

**TENURE ARRANGEMENTS – LEASE AND MANAGEMENT AGREEMENT
OVER PART OF LOT 12 ON RP835454, 60-64 GORDON STREET –
GORDONVALE – DIVISION 1**

PGS | 19/28/115 | #7833268

RECOMMENDATION:

That Council:

1. Gives approval to enter into a freehold lease with The Mulgrave Central Mill Company Pty Ltd (Lessor) over part of lot 12 on RP835454, 60-64 Gordon Street, Gordonvale;
2. Gives approval to enter into a management agreement with the Mulgrave Shire Historical Society Inc trading as the Mulgrave Settlers Museum over part of lot 12 on RP835454, 60-64 Gordon Street, Gordonvale; and
3. Delegates authority to the Chief Executive Officer in accordance with the provisions of the *Local Government Act 2009* to negotiate and finalise all matters associated with the lease and management agreement in accordance with the terms and conditions herein.

INTERESTED PARTIES:

Landowner / Lessor of lot 12 on RP835454, 60-64 Gordon Street, Gordonvale – The Mulgrave Central Mill Company Pty Ltd (ACN 009 657 032)

Lessee – Cairns Regional Council

Manager – Mulgrave Shire Historical Society Inc (ABN 90 605 259 855) Trading as Mulgrave Settlers Museum

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

EXECUTIVE SUMMARY:

Cairns Regional Council (Council) currently leases part of lot 12 on RP835454, 60–64 Gordon Street, Gordonvale, from The Mulgrave Central Mill Company Pty Ltd (MCMC) and has done so since 1990. The premises are occupied and operated by Mulgrave Shire Historical Society Inc. (Mulgrave Shire Historical Society) under a management agreement for the purpose of delivering a community museum.

This report seeks Council approval to formalise continued occupation and operation of the Mulgrave Settlers Museum (the Museum) at Gordonvale, through a new freehold lease agreement with Council as lessee and The Mulgrave Central Mill Company Pty Ltd (**MCMC**) as lessor, over an area of 310m² on lot 12 on RP835454 (60–64 Gordon Street, Gordonvale), ahead of the current lease expiring on 30 June 2026. The proposed lease is for a term of three (3) years and is in line with the current lease conditions.

The report also seeks Council approval to enter into a further management agreement with the Mulgrave Shire Historical Society, trading as the Mulgrave Settlers Museum. The term of the management agreement will align with Council's new lease and will support the ongoing operation of the Museum, specifically for the collection, classification, preservation, display, and promotion of historical records relating to North Queensland.

The proposed arrangements will maintain the current operational model, whereby:

- Council holds the head lease and retains responsibility for maintenance of the building on the subject site;
- Mulgrave Shire Historical Society manages and operates the museum and is responsible for utility charges (noting that general rates do not apply under a management agreement); and
- MCMC, as landowner, maintains the grounds and gardens.

Approval of these agreements will provide short-term tenure certainty while acknowledging the Mulgrave Shire Historical Society's longer-term objective of securing a permanent premises. If the recommendations of this report are not approved, the museum would be unable to continue operating from the site beyond 30 June 2026.

An aerial image of the premises is provided in Attachment 1 and sketch plans are provided in Attachment 2.

BACKGROUND:

A building situated on part of freehold lot 12 on RP835454, 60-64 Gordon Street, Gordonvale is currently leased to Council by MCMC. The current freehold lease agreement between MCMC and Council commenced on 1 July 2023 and is due to expire on 30 June 2026. Council has continuously leased the premises from MCMC since 1990.

The Mulgrave Shire Historical Society occupies the entire leased area under a management agreement for the purpose of operating and maintaining the Gordonvale Historic Museum, an arrangement that has been in place since 1990. The Mulgrave Shire Historical Society is a volunteer-run organisation offering membership, volunteer opportunities and donation options. Membership benefits include free museum entry, research access, newsletters, and event invitations.

COMMENT:

Terms and Conditions:

The acceptance of the offer of a freehold lease from MCMC is subject to the following terms and conditions:

- for the purpose of facilitating the operation of the Mulgrave Settlers Museum;
- over an area of approximately 310m² described as 'Lease A' on lot 12 on RP835454;
- for a term of three (3) years commencing 1 July 2026 and expiring on 30 June 2029; and
- Council will pay to MCMC a minimum maintenance and supervision fee of \$14,500 per annum; and
- should the negotiations become protracted and the tenure arrangement is not finalised within three (3) months of the date of this approval, Council reserves the right to decline the lease offer.

The offer of a further Management Agreement to Mulgrave Shire Historical Society is subject to the following terms and conditions:

- for the purpose of facilitating the operation of the Mulgrave Settlers Museum;
- over an area of approximately 310m² described as 'Lease A' on lot 12 on RP835454;
- for a term of three (3) years commencing 1 July 2026 and expiring on 30 June 2029 (in line with the lease between Cairns Regional Council and MCMC);
- a cross-default clause for the Management Agreement to be cancelled if the freehold lease is terminated or a new location is found;
- in accordance with Council's '*Tenure Arrangements and Disposal of Council Property General Policy*', in particular part 1 of the associated administrative instruction which provides for use by not for profit community groups (refer to item 5 for terms and conditions); and
- should the negotiations become protracted and the tenure arrangement is not finalised within three (3) months of the date of this approval, Council reserves the right to withdraw its lease offer.

Creative Life

Creative Life, as the asset manager for this facility, is supportive of the recommendations of this report.

Council also has a Queensland Museum Service Level Agreement in place which provides professional museum services through the Museum Development Officer Program in Far North Queensland. The Agreement provides for assistance, advice and applied training with individual museums and groups in the Cairns Regional Council area including the Mulgrave Shire Historical Society.

OPTIONS:

Option 1: (Recommended)

That Council:

1. Gives approval to enter into a freehold lease with The Mulgrave Central Mill Company Pty Ltd (Lessor) over part of lot 12 on RP835454, 60-64 Gordon Street, Gordonvale;
2. Gives approval to enter into a management agreement with the Mulgrave Shire Historical Society Inc trading as Mulgrave Settlers Museum over part of lot 12 on RP835454, 60-64 Gordon Street, Gordonvale; and
3. Delegates authority to the Chief Executive Officer in accordance with the provisions of the *Local Government Act 2009* to negotiate and finalise all matters associated with the lease and management agreement in accordance with the terms and conditions herein.

Option 2:

That Council does not provide approval to enter into a further lease with The Mulgrave Central Mill Company Pty Ltd and does not enter into a further management agreement with the Mulgrave Shire Historical Society Inc.

CONSIDERATIONS:

Risk Management:

The risk associated with the tenure arrangements is considered minimal as the terms and conditions of the lease and management agreement are to remain unchanged.

There is a risk that MCMC may not offer a further lease at the end of the term. If MCMC do not renew the lease with Council, a new location for The Mulgrave Shire Historical Society will be required.

If the recommendation of this report is approved, a cross-default clause will be included in the management agreement linking to the lease with MCMC and Council. The *Mulgrave Shire Historical Society Strategic Plan 2022–2025* acknowledges ongoing uncertainty regarding its current tenure arrangements and identifies the establishment of a permanent premises as a key strategic priority. The plan sets specific goals aimed at resolving this uncertainty by securing a permanent headquarters.

Council Finance and the Local Economy:

In accordance with the current lease agreement with MCMC, Council must pay the maintenance and supervision fee. This fee is proposed to remain unchanged and is currently \$14,500 per annum for the first year of the term. This fee will be reviewed annually for the balance of the three (3) year lease term.

Community and Cultural Heritage:

The proposed tenure supports both the preservation and promotion of historical records relating to the history of North Queensland. The leased area houses the historical museum, which is open to the public for the display, collection, classification and preservation of items associated with Mulgrave Shire.

Natural Environment:

No vegetation clearing, groundworks, or changes to drainage, environmental emissions or waste generation beyond standard tenancy operations are anticipated. As such, the proposal maintains the existing environmental character of the site.

Corporate and Operational Plans:

This report aligns with Council's Corporate Plan 2025 – 2030, particularly:

Focus 4: Community & Culture - Fostering a vibrant, healthy and inclusive community.

- Position Cairns as the leading arts and cultural hub of North Australia
- Support diverse sport, cultural and community groups
- Provide spaces and programs for the benefit of the community

Statutory:

The recommendations contained in this report are in accordance with the legislative requirements of the *Local Government Regulation 2012*.

The Chief Executive Officer, Director Planning Growth & Sustainability and Executive Manager Licensing & Compliance have delegated authority to enter into a lease and management agreement once approval is granted by Council resolution.

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

Policy:

All tenure arrangements are processed in accordance with Council's '*Tenure Arrangements and Disposal of Council Property General Policy*.'

CONSULTATION:

All relevant internal stakeholders have been consulted in the preparation of this report. The Creative Life Branch, as Asset Manager, has reviewed the proposal, provided guidance on the suitability and ongoing use of the facility, and supports the continued occupation and operation of the site as outlined in this report.

ATTACHMENTS:

Attachment 1 – Aerial Image

Attachment 2 –Sketch Plan

A handwritten signature in black ink that reads "Patterson". The signature is written in a cursive style with a horizontal line crossing through the middle of the word.

Amy Patterson
Executive Manager, Licensing and Compliance

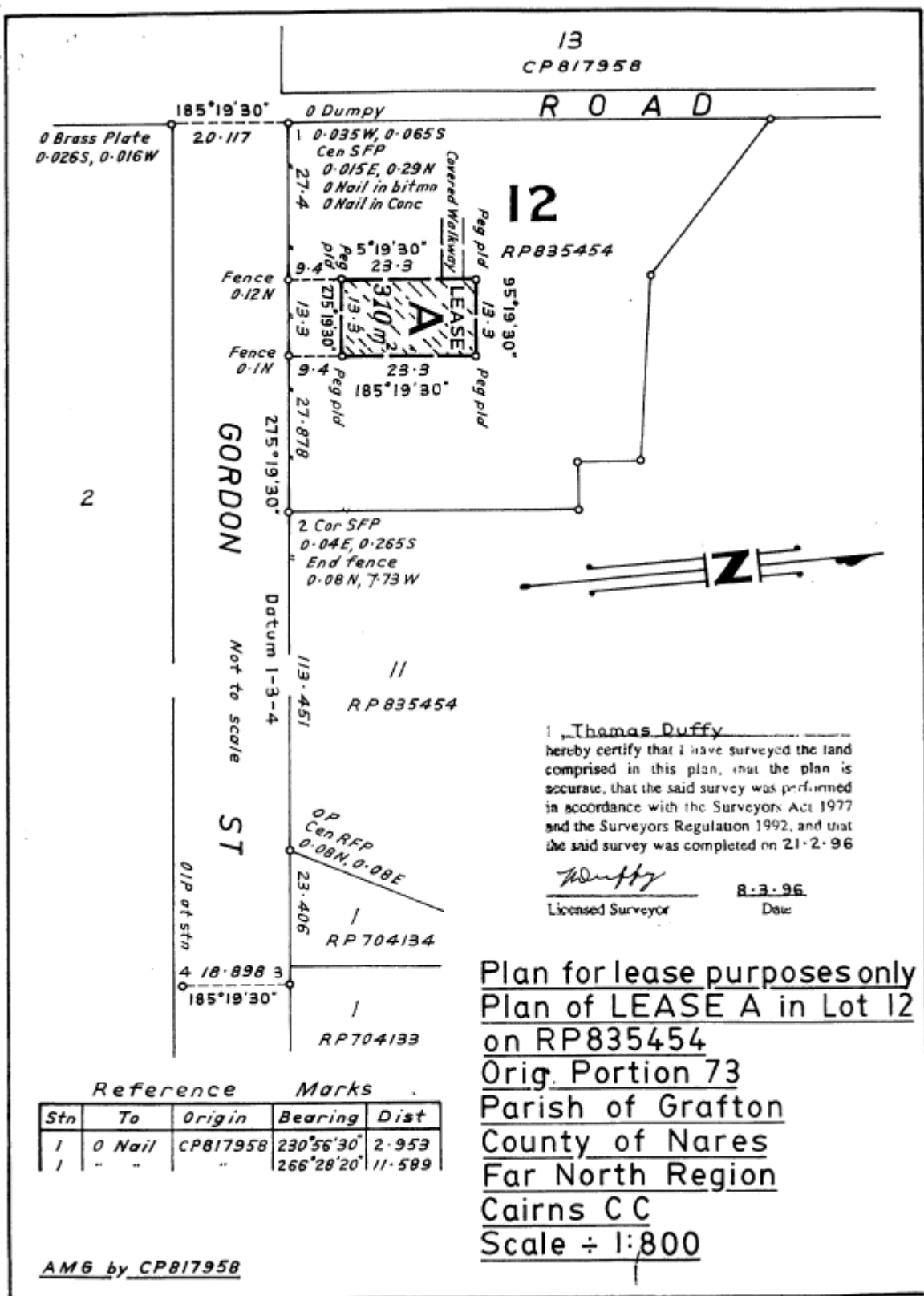
A handwritten signature in black ink that reads "Mark Davey". The signature is written in a cursive style with a horizontal line crossing through the middle of the name.

Mark Davey
Director, Planning Growth and Sustainability

Attachment 1 – Aerial Image



Attachment 2 –Sketch Plan



I, Thomas Duffy
 hereby certify that I have surveyed the land
 comprised in this plan, that the plan is
 accurate, that the said survey was performed
 in accordance with the Surveyors Act 1977
 and the Surveyors Regulation 1992, and that
 the said survey was completed on 21.2.96

Thomas Duffy 8.3.96
 Licensed Surveyor Date

Plan for lease purposes only
Plan of LEASE A in Lot 12
on RP835454
Orig. Portion 73
Parish of Grafton
County of Nares
Far North Region
Cairns CC
Scale ÷ 1:800