



DOUGLAS SHIRE COUNCIL
**SPECIAL
COUNCIL
MEETING**

AGENDA

ENSURING EXCELLENCE IN GOVERNANCE
ACCOUNTABLE AND TRANSPARENT DECISION-MAKING
ENGAGING, PLANNING, PARTNERING
CELEBRATING OUR COMMUNITIES

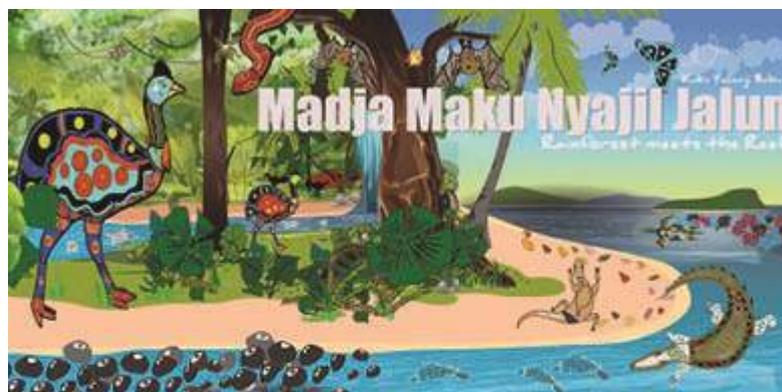
DOUGLAS
SHIRE COUNCIL

PLEASE NOTE:

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

A copy of the confirmed minutes with the meeting resolutions will be available on Council's website www.douglas.qld.gov.au.



Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schanenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled "Daintree Ferry"

A **Special Meeting** of the Douglas Shire Council will be held on **Tuesday 5 July 2016** at **10.00a.m.** at the Council Chambers, 64-66 Front Street, Mossman, and the attendance of each Councillor is requested.

AGENDA

'ACKNOWLEDGEMENT OF COUNTRY'

'I would like to acknowledge the Kuku Yalanji people who are the Traditional Custodians of the Land. I would also like to pay respect to their Elders both past and present and extend that respect to other Indigenous Australians who are present'.

1. Attendance and Apologies
2. Conflict of Interest
3. Agenda Items as Listed



CHIEF EXECUTIVE OFFICER

**DOUGLAS SHIRE COUNCIL
SPECIAL MEETING
TUESDAY 5 JULY 2016
10:00AM
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3.1. ADOPTED INFRASTRUCTURE CHARGES - MOSSMAN AGED CARE FACILITY,
JOHNSTON ROAD, MOSSMAN5

3.1. ADOPTED INFRASTRUCTURE CHARGES - MOSSMAN AGED CARE FACILITY, JOHNSTON ROAD, MOSSMAN

REPORT AUTHOR(S): Neil Beck, Planning Officer
GENERAL MANAGER: Paul Hoyer, General Manager Operations
DEPARTMENT: Development Assessment & Coordination

RECOMMENDATION

That Council's solicitors be instructed to make the necessary amendments to the Infrastructure Agreement between The Salvation Army Aged Care Plus and Douglas Shire Council to remove the requirement for the payment of Adopted Infrastructure Charges associated with the development of land described as part of Lot 1 on SP150474 for the Aged Care Facility located at Johnston Road Mossman.

EXECUTIVE SUMMARY

In 2015, Council was successful in securing funds from the State Government under the Building our Regions: Regional Infrastructure Fund to support infrastructure projects in regional areas.

The secured funding is to aid and facilitate the construction of enabling infrastructure works associated with the Aged Care Facility to be constructed by The Salvation Army (TSA).

Approval of the Aged Care Facility was granted by Council on 23 February 2016. TSA made representations to Council regarding a number of conditions pertaining to external works as conditioned within the approval in addition to requesting that the Adopted Infrastructure Charges of \$248,184.30 triggered by the development be removed.

At the Ordinary Meeting of 17 May 2016 Council amended a number of conditions which reduced the extent of external works which more closely aligned with the specific requirements of the development, however Council did not support the request to waive the Adopted Infrastructure Charges and therefore the charges remain.

An Infrastructure Agreement between TSA and Council will form the mechanism under which the enabling infrastructure works will be undertaken, while a Development Lease will ensure the delivery of an Aged Care Facility on Council land.

Upon review of the Infrastructure Agreement and Development Lease by TSA's legal team, Council received advice from TSA raising a number of concerns in order for the legal documents to be accepted.

While separate to the Infrastructure Agreement & Development Lease, TSA took this opportunity to express significant concern that the applicability of the Adopted Infrastructure Charges issued under the development approval remain in place.

The other matters raised that directly related to the Infrastructure Agreement & Development Lease were able to be discussed and resolved quite quickly to the satisfaction of both parties.

TSA have again requested that Council reconsider its position on the applicability of the Adopted Infrastructure Charges and has requested that the charges not apply to the development given that TSA is a not for profit aged care provider and that the development of the land for this purpose will be providing a community service which is desperately needed in the Mossman locality. TSA have also advised that due to budgetary constraints, the lack of infrastructure currently servicing the land and the costs of constructing in Far North Queensland, to avoid the costs associated with the Adopted Infrastructure Charges would be the tipping point to guarantee the delivery of the project.

Given that the development of the land is being undertaken by TSA, the shared commitment and partnership of TSA & Council to deliver aged care services in Mossman and the significant social and community benefit that such a development represents, the request to have the Adopted Infrastructure Charges not apply to the development in order to support TSA to deliver the project is recommended.

In order to facilitate the request, it is recommended that Council resolve to instruct the solicitors to make the necessary amendments to the Infrastructure Agreement which details that the payment of Adopted Infrastructure Charges in relation to the development of the land for the Aged Care Facility is not applicable.

The Infrastructure Agreement is only between TSA and Douglas Shire Council, so in the highly unlikely event TSA do not proceed with the development, the development approval in conjunction with the Adopted Infrastructure Charges remain applicable to the land.

The Recommendation presented to Council supports the request and seeks Council's endorsement to undertake the necessary amendments to the Infrastructure Agreement to absolve TSA from such charges in order to provide TSA with the necessary support to ensure the delivery of an Aged Care Facility at Johnston Road Mossman.

CIRCUMSTANCE & CONSIDERATIONS

It is well known that the development of a purpose built Aged Care Facility in Mossman has been an ambition held by the Mossman District Nursing Home Committee (MDNH), the Douglas Shire Council and the broader community for many years. Despite numerous attempts, the realisation of such a facility has not come to fruition.

In recent times and with the tripartite partnership between TSA, MDNH and Douglas Shire Council the realisation of a purpose built Aged Care Facility is within reach. All stakeholders to date have committed significant funds and resources to advance the project to where it is currently.

As the project has progressed since receiving development approval February 2016, TSA have advised the project is under significant budgetary constraints and that significant financial pressure is placed on the project. TSA advised that while they are a not for profit organisation, there is still a fiscal responsibility / viability analysis that applies to projects to ensure they can be constructed and operated and remain buoyant.

As previously mentioned, TSA have advised that the avoidance of Adopted Infrastructure Charges on the development would enable TSA to guarantee the delivery of the Aged Care Facility.

The following grounds upon which the request is supported is as follows:-

1. TSA is a not for profit organisation that has given an undertaking to commit to the development of the land and deliver an Aged Care Facility should the Adopted Infrastructure Charges not apply;
2. TSA are spending over \$12.5M on the project which constitutes essential core community infrastructure and services, and is fulfilling a long term desire and ambition of the community to age in place.
3. The economic benefit the project represents is substantial through the creation of jobs in the construction phase of the development and the long term creation of approximately 40 jobs associated with the operation of the facility. The development of the facility also represents diversification of employment and training opportunities for current and future generations.
4. The provision of infrastructure to service the site will also provide some of the necessary infrastructure to service the balance of the land (noting that such infrastructure is supported by Building Our Regions: Regional Infrastructure Fund). The development of TSA's facility also has the potential to bring forward the development for the balance of the site which is intended to be developed in accordance with the Master Plan approved by Council in February 2016.
5. Once the land is developed and transferred to TSA ownership, the land will form part of Council's general rates base and will be contributing accordingly.
6. The development of an Aged Care Facility forms the No.1 priority of the 2015 – 2016 Operational Plan for Douglas Shire Council.

FINANCIAL/RESOURCE IMPLICATIONS

With respect to financial implications, the following comments are made:-

1. While the infrastructure charges represent a significant contribution to support TSA with the delivery of the project, it isn't funds that Council is required to locate or budget for.
2. Once the land is transferred to TSA ownership, the land will form part of Council's general rates base and will be contributing according.
3. The development of the land for the Aged Care Facility represents a significant investment in essential community infrastructure and services. An investment which will serve the community well into the future.

RISK MANAGEMENT IMPLICATIONS

In the event Council does not support the Recommendation, it is understood that this would represent a significant risk to the project to the extent that TSA have advised that it would not proceed.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 1 – Celebrating our Communities

1.3.1 Take a proactive role on supporting the provision of improved facilities and services directed at assisting and caring for vulnerable groups in our communities.

Theme 5 – Governance

Goal 3 – To deliver services to our communities in an efficient, productive and cost effective manner.

Operational Plan 2015-2016 Actions:

MT1 Progress the establishment of the Mossman District Nursing Home site.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Part-funder Sharing the cost of the program or activity with other organisations.

Asset-Owner Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.

CONSULTATION

Internal: Consultation has occurred with the Executive Management Team & elected representatives.

External: Consultation has taken place with TSA and their legal representatives.