

CONTRACT 3018 TENURE ARRANGEMENT FOR TOBRUK POOL - LEASE H & K, PART OF LOT 317 SP244364 370 SHERIDAN ST NORTH CAIRNS

L&C | 63/1/463 | #7786050

RECOMMENDATION:

That Council:

1. Awards Contract 3018 to Bajada Pty Ltd for the Tenure Arrangement for Tobruk Pool (Memorial Pool and Associated Aquatic Facility) over part of lot 317 on SP336774 being 370 Sheridan St, Cairns North, subject to the terms and conditions contained within the trustee lease agreement for a period of 10 years commencing 18 April 2026; and
2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to the contract and the trustee lease.

INTERESTED PARTIES:

- Bajada Pty Ltd trading as Marlin Coast Swimming & Fitness
- Belgravia Health and Leisure Group Pty Ltd ATF the Belgravia Leisure Unit Trust
- IVG Global Pty Ltd
- Keelwater Pty Ltd

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

Belgravia Health and Leisure Group Pty Ltd (Belgravia) have held the leases over the Tobruk Memorial Pool since it reopened post redevelopment in 2016. The current leases (Lease H and K) for Tobruk Memorial Pool over part of lot 317 on SP336774 described as 370 Sheridan Street, Cairns North will expire on 17 April 2026. Whilst the existing leases could be renewed with the current lessee, it was identified in draft Aquatic Strategy that a public tender approach would offer an opportunity to explore a wider range of options for the site and its facilities.

Council subsequently invited tender submissions via an open tender process in order to establish a new Trustee Lease agreement through Contract 3018 - Tenure Arrangement for Tobruk Pool (Memorial Pool and Associated Aquatic Facility) for the engagement of a Trustee Lessee.

At the time of tender closing, four submissions were received. Upon review, two submissions were deemed non-conforming due to insufficient information provided and were therefore excluded from further evaluation. Bajada Pty Ltd provided an alternate option for consideration for a 20-year term. As a result, three submissions were assessed in accordance with the evaluation criteria set out in the tender documentation.

Approval is now sought to proceed to award Contract 3018 for the Tenure Arrangement for Tobruk Pool (Memorial Pool and Associated Aquatic Facility) over part of lot 317 on SP336774 being 370 Sheridan St, Cairns North, to Bajada Pty Ltd, commencing 18 April 2026 for a term of 10 years.

BACKGROUND:

In 2015, Council invited tenders for the lease and management of re-developed Tobruk Pool via Request for Tender Contract 2513, and subsequently awarded the tender to Belgravia Health and Leisure Group Pty Ltd. Currently there are two separate leases in place as per the Site Map (Attachment 1).

These two leases cover the following:

- Lease H – Main Tobruk Memorial Pool facility, including pools, Flowrider, plant rooms, amenities and kiosk.
- Lease K – Inground trampolines and outdoor gym space

Council has consolidated these two leases into a single lease for the entire Tobruk Pool site under Contract 3018.

The operators leasing the premises will manage and operate the businesses from the premises and provide a popular, well-presented and successful leisure and/or retail, commercial and/or services facility.

COMMENT:

Council invited submissions via an open tender process pursuant to section 228 of the *Local Government Regulation 2012* (Qld). The Request for Tender for Contract 3018 was advertised on 12 September 2025 and closed on 2 November 2025. The tender period closing time was extended by one week at the request of tenderers.

During the tender period there were 11 downloads of the tender documents and at tender closing time, four submissions were received from the following companies:

- Bajada Pty Ltd trading as Marlin Coast Swimming & Fitness (local)
- Belgravia Health and Leisure Group Pty Ltd ATF the Belgravia Leisure Unit Trust (local office)
- IVG Global Pty Ltd (non-local)
- Keelwater Pty Ltd (local)

Tender Evaluation Process

The evaluation process was undertaken in a staged approach with the evaluation panel conducting several meetings to confirm clarifications required and to conduct in-depth discussions on the merits of each submission. The evaluation panel consisted of three suitably experienced Council officers from within Property Services, Finance and Community Services with legal advice provided.

Stage 1

A pre-evaluation meeting was held to discuss the evaluation process and timing, and to cover probity, confidentiality and governance requirements.

Stage 2

After an initial review, the evaluation panel determined that two companies' submissions were non-conforming:

- IVG Global Pty Ltd.'s submission included a cover letter stating that they had only recently found out about the tender and did not have a chance to prepare a complete tender. Their submission also included a capability statement detailing their experience in operating community, cultural, leisure and tourism facilities. However, none of the response schedules or other required information was provided. It was noted that IVG Global Pty Ltd also had exactly the same response for a previously Council tender which was advertised in June 2025 (Contract 3019 - Lease and Operation of Cairns Community and Multicultural Centre).
- Keelwater Pty Ltd did not provide any response schedules. The only information they provided was a list requesting additional information, some of which was considered commercial in confidence.

While the Procurement Process conditions allow for non-conforming or alternative submissions and late tenders, the evaluation panel determined that the tenders from IVG Global Pty Ltd and Keelwater Pty Ltd had not been completed to an extent that they could be assessed. The tender was open for over seven weeks and the other two tenderers provided conforming and complete tender submissions. Based on these reasons, IVG Global Pty Ltd and Keelwater Pty Ltd were excluded from further evaluation.

Stage 3

Belgravia Health and Leisure Group Pty Ltd offered a 10-year lease option while Bajada Pty Ltd offered a 10-year lease option and a 20-year lease option. As a result, three submissions were subsequently evaluated by the evaluation panel.

Further review of these three tenders by panel members confirmed several clarifications were required to fully understand their offer and to negotiate several key aspects, particularly around each Tenderers' financial offer.

Stage 4

Final review of the tender submissions and clarification responses and finalisation of the scoring by the evaluation panel.

The submissions were evaluated and scored by the evaluation panel based on select qualitative criteria relevant to the operation of a Municipal Swimming Pool, which included the following:

Criteria A	Past performance and relevant experience	20%
Criteria B	Understanding and methodology – understanding of Council's objectives in the lease including tenderer's organisational structure, resources, key personnel, systems, policies, procedures and quality assurance	20%
Criteria C	Analysis of five-year strategic outlook	20%

Criteria D	Local Community involvement and Community and Regional Benefit	5%
Criteria E	Value for money – financial offer by tenderer	35%**

**Note: Value for Money criterion (35%) was further broken down into two sub-categories for assessment

Subsidy Requested (the cost to Council for the company to operate the premises)	17.5%
Capital Investment Offered (the capital upgrades or improvements the company has proposed to contribute or fund)	17.5%

After evaluation of the three offers, the tenders were ranked as follows:

- 1st – Bajada (10-year option)
- 2nd – Bajada (20-year option)
- 3rd - Belgravia

Summary

Belgravia Health and Leisure Group Pty Ltd

Belgravia is the current lessee of Tobruk Pool and Sugarworld Adventure Park and manages over 250 venues nationwide, including 51 in Queensland, and is supported by experienced staff and ISO-certified systems. While their submission included some positive marketing and rebranding ideas, it focused heavily on a proposed High-Performance Centre aimed mainly at elite athletes rather than increasing local community participation, which was a key tender objective.

Bajada Pty Ltd

Bajada (trading as Marlin Coast Swimming and Fitness) has operated in Cairns and Far North Queensland for over 20 years and brings extensive experience in managing aquatic facilities. This includes current leases of pool facilities in Gordonvale, Babinda, Smithfield, Innisfail, Atherton and Mareeba. Their submission presented a clear and practical methodology tailored to local conditions, demonstrating proven experience in operating multiple aquatic venues.

Outcome

Under the recommended tender, costs previously borne by Council are expected to decrease significantly. The proposed maintenance framework is particularly strong, combining in-house capability, contracted specialist support, and a budgeted provision for unforeseen repairs. Bajada has included a dedicated maintenance budget, with staffing that comprises an on-site maintenance officer, a specialist contractor on retainer, and direct involvement from the company director, who brings more than 25 years of industry experience. This is further supported by head office staff based at Tobruk, ensuring close oversight of daily operations. Belgravia have not proposed any increase in maintenance spend in their offer based on their actual spend for the financial year ending April 2025.

Therefore, as an outcome of the evaluation process, the recommendation is to award Contract 3018 for the Tenure Arrangement for Tobruk Pool (Memorial Pool and Associated Aquatic Facility) over part of lot 317 on SP336774 being 370 Sheridan St, Cairns North to Bajada Pty Ltd, commencing 18 April 2026 for a term of 10 years.

This recommendation is based on Bajada Pty Ltd.'s submission, which has clearly demonstrated:

- Their capability to manage the facility in full compliance with the extensive list of requirements outlined in the tender documentation.
- That they have accepted Council's new maintenance clause which provides increased certainty and clarity with respect to maintenance obligations.
- Their relevant experience, sufficient resources, and strong organisational structure to ensure effective operations. Bajada Pty Ltd has operated for over 20 years in FNQ and have extensive experience in operating pool facilities, including currently leasing the pools at Gordonvale, Babinda, Smithfield and Atherton.
- They have a well-established framework of systems, policies, procedures, and quality assurance measures.
- That their 5-year strategic outlook aligns with Council's Aquatic Facilities Strategy, with a strong focus on increasing local participation.
- That they are community focused, offering several swimming programs (from learn-to-swim to adult swim squads) and health and fitness classes. They also offer public amenities for venue hire and community events including kiosk and food services,
- A competitive pricing model that meets the benchmarking figures set out in the Aquatic Facilities Strategy and is aligned with the subsidies currently in place with Council's other pools and are consistent with the average subsidy across the LGA and CERM national benchmarking. They have also indicated a sizeable capital investment, with any additional contribution depending on timing and Council's co-contribution, for the 10-year lease option.

OPTIONS:

Option 1: (Recommended)

That Council:

1. Awards Contract 3018 to Bajada Pty Ltd for the Tenure Arrangement for Tobruk Pool (Memorial Pool and Associated Aquatic Facility) over part of lot 317 on SP336774 being 370 Sheridan St, Cairns North, subject to the terms and conditions contained within the trustee lease agreement, commencing 18 April 2026 for a period of 10 years; and
2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and

all matters associated with or in relation to the contract and the trustee lease.

Option 2:

That Council does not enter into a Tenure Arrangement for Tobruk Pool (Memorial Pool and Associated Aquatic Facility) and investigates alternative options.

CONSIDERATIONS:

Risk Management:

The recommended operator is well-established, suitably experienced and qualified in operating an aquatic facility and has a well-established framework of systems, policies, procedures, and quality assurance measures in place. Bajada Pty Ltd has operated in Far North Queensland for over 20 years and brings extensive experience in managing aquatic facilities. This includes current leases of pool facilities in Gordonvale, Babinda, Smithfield, and Atherton. Their submission presented a clear and practical methodology tailored to local conditions, demonstrating proven experience in operating multiple aquatic venues.

The trustee lease has been drafted by Council's legal representatives to adequately cater for the tenure arrangement to ensure that Council's interests are protected. It clearly defines the maintenance and operating requirements of the facility.

Council Finance and the Local Economy:

Subsidy: There is sufficient budget to cover the subsidy required for the remainder of the 2025/26 financial year. As part of the 10-year budget build process funds will be allocated to cover subsequent years. All management fees and maintenance and operating costs are included in the annual subsidy. The proposed subsidy levels are considered reasonable when compared with subsidies currently provided to other Council-owned pools and are consistent with the average subsidy across the LGA and CERM national benchmarking.

Local economy: As a locally owned company with several venues across the region, Bajada Pty Ltd employs local residents and has established strong relationships with local clubs, schools, and community organisations.

Community:

Bajada Pty Ltd have demonstrated that they are community focused, offering several swimming programs (from learn-to-swim to adult swim squads) and health and fitness classes. They also offer public amenities for venue hire and community events including kiosk and food services.

Corporate Plan:

This report aligns with Council's Corporate Plan 2025-30, with particular emphasis on:

- Focus Three (Design for Liveability) – invest in community infrastructure and services.
- Focus Four (Community and Culture) – provide spaces and programs for the benefit of the community.

Statutory:

The procurement (tender) process has been conducted in accordance with legislative requirements under the *Local Government Act 2009* and the *Local Government Regulation 2012*.

The trustee lease will be prepared in accordance with the requirements of the *Land Act 1994*, *Native Title Act 1993 (cth)*, *Local Government Act 2009* and *Local Government Regulation 2012*.

Policy:

The tender process was undertaken in accordance with Council's adopted Procurement Policy. The tenure arrangement will be prepared in accordance with Council's 'Tenure Arrangements and Disposal of Council Property General Policy.'

CONSULTATION:

Relevant Council officers within Community Services, Property and Finance were consulted as part of this procurement process. The Contracts Unit facilitated the tender and provided probity and guidance on the evaluation process. Legal assistance was provided for the review of the tender documents, submissions received and provided assistance with negotiating the proposed departures. They will also assist with reviewing the final lease agreement.

ATTACHMENTS:

Attachment 1 - Site Map (Lease H & K)



Tim Dendle
Executive Manager Community Spaces



Destry Puia
Director Lifestyle and Community

Attachment 1 - Site Map (Lease H & K):

