

# Agenda

## **Ordinary Meeting**

**Thursday, 19 April 2018**

**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 22 March 2018 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 CUSTOMER ENGAGEMENT AND PLANNING SERVICES****8.1.1 DEVELOPMENT APPLICATION FOR A MATERIAL CHANGE OF USE  
(INTEGRATED TOURIST FACILITY) AT 24 & 26 BOX STREET, BUDERIM**

<b>File No:</b>	<b>MCU15/0270</b>
<b>Author:</b>	<b>Manager Development Services Customer Engagement &amp; Planning Services Group</b>
<b>Appendices:</b>	<b>App A - Conditions of Approval .....17</b> <a href="#">↓</a>
<b>Attachments:</b>	<b>Att 1 - Detailed Assessment Report .....59</b> <a href="#">↓</a>
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	<b>Att 6 - Conditioned Overlay Plans .....177</b> <a href="#">↓</a>
	<b>Att 7 - Infrastructure Agreement.....Pg 5/72</b>

**Link to PD Online:**

<http://pdonline.sunshinecoast.qld.gov.au/MasterView/Modules/Applicationmaster/default.aspx?page=wrapper&key=1716876>

<b>SUMMARY SHEET</b>	
<b>APPLICATION DETAILS</b>	
<b>Applicant:</b>	Mr KM Carroll, Ms H Meyer
<b>Proposal:</b>	Development Permit for Material Change of Use of Premises (Integrated Tourist Facility)
<b>Properly Made Date:</b>	26 November 2015
<b>Information Request Date:</b>	22 January 2016 4 January 2017 – Outstanding Issues sent
<b>Info Response Received Date:</b>	19 October 2016 26 April 2017 – Response to Outstanding Issues
<b>Decision Due Date:</b>	1 June 2017 – 1 <sup>st</sup> 20 days 30 June 2017 – 2 <sup>nd</sup> 20 days
<b>Number of Submissions During Public Notification:</b>	TOTAL of 363 submissions <ul style="list-style-type: none"> <li>• 337 properly made</li> <li>• 292 support and 43 against and 2 neutral</li> <li>• 26 not properly made</li> <li>• 329 were proforma</li> </ul>
<b>PROPERTY DETAILS</b>	
<b>Division:</b>	7 – Councillor E Hungerford
<b>Property Address:</b>	24 & 26 Box Street BUDERIM
<b>RP Description:</b>	Lot 7 RP 176066

	Lot 5 RP 27823
<b>Land Area:</b>	Lot 7 – 28,151m <sup>2</sup> Lot 5 – 12,570m <sup>2</sup> Total – 40,721m <sup>2</sup>
<b>Existing Use of Land:</b>	Single detached house
<b>STATUTORY DETAILS</b>	
<b>Planning Scheme:</b>	Maroochy Plan 2000 (16 September 2013)
<b>SEQRP Designation:</b>	Urban Footprint
<b>Strategic Framework Land Use Category</b>	Rural or Valued Habitat
<b>Planning Area:</b>	6 – Buderim
<b>Precinct:</b>	5 – Buderim Non-Urban
<b>Precinct Class:</b>	General Rural Lands
<b>Assessment Type:</b>	Impact Assessable

## PURPOSE

The purpose of this report is to seek Council's determination of an application for a Development Permit for Material Change of Use of Premises (Integrated Tourist Facility) at 24 & 26 Box Street, Buderim. The application is before Council at the request of a Councillor.

This application is assessed against the Maroochy Plan 2000 (the "planning scheme").

## EXECUTIVE SUMMARY

The application seeks approval for an Integrated Tourist Facility and associated facilities including a 111 room short term accommodation, function facility, restaurants and day spa.

The application proposes to increase the local offering of luxury accommodation product in the Sunshine Coast tourism market, by partnering with a luxury branded hotel to operate a 5+ star resort and spa within a unique setting on the Buderim escarpment overlooking the southern coastal areas of the Sunshine Coast.

The resort application proposes positive benefits to the Sunshine Coast economy and a diversification to the Sunshine Coast tourism market, but would also be in conflict with the planning scheme with respect to matters of zoning and land use. The application proposes a combination of demonstrated merit and "sufficient grounds" under the *Sustainable Planning Act 2009*, being matters in the public interest, to legally enable an approval despite the conflicts with the Maroochy Plan 2000. The application seeks to overcome the planning conflicts by means of a community benefits package that includes among other things:

- delivery of a high-end 5 star hotel and conference facilities to satisfy current and future tourism demand for luxury accommodation product on the Sunshine Coast
- transfer of approximately 3,000m<sup>2</sup> of vegetated escarpment land into public ownership for bushland reserve purposes, to link with other publicly-owned environmental lands adjoining the subject site
- delivery of an environmentally sustainable development outcome with buildings that are to be certified as achieving a 6 Star Green Star rating and an Advanced ECO rating from Ecotourism Australia
- provision of drainage easements through the subject site to provide lawful discharge rights to upstream properties.



The applicant has also agreed to enter into an Infrastructure Agreement with Council to provide sufficient security with respect to delivery of the proposed community benefits.

292 of the 337 properly made submissions received were in support of the development for reasons mainly relating to economic and tourism benefits of the proposal.

Under the planning scheme, the site is located within the Buderim Non-Urban precinct, the intent statements for which state that: “*land in this Precinct is generally not considered suitable for urban development due to its environmental and landscape values*” and that: “*any development should be located and designed such that it has minimal impact on the landscape. Development should be sited and designed to avoid destruction of mature vegetation and habitats, erosion and extensive earthworks. Lightweight structures that complement their dramatic bushland setting are envisaged.*”

The application proposes to deal with the building bulk and visibility issues by a combination of expansive roof garden systems on the roofs of the accommodation suites and an uncompromised 10 metre vegetated buffer around the perimeter of the site, which has been made possible by a reduction in development footprint and scale recently submitted by the applicant. The reduced development footprint and increased landscaping features located entirely on the subject site would serve to minimise the impacts of the development as viewed from nearby properties and further afield.

The *Code for Development on Steep and Unstable Land* seeks to minimise the extent of earthworks and disturbance of steep and unstable land by new development. The applicant submitted a geotechnical report to address the site’s mapped high and very high landslide hazard risk and to demonstrate that the proposed development can maintain the stability of the site and of surrounding properties.

While the application would cause some zoning and land use conflicts with the Maroochy Plan 2000, the community benefits offered by the proposal, particularly in relation to tourism and the delivery of a luxury 5-star hotel and conference facilities for the Sunshine Coast, aided by the security of an Infrastructure Agreement, is considered to satisfy the legal test of sufficient grounds under the *Sustainable Planning Act 2009*. The application is therefore recommended for approval subject to strict conditions to manage all aspects of the construction and operational phases of the development and minimise the development’s impact in the locality.

## OFFICER RECOMMENDATION

**That Council APPROVE with Conditions Application No. MCU15/0270 and grant a Development Permit for Material Change of Use (Integrated Tourist Facility) situated at 24 & 26 Box Street, Buderim in accordance with the Conditions of Approval (Appendix A).**

## FINANCE AND RESOURCING

If Council were to approve this development, the applicant would be required to pay infrastructure charges. Council’s Transport and Infrastructure Policy Branch has provided an estimate of the infrastructure charges required by this development to be \$1,163,861.

## CORPORATE PLAN

**Corporate Plan Goal:** *Service excellence*

**Outcome:** 4.3 Service quality assessed by performance and value to customers

**Operational Activity:** 4.3.4 Position Development Services to effectively meet business requirements into the future with a focus on statutory compliance, ensuring timely decision making, positive customer experiences and strong industry engagement

## CONSULTATION

### Internal Consultation

The application was forwarded to the following internal Council specialists and their assessment forms part of this report:

- Development Engineer, Engineering and Environment Assessment Team
- Urban Designer, Planning Assessment Team
- Hydraulics and Water Quality Specialist, Engineering and Environment Assessment Team
- Landscape Officer, Engineering and Environment Assessment Team
- Environment Officer, Engineering and Environment Assessment Team
- Ecology Specialist, Engineering and Environment Assessment Team
- Traffic Engineering, Engineering and Environment Assessment Team
- Head of Economic Development, Economic Development Branch
- Coordinator, Planning Scheme and Projects, Strategic Planning Branch
- Sustainability Project Officer, Environment and Sustainability Policy Branch
- Coordinator, Natural Areas Management, Environmental Operations Branch

Councillors have been briefed throughout the process.

### External Consultation

The application was referred to Department of Transport and Main Roads for third party advice.

The Department responded (see Attachment 3) stating that should the development be approved, there would be a requirement for an upgrade to the Box Street and King Street intersection to provide turning lanes.

### Public Notification

The application was publicly notified for 15 days in accordance with the requirements of the *Sustainable Planning Act 2009*. A total of 363 submissions were received during the public notification period, including 337 properly made submissions and 26 not properly made submissions. Of those submissions, 292 were in support, 43 were objecting and 2 were neutral to the development. 329 of the submissions were proforma.

### Related Documentation

A copy of the officers' full and detailed assessment report is included as Attachment 1 to this report. The detailed assessment report contains all the specific assessment details under the planning scheme considered in Council's assessment of this application.

### Independent Peer Reviews

Independent peer reviews were obtained in the fields of Geotechnical Engineering (Attachment 4) and Economic Assessment (Attachment 5). Their advice informs this report.

## PROPOSAL

### Application Details

The application seeks material change of use approval for an Integrated Tourist Facility to be operated as a luxury resort and spa. The development proposes the following elements:

- A total of 111 hotel suites each ranging in size from 80 to 84m<sup>2</sup>. The proposed accommodation suites step down the escarpment with building heights generally up to 10 metres high from natural ground level.

- The Birdwing Building consisting of 3,815m<sup>2</sup> of floor area and accommodating two restaurants, conference / function facilities, lounge areas, a resort pool and recreation event areas. The Birdwing Building incorporates two levels of basement with 133 car parking spaces and a services area. The building has two storeys above the basement carpark with a total building height up to approximately 14.9 metres high from excavated ground level.
- A wellness spa incorporating a floor area of 1,015m<sup>2</sup> and accommodating spa treatment rooms, gym, sauna, hair and beauty salon and a swimming pool. The wellness spa building includes a basement level with 30 car parking spaces.
- A Services Building and Glasshouse café which includes 226m<sup>2</sup> of services (including generator, linen room, cold room).
- A 3 bedroom manager's residence and a 3 bedroom caretaker's residence.
- A swimming pool and amenities.
- A mini-funicular (mountain rail car) to access the lower units on the site.

The proposal is depicted in the Proposed Plans (Attachment 2).

### **Proposed Economic Benefits**

An Economic Benefits Overview document was provided as part of the submitted application materials, which includes the following statements:

- The project is a significant tourism and construction project for the Sunshine Coast (estimated to be \$95 million).
- In addition to construction value, the development would have an indirect and induced value added flow-on effect of some \$80.5 million.
- Combined, the direct and indirect impact of the proposed resort on the Sunshine Coast economy would be more than \$175 million, representing some 0.6% of local GRP.
- Some 290 full time equivalent workers would be employed during the construction phase of the resort.
- During the construction phase, there would be an additional indirect or flow-on effect of some 95 full time equivalent workers.
- During the operational phase, there would be ongoing employment opportunities for some 125 full time equivalent workers each year.
- Operational turnover and flow-on economic benefit to the Sunshine Coast economy would be some \$25 million per annum.
- The proposed resort is projected to attract some 55,000 overnight visitors to the resort per annum.
- Overnight visitors to the resort would contribute some \$35 million in expenditure to the local economy per annum.

## **ASSESSMENT**

### **Assessment of Development Benefits**

The assessment has determined that, relative to other destinations, the Sunshine Coast is presently lacking in terms of luxury accommodation product. If delivered successfully, the development could contribute to increasing the local offering of luxury accommodation product in the Sunshine Coast tourism market. Further, the development of additional tourism product away from key coastal attractions would assist in the diversification of

tourism product and aid in encouraging greater tourist visitation to Sunshine Coast locations away from the coastal strip.

The development application is assessed as aligning well to current and future needs in terms of tourism product and has many attractive and advantageous features for the Sunshine Coast as a tourism destination, including its luxury status, size/scale, function areas and unique location that could add to diversification of the tourist accommodation options presently available.

During both its construction and operational phases, the resort development would provide employment opportunities and have positive economic benefits to the Sunshine Coast economy. Locally, for the Buderim village centre precinct, the development would have positive impacts to the extent that local shopping trade is boosted by increased visitation, but noting the development would also provide more competition among local restaurants.

### **Land Use Suitability and Building Scale**

The development is located within the Buderim Non-Urban (General Rural Lands) Precinct of the Buderim Planning Area. The primary role of this precinct is to conserve and enhance the conservation and habitat values and landscape character of its remnant bushland. It also makes statements that this part of the escarpment is not considered suitable for urban development due to its environmental and landscape values.

The subject site is constrained by steep land and potential land slip hazard as well as significant vegetation that supports ecological, scenic and character values. The planning scheme states that any form of new development needs to protect these values.

The Landscape and Built Form statement for the precinct states that *“Any development should be located and designed such that it has minimal impact on the landscape. Development should be sited and designed to avoid destruction of mature vegetation and habitats, erosion and extensive earthworks. Lightweight structures that complement their dramatic bushland setting are envisaged.”*

The development proposes a large scale urban use of a size and scale that could not be said to maintain the non-urban landscape intended for this rural zoned land, and therefore proposes a conflict with the land use and zoning provisions of the Maroochy Plan 2000. The development would result in the removal of vegetation within the northern part of the site and proposes extensive excavation with cuts and retaining walls exceeding 8 metres in height across the escarpment.

Although vegetation will be removed, an uncompromised 10 metre vegetated buffer around the perimeter of the site will serve to minimise the impacts of the development as viewed from nearby properties and further afield. Furthermore, the application proposes to overcome these land use conflicts by means of community and economic public interest benefits amounting to “sufficient grounds” under the *Sustainable Planning Act 2009*, as discussed in this report.

### **Steep Land, Earthworks and Geotechnical Assessment**

The Maroochy Plan 2000 overlay mapping identifies the development site with a slope of greater than 25 percent and the site is mapped as predominantly high landslip hazard with areas of very high landslip hazard.

The *Code for Development on Steep and Unstable Land* seeks to minimise the extent of earthworks and disturbance of steep and unstable land by new development. The development conflicts with the code by proposing a large extent of excavation with cuts and retaining walls ranging in size from 5.5 to almost 9 metres high. The applicant has advised that the development would involve approximately 44,000m<sup>3</sup> - 50,000m<sup>3</sup> of material to be excavated from the site.

The development also proposes clearing of vegetation on the northern part of the site and proposes to alter existing drainage lines.

The applicant submitted a geotechnical report to address the site's mapped high and very high landslip hazard risk and to demonstrate that the proposed development can maintain the stability of the site and of surrounding properties.

Due to the complex and constrained nature of the site and the extent of earthworks proposed, Council commissioned external independent peer reviews of the applicant's geotechnical report. The results of the peer review are provided in Attachment 4.

It is generally agreed by the geotechnical experts that the subject site can be made stable if undertaken as proposed and where constant monitoring (full time engineering supervision on site) by experienced geotechnical engineers is proposed. The site can be made stable by proposing complete removal of the surface level slip material from the site and by anchoring the development onto bedrock material on the Buderim escarpment. The geotechnical engineers agree that removing all of the soil from the site would likely result in the site being more stable once construction of the development is complete. However, this methodology does result in completely reshaping and benching the escarpment, resulting in large cuts and retaining walls, and is therefore generally in conflict with the planning scheme intent for development on steeply sloping land.

Council's peer reviewer identifies that the greatest potential for slope instability is during the construction phase and there is some risk during this stage. Given the size of the project, there is also risk for Council should the applicant not be able to complete the excavation / construction phase of the development for any reason and there would be significant work required to rectify and stabilise the site. To deal with this issue, the applicant has agreed for a monetary bond to be imposed as a security measure to mitigate this risk. Under a bond arrangement, Council would be entitled to call upon the bond to cover any costs incurred to stabilise and rehabilitate the site. It is recommended that standard bonding arrangements to this effect are imposed as conditions of any approval.

The development is considered to be inconsistent with the *Code for Development on Steep and Unstable Land* insofar as it would significantly alter the natural landform, drainage lines, and vegetation on the site and proposes urban development on slopes exceeding 25%. However, in terms of geotechnical stability, the development is able to be made safe through appropriate design and construction practices. Council's geotechnical peer reviewer has assisted in the preparation of a suite of geotechnical conditions that are recommended to be imposed on any approval, including conditions that require more detailed and thorough investigation and geotechnical design to be completed prior to the project proceeding to Operational Works application and approval processes.

### **Economic Assessment**

The applicant provided an economic impact assessment to support the proposed development. The applicant has identified that if a conflict with the planning scheme occurs, then one of the sufficient grounds to overcome that conflict is the economic benefits associated with the project. Furthermore, the submissions of support for the proposed development revolve predominantly around the economic benefits that the development would bring to Buderim and the greater region.

Council commissioned an independent peer review of the applicant's economic report to provide an expert opinion on the economic benefits proclaimed by the application. The results of the peer review are included in Attachment 5. Assessing staff also consulted internally with Council's Economic Development Branch.

The independent economic peer review confirms that a proposal of this nature (luxury resort accommodation) would provide value to the local tourism product offering and would provide a variety of economic benefits. It agrees that the development would provide an economic boost during the construction phase and would also provide positive economic benefits during operations of the resort.

The extent of the positive economic benefits of the project rely heavily on the actual delivery of a luxury 5-star product and would be diminished if the development were to instead downgrade to more standard type accommodation post construction or over time, or if a partnership with a luxury branded hotel operator were not able to be achieved for reasons such as uncertain financial feasibility in the project. To deal with this issue, the applicant has agreed to enter into an Infrastructure Agreement with Council that provides sufficient security with respect to delivery of the luxury 5-star status of the hotel, among other proposed community benefits. Conditions of approval are also recommended to require a minimum standard of luxury hotel design elements are incorporated into the design and constructed to ensure that it is primarily only 5-star hotel operators that are attracted to the project.

Overall, the proposed development would have a positive economic impact on the Sunshine Coast region.

### **Building Design and Sustainability**

The development proposal aims to establish as an 'eco-luxe' resort with a high degree of sustainable design features including green roofs, a commitment to "zero waste" and an intent to achieve a 6 Star Green Star rating from the Green Building Council of Australia as well as ECO and ROC Certification from Ecotourism Australia. Efforts to achieve sustainable building design are a welcome aspect of any development proposal. However, there may be some challenges with the current design concept that will be difficult to reconcile through to detailed design and construction. For example, the Green Star rating and ECO certifications will need to overcome the following to attain sufficient points via the mechanisms of the rating systems:

- the scale of the project as a multiple storey concrete construction with large amounts of embodied energy
- the requirement for large-scale excavation with cuts of up to 9 metres high into the hillside and consequential removal of vegetation, and
- the development's location on a southern slope, with little opportunity for direct natural light into units.

The applicant has submitted a letter from a Green Star Accredited Professional which states that there is no reason why the project cannot achieve a 6 Star Green Star rating based on the submitted design concept. The applicant has also agreed to enter into an Infrastructure Agreement with Council to secure the delivery of these building sustainability targets should an approval be granted for the development.

It is recommended that conditions of approval are imposed to ensure the development achieves the Green Star and Ecotourism certifications that have been proposed. The achievement of these are necessary to help justify the merit of the project despite the land use and zoning conflicts with the planning scheme discussed earlier.

### **CONCLUSION**

The proposed development is inconsistent with land use and zoning provisions under the Maroochy Plan 2000 for reasons that primarily include:

- the intended outcome for the Buderim escarpment to generally remain in a non-urban state with a landscaped character and limited building height, bulk and intensity of development, and
- the intent for very steep land exceeding 25% slopes within the planning scheme area to be left in an undeveloped state with the avoidance of extensive earthworks involving large cuts and retaining walls.

Despite these conflicts, the *Sustainable Planning Act 2009* provides an ability for an approval to be granted in circumstances where 'sufficient grounds' can be established, with sufficient grounds defined as meaning matters of public interest.

The application demonstrates that a compelling argument for sufficient grounds exists in this case due to the significance of the development as a tourism project and the ability to

contribute to satisfying a currently unmet demand for a genuine 5 star luxury resort and conference facilities on the Sunshine Coast. Additionally, the development proposes to design and construct the development to a high standard of building sustainability, and is able to secure all community benefits within a legally binding Infrastructure Agreement entered into with Council. The community and economic benefits associated with the project are echoed in the majority of submissions which were made in favour of the proposed development (292 in all).

The application has demonstrated that, subject to detailed and strict conditions imposed by any approval, the development can be constructed to manage all land constraints presented by the subject site and can operate with its potential impacts minimised to reasonably expected and tolerable levels in the locality. The development is recommended for approval subject to the conditions in Appendix A.









## 8.3 BUSINESS PERFORMANCE

### 8.3.1 COOLUM COMMUNITY CENTRE

**File No:** F2018/13040

**Author:** Coordinator Buildings and Facilities Assets Management  
Business Performance Group

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#### PURPOSE

The purpose of this report is to seek an exception from Council, in accordance with the *Local Government Regulation 2012*, to dispose of a Valuable Non-Current Asset to a community organisation, other than through a tender or auction process.

#### EXECUTIVE SUMMARY

It is necessary to relocate the existing Coolum Community Centre from Jack Morgan Park, Coolum by July 2018, to allow significant improvement works to commence to the park in accordance with the endorsed Master Plan. The Master Planning exercise directed that the building remain within the greater Coolum community to provide a community service for years to come.

Previous Council resolution OM16/165 identified a site at Banksia Avenue and Jones Parade, Coolum as the most suitable site for the Coolum Community Centre and subsequent Council resolution OM17/126 resolved to enter into a community lease arrangement with Coolum Bridge Club on the Banksia Avenue and Jones Parade site.

Ongoing investigations identified the cost of refurbishing the existing Coolum Community Centre building to current requirements, following relocation, was in excess of what Coolum Bridge Club was willing to spend on the building, and their interest in receiving the building was withdrawn in December 2017, resulting in the requirement to find a new location for the building.

The Coolum Men's Shed has expressed an interest in increasing community use in the area and creating a community hub within the Quanda Park precinct, Coolum.

In conjunction with the Economic and Community Development Group it is proposed the building be relocated to the existing Coolum Men's Shed site at Research Street, Coolum and ownership transferred on an 'as is' basis. It is proposed the relocation and establishment costs will be borne by Council, while the required refurbishment costs to bring the building to a compliant standard and ongoing maintenance costs would be borne by the new owner.

Relocation of the building is funded within the Financial Year 2017/18 Capital Works Program.

This report seeks an exception from Council, in accordance with the *Local Government Regulation 2012*, to enter into the disposal of the Coolum Community Centre (a Valuable Non-Current Asset) to the Coolum Men's Shed Inc. as a community organisation, other than through a tender or auction process.

## OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Coolum Community Centre”
- (b) authorise the Chief Executive Officer to relocate the Coolum Community Centre from Jack Morgan Park to Coolum Men’s Shed, Research Street, Coolum and
- (c) resolve in accordance with Section 236 of the *Local Government Regulation 2012* (“Regulation”) that the exception under Section 236(1)(b)(ii) of the Regulation applies to dispose of Coolum Community Centre to the community organisation, Coolum Men’s Shed Inc.

## FINANCE AND RESOURCING

To ensure vacant possession for the significant improvement works to be undertaken at Jack Morgan Park from June 2018, funding for the relocation of the Coolum Community Centre was allocated within the current Capital Works Program under request number R-1063.

The funding available within the Capital Works Program for the relocation works totals \$210,000.

In conjunction with the Economic and Community Development Group it is proposed the building be relocated to the existing Coolum Men’s Shed site at Research Street, Coolum and ownership transferred on an ‘as is’ basis. It is proposed the relocation and establishment costs will be borne by Council, while the required refurbishment costs to bring the building to a compliant standard and ongoing maintenance costs would be borne by the new owner.

It is proposed Council bears the cost to relocate and establish the building at the Coolum Men’s Shed, at an anticipated cost of approximately \$150,000. A prior competitive tender for the relocation of the building from Jack Morgan Park to Banksia Street, Coolum, was sought by Project Delivery. Though this option is no longer being pursued, it is anticipated this cost remains representative, with further costs associated with the connection of services to the building.

The building is proposed to be benefitted to the Coolum Men’s Shed with all ongoing costs associated with the building being borne by the Coolum Men’s Shed.

## CORPORATE PLAN

<b>Corporate Plan Goal:</b>	<b>Service excellence</b>
<b>Outcome:</b>	4.4 - Assets meet endorsed standards for sustainable service delivery
<b>Operational Activity:</b>	4.4.3 - Deliver agreed 2017-2018 Capital Works Program construction projects.

## CONSULTATION

### Councillor Consultation

- Divisional Councillor S Robinson
- Portfolio Councillor J McKay

### Internal Consultation

- Coordinator, Procurement and Contract Performance, Business Development Branch
- Manager, Sport and Community Venues, Economic and Community Development

- Team Leader, Community Development, Economic and Community Development
- Coordinator, Cultural Heritage Services, Economic and Community Development
- Senior Strategic Planner, Customer Engagement and Planning Services
- Solicitor, Office of the Mayor and CEO

### External Consultation

Extensive community consultation has been undertaken in relation to this facility seeking community groups interested in refurbishing and occupying the building following relocation.

Consultation with the Department of State Development, Manufacturing, Infrastructure and Planning has also occurred, and in principle agreement has been received supporting the relocation of the Coolum Community Centre to the State land leased by The Coolum Men's Shed, for community purposes.

Additionally a competitive tender process has been completed for the relocation of the building to a site within the Coolum area.

### Community Engagement

A high level of community engagement has been undertaken with the greater Coolum community in relation to the future use of the Coolum Community Centre, facilitated by the Economic and Community Development Group and the Divisional Councillor.

In early 2016 all community groups on the Council database within the greater Coolum area, were invited to register their interest in the potential future use of the Coolum Community Centre. At this time only Coolum Bridge Club and Coolum HeARTs expressed an interest in the building.

Coolum Community Centre (Currently located at Jack Morgan Park)



Photo 1 Coolum Community Centre, Jack Morgan Park, Coolum

Economic and Community Development Group officers met with representative of both Coolum Bridge Club and Coolum HeARTs to discuss the opportunity.

At this time, it was determined that Coolum HeARTs was not in a financial position to undertake works on the building.

Coolum Bridge Club indicated they were in the financial position to undertake the necessary works and were eager to remodel some of the internal walls to create the greatest floor area possible. The possibility of the two groups co-locating was raised however a workable agreement could not be reached.

In July 2016 a further request for interest was sought for 5 storage sheds site in Russel Street, Coolum. Coolum HeARTs was successful in a tender for a large shed facility which is now used by the group as an art studio and office.

Council resolution OM16/165 identified a site at Banksia Avenue and Jones Parade, Coolum as the most suitable site for the Coolum Community Centre and subsequent Council resolution OM17/126 resolved to enter into a community lease arrangement with Coolum Bridge Club on the Banksia Avenue and Jones Parade site. Ongoing investigations identified the cost of refurbishing the existing Coolum Community Centre building to current requirements, following relocation, was in excess of what Coolum Bridge Club was willing to spend on the building, and their interest in receiving the building was withdrawn in December 2017, resulting in the requirement to find a new location for the building.

Subsequent interest has been expressed by the Coolum Men’s Shed which has recently moved into a new purpose built facility and with space on its grounds to house the building. The Coolum Men’s Shed is interested in increasing community use in the area and creating a community hub within the Quanda Park area. Their long term aim is to provide a further community meeting space following refurbishment of the building.

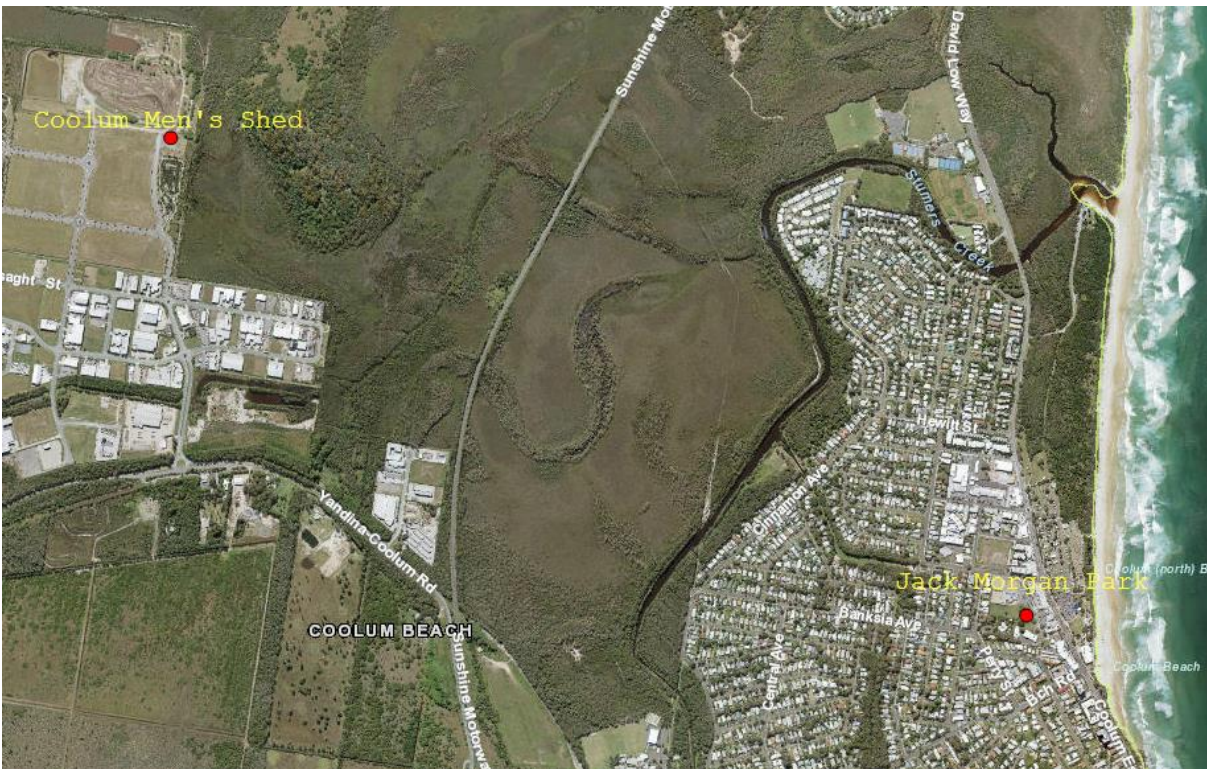


Photo 2 - Current location at Jack Morgan Park, Coolum and the proposed location at Coolum Men’s Shed

The opportunity to retain the building within the greater Coolum community is key in deciding its future. With the only groups showing an interest in occupying the building otherwise housed or no longer interested, the opportunity to save the building can be fulfilled by benefiting it to the Coolum Men’s Shed.

## PROPOSAL

Council requires the relocation of the existing Coolum Community Centre to allow for significant improvement works to be undertaken at Jack Morgan Park, Coolum. To facilitate the removal of the building the previous tenants, IFYS, were relocated to the Coolum Civic Centre in July 2017 with the support of Council.

The community has been fully engaged in seeking a new location for the Coolum Community Centre, with interest shown by Coolum HeARTs and Coolum Bridge Club to relocate, refurbish and occupy the building.

Coolum HeARTs has subsequently been housed elsewhere in Coolum, and Coolum Bridge Club withdrew interest in the building due to the costs associated with refurbishing the building to current requirements.

The Coolum Men's Shed recently moved into a new purpose built facility on Research Street, Coolum on State Government land, and have shown a willingness to accept the building within their current lease area to assist in the development of a community hub in this location.

The Department of State Development, Manufacturing, Infrastructure and Planning has also indicated support for the relocation of the building onto its land provided this is "for genuine community benefit".

It is proposed that Council benefit the building to the Coolum Men's Shed, transferring ownership of the building in its current condition.

The costs associated with relocating the building from its current location at Jack Morgan Park to the Coolum Men's Shed site at Research Street and establishment costs at the new site, are to be borne by Council, and are estimated at approximately \$140,000 excluding GST based on a previous competitive tender for relocating the building and estimated service connection costs.

## Legal

Consultation with Council's Legal Branch has occurred, with confirmation received the proposal complies with the requirements of the *Local Government Regulations 2012*, specifically Section 236(1)(b)(ii) Exceptions for valuable non-current asset contracts.

The excerpt below identifies the relevant Local Government Regulation.

### **Local Government Regulation 2012**

#### **236 Exceptions for valuable non-current asset contracts**

- (1) *Subject to subsections (2) to (4), a local government may dispose of a valuable non-current asset other than by tender or auction if—*
  - (a) *the valuable non-current asset—*
    - (i) *was previously offered for sale by tender or auction but was not sold; and*
    - (ii) *is sold for more than the highest tender or auction bid that was received; or*
  - (b) *the valuable non-current asset is disposed of to—*
    - (i) *a government agency; or*
    - (ii) *a community organisation;*

## Policy

The approach considered within this Report complies with Procurement Policy.

**Risk**

The opportunity to relocate the Coolum Community Centre within the community will be lost, and the building will, as a result, be demolished if relocation cannot be achieved by July 2018.

**Previous Council Resolution****Ordinary Meeting 20 July 2017 (OM17/126)**

*That Council:*

- (a) *receive and note the report titled "Provision of Leases to Multiple Community Organisations"*
- (b) *resolve pursuant to section 236(2) of the Local Government Regulation 2012 that an exception to dispose of an interest in land (lease) in the properties identified in Appendix A – Proposed sites for multiple lease areas, other than by tender or auction be applied, as the disposal is to community organisations as per section 236(1)(b)(ii) and*
- (c) *resolve to enter into a community Lease arrangement with the following community organisations:*
  - (i) *4 Paws Animal Rescue Inc. (4 Paws) & Sippy Creek Animal Refuge Society Inc. (SCARS)*
  - (ii) *Coolum Bridge Club Inc.*
  - (iii) *North Coast 4x4 Club Inc.*
  - (iv) *Sunshine Coast Bee Keepers Inc.*

**Ordinary Meeting 15 September 2016 (OM16/265)**

*That Council:*

- (a) *receive and note the report titled "**Potential Relocation of Coolum Community Centre Building**"*
- (b) *identify Lots 33 and 34 on RP90559 and Lot 357 on RP91490 (Corner of Banksia Avenue and Jones Parade, Coolum Beach) as the most suitable site for the permanent location of the Coolum Community Centre building and*
- (c) *delegate to the Chief Executive Officer to progress the relocation of the building to this site.*

**Ordinary Meeting 17 September 2015 (OM15/156)**

*That Council:*

- (a) *receive and note the report titled "**Jack Morgan Park Coolum Landscape Plan**" and*
- (b) *endorse the Jack Morgan Park Coolum Landscape Plan (Appendix A), to guide the future development of Jack Morgan Park, subject to funding being available in future annual budgets. As outlined in Council's adopted 10 year Capital Works Program, or as sourced through external State or Federal grant programs.*



**Related Documentation**

- Tender documents for the relocation of Coolum Community Centre.
- Community group “Registration of Interest” for the management of the Coolum Community Centre

**Critical Dates**

To ensure the landscaping works to Jack Morgan Park are not delayed the Coolum Community Centre will need to be removed from the park by no later than the end of June 2018.

**Implementation**

It is recommended that the Chief Executive Officer be authorised to:

- relocate the Coolum Community Centre from Jack Morgan Park to the Coolum Men’s Shed, Research Street, Coolum
- dispose of the asset known as the Coolum Community Centre to the Coolum Men’s Shed Inc.



**8.3.2 FEBRUARY 2018 FINANCIAL PERFORMANCE REPORT**

**File No:** Financial Reports  
**Author:** Coordinator Financial Services  
 Business Performance Group  
**Attachments:** Att 1 - February 2018 Financial Performance Report ..... 235 [↓](#)

**PURPOSE**

To meet legislative obligations, a monthly report must be presented to Council regarding its financial performance and investments.

**EXECUTIVE SUMMARY**

This monthly financial performance report provides Council with a summary of performance against the current budget as at 28 February 2018 in terms of the operating result and delivery of the capital program.

The operating result of \$96 million at 28 February 2018 shows a positive variance to the current budget of \$2 million. The variation is made up of higher than profiled operating revenue and lower than profiled operating expenses as shown in the table below. Further detail is provided in the proposal section of this report.

**Operating Performance****Table 1: Operating Result as at 28 February 2018**

February 2018	Current Budget \$000	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Operating Revenue	436,296	361,371	361,853	482	0.1
Operating Expenses	423,764	266,941	265,465	(1,476)	-0.6
<b>Operating Result</b>	<b>12,533</b>	<b>94,429</b>	<b>96,388</b>	<b>1,958</b>	<b>2.1</b>

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

As at 28 February 2018, \$109.9 million (40.9%) of Council's \$268.7 million Forecast 2017/18 Capital Works Program was financially expended.

The core Council Capital Program has progressed 48.8% of budget, an actual spend of \$77.4 million.

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

**OFFICER RECOMMENDATION**

**That Council receive and note the report titled "February 2018 Financial Performance Report".**

**FINANCE AND RESOURCING**

This report sets out the details of Council's financial performance and investments for the month of February 2018 and meets Council's legislative reporting requirements.

## CORPORATE PLAN

- Corporate Plan Goal:** *An outstanding organisation*
- Outcome:** 5.6 - Information, systems and process underpin quality decisions and enhance customer relationships
- Operational Activity:** 5.6.19 - Sustainable financial position maintained.

## CONSULTATION

### Councillor Consultation

Consultation has been undertaken with the Portfolio Councillor, Councillor T Dwyer.

### Internal Consultation

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

### External Consultation

No external consultation is required for this report.

### Community Engagement

No community engagement is required for this report.

## PROPOSAL

This monthly financial performance report provides Council with a summary of performance against budget as at 28 February 2018 in terms of the operating result and delivery of the capital program.

The operating result at 28 February 2018 shows a positive variance of \$2 million compared to the current budget.

### Operating Revenue

As at 28 February 2018, year to date revenues (of \$361.9 million) shows a positive variance of \$482,000, or less than 0.5%.

This is made up of:

- \$461,000 Fees and charges revenue relating to higher Development Services \$590,000 and Waste Management \$127,000
- \$529,000 Other Revenue, \$146,000 in Parks and Gardens recoverable works and \$114,000 in waste sales of recoverable materials.
- The above favourable variances are partially offset by lower interest received (\$212,000) and a slight variation in net rates and charges (\$159,000) which is associated with the timing of supplementary rates.

Year to date actuals has achieved 83% of the full year forecast revenue. Over half of the remaining forecast relates to revenue anticipated from the Maroochydore City Centre project and Unitywater. The remainder will predominantly be generated in fees and charges and other revenue.

### Operating Expenses

Year to date expenditure as at 28 February 2018 is \$265.5 million, a variance under budget of \$1.5 million.

### Employee Costs

As at 28 February 2018, \$90.3 million has been incurred in employee costs, resulting in an unfavourable variance against year to date budget of \$1.1 million or 1.2%. The remaining available budget for March to June is 35% of full year. Having consideration for the current leave and occupancy trends, the full year actual may vary to be budget by 1%, noting the budget is developed up to 97% of costs.

### Materials and Services

Materials and services are under budget as at 28 February 2018 by \$3.1 million.

Operating projects, including levy funds, are underspent against budget by \$1.4 million to date reflecting timing differences for project delivery. The remaining expenditure budget available for March to June is 52% of full year.

	Original Budget \$'000	Forecast Budget \$'000	YTD Actual \$'000	% Forecast Budget Expended
Levies	12,196	12,365	7,556	61%
Projects	7,665	10,184	3,363	33%
<b>Total</b>	<b>19,860</b>	<b>22,548</b>	<b>10,918</b>	<b>48%</b>

An underspend of \$1.7 million relates to the delivery of core programs and is consistent across most groups. The larger variances, mostly timing related, are reflected in the following branches, as contributing to group variances greater than \$250,000 and/or 10% of year to date budget:

- Waste Management – has incurred lower costs to date across several activities in the Recovery, Diversion and Disposals Unit, predominantly relating to contract services and external plant hire for Landfill Sites and Transfer Facilities, totalling \$498,000. Timing impacts of concrete crushing are attributed to \$100,000 with the remainder required to address emerging issues in the following months.
- Quarries – lower costs incurred to date for processing product due to wet weather and offset by lower sales (\$325,000).
- Property Management – variance of \$448,000 is mostly attributable to underspends to date in maintenance services. These are timing issues relating to the completion of works and the settling of accounts as an accurate reflection of work delivered.
- Corporate Governance – Insurance expenses to date have been below budget as well as underspends in contract services.

### Recurrent Capital Expenses

\$2.9 million expenditure to date in association with the capital program delivery, with no major variations applying as at 28 February 2018.

### Capital Expenditure

As at 28 February 2018, \$109.9 million (40.9%) of Council's \$268.7 million 2017/18 Capital Works Program was financially expended.

**Table 5: Capital Expenditure by Program at 28 February 2018**

	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual
<b>Capital Works Program</b>				
Aerodromes	415	14	3.3%	409
Buildings and Facilities	12,453	6,034	48.9%	12,384
Coast and Canals	2,363	1,171	49.6%	2,602
Environmental Assets	840	158	18.8%	760
Fleet	3,000	272	9.1%	3,007
Holiday Parks	1,289	467	36.2%	1,277
Information Technology	6,086	1,769	29.1%	5,938
Parks and Gardens	15,296	9,639	63.7%	14,747
Quarries	460	31	6.7%	427
Stormwater	6,938	2,309	33.3%	6,354
Strategic Land and Commercial Properties	30,161	18,059	59.9%	30,141
Sunshine Coast Airport	1,358	675	49.7%	1,375
Transportation	63,386	32,558	51.6%	62,290
Waste	9,327	2,830	30.3%	7,006
<b>Total SCC Base Capital Program</b>	<b>153,371</b>	<b>75,985</b>	<b>49.5%</b>	<b>148,718</b>
Divisional Allocations	5,410	1,424	24.0%	2,323
Corporate Major Projects	11,189	2,576	23.0%	7,187
Maroochydore City Centre	48,209	19,693	40.9%	41,154
Sunshine Coast Airport Runway	50,481	10,079	20.0%	50,398
<b>Total Other Capital Program</b>	<b>115,289</b>	<b>33,773</b>	<b>29.3%</b>	<b>101,062</b>
<b>TOTAL</b>	<b>268,660</b>	<b>109,758</b>	<b>40.9%</b>	<b>249,780</b>

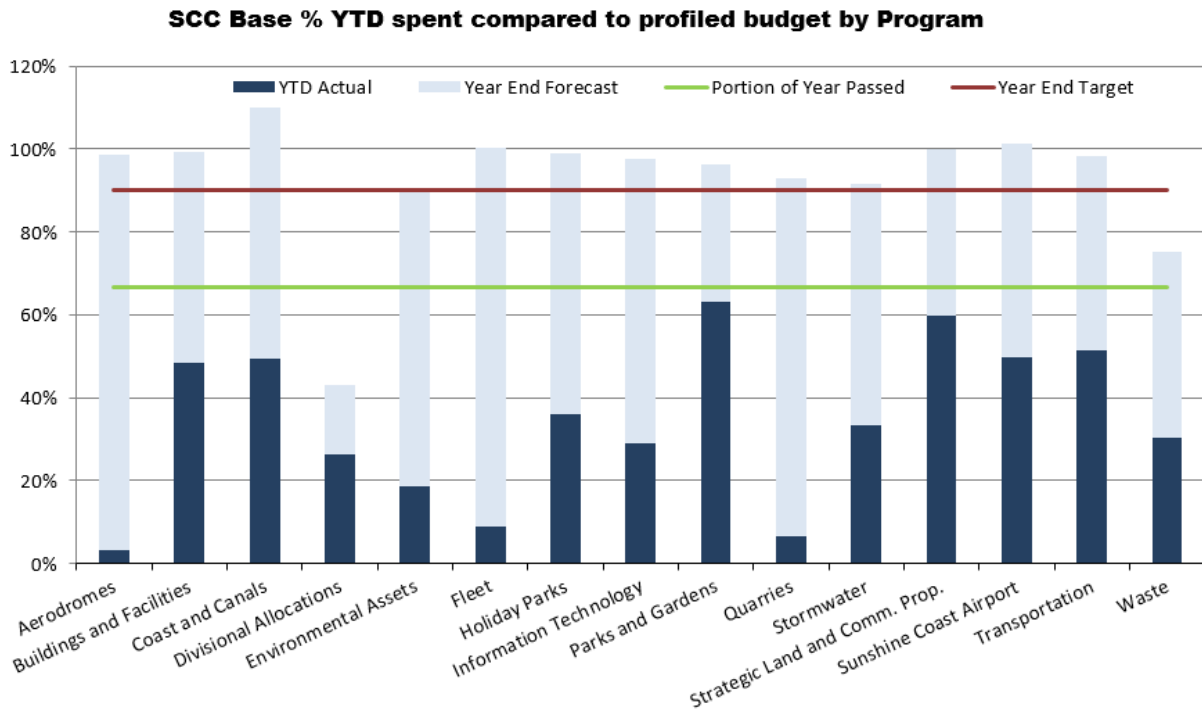
### SCC Core Capital Program

The Core Council Capital Program, excluding Divisional Allocations has progressed 49.5% of budget, an actual spend of \$76.0 million. The Actual YTD includes all works that have been goods receipted and accrued as at 28 February 2018. The table above shows the actual expenditure against full year budget by program, as well a forecast actual at year end.

Currently the core program, excluding Divisional Allocations, is forecasting above the 90% target at 97% of program delivery. The \$4.7 million variance to the \$153 million program mainly relates to large projects in the waste and transport programs. The Waste AWCS project has experienced delays with developer land parcel works, which must be undertaken prior to the automatic waste collection station building construction commencing. The variance in transport can be attributed to several minor variances, including deferrals for Bulcock Streetscape and unallocated pathway funds.

The Divisional allocations program is currently forecasting 43% of budget due to a significant budget value not yet assigned to projects.

The following graph shows the expenditure to date and year end forecast for each program, against the time period passed and the year-end delivery target of 90%.



A number of programs are reporting expenditure to the end of February significantly lower than benchmark.

**Aerodromes** – The program contains one major project, Caloundra Aerodrome - Apron Re-surfacing over \$300,000 to be delivered by year end.

**Environmental Assets** – As previously reported the \$100,000 tracks and trails program has been finalised and works are to commence shortly pending upcoming weather. Construction will begin in March for the \$200,000 mountain trail bike path within the Caloundra Town reserve as the design has now been finalised. All other projects totalling \$540,000 are underway.

**Fleet** – Over half of the program is committed following finalisation of major procurement for expenditure to be delivered by year end.

**Holiday Parks** – The renewals portion of the holiday park program totalling \$450,000 is currently 50% complete and tracking to be finalised by financial year end. The new amenities block at Mudjimba Beach Holiday Park, which has a budget of \$640,000, commenced construction in February outside of the busy holiday period, with 38% expended in the past month. These works will be completed within March prior to the upcoming Easter holiday period and accounts for half of the total program spend.

**Information Technology** – Half of the \$6.1 million program is attributed to significant corporate projects: Strategic Asset Management and Customer Relationship Management, as well as the Library Autocirculation System. The library project is now mostly committed and expected to be expended in full. The two major corporate systems will continue through the procurement process in March however the majority of expenditure will likely be deferred to 2018/19 due to the timing or progress payments aligning to implementation.

**Quarries** – Following program deferrals, the remaining program of \$460,000 is anticipated to be spent by year end, with only the Noise Management works under review to assess cost benefit (\$50,000).

**Stormwater** – The \$1.9 million stormwater relining and pit structure replacements programs are currently 63% complete and are well on track for 100% delivery, remaining works have been tendered and are to be finalised prior to year end. Approximately \$2.7m of the stormwater program however is currently in design or out to tender in the coming months with construction scheduled to begin late in the financial year. \$1.3m of this relates to works

in Buderim which are due to begin construction in March to avoid the wetter months of the year. The forward design portion of the stormwater program is on track and will produce savings against the allocated budget that will be utilised for construction if required.

### **Corporate Major Projects & Region Making Program**

Other major projects have expended 29.4% of full year budget as at 28 February 2018, and are forecasting a year end result of 90% or \$98.7 million.

- Corporate Major Projects – Current forecasts reflect delivery of half the program, which will see expenditure on Palmview and smart city projects. Confirmation is being sought as to the timing for delivery of new major projects and the remaining forecasts will be updated once known.
- Maroochydore City Centre – 40.9% actual spend to date. The program is currently forecasting to 85.4% of the forecast budget, however this is expected to reduce further with deferrals to be recognised next month.
- Sunshine Coast Airport Expansion – A year to date actual of 20% has been achieved. Significant expenditure is forecast for quarter 4. The program is currently forecasting to 99.8% of the forecast budget.

### **Investment Performance**

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 28 February 2018 Council had \$382 million cash (excluding Trust Fund) with an average interest rate of 2.58%, being 0.87% above benchmark. This is compared to the same period last year with \$369 million cash (excluding Trust Fund) with an average interest rate of 2.75%, being 0.97% 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 2017/18 Investment Policy; 2017/18 Debt Policy.

### **Risk**

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

### **Previous Council Resolution**

#### **Ordinary Meeting, Budget Review 2, 22 February 2018 (OM18/19)**

*That Council:*

- receive and note the report titled "Budget Review 2 2017/18" and*
- adopt the amended 2017/18 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A)*



**Ordinary Meeting 9 November 2017 (OM17/211)**

*That Council*

- (a) *receive and note the report titled "September 2017 Financial Performance Report" and*
- (b) *adopt the amended 2017/18 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A).*

**Ordinary Meeting 12 October 2017 (OM17/204)**

*That Council:*

- (a) *delegate authority to the Chief Executive Officer to enter into negotiations and processes to execute and finalise the acquisitions as discussed in the confidential session*
- (b) *resolve, pursuant to section 236(2) of the Local Government Regulation 2012, that an exception to dispose of an interest in land (easement/s) on the sites as discussed in the confidential session, other than by tender or auction applies as the disposal is pursuant to s236(1)(b)(i) to a government agency and*
- (c) *request the Chief Executive Officer to provide a further report to Council on the outcomes of the negotiations with Department of Natural Resources Mines.*

**Ordinary Meeting, Budget Review 1, 14 September 2017 (OM17/175)**

*That Council:*

- (a) *receive and note the report titled "Budget Review 1 2017/18" and*
- (b) *adopt the amended 2017/18 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A)*

**Special Meeting Budget 15 June 2017 (SM17/34)**

*That Council:*

- (a) *receive and note the report titled "Adoption of the 2017/18 Budget and Forward Estimates for the 2018/19 to 2026/27 Financial Years"*
- (b) *adopt the 2017/18 Budget Schedules (Appendix A) including Forward Estimates and*
- (c) *adopt the 2017/18 Capital Works Program, endorse the indicative four-year program for the period 2018/19 to 2021/22, and note the five-year program for the period 2022/23 to 2026/27 (Appendix B).*

**Related Documentation**

2017/18 Adopted Budget.

**Critical Dates**

There are no critical dates for this report.

**Implementation**

There are no implementation details to include in this report.



**8.3.3 PROPOSED LEASE - BEARING AVE, WARANA**

**File No:** F2017/23709  
**Author:** Coordinator Land Management  
Business Performance Group

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**PURPOSE**

The purpose of this report is to seek Council consideration for the future use of Council's property described as Lots 62, 63, 80 and 81 on W95561 at 4 Bearing Ave, Warana.

**EXECUTIVE SUMMARY**

Council's property described as 4 Bearing Ave, Warana (former Council Depot) is vacant and available for a commercial leasing arrangement.

In October 2017 Property Management Branch procured an agent to market the property for a commercial lease.

Following consideration of potential alternate usages for the site the Procurement Contracts Committee approved the invitation of public tenders for the lease of 4 Bearing Avenue, Warana on 17 January 2018.

Throughout January and February 2018, the tender process was carried out with the lease term offered as three years with one three-year option in accordance with Section 236 (3) and (5) of the *Local Government Regulation 2012* and in accordance with consideration for the disposal of the property equal to or more than the market value of the land as determined by registered valuer.

To maximise Council's opportunities for a commercial lease, three options were made available over the property, including:

- Option A - Lease in one line (all lots)
- Option B - Lease Lot 62 and 63
- Option C - Lease Lot 80 and 81

The tender closed on 14 February 2018 and was independently evaluated and rated by members of the evaluation panel in accordance with Council's procurement probity plan evaluation criteria.

As there was no offer made at the market value or above, nor the lease terms met, no lease has been entered into.

This report recommends that under the *Local Government Regulation 2012* Section 236 (Sections 1(e), 2, 3 and 5) Council proceed to the open market to seek a suitable lease and negotiate a commercial lease arrangement.

**OFFICER RECOMMENDATION**

**That Council**

- (a) receive and note the report titled "Proposed Lease - Bearing Ave, Warana" and**
- (b) resolve in accordance with Section 236 of the *Local Government Regulation 2012* that the exception under Section 236 (1) (e) applies to the leasing of Lots 62, 63, 80 and 81 on W95561.**

## FINANCE AND RESOURCING

A commercial lease at current market value will contribute to revenue. All associated costs for repairs, maintenance and including all outgoings will be the responsibility of the proposed lessee.

## CORPORATE PLAN

**Corporate Plan Goal:** *Service excellence*

**Outcome:** We serve our community by providing this great service

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

## CONSULTATION

### Councillor Consultation

- Portfolio Councillor S Robinson – Economic Development and Innovation
- Divisional Councillor P Cox

### Internal Consultation

- Procurement Specialist, Business Development Branch
- Project Development Officer, Business Development Branch
- Senior Property Officer, Property Management Branch

### External Consultation

A marketing agent was engaged to provide a market rental assessment and to market the property.

A public tender process has been undertaken seeking a commercial lease for the site.

### Community Engagement

No community engagement has been undertaken in relation to this report.

## PROPOSAL

Council's property described as 4 Bearing Ave, Warana (former Council Depot) is vacant and available for a commercial leasing arrangement. Refer to Figure 1.

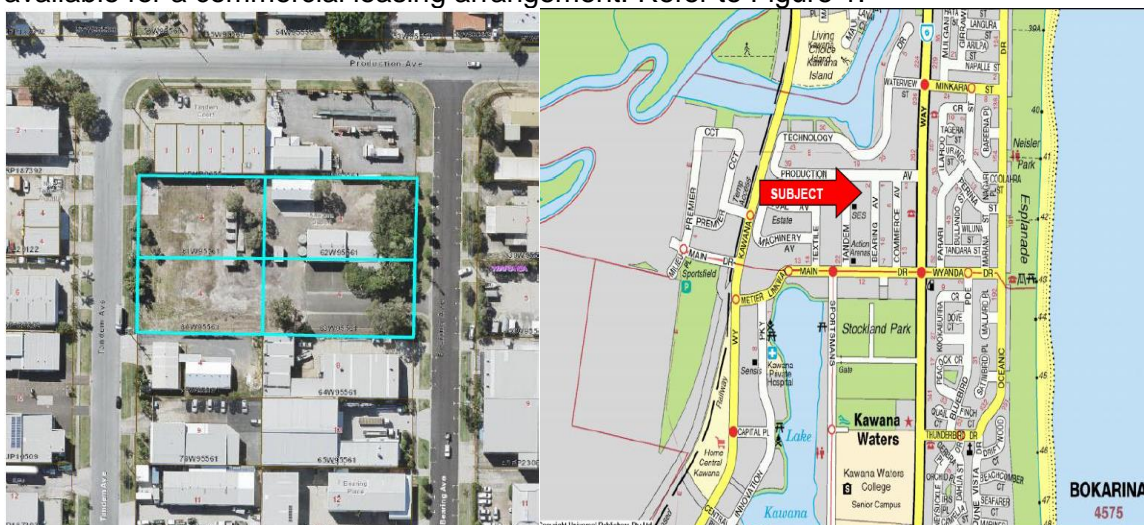


Figure 1 Location Plan

In October 2017 Property Management Branch procured an agent to market the property for a commercial lease.

Section 236 (3) and (5) of the *Local Government Regulation 2012* and in accordance with consideration for the disposal of the property equal to or more than the market value of the land as determined by registered valuer.

Following consideration of potential alternate usages for the site on 17 January 2018 the Procurement Contracts Committee approved the invitation of public tenders for the lease of 4 Bearing Avenue, Warana.

Throughout January and February 2018, the tender process was carried out with the lease term offered as three years with one three-year option, and to maximise Council's opportunities for a commercial lease three options were made available over the property, including:

Option A - Lease in one line (all lots)

Option B - Lease Lot 62 and 63

Option C - Lease Lot 80 and 81

The tender closed on 14 February 2018 and was independently evaluated and rated by members of the evaluation panel in accordance with Council's procurement probity plan evaluation criteria.

As there was no offer made at the market value or above, nor the lease terms met, no lease has been entered into.

This report recommends that under the *Local Government Regulation 2012* Section 236 (Sections 1(e), 2, 3 and 5) Council proceed to the open market to seek a suitable lease and negotiate a commercial lease arrangement.

### **Legal**

The *Local Government Regulation 2012* Section 236 "Exceptions for valuable non-current asset contracts" applies to this report. Below is an extract of the related sections.

- (1) *Subject to subsections (2) to (4), a local government may dispose of a valuable non-current asset other than by tender or auction if—*
  - (e) *for the disposal of a valuable non-current asset by the grant of a lease—the grant of the lease has been previously offered by tender or auction, but a lease has not been entered into;*
- (3) *A local government may only dispose of land or an interest in land under this section if the consideration for the disposal would be equal to, or more than, the market value of the land or the interest in land, including the market value of any improvements on the land.*
- (5) *For subsection (3), a written report about the market value of land or an interest in land from a valuer registered under the Valuers Registration Act 1992 who is not an employee of the local government is evidence of the market value of the land or the interest in land.*

### **Policy**

The tender seeking submissions for a commercial lease was carried out in accordance with Council's Procurement Policy.

### **Risk**

There are no foreseen risks associated with proceeding to the open market for the leasing of the property.

**Previous Council Resolution**

There are no previous resolutions in relation to this report.

**Related Documentation**

A Market Rental Assessment of the property has been prepared by a registered valuer.

Legal services will be responsible for the preparation of all lease documentation and registration of the commercial lease on title once the lease has been executed.

**Critical Dates**

Whilst there are no critical dates for this report, the site is vacant and available for immediate commencement of a commercial lease. Letting the property will improve Council's revenue position.

**Implementation**

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

Property Management Branch to liaise with the marketing agent to market the property and to negotiate commercial lease terms with potential lessees.

**8.4 LIVEABILITY AND NATURAL ASSETS**

Nil

**8.5 BUILT INFRASTRUCTURE**

Nil



**8.6 OFFICE OF THE CEO**

Nil

**9 NOTIFIED MOTIONS****9.1 NOTICES OF RESCISSION****9.2 NOTICES OF MOTION****9.3 FORESHADOWED NOTICES OF MOTION****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 ECONOMIC AND COMMUNITY DEVELOPMENT****11.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - SUNSHINE COAST INTERNATIONAL BROADBAND NETWORK PROJECT**

**File No:** Council meetings  
**Author:** Group Executive  
Economic & Community Development Group

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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.

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**11.2 LIVEABILITY AND NATURAL ASSETS****11.2.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - PROPOSED LAND ACQUISITION - YANDINA CREEK**

**File No:** Council meetings  
**Author:** Coordinator Biodiversity and Waterways  
Liveability & Natural Assets Group

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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.

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**11.3 BUSINESS PERFORMANCE****11.3.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - MOOLOOLABA LAND ACQUISITIONS**

**File No:** Council meetings  
**Authors:** Property Officer  
Business Performance Group  
Principal Property Officer  
Business Performance Group

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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.

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**11.4 CUSTOMER ENGAGEMENT AND PLANNING****11.4.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - HISTORIC CULTURAL HERITAGE STUDY IMPLEMENTATION****File No:** F2017/119244**Author:** Senior Strategic Planner  
Customer Engagement & Planning Services Group

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This report is confidential in accordance with section 275 (g) of the *Local Government Regulation 2012* as it contains information relating to any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act.

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**11.5 BUILT INFRASTRUCTURE**

Nil

**11.6 OFFICE OF THE CEO**

Nil

**12 NEXT MEETING**

The next Ordinary Meeting will be held on 17 May 2018 in the Council Chambers, 1 Omrah Avenue, Caloundra.

**13 MEETING CLOSURE**