

## **5.4. EXPRESSION OF INTEREST - AGED CARE ACCOMMODATION MOSSMAN**

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**DEPARTMENT** Environment and Planning

### **RECOMMENDATION**

**That Council resolve to:**

- 1. Invite Expressions of Interest for the development of the balance of the land at Johnston Road for aged care accommodation over land described as part of Lot 1 on SP150474 under Section 228 (3) of the *Local Government Regulations 2012*;**
- 2. Notes it is in the public interest to invite expressions of interest for the following reasons:**
  - i. Identify interest by the sector to develop the land for aged care accommodation; and**
  - ii. Consider various operational / business models and how they could be applied to the site provided they align with the objective of creating and maintaining aged care accommodation for the long term.**
- 3. That Council delegates authority under section 257 of the *Local Government Act 2009* to the Chief executive Officer to determine and finalise any and all matters associated with the finalisation of the Expression of Interest.**

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### **EXECUTIVE SUMMARY**

The former Douglas Shire Council had the foresight to purchase land beside the Mossman Hospital with the vision to develop the land for aged care accommodation so residents could remain in the community with close connections to family and friends and of course the locality.

The land is described as Lot 1 on SP150474 and is located at Johnston Road Mossman. The land has a total site area of 4.378 hectares and is bounded to the north by the Mossman Showgrounds, the Mossman Hospital to the east, and Johnston Road and the residential estate of Daintree Horizons to the south. The site is bounded to the west by Marr Creek.

In 2015, The Salvation Army (TSA) and Council worked together to undertake a Master Planning exercise to establish the most desirable location on which to develop the proposed 42 bed aged care facility and prepare a preliminary concept for the balance of the site.

Due to a range of design and budgetary constraints, construction of TSA's development was delayed. Construction of the 42 bed facility commenced in May 2019.

It was always Council intention that the development of the balance of the land would be pursued once building construction commenced on site. In line with this intent, this report seeks a Council Resolution to go to market to invite Expressions of Interest with respect to developing the balance of the site for aged care accommodation.

It is anticipated that a range of accommodation types be provided including independent living and assisted living to compliment the high end aged care facility under construction by TSA. For the purpose of this report, the term “aged care accommodation” relates to various forms of accommodation types.

The resolution also seeks to delegate all matters to the Chief Executive Officer with regard to finalising the Expression of Interest document and any supporting documentation.

## **BACKGROUND**

It has been a long standing vision of the former Douglas Shire Council, The Mossman District Nursing Home Committee (MDNH) and the current administration to development the 4.378 hectare property for aged care accommodation to enable residents to remain in the locality and not be forced to move to find suitable accommodation.

Council was successful in obtaining grant funding under Building Our Regions Capital Fund in 2015 which provided \$544,150 towards the construction of enabling infrastructure for the project.

At Council’s Ordinary Meeting on 23 February 2016, approval was issued for the construction of the 42 bed facility being Stage 1 and a Preliminary Approval for a development concept over the balance of the land. The approval also provided for the land to be reconfigured into two allotments. The lot containing the 42 bed facility will be transferred to TSA following completion of the development.

The development of Stage 1 involved substantial external works including the construction of a new intersection and lighting off Johnston Road, construction of a new road, significant drainage infrastructure works and water supply and sewer works. All infrastructure works were designed to have regard to the future development of the balance parcel.

A copy of the approved Master Plan detailing TSA’s development forming Stage 1 and a concept development plan over the balance of the site forms Attachment 1.

A copy of the Survey Plan detailing the excision of Stage 1 from the parent parcel and the dedication of new road and the balance of the site forms Attachment 2. Registration of the survey plan will be undertaken in the near future.

In line with Council’s vision for the land and in consultation with the MDNH Committee, it is considered appropriate that Council release an Expression of Interest (EOI) to determine the level of interest in the market to develop the balance of the land for the intended purpose.

Given the complexities surrounding the aged care sector in terms of accommodation types, various operational models, demographics and care to be offered, an EOI process is considered the best approach to understand these dynamics and what the market is able to offer.

Further commentary on the content of the EOI is provided below.

### **Legislative Requirements – Expression of Interest**

Section 228 Tender Process of the *Local Government Regulation 2012* states that the local government may invite expressions of interest under subsection (5) only if the local government -

- (a) decides, by resolution, that it would be in the public interest to invite expressions of interest before inviting written tenders; and
- (b) records its reasons for making the resolution in the minutes of the meeting at which the resolution was made.

For the reasons identified above, Council Officers believe it would be in the public interest to invite expressions of interest to further explore and gain a better understanding of the type of accommodation the sector would seek to deliver in Mossman and what the development of the land would look like in terms of being a feasible project.

The objectives of this EOI are to:

1. Identify interest by the sector to develop the land for aged care accommodation;
2. The type of care to be provided by service providers and to understand trends in the aged care sector;
3. Consider various operational / business models and how they could be applied to the site provided they align with the objective of creating and maintaining aged care accommodation for the long term;
4. Understand what the market may be able to offer and changes that may need to be entertained with respect to built form and yield of product; and
5. Enabling the market to better understand:
  - a. The vision of Council to develop the land for aged care accommodation and ensure that the product delivered achieves this intent.
  - b. Articulating the expectation that service providers deliver the service as a holistic development i.e is not a small lot subdivision and once on-sold there is no further attachments to the land.
  - c. Tenure considerations. Council is not supportive of any transfer of land until the development is completed and delivered. To this end, the development maybe undertaken as a staged development.

Section 228 Tender Process of the *Local Government Regulation 2012* states that the invitation for expressions of interest must -

- a. be made by an advertisement in a newspaper that circulates generally in the local government area; and
- b. allow written expressions of interest to be given to the local government for at least 21 days after the advertisement is published.

If the local government invites expressions of interest under subsection (5), the local government may -

- a. prepare a short list from the persons who respond to the invitation for expressions of interest; and
- b. invite written tenders from those persons.

There is no intention to develop a shortlist from EOI submitters or to invite written tenders from those persons.

## **PROPOSAL**

That Council resolve to:

1. Invite Expressions of Interest for the development of the balance of the land at Johnston Road for aged care accommodation over land described as part of Lot 1 on SP150474 under Section 228 (3) of the *Local Government Regulations 2012*;
2. Notes it is in the public interest to invite expressions of interest for the following reasons:
  - i. Identify interest by the sector to develop the land for aged care accommodation; and
  - ii. Consider various operational / business models and how they could be applied to the site provided they align with the objective of creating and maintaining aged care accommodation for the long term.

## **Content of Expression of Interest**

The Expression of Interest document will be drafted once a Council Resolution has been obtained and is anticipated to be released to the market early in 2020.

The Expression of Interest document will be a 'high level' document which will convey the following key obligations and expectations for a proponent interested in developing the balance of the site:-

1. Council seeks to sell the land and to facilitate the development of the land for aged care accommodation. It is expected that the proponent will operate and run the facility for the long term. The EOI document will be clear that the development outcome sought is not to undertake a small lot subdivision. The ability to provide accommodation for people with disabilities will also be encouraged.
2. The response to the EOI must detail or provide an insight into the operational / business model for the development of the land and ongoing management.

3. All land use planning approvals must be obtained in accordance with the relevant legislation and requirements applicable at the time at the proponents own costs.
4. An overview of tenure considerations. Council is not supportive of any transfer of land until the development is completed and delivered. To this end, the development maybe undertaken as a staged development.
5. An overview of planning considerations in addition to information on all infrastructure available to support the development of the land.

## FINANCIAL/RESOURCE IMPLICATIONS

In the event the sector responds to the EOI submission, a Request for Tender process would be required and a contract awarded after an evaluation process.

The Team Leader of Planning in consultation with the Manager Environment & Planning and Council's Property Department will manage the Expression of Interest process internally.

## RISK MANAGEMENT IMPLICATIONS

The purpose of the Expression of Interest process is to further explore the interest and appetite of the market to development the balance of Lot 1 for aged care accommodation.

The Expression of Interest exercise is being undertaken to gain an appreciation, and to better understand the service providers in the aged care market and the type of accommodation that could be delivered in Mossman.

The outcomes and findings of the Royal Commission into the aged care sector and the Governments response in relation to these findings is an unknown. This level of uncertainty may in turn have an adverse impact on the EOI process and the interest shown.

The EOI process is non-binding and obligation free for both Council and whomever submits an EOI.

## SUSTAINABILITY IMPLICATIONS

- Economic:** The development of the balance of the land for aged care accommodation represents significant economic opportunities with respect to employment opportunities both during construction and the on going operation of the facility.
- Environmental:** Any development of the land for this purpose will not impact on the riparian corridor of Marr Creek. Detailed drainage investigations have been completed for Marr Creek catchment so the environmental constraints of the site are well understood.
- Social:** The development of the balance of Lot 1 for aged care accommodation will result in significant social benefits for the residents of the Shire. Residents will have the ability to remain in the locality close to family and friends as opposed to migrating away from the locality to find suitable accommodation. The development of the site will also increase employment opportunities providing a social benefit to not only individuals but to the broader community.

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 1 - Celebrating Our Communities

Douglas Shire Council embraces the diversity of our communities and values the contribution that all people make to the Shire. We recognise that it is a core strength of the region. We acknowledge our past so that it may guide us in the future. We recognise the wrongs done to our Indigenous community and we actively seek to reconcile so that we may all benefit from and enjoy our Shire. We acknowledge early European settlers who forged an agricultural base for our economy and we welcome all new arrivals as part of our broader community.

*Goal 3 - We will develop programs that promote health, well-being and safety in the community.*

#### Theme 4 - Inclusive Engagement, Planning and Partnerships

In delivering for our communities, economy and environment, Douglas Shire will ensure open and transparent engagement and communication. We will develop robust strategic plans and we will partner with our community and key stakeholders.

*Goal 2 - We will develop forward looking strategies for the future of our communities and we will ensure balanced and appropriate planning decisions.*

*Goal 3 - We will recognise the critical role that our partners play in planning and delivering vital programs and services.*

## 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:

<b>Custodian</b>	Council owns and manages infrastructure, facilities, reserves, resources and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment, and good governance.
<b>Facilitator</b>	Council often brings stakeholders together on important issues, projects or for service delivery. In this role, Council can act as a mediator, connector, collaborator or initiator.

## CONSULTATION

**Internal:** The desire to develop the balance of Lot 1 for aged care accommodation has been a long-standing vision of the Douglas Shire Council.

**External:** The MDNH Committee has been a very active and productive community group who has been committed to the delivery of aged care accommodation in Mossman for many years. Council and the MDNH Committee continue to work closely together to achieve suitable accommodation and facilities for the elderly residents of the Shire.

## COMMUNITY ENGAGEMENT

Since the arrival of TSA and the development of Stage 1 comprising the 42 bed facility, there has been significant community engagement with community meetings and media coverage.

As mentioned above, a Preliminary Approval is in place for a development concept over the balance of Lot 1. Any development over the balance of Lot 1 will require a development application to be lodged with Council.

It is likely that any development on the balance of the land will trigger further community interest and opportunity for Council to undertake media releases and the like in due course.

## ATTACHMENTS

1. Attachment 1 - Approved Master Plan [5.4.1 - 1 page]
2. Attachment 2 - Survey Plan ( Proposed Lot 1 & Lot 2) [5.4.2 - 1 page]



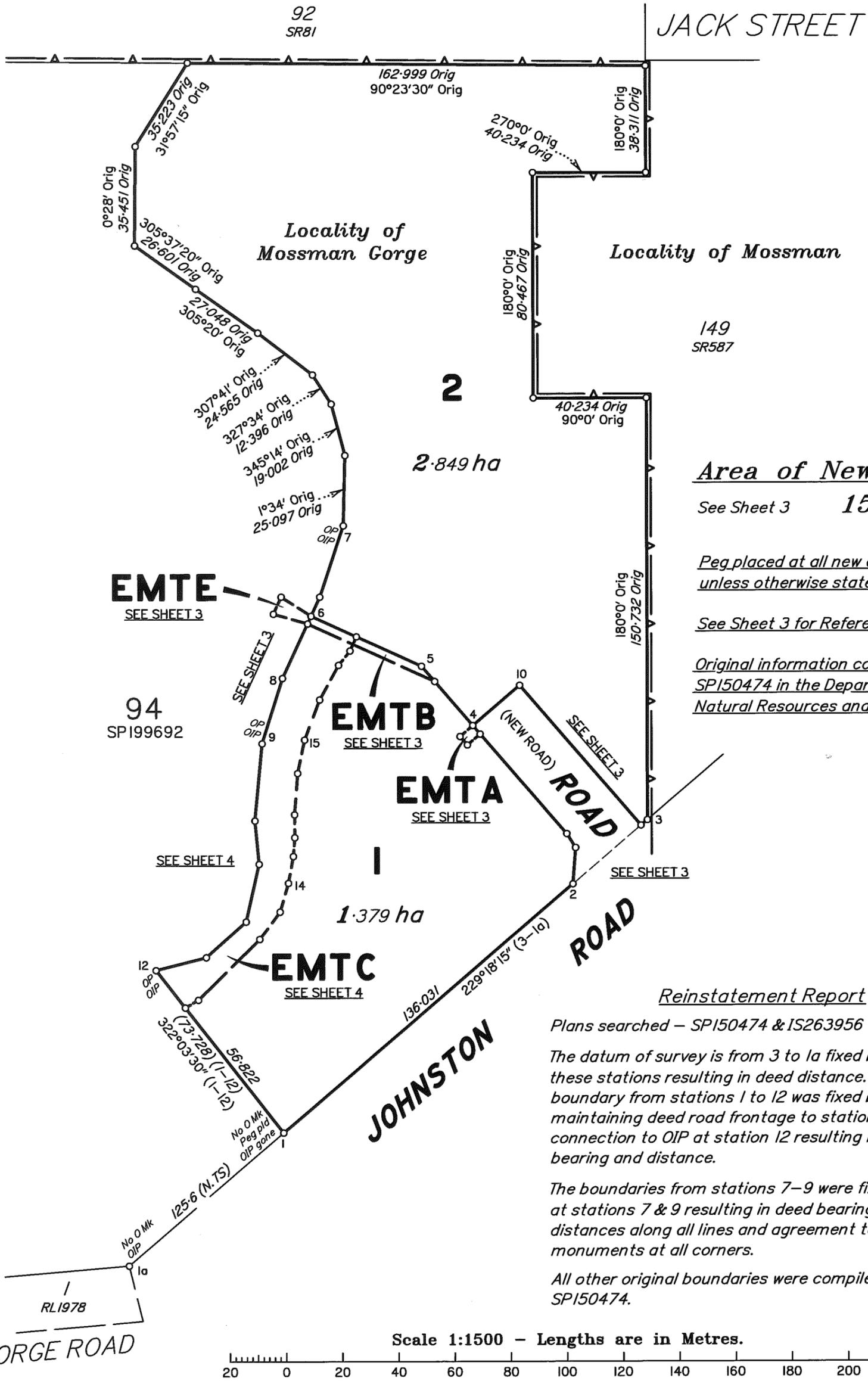
MASTER PLAN

SCALE 1:500 @ A3

MOSSMAN & DISTRICT AGED CARE PRECINCT

Ordinary Council Meeting - 3 December 2019





Area of New Road

See Sheet 3 1504 m<sup>2</sup>

Peg placed at all new corners, unless otherwise stated.

See Sheet 3 for Reference Mark Table.

Original information compiled from SPI50474 in the Department of Natural Resources and Mines.

Reinstatement Report

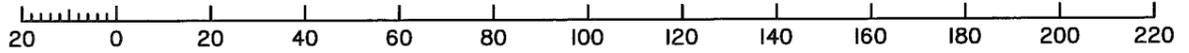
Plans searched – SPI50474 & IS263956

The datum of survey is from 3 to 1a fixed by OIP's at these stations resulting in deed distance. The boundary from stations 1 to 12 was fixed by maintaining deed road frontage to station 1 and connection to OIP at station 12 resulting in deed bearing and distance.

The boundaries from stations 7–9 were fixed by OIP's at stations 7 & 9 resulting in deed bearing and distances along all lines and agreement to monuments at all corners.

All other original boundaries were compiled from SPI50474.

Scale 1:1500 – Lengths are in Metres.



RPS Australia East Pty Ltd (ACN 140 292 762) hereby certify that the land comprised in this plan was surveyed by the corporation, by Matthew James WILLING, surveying associate and Daniel Geoffrey PINKHAM, surveying graduate, for whose work the corporation accepts responsibility, under the supervision of Adrian Edward SOLOMON, cadastral surveyor, and that the plan is accurate, that the said survey was performed in accordance with the Survey and Mapping Infrastructure Act 2003 and Surveyors Act 2003 and associated Regulations and Standards and that the said survey was completed on 09/11/2017.

*Adrian Edward Solomon*  
Authorized Delegate

20/11/17  
Date

**Plan of Lots 1 & 2,  
Emt's A, B & C in Lot 1**

**Cancelling Lot 1 on SPI50474  
& Emt E in Lot 94 on SP199692**

LOCAL GOVERNMENT: DOUGLAS SHIRE LOCALITY: GORGE

Meridian: SPI50474 Add 5°17'50" for MGA Zone 55 Vide SR797 Survey Records: No

Scale: 1:1500

Format: STANDARD



SP295098

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