both importance and level of satisfaction.

The Sunshine Coast Council Lifeguard Service Annual Report 2015-2016 at Attachment 1 provides further highlights and achievements which include the following:

- Introduction of the Seadoo Spark Jetski to the ALSQ fleet which has provided lifeguards with a lighter, more compact and efficient rescue water craft for patrol, search and rescue scenarios.
- Standardisation of all beach opening hours across the Sunshine Coast Council region, ensuring uniformity from beach to beach.
- Integration of ALSQ services with the Westpac Lifesaver Rescue Helicopter Service, with four lifeguards now qualified crewmen.
- Introduction of smart device technology for logging incidents and statistics.

The Lifeguard Services contract has been delivered in a professional manner and continues to meet all performance outcomes required. This report recommends that Council exercise the option to extend the contract for a further term of five years in recognition of the continued professional delivery of lifeguard services by Surf Life Saving Queensland over the past four years.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Lifeguard Services Contract" and
- (b) delegate authority to the Chief Executive Officer to exercise the option to extend the Lifeguard Services contract with Surf Life Saving Queensland for a further five years from 29 October 2017.

FINANCE AND RESOURCING

The current operational budget for providing lifeguard services including the service contract and the contract management and compliance is \$4,331,334.

The transition to the outsourced contract model has reduced Council's internal costs of payroll, human resource management, and fleet and plant services.

The contract includes a contract price adjustment based on annual Consumer Price Index and also allows for adjustments should additional services be required by Council.

CORPORATE PLAN

Corporate Plan Goal:	<i>A Strong Community</i>
Outcome:	Safe and healthy communities
Operational Activity:	Develop partnerships and programs which encourage residents to lead a more active lifestyle

CONSULTATION

Portfolio Councillor Consultation

Councillor T Hungerford, Portfolio Councillor Governance and Customer Service

Internal Consultation

- Director Economic Development and Major Projects
- Manager Commercial
- Manager Procurement and Contracts

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

There has been no community engagement undertaken in relation to this report.

PROPOSAL

Council resolved at its Ordinary Meeting of 23 August 2012 to delegate to the Chief Executive Officer to implement the service review outcomes for the lifeguard services (OM12/117).

At that time, Council had determined that the purpose of the strategic service sustainability review was to examine the significant pressures and challenges facing Council's Lifeguard Service to ensure its ongoing quality.

The key pressures and challenges of which Council was aware included significant growth in demand, greatly reduced capacity for external funding (that is, loss of sponsorship from

Suncorp, developer agreements expiring, removal of levies), growing costs in resourcing, and the difficulty of providing ongoing development and training of a large and specific employee group.

On 29 October 2012, Sunshine Coast Council commenced a contract with Surf Life Saving Queensland for the provision of Lifeguard Services for an initial term of five years. Through the contract, SLSQ and the Australian Lifeguard Service Queensland (ALSQ) work directly with Council to watch over and protect beachgoers across the region.

The Lifeguard Services contract includes the Noosa Council region which was, at that time, part of the Sunshine Coast Council region.

The current contract contains schedules for both Sunshine Coast Council and Noosa Council beaches, with associated costs. It is anticipated that the contract will be extended in its current form with the schedule of costs for both Sunshine Coast and Noosa Councils. It is understood that Noosa Council will also be considering the extension to this contract early in 2017.

On 29 October 2017, the contract for Lifeguard Services expires. A provision of the contract (Clause 11.2) provides Council with an option to extend the contract for a further five years by way of a notice delivered not earlier than nine months and not later than six months prior to the commencement of the second term on 29 October 2017.

As per the contract, which is administered by the Holiday Parks and Lifeguard Services team within the Commercial Branch of Economic Development and Major Projects, Lifeguard Services have been delivered in a professional manner and continue to meet all performance outcomes required.

Surf Life Saving Queensland has continued to replace and update the fleet and equipment to meet the demands of the service contract to professionally deliver the lifeguard services.

Surf Life Saving Queensland, through the Australian Lifeguard Service, currently employs 31 permanent lifeguards, three supervisors, and up to 98 casual lifeguards in peak periods to provide services on 27 beaches within the Sunshine Coast Council region. All lifeguards are given specific training in rescue techniques, resuscitation and lifesaving procedures utilising up to date lifesaving equipment. The lifeguards satisfy nationally recognised competencies under the public safety training package.

Surf Life Saving Queensland is a registered training organisation and has qualified trainers, assessors and facilitators to ensure the lifeguards are competently trained in all areas of aquatic safety. Lifeguard Services are predominantly dedicated to patrolling the flagged bathing reserves, as well as responding to emergency call outs.

Surf Life Saving Queensland further supports Lifeguard and Club patrols by providing the following:

- Radio Communication Network 365 days each year
- State Operations Communication Centre
- Dedicated after hours call out system
- Westpac Lifesaver Rescue Helicopter services
- Jet Ski Roving Patrols
- Duty Officer System
- 24 hour response call out teams.

Legal

Clause 11.2 of the existing Lifeguard Services contract enables the extension of the contract for a further five years.

Policy

The existing Lifeguard Services contract has been established in accordance with the service review outcomes as resolved by Council at its Ordinary Meeting of 23 August 2012.

Risk

The existing Lifeguard Services contract has been developed to manage Council's risks in the delivery of Lifeguard Services. The proposed extension of the contract for a further five years will continue to mitigate risks.

Previous Council Resolution**Ordinary Meeting of 23 August 2012 (OM12/117)**

That Council:

- (a) *is satisfied that, because of the specialised nature of the services, it would be impractical or disadvantageous to invite quotes or tenders and*
- (b) *delegate authority to the Chief Executive Officer to implement the service review outcomes as discussed in the confidential session.*

Related Documentation

Contract No SPC 1582: *Provision of Lifeguard Services and Transition of Assets and Employees*

Critical Dates

The initial Lifeguard Services contract period expires on 29 October 2017. This contract contains an option for Council to extend the contract for a further five years by giving notice to Surf Life Saving Queensland not earlier than nine months and not later than 6 months before the expiry date. Written notice needs to be provided between 29 January and 29 April 2017.

Implementation

If Council recommends to delegate authority to the Chief Executive Officer to exercise the option to extend the Lifeguard Services contract with Surf Life Saving Queensland for a further five years from 29 October 2017, officers of the Holiday Parks and Lifeguard Services team will prepare written notice (during the period 29 January - 29 April 2017) for the Chief Executive Officer to advise Surf Life Saving Queensland of the extension.

8.6.2 REVIEW OF TOURISM TRANSITION ACTION PLAN

File No:	Council meetings
Author:	Industry Investment Facilitator Economic Development and Major Projects Department
Attachments:	Att 1 - Tourism Transition Advisory Board - Transition Action Plan (February 2010) 73/140

	Att 2 - Ordinary Meeting Minutes 18 March 2010 (Council Resolution OM10/048) 139/140

PURPOSE

The purpose of this report is to provide an update on how the current practices of the regional tourism organisation reflect relevant Council resolutions (OM 10/048) relating to the Tourism Reform -Transition Action Plan (TAP) tabled at the Ordinary Meeting of 18 March 2010.

EXECUTIVE SUMMARY

In June 2008 Council, acting on advice from the tourism industry, instigated a review into the investment in tourism marketing. As a result, in December 2008, Council agreed to facilitate the establishment of a new single regional tourism entity to commence trading on or before 1 July 2010.

In March 2009, a Tourism Transition Advisory Board (TTAB) was formed and tasked by Council to recommend a model to drive the future focus of regional tourism marketing and development initiatives. The TTAB produced a Transition Action Plan (Attachment 1) that recommended a structure for a regional tourism body and the method of transition to this body. This plan was the result of extensive consultation and negotiation with the regional tourism industry.

The Transition Action Plan (TAP) called for the establishment of a new Destination Management Organisation (DMO) to become the regional body for tourism marketing. The TAP recommended the primary role of the DMO was to market the Sunshine Coast region, coordinate industry and product development, and act as the body to negotiate with relevant State and Federal government agencies.

In March 2010, Council considered the Transition Action Plan and resolved a range of matters relating to the reform of regional tourism marketing and development (OM 10/048, Attachment 2). The Tourism Reform OM 10/048 resolutions that relate to the current practices of the regional Destination Management Organisation are:

ITEMS

- a. *endorse the integrated industry sanctioned regional tourism Option 2 model ... that has the capability to deliver Council, key stakeholders and the industry's desired outcomes;*
- b. *be guided by the recommendations in the Transition Action Plan requests the Chief Executive Officer to:*
 - i. *facilitate the establishment of a new company limited by guarantee as the legal structure to enable the formation of a single regional tourism entity for the region. As determined in (d) above, a Destination Management Organisation owned by members to commence trading by 1 July 2010;*

- ii. *enter into a Service Level Agreement, which will include, amongst other things, Key Performance Indicators, between Council and the Destination Management Organisation*

AND

- (k) *request the Chief Executive Officer, after consultation with stakeholders, provide a further report to Council:*
 - (i) *recommending seven (7) independent Non-Executive Board Directors for consideration to serve as inaugural directors of the newly formed Destination Management Organisation based on the skills identified in the Transition Action Plan on pages 26 and 27.*

Following the March 2010 Ordinary meeting all Tourism Reform OM 10/048 resolutions were implemented in accordance with the specific details of each resolution. However, since the 2010 establishment of a regional Destination Management Organisation, now known as Visit Sunshine Coast, there have been some changes in the *Industry Sanctioned Option 2* model. Such changes were triggered by the de-amalgamation of Noosa Council and reflect the results of ongoing industry consultation.

OFFICER RECOMMENDATION

That Council receive and note the report titled “Review of Tourism Transition Action Plan”.

FINANCE AND RESOURCING

The Visit Sunshine Coast Funding and Performance Deed (item 5.1) states:

On or about 1 July 2015 and subject to Council approval of the annual Business Plan, Council will approve funding of the Tourism Program for three (3) years. The level of funding for 2015-2016 will be \$3,760,000 (ex GST). The level of funding for each subsequent year will be at least equal with the previous year’s funding.

This funding is reviewed annually as part of the Budget Review process.

CORPORATE PLAN

Corporate Plan Goal: *A new economy*
Outcome: 1.5 - A natural, major and regional event destination

CONSULTATION

Portfolio Councillor Consultation

Councillor J O’Pray, Portfolio Councillor for Tourism, Sport and Major Events

Internal Consultation

Director Economic Development and Major Projects
Manager Economic Development
Coordinator, Tourism and Major Events

External Consultation

Chief Executive Officer, Visit Sunshine Coast

Community Engagement

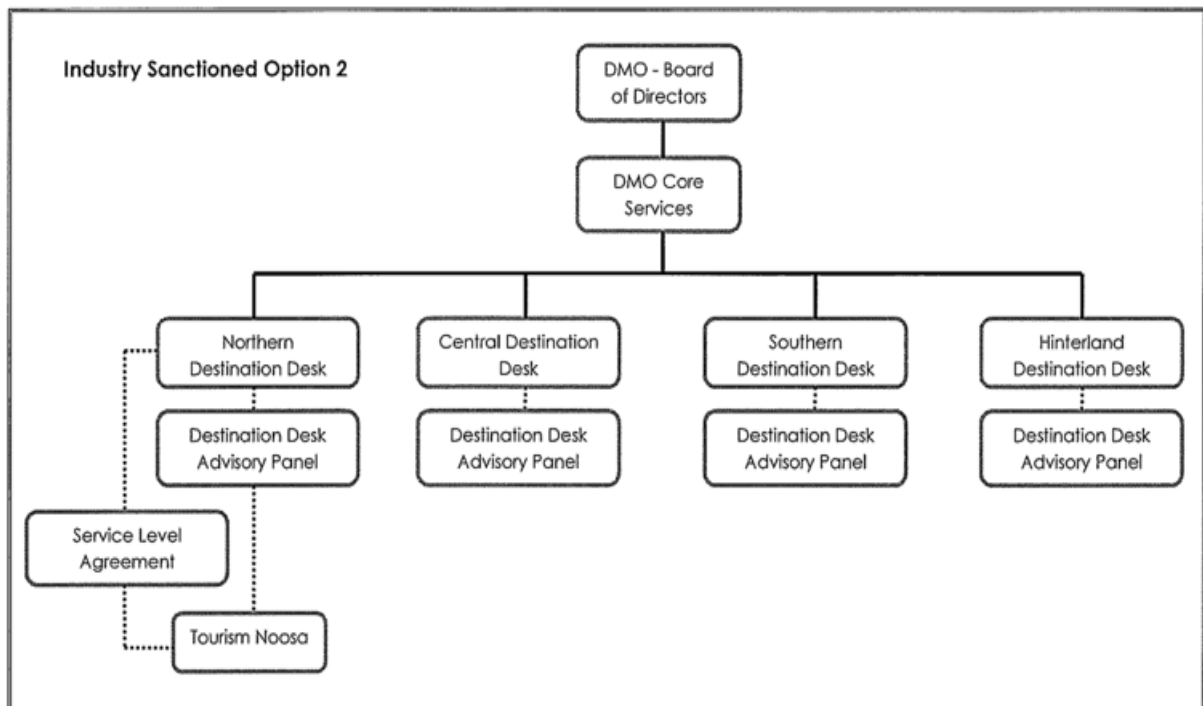
While community engagement is not applicable for this direct report, extensive community engagement was conducted across the Sunshine Coast in forming the basis of the recommendations contained in the Transition Action Plan.

Visit Sunshine Coast conducts a member satisfaction survey annually. Member satisfaction as at January 2016 was rated at 93%, up from a rating of 83% for the previous year.

PROPOSAL

In June 2008 Council, acting on advice from the tourism industry, instigated a review into Council’s strategic investment in tourism. As a result the Stafford Group was appointed to consult widely within the industry and produce a report, including recommendations, to provide the strategic direction for the industry going forward. Following receipt and acceptance of the Stafford Report in December 2008, Council resolved to facilitate the establishment of a new single regional tourism entity to commence trading on or before 1 July 2010.

To facilitate this a Tourism Transition Advisory Board was formed by Council in March 2009. The TTAB was tasked to recommend a solution offering “a fully integrated regional tourism model where the industry, through destination desks, drove the future focus of regional tourism marketing and development initiatives (a bottom up approach to creating an industry driven solution for tourism growth).” Following extensive industry consultation, a Transition Action Plan was produced and circulated to the industry in February 2010 (Attachment 1) to provide recommendations for the structure of a regional tourism body and the method of transition to this body. The *Industry Sanctioned Option 2* model referred to in OM 10/048 resolutions (d) is set out page 13 of the TAP, as shown below:



The Industry Sanctioned model consisted of a single Destination Management Organisation that would become the regional body for tourism marketing. The DMO would be governed by a Board of Directors and comprise four Destination Desks, each supported by an Advisory Panel.

On 1 July 2010, in accordance with Council resolution OM 10/048 (e)(1), a new company limited by guarantee came into effect as the regional Destination Management Organisation and became the recognised Regional Tourism Organisation (RTO) for the Sunshine Coast.

The DMO was originally named Destination Sunshine Coast, then renamed Sunshine Coast Destination Limited (SCDL) by the board. On 30 November 2015, SCDL adopted the trading name Visit Sunshine Coast (VSC), which remains its current trading name.

At the time of establishment Visit Sunshine Coast, formerly known as Destination Sunshine Coast comprised a Chief Executive Officer, core staff, and four Destination Desks (Noosa, Maroochy, Caloundra and Hinterland). Its primary role was to market the Sunshine Coast region, coordinate industry and product development, and act as the body to negotiate with relevant State and Federal government agencies. The Destination Desks were charged with promoting and marketing their specific areas.

The Tourism Transition Advisory Board's included Destination Desks within the Industry Sanctioned model in recognition that in addition to a strong regional brand, there was also a need for a suite of brands to identify and resonate with sub-regional areas. The Transition Action Plan however, recommended "that a suite of destination brands be developed in tandem with the regional brand to reflect the strength of the region's destinations and the need to continue to differentiate the region and its experiences". This recommendation has since been followed and completed.

In accordance with the Transition Action Plan, the original structure of Visit Sunshine Coast comprised the four Destination Desks reporting to a CEO of the DMO. Four Destination Desk Advisory Panels were also established from each of the geographic areas to provide assistance and advice to the Destination Desk Manager.

It should be noted that only three of the four Local Tourism Organisations agreed with the recommendations of the Tourism Transition Advisory Board to establish a single Destination Management Organisation - Tourism Noosa opted not to participate until after an interim period of time to assess the success of the DMO model once it was operational. Noosa Council did agree to financially support the DMO however this support ceased upon the election of the de-amalgamated Council in January 2014. Funding ceased on 30 June 2015.

The withdrawal of support and subsequently funding from Noosa Council triggered a review of the Destination Management Organisation's structure. The review was also considered important given industry needs are not static and it had been more than four years since the organisation was established. As a result of these factors, in early 2015 the board of Visit Sunshine Coast changed the DMO structure. Destination Desks were replaced by industry experts in specific areas such as Major Events, Digital Marketing, Social Media, Business Events and International Operations. Under the current structure these industry experts now work across the entire region in their specific fields.

Economic Development believes that Visit Sunshine Coast is currently performing the role of Regional Tourism Organisation very well as most tourism indices including international and interstate visitations have increased and marketing campaigns appear to be well thought out, planned and executed. Furthermore, the most recent *Performance Review of the Sunshine Coast Council Tourism and Major Events Levy*, completed in 2015, determined that there was a regional economy benefits of \$18 for each dollar invested by Council through the Tourism and Major Events Levy. This shows an increase of \$2.50 on the assessed \$15.50 return on investment realised in 2012.

The table below sets out a summary of the status of relevant OM 10/048 resolutions.

Relevant OM 10/048 Resolutions	Current Status
(d) <i>endorse the integrated industry sanctioned regional tourism Option 2 model (...) that has the capability to deliver Council, key stakeholders and the industry's desired outcomes;</i>	The organisational structure for Visit Sunshine Coast (VSC) formerly Destination Sunshine Coast was set up in accordance with Option 2 model, including sub-region managers and advisory panels. This structure remained in place until Noosa Council withdrew funding in 2015 triggering an organisational review and restructure.

	<p>The organisational review and current structure of VSC was informed by industry consultation. In early 2015, Destination Desks and TDMs were dispensed with by the board of VSC and replaced by industry experts in specific areas such as Major Events, Digital Marketing, Social Media, Business Events and International Operations. These industry experts now work across the entire region in their specific fields.</p> <p>Visit Sunshine Coast consult with the sub-regions and is planning to reintroduce a sub-regional committee to inform branding and marketing activities.</p>
<p>(e) <i>be guided by the recommendations in the Transition Action Plan requests the Chief Executive Officer to:</i></p> <p>(i) <i>facilitate the establishment of a new company limited by guarantee as the legal structure to enable the formation of a single regional tourism entity for the region. As determined in (d) above, a Destination Management Organisation owned by members to commence trading by 1 July 2010;</i></p> <p>(ii) <i>enter into a Service Level Agreement, which will include, amongst other things, Key Performance Indicators, between Council and the Destination Management Organisation</i></p>	<p>VSC, formerly Destination Sunshine Coast was established as a company limited by guarantee. This company structure remains in place today.</p> <p>VSC has a Funding and Performance Deed with Council that sets out key performance indicators. VSC performance targets are considered by Council as part of the annual budget process.</p>
<p>(k) <i>request the Chief Executive Officer, after consultation with stakeholders, provide a further report to Council:</i></p> <p>(i) <i>recommending seven (7) independent Non-Executive Board Directors for consideration to serve as inaugural directors of the newly formed Destination Management Organisation based on the skills identified in the Transition Action Plan on pages 26 and 27.</i></p>	<p>The original Board was established with nine Directors, six skilled and three members.</p> <p>VSC currently has a board comprised of five independent Non-Executive Directors recruited on skills as identified in the Transition Action Plan and three member elected Directors.</p>

Issues

Since its establishment, the organisational structure of Visit Sunshine Coast has evolved from geographical alignment to functional alignment. As a result, the role of Destination Desk Managers have been replaced by functional experts.

As an independent company limited by guarantee it is within the scope of the Board's authority to determine the most appropriate structure to achieve the organisation's corporate objectives.

Furthermore, for the purposes of the *Corporations Act*, any person not formally appointed as a company director (or listed on ASIC records) whose instructions or wishes the directors of the company follow ("shadow director") attract all of the legal obligations, duties and liabilities that attach to any other director of a company. For this reason Council cannot direct Visit Sunshine Coast on internal operational matters.

Legal

There are no legal implications relevant to this report.

Policy

Since the acceptance of the recommendations outlined in the Transition Action Plan, Council has introduced the Regional Economic Development Strategy (REDS) as well as the Tourism, Sport and Leisure - Industry and Investment Plan which have strengthened Council's commitments and actions within the tourism sector. Council commissioned an independent report to review the performance of the Tourism and Major Event Levy in May 2015; this showed a return on investment of \$18 for every dollar invested through the levy an increase from the \$15 for every dollar invested from a similar 2012 report and analysis.

Risk

The tourism industry is not without a high element of risk and is subject to fluctuations due to the economic climate and environmental conditions. Notwithstanding these issues, which are largely outside of the control of Visit Sunshine Coast, the organisation has over the last 24 months developed a vision to 2020 via its Destination Tourism Plan. This document details plans for significant growth, and increased member satisfaction of its services has risen by 10% to 93%. Further, Tourism and Events Queensland has rated Visit Sunshine Coast as the equal second best performed Regional Tourism Organisation in Queensland.

Previous Council Resolution**Ordinary Meeting 18 March 2010 (OM10/048)**

That Council:

- (a) *receive and note the report titled "Tourism Reform – Transition Action Plan";*
- (b) *note the Tourism Transition Advisory Board Transition Action Plan document dated February 2010 (Attachment 1) and the extensive recommendations contained within this document;*
- (c) *acknowledge the significant contribution and commitment that the Tourism Transition Advisory Board members and the Project Manager have made in consulting and negotiating extensively with the regional tourism industry culminating in this report;*
- (d) *endorse the integrated industry sanctioned regional tourism Option 2 model (Appendix A) that has the capability to deliver Council, key stakeholders and the industry's desired outcomes;*
- (e) *be guided by the recommendations in the Transition Action Plan requests the Chief Executive Officer to:*

- (i) facilitate the establishment of a new company limited by guarantee as the legal structure to enable the formation of a single regional tourism entity for the region as determined in (d) above, a Destination Management Organisation owned by members to commence trading by 1 July 2010;*
- (ii) enter into a Service Level Agreement, which will include, amongst other things, Key Performance Indicators, between Council and the Destination Management Organisation; and*
- (iii) develop a joint government, industry and Council communication strategy;*
- (f) request the Chief Executive Officer, after consultation with stakeholders, provide a further report to Council:*
 - (i) recommending seven (7) independent Non-Executive Board Directors for consideration to serve as inaugural directors of the newly formed Destination Management Organisation based on the skills identified in the Transition Action Plan on pages 26 and 27;*
 - (ii) recommending a whole of region Tourism and Economic Development levy model for consideration during 2010/2011 budget process; and*
 - (iii) recommending models for consideration that will deliver a more efficient and cost effective market driven regional Visitor Information Centre program, taking into account best practice and industry views;*
- (g) invite the Tourism Transition Advisory Board to present the region's Annual Business Plan for consideration during the 2010/2011 budget process; and*
- (h) request the Chief Executive Officer to provide a further report to Council outlining the establishment of the Major Events governance structure, providing details of the proposed charter, role, structure and membership prior to 30 June 2010.*

Related Documentation

Tourism Transition Advisory Board – Transition Action Plan

Sunshine Coast Destination Limited – Funding and Performance Deed dated 14 April 2015

Critical Dates

There are no critical dates relevant to this report.

Implementation

There is no implementation relevant to this report. Council maintains regular communication with Visit Sunshine Coast officers on an operational basis, and VSC presents to Council twice-yearly on its annual report and budget requirements. These communication activities will be ongoing.

9 NOTIFIED MOTIONS**10 TABLING OF PETITIONS**

Petitions only eligible for submission if:

- * Legible
- * Have purpose of the petition on top of each page
- * Contain at least 10 signatures
- * Motion limited to:
 - Petition received and referred to a future meeting
 - Petition received and referred to the Chief Executive Officer for report and consideration of recommendation
 - Petition not be received

11 CONFIDENTIAL SESSION**11.1 PLANNING AND ENVIRONMENT****11.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - SUBMISSION TO
DRAFT SOUTH EAST QUEENSLAND REGIONAL PLAN OCTOBER 2016
("SHAPINGSEQ")**

File No: Council meetings
Author: Coordinator Regional Planning and Advocacy
Planning and Environment Department

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

11.2 CORPORATE SERVICES**11.2.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - QUARTERLY
PROGRESS REPORT - QUARTER 2, 2016/2017**

File No: Council Meeting
Author: Manager Corporate Governance
Corporate Services Department

This report is confidential in accordance with section 275 (f) of the *Local Government Regulation 2012* as it contains information relating to starting or defending legal proceedings involving the local government.

**11.2.2 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - COMPULSORY
ACQUISITION NATIVE TITLE AT BEERWAH**

File No: F2015/14856
Author: Senior Property Officer
Corporate Services Department

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

**11.2.3 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - COMPULSORY
ACQUISITION OF NATIVE TITLE AT CALOUNDRA**

File No: ACQ0143
Author: Senior Property Officer
Corporate Services Department

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

**11.2.4 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - COMPULSORY
ACQUISITION OF LAND AT MONS ROAD FOREST GLEN PART OF LOT
4 SP 254405 & PART OF LOT 5 SP254405**

File No: 21696
Author: Senior Property Officer
Corporate Services Department

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

**11.2.5 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - NORTHERN
SECONDARY DEPOT SITE**

File No: F2015/11178
Authors: Manager Property Management
Corporate Services Department
Project and Development Officer
Economic Development and Major Projects Department

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

11.3 ECONOMIC DEVELOPMENT AND MAJOR PROJECTS

Nil

11.4 INFRASTRUCTURE SERVICES

Nil

11.5 COMMUNITY SERVICES

**11.5.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - LEASE ARRANGEMENT
- COOLUM CIVIC CENTRE**

File No: Council meetings
Author: Manager Community Facilities & Planning
Community Services Department

This report is confidential in accordance with section 275 (e) of the *Local Government Regulation 2012* as it contains information relating to contracts proposed to be made by Council.

12 NEXT MEETING

The next Ordinary Meeting will be held on 23 March 2017 in the Council Chambers, 1 Omrah Avenue, Caloundra.

13 MEETING CLOSURE