

Agenda

Ordinary Meeting

Thursday, 19 March 2020

commencing at 9:00am

Council Chambers, 1 Omrah Avenue, Caloundra

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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 20 February 2020 and the Special Meeting (Region Shaping Projects and Planning Matters) held on 20 February 2020 be received and confirmed.

5 INFORMING OF PERSONAL INTERESTS**5.1 MATERIAL PERSONAL INTEREST**

Pursuant to Section 175C 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 CONFLICT OF INTEREST / PERCEIVED CONFLICT OF INTEREST

Pursuant to Section 175E 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.

The other Councillors must then decide

- (a) whether the Councillor has a real conflict of interest or perceived conflict of interest in the matter and
- (b) if they decide the Councillor has a real conflict of interest or perceived conflict of interest in the matter
 - (i) whether the Councillor must 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, or
 - (ii) that the Councillor may participate in the meeting in relation to the matter, including by voting on the matter.

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

8 REPORTS DIRECT TO COUNCIL**8.1 REQUEST TO EXTEND CURRENCY PERIOD AND REQUEST TO VARY INFRASTRUCTURE AGREEMENT - DEVELOPMENT PERMIT FOR MATERIAL CHANGE OF USE (INTEGRATED TOURIST FACILITY) AT 24 & 26 BOX STREET, BUDERIM**

File No:	MCU15/0270.03 & MCU15/0270.04
Author:	Senior Development Planner Customer Engagement & Planning Services Group
Attachments:	Att 1 - Detailed Assessment Report 15 Att 2 - Previous Signed Infrastructure Agreement 35 Att 3 - Previous Proposal Plans 103

Link to Development.i:

<https://developmenti.sunshinecoast.qld.gov.au/Home/FilterDirect?filters=DANumber=MCU15/0270.03>

SUMMARY SHEET	
Applicant:	Mr Kim Michael Carroll & Ms Heidi Meyer
Owner:	Mr Kim Michael Carroll & Ms Heidi Meyer
Consultant:	Insite SJC
Application Number:	MCU15/0270.03 & MCU15/0270.04
Proposal:	Request to Extend Currency Period for a Development Permit for Material Change of Use (Integrated Tourist Facility) Request to Vary Infrastructure Agreement
Application Received Date:	15 November 2019
Decision Due Date:	13 December 2019
Number of Properly Made Submissions for Original Application:	337 properly made 26 not properly made
PROPERTY DETAILS	
Division:	7
Property Address:	24 & 26 Box St BUDERIM QLD 4556
RP Description:	Lot 5 RP 27823 Lot 7 RP 176066
Land Area:	Lot 7 – 28,151m ² Lot 5 – 12,570m ² Total – 40,721m ²
Existing Use of Land:	Single detached house
PLANNING SCHEME DETAILS FOR ORIGINAL APPLICATION	
Planning Scheme:	Maroochy Plan 2000 (Amendment 24)
Strategic Framework Land Use Category:	Rural or Valued Habitat

Planning Area:	6 – Buderim
Precinct:	5 – Buderim Non-Urban
Precinct Class:	General Rural Lands
Overlays	Natural conservation management area Waterways, wetlands and fish habitat areas Steep and unstable land Bushfire prone areas
Assessment Type:	Impact assessment
<i>PLANNING SCHEME DETAILS AT DATE OF CURRENT EXTENSION REQUEST</i>	
Planning Scheme:	<i>Sunshine Coast Planning Scheme 2014</i> (Version 20 – effected 11 November 2019)
SEQRP Designation:	Urban Footprint
Strategic Framework Land Use Category:	Rural Enterprise and Landscape Area
Local Plan Area:	Buderim
Zone:	Limited Development (Landscape Residential)
Assessment Type:	Impact

PURPOSE

The purpose of this report is to seek Council's determination for a requested:

- extension to currency period, and
- variation to infrastructure agreement

in relation to the existing development approval for Material Change of Use (Integrated Tourist Facility) at 24 and 26 Box St, Buderim.

The application is before Council at the request of a Councillor.

EXECUTIVE SUMMARY

The existing development approval comprised a Development Permit for Material Change of Use (Integrated Tourist Facility) and incorporated a 111 room resort complex, function facility, restaurants and day spa (MCU15/0270). The approval was granted at the Ordinary Meeting of Council on 19 April 2018, with a limited currency period and subject to an executed infrastructure agreement containing critical deadline conditions.

The original application was assessed and decided under the superseded *Maroochy Plan 2000*. The application proposed a combination of demonstrated merit and "sufficient grounds" under the *Sustainable Planning Act 2009*, being matters in the public interest, which led to a development approval despite conflicts with the *Maroochy Plan 2000*. The applicant sought to overcome conflicts with the *Maroochy Plan 2000* by means of a community benefits package that included, 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 3,000m² 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; and

- provision of drainage easements through the subject site to provide lawful discharge rights to upstream properties.

As part of the development approval, the applicant executed an infrastructure agreement with Council to provide a level of security with respect to the delivery of the proposed community benefits. The agreement was that a Hotel Management Agreement with a 5-star hotel operator would be signed within 2 years, or the applicant would cancel the development approval, thus removing any risk to Council and the community of an uncertain development that was in conflict with the *Maroochy Plan 2000*.

The development was approved with a 2 year currency period on the basis that the applicant would enter into a suitable Hotel Management Agreement with an operator within that period, aligning with the terms of the infrastructure agreement entered into by the applicant.

The applicant now seeks an additional 4 year extension to the currency period of the development approval, bringing the total currency of the approval to 6 years, or until 29 June 2024. The applicant has lodged a concurrent request to amend the existing infrastructure agreement to allow additional time for meeting the required milestones in relation to entering into a binding Hotel Management Agreement. The new timeframe proposed by the applicant to meet this obligation of the infrastructure agreement is on or around 31 December 2021.

Council is required to consider both the request to extend the Development Permit and the request to vary the infrastructure agreement. Both of these matters are thus considered within this report.

On balance, after considering the arguments put forward by the applicant in support of their request, together with the statutory assessment requirements of the *Planning Act 2016*, the change in zoning and growth management policy under the *Sunshine Coast Planning Scheme 2014*, the views and opinions of an independent hotel advisory expert, and the general passage of time that has elapsed since the original development application was assessed and decided under the now repealed *Sustainable Planning Act 2009* and the superseded *Maroochy Plan 2000*, the request for extension of the currency period, and concurrent request to vary the terms of the infrastructure agreement, are not supported.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Request to Extend Currency Period and Request to Vary Infrastructure Agreement - Development Permit for Material Change of Use (Integrated Tourist Facility) at 24 & 26 Box Street, Buderim”**
- (b) REFUSE the request to extend the currency period for the Development Permit for Material Change of Use (Integrated Tourist Facility) by an additional 4 years and**
- (c) DISAGREE to amend Special Conditions 3.3 and 5.1 of the executed infrastructure agreement.**

FINANCE AND RESOURCING

In the event the development proceeds as approved, infrastructure charges would be applicable to the development. The infrastructure charges levied on the original development approval amounted to \$1,516,110. This charge would continue to apply, subject to indexation at the time of payment.

CORPORATE PLAN

Corporate Plan Goal: *Service excellence*

Outcome: 4.4 - Service quality assessed by our performance and value to customers

Operational Activity: 4.4.2 - Deliver Planning and Development Services to ensure statutory requirements are met to achieve positive customer experiences and maintain strong industry engagement.

CONSULTATION

Councillor Consultation

All Councillors have been consulted during the assessment of this application. Councillor G Rogerson has requested the matter be brought to Council for consideration.

Internal Consultation

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

- Solicitor, Legal Services
- Manager, Strategic Planning
- Head of Economic Development

External Consultation

The application was referred for advice to an experienced independent hotel advisory expert currently practicing in the field of international and luxury hotel management agreements (including deal structuring, execution and management of new hotel operator contracts).

Community Engagement

No community engagement was required for the extension request or change to infrastructure agreement.

The original development application was subject to a public notification period of 15 business days between 28 October 2016 and 18 November 2016 in accordance with the requirements of the (now repealed) Sustainable Planning Act 2016. A total of 363 submissions were received, of which 337 were determined to be 'properly made' in accordance with the Planning Act 2016. There were 292 submissions in support of the proposal, 43 against the proposal and 2 neutral.

A summary of the issues raised by submitters to the original application is provided in the Detailed Assessment Report at **Attachment 1**.

PROPOSAL

Background

The existing development approval comprised a Development Permit for Material Change of Use (Integrated Tourist Facility) and incorporated a 111 room resort complex, function facility, restaurants and day spa (ref MCU15/0270). The approval was granted at the Ordinary Meeting of Council on 19 April 2018, subject to a limited currency period and an executed infrastructure agreement to accompany the conditions of approval.

The subject site is located on the southern Buderim escarpment and is depicted on the Figure 1 below:



Figure 1 - Location map

The layout of the proposed development is shown below in Figure 2:



Figure 2 - Layout plan

Applicant's request*Development Approval*

The applicant seeks an additional 4 year extension to the currency period of the approved Development Permit for Material Change of Use (Integrated Tourist Facility). A 4 year extension would take the approval's currency to 29 June 2024, being 6 years from the date the approval took effect.

Infrastructure Agreement

The applicant has lodged a concurrent request to delete Special Condition 3.3 of the existing infrastructure agreement and replace it with the following Special Conditions:

- 3.3A *On or before 31 July 2020, the applicant shall provide to Council evidence of a Memorandum of Understanding from at least one 5-star operator evidencing a desire on the part of the operator to manage and operate a 5-star hotel.*
- 3.3B *On or before 31 December 2020, the applicant shall provide to Council evidence of a binding agreement with an investor to fund construction of a 5-star hotel.*
- 3.3C *On or before 31 July 2021, the applicant shall lodge with Council an amended plan package in accordance with the terms and conditions of the development approval.*
- 3.3D *On or before 31 October 2021, Council shall provide to the applicant written approval of the amended plan package.*
- 3.3E *On or before 31 December 2021, the applicant shall provide to Council evidence that the developer has entered into a binding management agreement with a 5-star hotel operator. The agreement must include written terms that bind the hotel operator to proceed to manage and operate a 5-star hotel upon completion of the development construction.*
- 3.3F *The date by which the applicant is to provide Council with a binding management agreement is extended by the same time Council takes beyond 3 months to approve the amended plans per Special Condition 3.3D.*

The applicant also seeks to amend Special Condition 5.1 which requires the submission of a complete detailed drawing package to Council within 24 months of the date the development approval takes effect or prior to lodgement of the first Operational Works application, whichever occurs sooner. The requested change to Special Condition 5.1 seeks to allow the submission of a detailed drawing package in accordance with the proposed wording of Special Condition 3.3C outlined above.

Applicant Reasoning

The applicant has provided the following reasons in support of their request to extend the development approval and vary the infrastructure agreement:

- 2 years is an unreasonable timeframe in which to commence the use;
- the terms of Council's development approval and the accompanying infrastructure agreement are proving obstructive to securing a Hotel Management Agreement;
- capital investment must be achieved prior to securing a hotel operator;
- the grounds relied upon by Council in April 2018 to support the development proposal, notwithstanding conflicts with the *Maroochy Plan 2000*, remain relevant in November 2019;
- Council's anticipation that it would extend the relevant period by evidence of the statement in the Decision Notice; and
- key business organisations have reinforced their support for the approved development.

Assessment

In considering the extension request, Council may consider the merit of the arguments put forward by the applicant but should also consider the following pertinent matters:

- actions taken by the applicant to advance the development approval
- the consistency of the approval with current laws and policies applying to the development such as the effect of the current *Planning Act 2016* and *Sunshine Coast Planning Scheme 2014*, along with recently introduced State laws such as in relation to bushfire clearing exemptions
- the age of the approval and the community's current awareness of it
- the views of properly made submissions that were received at the time of the original development application, and the current reasonable expectations of the community about the development intent for the land
- the relationship between the currency of the development approval and the terms of the current infrastructure agreement, which forms part of the approval package and referred to in the conditions of the development approval
- the views and opinions of specialist industry advisory consultants currently practicing in the field of international and luxury hotel management agreements
- the current economic climate and need for luxury hotel and conference facilities on the Sunshine Coast, having regard to more recent development activity in this sector.

On balance, it is considered that an extension of the currency period, and concurrent request to vary the terms of the infrastructure agreement, are not supportable on the following grounds:

- the applicant has made little progress with respect to actioning the conditions of the approval
- an independent hotel advisory expert engaged by Council disagrees with key aspects of the applicant's assertions, particularly regarding the need for project finance and fully approved plans prior to securing a Hotel Management Agreement
- changes in zoning, along with the introduction of growth management boundaries, height restrictions and other measures of the *Sunshine Coast Planning Scheme 2014* have resulted in a more pronounced conflict with the planning scheme than that which existed at the time of the original assessment under *Maroochy Plan 2000*
- changes in State law regarding bushfire clearing exemptions has led to an increased risk of additional 'exempt' clearing on the Buderim escarpment as a result of development
- the original approval was determined on the fine balance of matters in favour of and against the development, thus a new assessment is warranted given the change in planning considerations at both State and Council level since the time the original application was lodged
- a conclusion cannot be drawn that the proposed development, if a fresh application were to be lodged, would not provoke new and additional public submissions objecting to the development due to the change in planning scheme policy.

The officers Detailed Assessment Report at **Attachment 1** provides a more in-depth assessment of the individual matters for consideration which have led to a recommendation for refusal.

Regardless of the outcome of this current request, the applicant may still request an extension at any time up to and including 29 June 2020.

Legal

There are currently no legal implications relevant to this report, however this matter can be appealed to the Planning and Environment Court by the applicant. Council will proceed with any required actions resulting from any legal action.

Policy

The application has been processed under the *Planning Act 2016*, with consideration given to both the superseded *Maroochy Plan 2000*, under which the original application was assessed and decided, and the *Sunshine Coast Planning Scheme 2014*.

Risk

The matter of the extension to currency period can be appealed to the Planning and Environment Court by the applicant. Council will proceed with any required actions resulting from any legal action.

The matter of the change to the infrastructure agreement is not appealable to the Court as this is a civil contract between the parties.

Previous Council Resolution**Ordinary Meeting 19 April 2018 (OM18/50)**

That Council

- (a) *delegate authority to the Chief Executive Officer to APPROVE Application No. MCU15/0270 with conditions and grant a Development Permit for Material Change of Use (Integrated Tourist Facility) situated at 24 & 26 Box Street, Buderim, subject to:*
 - (i) *imposition of the conditions of approval identified in Appendix A, and*
 - (ii) *execution of the Infrastructure Agreement included as Attachment 7 by both parties*
- (b) *delegate authority to the Chief Executive Officer to execute the Infrastructure Agreement included as Attachment 7, and*
- (c) *delegate authority to the Chief Executive Officer to negotiate and determine all future requested changes to the Infrastructure Agreement, with the exception of changes that would materially alter the terms of the Agreement.*

Related Documentation

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

A copy of the infrastructure agreement is provided as **Attachment 2** to this report.

A copy of the proposed plans is provided as **Attachment 3** to this report.

Critical Dates

Council's decision for the application was due on 13 December 2019. Given a decision has not been made by this date, the applicant may elect to take a deemed refusal of the application.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will communicate the outcome of Council's resolution to the applicant as appropriate.

8.2 IMMEDIATE SUPPORT FOR BUSHFIRE AFFECTED COUNCILS

File No:	Council meetings
Author:	Coordinator Disaster Management Built Infrastructure Group
Attachments:	Att 1 - Program of Works129

PURPOSE

The purpose of this report is to advise Council of the completion of the consultation strategy, and the development of the Plan of Works to expend the Federal Government bushfire assistance funds.

The focus of the development was from a locally led recovery and resilience building context, which will be of most benefit to whole of community and specific to our region.

EXECUTIVE SUMMARY

On 9 January 2020, the Federal Government advised that there will be an initial and immediate base payment of \$1 million to 42 of the most severely bushfire impacted Councils in New South Wales, Victoria, South Australia and Queensland to help quickly rebuild vital infrastructure and strengthen community resilience.

Sunshine Coast Council has been advised that due to the bushfire disaster activations in 2019 responding to the September 2019 bushfires in this region, Council has received and immediate payment of \$1 million. On 12 February, Council was advised that due to the severity of the impact of the bushfires on the Sunshine Coast Council, a further \$275,000 shall be received by Council to lead local recovery efforts as seen fit for the community.

As per the directive from the Federal Government, Council have adhered to the Queensland Reconstruction Authority Disaster Recovery Arrangements – 2019/20 Category D – Bushfire Recovery Exceptional Assistance Immediate Support Package Guidelines to complete the consultation process and develop the Plan of Works.

The formal guidelines provided detail the following criteria (but not limited to) for consideration in the development of the Plan of Works:

- Rebuilding damaged or destroyed Council assets such as key local roads, bridges, and community facilities
- Employing additional local staff to take on specialist recovery or planning roles to help coordinate and plan the rebuilding effort
- Hosting new public activities and events to bring communities together and attract visitors back to affected regions
- Immediate maintenance and repairs to relief and evacuation centres and
- Activities and measures to support local economic recovery.

Recognising that recovery and resilience building is very much a multi-agency program, with a number of key stakeholders involved, their input has been critical to the planning, development and future implementation of the Plan of Works.

Each agency in our local region have conducted debriefs and documented specific learnings from these events, and these have also been used to inform the development of Council's Plan of Works.

In order to capture the whole of region input, on 12 February 2020, the advisory group consisting of representatives from the following key agencies and community members met to present and discuss the specific projects which had been submitted for consideration for the expenditure of the funds. The focus of the selection of activities for inclusion in the Plan of Works was on specific programs which would benefit the whole of Sunshine Community, rather than small pockets or individual locations.

The Program of Works is required by 27 March 2020, and each project is required to be reported on monthly to the Queensland Reconstruction Authority. All programs of work must be completed by 30 June 2022, at which time a full acquittal of the funds is also required.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Immediate Support for Bushfire Affected Councils” and**
- (b) delegate authority to the Chief Executive Officer to finalise and proceed with the Program of Works including responding to any feedback provided by the Queensland Reconstruction Authority.**

FINANCE AND RESOURCING

Upon Council endorsement of the Plan of Works, the Chief Executive Officer will be given delegated authority to expend the \$1.275 million directly on the allocated activities.

CORPORATE PLAN

Corporate Plan Goal: *A strong community*
Outcome: We serve our community by providing this great service
Operational Activity: S3 - Disaster Management - providing regional disaster management coordination including prevention, preparation, response and recovery.

CONSULTATION

Councillor Consultation

Councillors endorsed the process of the working group at the Ordinary Meeting held on 30 January 2020. All suggestions for activities by Councillors were presented and assessed by the working group in conjunction with all other activities presented by internal and external parties/agencies. This will be the first presentation to Council of the completed Plan of Works.

Internal Consultation

- Sunshine Coast Council Disaster Management Coordinator, and Resilience Officer
- Group Executive Built Infrastructure and Local Disaster Coordinator
- Environmental Operations – Fire Management
- Community Planning and Development
- Economic Development
- Venues/Evacuation Centre management
- Chief Strategy Officer
- Civil Asset Management
- Parks and Gardens
- First Nations Partnerships

External Consultation

- Queensland Fire and Emergency Services (QFES) – representatives from Rural Fire, Urban Fire and Rescue, State Emergency Services (SES) and Emergency Management Coordinator
- Queensland Police Service District Disaster Executive Officer
- Queensland Ambulance
- Queensland Parks and Wildlife Services
- Sunshine Coast Human Social agencies (Lifeline and Red Cross)
- First Nations People – Jinibara Representative
- First Nations People – Kabi Kabi Representative

Community Engagement

Community were consulted with respect to both external agencies and volunteer groups due to their expertise in this area.

PROPOSAL

In the development of the Plan of Works, Council have adhered to the Queensland Reconstruction Authority Disaster Recovery Arrangements – 2019/20 Category D – Bushfire Recovery Exceptional Assistance Immediate Support Package Guidelines to complete the consultation process and develop the Plan of Works.

The formal guidelines provided detail the following criteria (but not limited to) for consideration in the development of the Plan of Works:

- Rebuilding damaged or destroyed Council assets such as key local roads, bridges, and community facilities
- Employing additional local staff to take on specialist recovery or planning roles to help coordinate and plan the rebuilding effort
- Hosting new public activities and events to bring communities together and attract visitors back to affected regions
- Immediate maintenance and repairs to relief and evacuation centres and
- Activities and measures to support local economic recovery.

Recognising that recovery and resilience building is very much a multi-agency program, with a number of key stakeholders involved, their input has been critical to the planning, development and future implementation of the Plan of Works.

Each agency in our local region have conducted debriefs and documented specific learnings from these events, and these have also been used to inform the development of Council's Plan of Works.

In order to capture the whole of region input, on 12 February 2020, the advisory group consisting of representatives from the following key agencies and community members met to present and discuss the specific projects which had been submitted for consideration for the expenditure of the funds. The focus of the selection of activities for inclusion in the Plan of Works was on specific programs which would benefit the whole of Sunshine Community, rather than small pockets or individual locations.

The Program of Works is required by 27 March 2020, and each project is required to be reported on monthly to the Queensland Reconstruction Authority. All programs of work must be completed by 30 June 2022, at which time a full acquittal of the funds is also required.

Key Agencies and community members:

- Queensland Fire and Emergency Services (QFES) – representatives from Rural Fire, Urban Fire and Rescue, State Emergency Services (SES) and Emergency Management Coordinator (**External**)
- Sunshine Coast Council Disaster Management Coordinator, and Resilience Officer (**Internal**)
- Queensland Police Service District Disaster Executive Officer (**External**)
- Queensland Ambulance (**External**)
- Sunshine Coast Council Environmental Operations – Fire Management (**Internal**)
- Queensland Parks and Wildlife Services (**External**)
- Sunshine Coast Council Community Planning and Development (**Internal**)
- Sunshine Coast Council Economic Development (**Internal**)
- Sunshine Coast Council Venues/Evacuation Centre management (**Internal**)
- Sunshine Coast Council Chief Strategy Officer (**Internal**)
- Sunshine Coast Council Civil Asset Management (**Internal**)
- Sunshine Coast Council Parks and Gardens (**Internal**)
- Sunshine Coast Human Social agencies (Lifeline and Red Cross) (**External**)
- Sunshine Coast Council First Nations Partnerships (**Internal**)
- First Nations People – Jinibara Representative (**External**)
- First Nations People – Kabi Kabi Representative (**External**)

Program of Works

The proposed program of works are as listed in Appendix A of this document.

Legal

Any legal matters or advice required shall be sought through Council's legal team should it be required.

Policy

The recommendations in this report do not conflict with any established Council policies.

Risk

There are no known risks with the project.

Previous Council Resolution**Ordinary Meeting 30 January 2020 (OM20/1)**

That Council:

- receive and note the report titled "**Immediate Financial Support for Bushfire Affected Councils**"*
- endorse the proposed approach to developing a Plan of Works in accordance with Queensland Reconstruction Authority guidelines for consideration by Council in March 2020 and*
- endorse the proposed model for Council to assist and inform the Sunshine Coast community on broader bushfire disaster relief actions, including the continuing implementation of the Environment and Liveability Strategy community engagement and communication campaign with an emphasis on adaptation and resilience measures and associated matters.*

Ordinary Meeting 30 January 2020 (OM20/19)

That Council authorise the Chief Executive Officer to:

- (a) prepare a report for Council's consideration for resourcing our Local Disaster Management Group to lead the development of a new and more comprehensive Sunshine Coast Bushfire Preventative Strategy for the region. The report is to consider such items as a hazard reduction burn regime, QFS resource strategy, indigenous advice, free or discounted green waste disposal during times of total fire bans and other matters to achieve the objective and*
- (b) present the report at the earliest opportunity and if possible the Ordinary Meeting on 19 March 2020.*

Related Documentation

Disaster Recovery Funding Arrangements

Critical Dates

Council is to submit the Program of Works to the Queensland Reconstruction Authority by 27 March 2020.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will finalise the Program of Works including responding to any feedback provided by the Queensland Reconstruction Authority.

8.3 SUNSHINE COAST INTERNATIONAL BROADBAND NETWORK PROJECT UPDATE - MARCH 2020

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

PURPOSE

The purpose of this report is to update Council on the progress of the Sunshine Coast International Broadband Network (SCIBN) project (the project).

EXECUTIVE SUMMARY

The SCIBN project is driven by the economic benefits that it will deliver for the Sunshine Coast region. The 2017 GQI Project Feasibility Study identified the project will help retain jobs that might otherwise have been lost to the region, and stimulate new investment and jobs growth. In total, the project can contribute up to 864 jobs and \$453 million in economic value-add.

The project will result in:

- the fastest data connection from the East Coast of Australia to Asia
- the only landing point in Australia for an international cable outside a capital city
- the first cable to land at a point outside Sydney on the east coast of Australia
- a significant point of difference for the Sunshine Coast and provision of a major boost to other Council projects such as SunCentral Maroochydore and
- the only such initiative to be led by a local government.

On 3 July 2018, Council executed a Project Implementation Agreement (PIA) with RTI Connectivity Pte Ltd (RTI) for a stubbed Branch Unit (BU) to be included in the Japan-Guam-Australia-South cable system (JGA-S).

Subsequently, on 6 September 2018, Council entered into a Framework Agreement with RTI and a Tripartite Agreement with RTI and Alcatel Submarine Networks (ASN) for the delivery of the Sunshine Coast branch to connect to the JGA-S system.

The key progress that has been achieved since the report to Council at its 14 November 2019 Special Meeting includes the following:

- The installation of equipment in the cable landing station completed in advance of the Sunshine Coast branch cable landing
- The *Ile de Brehat* successfully landing the Sunshine Coast branch cable on 23 December 2019
- The final splice of the Sunshine Coast branch cable with the trunk JGA-S cable completed on 5 January 2020
- Commissioning and confidence trials successfully completed on 15 February 2020.

The Proposal section of this report provides further information on the project specifics.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Sunshine Coast International Broadband Network Project Update - March 2020".

FINANCE AND RESOURCING

The project cost is estimated at a capital cost of \$35 million, with expenditure at the the end of January 2020 \$31 million.

Council has executed an Assistance Agreement with the Queensland Government for a grant of \$15 million towards the project under the Jobs and Regional Growth Fund and the first payment claim of \$2.5 million has been received from the Queensland Government. The timing of the remaining payments may stretch into the 2020/21 financial year.

A business case has been drafted that includes capital costs, operations and maintenance costs, and anticipated revenue that will be generated from customers accessing the cable network through the Sunshine Coast cable branch. The target is for these revenue streams to, at the least, meet Council's borrowing costs and debt servicing requirements.

The business case, including risk register, will be updated once the additional operational agreements are complete.

An operational budget is being developed that will include estimated revenue and expenses associated with the project.

CORPORATE PLAN

Corporate Plan Goal:	<i>A smart economy</i>
Outcome:	1.2 - New capital investment in the region
Operational Activity:	1.2.2 - Implement actions of the Sunshine Coast International Broadband Network project to facilitate landing of a submarine cable.

CONSULTATION

Portfolio Councillor Consultation

The Sunshine Coast International Broadband Network Project Control Group (PCG) has met on the following dates: 17 January 2018, 19 February 2018, 24 April 2018, 18 June 2018, 20 July 2018, 13 August 2018, 18 September 2018, 24 October 2018, 28 November 2018, 30 January 2019, 25 February 2019, 25 March 2019, 23 April 2019, 28 May 2019, 25 June 2019, 30 July 2019, 27 August 2019, 26 September 2019, 11 November 2019, 10 December 2019 (e-meeting), 5 February 2020, and 25 February 2020 (deferred).

The PCG membership is as follows:

- Mayor
- Deputy Mayor
- Portfolio Councillor Economic Development and Innovation
- Chief Executive Officer
- Group Executive Economic and Community Development.

A requirement of the Queensland Government funding is that they have a representative as an observer on the PCG which is the Queensland Government Chief Information Officer.

Internal Consultation

The following have been consulted in relation to the project:

- Senior Technical Officer
- Head of Economic Development.

Consultation occurred with the Division 8 Councillor, Parks and Gardens Branch, TIM Branch, and the Holiday Parks Team in relation to the impacts of the construction of the beach manhole (BMH) and horizontal directional drilling (HDD).

External Consultation

- Alcatel Submarine Networks
- Department of Agriculture and Fisheries
- Department of Home Affairs
- Department of State Development, Manufacturing, Industry and Planning
- EGS Survey
- Potential investors associated with the project
- Queensland Treasury Corporation
- RTI Connectivity
- Trade and Investment Queensland
- University of the Sunshine Coast.

The following firms have been engaged to provide specialist advice in relation to the project:

- Maddocks (Legal)
- The Grex Group (Commercial)
- Worrall Consulting (Technical).

Community Engagement

No formal community engagement, beyond the external consultation referred to above, has been undertaken.

PROPOSAL

On 3 July 2018, Council executed a Project Implementation Agreement (PIA) with RTI for the inclusion of a stubbed Branch Unit (BU) into the Japan-Guam-Australia-South cable system (JGA-S).

Subsequently, on 6 September 2018, Council entered into a Framework Agreement with RTI and a Tripartite Agreement with RTI and ASN for the delivery of the Sunshine Coast branch segment into the JGA-S system.

RTI are leading cable owners and develop global telecom infrastructure and large-scale data connectivity in selected markets. RTI offer their neutral products and services to international telecommunications carriers, multinational enterprises, global content providers, and educational institutions.

RTI leads a consortium which is in the final stages of completing a submarine cable project connecting Japan to Sydney via Guam (JGA). Council has taken the opportunity to have a submarine cable branch connection to JGA-S, landing on the Sunshine Coast (see Diagram 1). The installation of the cable is expected to be completed in advance of the anticipated deadline which is the first half of 2020.

The branch connection for the cable length from the Sunshine Coast to the main cable will be approximately 550 kilometres.

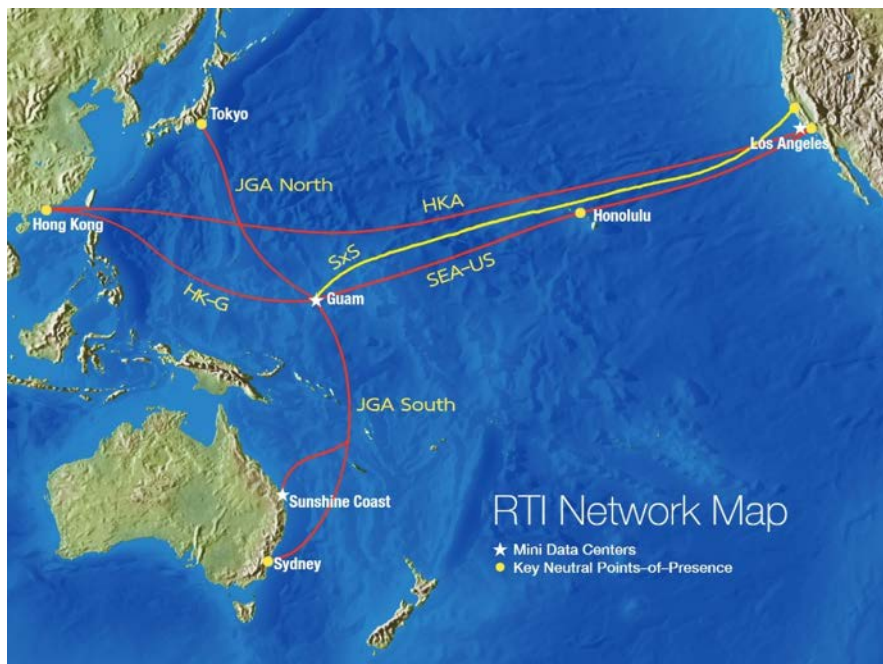


Diagram 1. RTI Network Map showing Sunshine Coast Branching Unit from JGA-South Cable

Following ASN's completion of the manufacture and qualification of all land and sea cables, these were loaded aboard a freighter – with the components transferred to an installation vessel for installation to commence. As noted above, the installation has been completed.

Commercial arrangements

A summary of the documents that make up the commercial arrangements is as follows:

Project Implementation Agreement (Council and RTI): commitment to the design and capacity of a Branching Unit. Executed 3 July 2018.

Construction Tripartite Agreement (Council, RTI and ASN): ASN for design, manufacture and construction of the Branch in accordance with current industry standards with respect to materials, construction processes and expected asset life; RTI-C to provide project management services. Executed 6 September 2018.

Framework Agreement (Council and RTI): terms on which the SC Branch would be designed, manufactured and constructed and general principles for the operation and utilisation of the Branch. Executed 6 September 2018.

Other arrangements currently being developed include the following:

Indefeasible Right of Use: will detail the arrangements governing the physical ownership of the branch versus access to the capacity on the branch. The details of this have been agreed and can be finalised once the remaining documents are agreed.

Facilities Access Agreement: will detail access rights to facilities such as beach manhole, ducting and cable landing station. Currently in draft and being negotiated.

Network O&M: will detail the operations and maintenance including system monitoring, configuration and management, response-time, maintenance, upgrade and repair. Currently in draft and being negotiated.

Marine Maintenance O&M: will detail arrangements to cover all marine components of the branch. Currently in draft and being negotiated.

Go-to-Market: The generation of revenue will involve customers transmitting data across the branch and the trunk cable to destinations including Sydney, Guam, Hong Kong,

Japan and the United States. To make any transactions seamless for customers, it is expected that there will be a consolidated price for traffic for the complete length of the transmission. The approach is designed to incentivise both parties to work together for the long term and ensure the viability of the project.

Project Delivery

Permitting

The State development approval for the cable installation within Queensland waters, under the *Planning Act 2016 (Qld)* and including the BMH and HDD, was received on 25 June 2019.

The Australian Communication and Media Authority (ACMA) approved the non-protection zone installation permit on 13 September 2019.

On 16 September 2019, advice was received from the Commonwealth Department of the Environment and Energy that it had been decided that the installation of the cable is not a controlled action. This means that the project does not require further assessment and approval under the *Environment Protection and Biodiversity Conservation Act (EPBC)* before it can proceed.

Manufacturing and installation

The manufacturing of the cable is complete and was loaded on a freighter at the ASN factory in Calais. The freighter arrived in Honiara where the cable was transferred to the *Ile de Brehat* in advance of the installation. The vessel then headed to Sydney to start the installation of JGA-S before arriving on the Sunshine Coast in December 2019 to commence installation.

In preparation for the cable, the installation of equipment in the cable landing station was completed in December 2019. The *Ile de Brehat* successfully landed the Sunshine Coast branch cable on 23 December 2019, with the final splice of the Sunshine Coast branch cable with the trunk JGA-S cable completed on 5 January 2020.

Commissioning and confidence trials were successfully completed on 15 February 2020 which will allow the cable to be ready for service by the end of March 2020, which is three months ahead of the original mid-2020 date.

SCIBN Project – State Assistance Agreement

The State Assistance Agreement (the Agreement) under the Queensland Jobs and Regional Growth Fund was executed on 14 August 2018.

The Agreement provides for three payments (\$2.5 million, \$7.5 million, and \$5 million) to Council as follows:

- First payment after Council has expended at least \$5 million
- Second payment after Council has expended at least \$20 million
- Final payment upon commissioning of the project.

The first payment claim of \$2.5 million has been received from the Queensland Government.

There has been a variation to the Agreement by the removal of the need for a cable protection zone.

SCIBN Terrestrial Network

The terrestrial network of the SCIBN project is being delivered by Council and includes the preparation of designs, necessary approvals and tenders for the construction of four separate components:

- Beach Manhole
- Horizontal Directional Drilling

- Cable Duct Route
- Cable Landing Station.

Beach Manhole and Horizontal Directional Drilling

The beach manhole is located in Pierce Park Carpark. This is the location for the landing of the optic fibre and the energised submarine cable.

The beach manhole is completely underground and only identifiable by the access pit lid.

The drilling has been completed and the two pipes are now in place.

Terrestrial Duct Network Route

Covering a distance of approximately 1.5 kilometres, the terrestrial duct network route has been designed to have minimal impact on business and residents along the route.

Local company Auscom has completed the \$1 million contract for these works.

Cable Landing Station

This facility is located at 44-46 Maud Street, Maroochydore and has been designed to incorporate up to four international submarine cables which will allow the Sunshine Coast region and Queensland to facilitate additional submarine connections into the future.

Located in the Cable Landing Station, there is the capacity for a total of 24 racks which provides for domestic carrier connection of the international submarine cable connectivity, and connection to Maroochydore City Centre and the wider region. Council's carrier licence provides the necessary authority to enter into the carrier to carrier agreements.

Legal

Following the receipt of owners consent from the Queensland Government for the works associated with the beach manhole from the State, an Operational Works application has been approved.

Queensland Government approval of the development application for the beach manhole and horizontal direction drilling was received on 25 June 2019.

ACMA has approved the application for an installation permit for the submarine cable.

The Department of Environment and Energy has responded to the EPBC Act referral with a decision it is not a controlled action.

Policy

This project will contribute to achieving the goals included in Council's Regional Economic Development Strategy 2013-2033.

The establishment of a submarine cable landing on the Sunshine Coast has also been recognised by the Queensland Government in *Shaping SEQ: the South East Queensland Regional Plan*, which has been jointly agreed by the State and by south east Queensland Councils.

The structure of the previously approved Significant Contracting Plans for these Significant Contracts complies with the requirements of Council's Procurement Policy.

Risk

The project is the first of its kind undertaken by a local government in Australia and there are a range of risks to Council. Technical, legal, regulatory, environmental and commercial expertise has been engaged by Council to mitigate these risks.

With the successful installation and commissioning of the cable, many of these risks have been successfully managed.

The remaining risks are:

- the finalisation of the remaining transaction documents with RTI-C
- the timing of payments under the Queensland Government Assistance Agreement
- the successful delivery of the economic opportunities presented by the project
- achieving the targeted break even financial position from the project for Council and
- the operational risks associated with the cable and landside infrastructure.

It should also be noted that, although there are considerable risks, the project provides significant economic opportunities and benefits for the Sunshine Coast and, if Council had not proceeded with the JGA-S opportunity, there would be no certainty that the other available option would materialise or that another location may have capitalised on the opportunity.

As the remaining transaction documents are developed, a risk register is being drafted to capture key risks. An updated risk register will be finalised when this process is complete.

Previous Council Resolutions

Special Meeting 14 November 2019 (SM19/21)

That Council receive and note the report titled "Sunshine Coast International Broadband Network project".

Special Meeting 22 August 2019 (SM19/15)

That Council note the discussions held in confidential session in relation to the Sunshine Coast International Broadband Network project.

Special Meeting 23 May 2019 (SM19/1)

That Council receive and note the report titled "Sunshine Coast International Broadband Network Project".

Special Meeting 28 February 2019 (SM19/2)

That Council receive and note the report titled "Sunshine Coast International Broadband Network Project".

Special Meeting 8 November 2018 (SM18/21)

That Council authorise the Chief Executive Officer to proceed as discussed in confidential session in relation to the Sunshine Coast International Broadband Network project.

Special Meeting 10 September 2018 (SM18/18)

That Council authorise the Chief Executive Officer to proceed as discussed in confidential session in relation to the Sunshine Coast International Broadband Network project.

Ordinary Meeting 16 August 2018 (OM18/141)

That Council authorise the Chief Executive Officer to proceed as discussed in confidential session in relation to the Sunshine Coast International Broadband Network project.

Special Meeting 29 June 2018 (SM18/8)

That Council authorise the Chief Executive Officer to proceed as discussed in confidential session in relation to the Sunshine Coast International Broadband Network project.

Special Meeting 17 May 2018 (SM18/7)

That Council

- (a) *note the progress of the Sunshine Coast International Broadband Network project*
- (b) *resolve in accordance with Section 39 of the Local Government Act 2009 that the Sunshine Coast International Broadband Network project is an enterprise that is directed to benefitting and can reasonably be expected to benefit the Sunshine Coast Local Government area and*
- (c) *resolve to conduct a beneficial enterprise in relation to the Sunshine Coast International Broadband Network project.*

Ordinary Meeting 17 May 2018 (OM18/62)

That Council:

- (a) *receive and note the report titled "Strategic Contracting Procedures" and*
- (b) *apply Chapter 6 Part 2 Strategic Contracting Procedures of the Local Government Regulation 2012 to its contracts, following adoption by Council of:*
 - (i) *a contracting plan and*
 - (ii) *a contracting manual*

which will not be more than one year after the date of this resolution.

Ordinary Meeting 19 April 2018 (OM18/55)

That Council:

- (a) *note the progress of the Sunshine Coast International Broadband Network project and*
- (b) *resolve that, because of the specialised nature of the services, it would be impractical or disadvantageous for the local government to invite quotes or tenders.*

Ordinary Meeting 22 March 2018 (OM 18/46)

That Council note the progress of the Sunshine Coast International Broadband Network project.

Special Meeting 22 February 2018 (SM18/3)

That Council note the progress of the Sunshine Coast International Broadband Network project.

Ordinary Meeting 25 January 2018 (OM18/12)

That Council note the progress of the Sunshine Coast International Broadband Submarine Cable project.

Special Meeting 23 November 2017 (SM17/46)

That Council:

- (a) *receive and note the report titled "Sunshine Coast International Broadband Submarine Cable"*
- (b) *invite Expressions of Interest to identify a partner(s) to deliver the international broadband submarine cable and*
- (c) *note that the calling for Expressions of Interest as noted in (b) above would be in the public interest for the following reasons:*
 - i. *being able to discuss and negotiate the best outcome given a number of unknowns in the construction and operation of the proposed project*
 - ii. *to allow industry driven analysis of existing and future costs for construction and ongoing operation of the project on which to base economic decisions and*
 - iii. *to enable a bespoke contract between Council and the successful respondent.*

Related Documentation

- Feasibility Study: Sunshine Coast International Broadband Submarine Cable (10 November 2017)
- Market Sounding Report: Sunshine Coast International Broadband Submarine Cable (November 2017)
- Sunshine Coast International Broadband Submarine Cable Network Business Case (as at 5 September 2018)
- Sunshine Coast International Broadband Submarine Cable Network Project Plan (as at 5 September 2018)
- Jobs and Regional Growth Fund Assistance Agreement and variations.

Critical Dates

The cable is expected to be ready for service in the first quarter of 2020 which is three months ahead of the original schedule.

Implementation

The following key deliveries remain:

- Finalisation of the remaining transaction documents with RTI-C
- Submission of remaining claims under the Queensland Government Assistance Agreement
- Leveraging the economic opportunities presented by the project
- Working with RTI-C and others to achieve the targeted break even financial position from the project for Council
- Review and finalisation of the operation of the cable and landside infrastructure.

8.4 FEBRUARY 2020 FINANCIAL PERFORMANCE REPORT

File No: Financial Reports
Author: Coordinator Financial Services
Business Performance Group

Late report to be provided.

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**12 NEXT MEETING**

The next Ordinary Meeting will be held on 30 April 2020 in the Council Chambers, Corner Currie and Bury Streets, Nambour.

13 MEETING CLOSURE