

5.6. WANGETTI TRAIL - ASSET OWNERSHIP

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DEPARTMENT Environment and Planning

RECOMMENDATION

That Council:

1. Repeals resolution 9.3 of the Ordinary meeting on 22 January 2019, which resolved:

Council resolves to advise the Department of Innovation, Tourism Industry Development and the Commonwealth Games that:

- 1. Council gives consent for the construction of the Mowbray North section of the Wangetti Trail on land under the control of Council; and,*
- 2. Council acknowledges that asset ownership and maintenance for the Mowbray North section of the Wangetti Trail will be the responsibility of Council.*

And,

2. Council advise the Department of Tourism, Innovation and Sport (DTIS) that:

- a. Council delegates to the Chief Executive Officer to negotiate a better proposed route alignment for the Mowbray North section of the Wangetti Trail; and,**
- b. Council will not accept asset ownership for any construction related to the Mowbray North Section of the Wangetti Trail.**

EXECUTIVE SUMMARY

The Wangetti Trail is proposed to be one of Australia's leading adventure-based ecotourism experiences, attracting visitors on an international scale. The 96km multi-day shared use trail will generate an estimated economic impact between \$114 million to \$299 million, will generate over 400 direct and indirect jobs, create economic growth in a tourism dependent region and help create a more resilient community by expanding the region's offering in the transformational and growing sub-markets of ecotourism and adventure tourism.

A report was presented to Council in January 2019, at a time when Council were prepared to partner with Department of Innovation, Tourism Industry Development and the Commonwealth Games (DITID) on the delivery of the Wangetti Trail. The Trail, at the time, had received no State Government budget.

Council partnered with DITID to enable DITID to apply for funds via the Attracting Tourism Fund for the delivery of a \$5.7 million separable "Mowbray North" section of the trail. This section of the trail was described as an early works project, with construction aimed to commence in the second half of 2019.

Council resolved at the time to advise the Department of Innovation, Tourism Industry Development and the Commonwealth Games that:-

1. Council gives consent for construction of the Mowbray North section of the Wangetti Trail on land under the control of Council; and,
2. Council acknowledges that asset ownership and maintenance for the Mowbray North section of the Wangetti Trail will be the responsibility of Council.

A cycle/pedestrian bridge across the Mowbray River were completed in late 2020 and associated carpark in mid 2021. No other works have been commenced for the linkage to Port Douglas or south to Palm Cove. There was a significant shift from the original Mowbray Bridge proposal and there has also been a significant shift in the alignment and construction of the trail into Port Douglas, from the Mowbray Bridge.

A significant amount of time has passed since the original resolution, no trail has been constructed and the ownership of the land for the proposed trail alignment has changed. These factors combined with the current economic climate and the significant increase in costs that the Council will incur as the asset owner have resulted in a recommendation that the original resolution be rescinded, and the State be advised that Council will no longer accept responsibility for the assets. At the time of writing the original report in 2019, it was estimated that depreciation costs would be approximately \$64,000. Due to a number of factors, including the rising cost of construction materials, the depreciation cost is now estimated to be approximately \$343,000.

BACKGROUND

The Wangetti Trail is a proposed iconic mountain bike and hiking trail in the coastal ranges between Palm Cove and Port Douglas. The proposed trail showcases the beauty of the Wet Tropics and the Great Barrier Reef World Heritage areas. The proposed trail is a priority recommendation within the FNQROC Tropical North Queensland Regional Mountain Bike Strategy and is recognised as the “hero” trail that will attract adventure tourists to the Tropical North Queensland and contribute to the economy of the region.

In partnership, Douglas Shire and Cairns Regional Council developed a Concept Plan and Economic and Social Impact Assessment of the proposed Wangetti Trail.

Detailed ground truthing and design of the trail was completed in 2018 along with a full business case. This work was facilitated through the Special Projects Unit of the State Government’s Department of Innovation, Tourism Industry Development and the Commonwealth Games.

In late 2018 DITID advised that they were aiming for delivery of the \$5.7 million separable “Mowbray North” section of the trail as an early works project, with construction aimed to commence in the second half of 2019. The Attracting Tourism Fund (ATF) was the only tourism infrastructure fund that could enable early works commencement in 2019. The ATF has a strong focus on increasing international tourist visitation/spend and so the application focused on the Mowbray North’s appeal as a day trip for particularly western markets that would warrant extending their stay in Port Douglas. Construction of the Mowbray North section was expected to provide:-

- Opportunity to transform Mowbray Bridge safety issue into a day trip destination and ‘hero’ wildlife experience for croc spotting, fishing platform and mangrove walk.
- A day-trip trail head for Port Douglas visitors (Eastern markets) and the eventual multi-day \$30m 96km Wangetti Trail (Western markets).

- Opportunity to deliver bridge + 7km trail/mangrove boardwalk package as first stage for Queensland's first purpose-built ecotourism trail that will link existing tourism hubs.

The original proposed Mowbray North section is shown below:-



Figure 1. – Mowbray North Alignment

COMMENTS

When the original report was presented to Council in January 2019, Council was prepared to partner with Department of Innovation, Tourism Industry Development and the Commonwealth Games (DITID) so that DITID could apply for funds via the Attracting Tourism Fund for the delivery of a \$5.7 million separable “Mowbray North” section of the trail as an early works project, with construction aimed to commence in the second half of 2019. The Attracting Tourism Fund (ATF) was the only tourism infrastructure fund that could enable early works commencement in 2019 and was expected to provide: -

- Opportunity to transform Mowbray Bridge safety issue into a day trip destination and ‘hero’ wildlife experience for croc spotting, fishing platform and mangrove walk.
- A day-trip trail head for Port Douglas visitors.
- Opportunity to deliver bridge + 7km trail/mangrove boardwalk package as first stage for Queensland's first purpose-built ecotourism trail that will link existing tourism hubs.

At the time, the proposed Mowbray North section of the trail was predominantly located on road and Esplanade that is under the control of Douglas Shire Council with one section being located on Unallocated State Land.

In order to obtain the necessary funding through the Attracting Tourism Fund, DITID required an entity to own the asset and Douglas Shire Council was requested to be the asset owner and be responsible for the ongoing maintenance of this section of the Wangetti Trail, with maintenance to be funded via commercial permit income.

Depreciation costs for the proposed trail at the time were calculated to be **\$64 000.00**

Since the Council resolution in January 2019 a number of factors relating to the Mowbray North component of the trail have changed. The original proposed re-purposing of the old Mowbray Bridge could not proceed and a large concrete bridge over the Mowbray River was constructed with no input from Council officers.

A concrete “crocodile” viewing platform and linking concrete paths were also constructed within the Transport and Main Roads (TMR) corridor. TMR have also completed a parking area to the south of the new bridge.

The current trail proposed by the Department of Tourism, Innovation & Sport (DTIS) is very different to the original proposal. The original alignment included a 2.25km mangrove experience boardwalk and 5km trail to Four Mile Beach.

The now proposed alignment is much shorter with a 4.2km trail (1.5metre wide compacted road base) and a 395 metre boardwalk with the current proposal using TMR road reserve, Council roads and a significant portion over freehold land. The track is proposed to link into the end of Mitre Street with users walking along footpaths and roads to Four Mile Beach into Port Douglas.

Current depreciation costs on the latest alignment and build are estimated at **\$343 000.00** annually.

In the original proposal, maintenance costs were to be funded through the commercial permits issued for use of the trail. No commercial permits have been issued to date and the future ability for commercial permits to fund maintenance on the Mowbray North section remains unknown.

The recent change in the economic climate, post Covid, has made it clear that for the foreseeable future operating and construction costs would continue to increase and remain high and that government funding to councils would be reduced. Councils, particularly smaller councils, should ensure their financial sustainability need to look at their service levels and ensure projects consider the potential impacts of any proposed capital and operating investments.

It is worth noting that Cairns Regional Council are not taking on any assets relating to the Wangetti Trail.

PROPOSAL

It is proposed that Council rescind the resolution of the 22 January, 2019. While Council remains supportive and cooperative for the construction of the Wangetti Trail as a regional tourism attraction, the current economic climate, the lack of construction of the trail as had originally been proposed and the much-reduced length and quality of the now proposed trail mean that Council is no longer in a position to be the asset owner responsible for depreciating and maintaining the Mowbray North section of the Trail.

Considering the above it is proposed that Council:

That Council:

Repeals resolution 9.3 of the Ordinary meeting on 22 January 2019, which resolved:

Council resolves to advise the Department of Innovation, Tourism Industry Development and the Commonwealth Games that:

1. *Council gives consent for the construction of the Mowbray North section of the Wangetti Trail on land under the control of Council; and*
2. *Council acknowledges that asset ownership and maintenance for the Mowbray North section of the Wangetti Trail will be the responsibility of Council.*

And, Council advises the Department of Tourism, Innovation and Sport (DTIS) that:

- a. Council delegates to the Chief Executive Officer to negotiate a better proposed route alignment for the Mowbray North section of the Wangetti Trail and;
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FINANCIAL/RESOURCE IMPLICATIONS

Rescinding the motion will remove responsibility for increasing costs relating to depreciation and asset maintenance related to structures built and proposed to be built as part of the Mowbray North section of the Wangetti Trail.

RISK MANAGEMENT IMPLICATIONS

The Wangetti Trail is a State Government project to be delivered for the Far North Queensland Region and removal of Council responsibility will relieve Council of a number of risks associated with being the asset owner of works related to the Trail.

However Council officers should actively work with DTIS to ensure the best route alignment outcome for the community and visitors to the Douglas Shire.

SUSTAINABILITY IMPLICATIONS

Economic: Smaller councils, such as Douglas, are required to look at their service levels and ensure projects consider the potential impacts of any proposed capital and operating costs.

Council is helping ensure its financial sustainability by not taking ownership of assets being delivered by the State government. This is particularly important in the current economic climate with increasing costs for Council operations and capital projects.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 3 - We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.

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:

Advocate Council makes representation on behalf of the community on important issues, funding opportunities, projects and programs. Council will use its influence to seek the best outcomes for the community.

CONSULTATION

Internal: Workshop with Council

External: Discussion with officers from Cairns Regional Council. Meeting with DITIS on proposed alignment and construction.

COMMUNITY ENGAGEMENT

The State Government has undertaken significant consultation in relation to the project.

ATTACHMENTS

Nil