

CONTRACTUAL MATTER – CONTRACT 3019 – LEASE AND OPERATION OF CAIRNS COMMUNITY AND MULTICULTURAL CENTRE

L&C | 63/1/466 | #7757163

RECOMMENDATION:

That Council:

1. Awards Contract 3019 to Roman Catholic Trust Corporation for the Diocese of Cairns trading as Centacare Far North Queensland for the lease and operation of the Cairns Community and Multicultural Centre, Tiffany Street, White Rock (Lot 771 on SP345759), subject to the terms and conditions contained within the trustee lease agreement; 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:

- Roman Catholic Trust Corporation for the Diocese of Cairns trading as Centacare Far North Queensland (Centacare)
- IVG Global 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:

At the 29 January 2025 Ordinary Meeting, Council confirmed its commitment to the Cairns Community and Multicultural Centre at the Tiffany Street site in White Rock and recommended proceeding to invite tenders for the lease and operation of the facility.

A tender was advertised on Tenderlink for ten weeks from 20 June 2025 to 29 August 2025 and the panel assessed the submissions against the evaluation criteria.

The recommendation contained within this report is to award Contract 3019 to the Roman Catholic Trust Corporation for the Diocese of Cairns trading as Centacare Far North Queensland (Centacare) via a Trustee Lease for a term of five (5) years from a date to be determined, based on their extensive experience in the community and multicultural sector and an excellent value for money proposal.

BACKGROUND:

In 2018, Council examined the community and recreational needs within the suburb of White Rock, a geographically isolated suburb in the southern corridor of Cairns. The study highlighted the need for better recreation, sport, connectivity and a dedicated community / neighbourhood centre.

Council and representatives of Cairns' multicultural community have had dialogue for over twenty years regarding the need for a dedicated multicultural community space. In 2022, Council undertook the Cairns Multicultural Facilities Needs Assessment which highlighted that a fit-for-purpose centre is required to support the needs of people from different cultures, races and ethnicities, including minority groups that represent a significant population of Cairns.

At the 29 January 2025 Ordinary Meeting, Council confirmed its commitment to the Cairns Community and Multicultural Centre at the Tiffany Street site in White Rock and recommended proceeding to invite tenders for the lease and operation of the Centre. This decision to combine the community/neighbourhood and multicultural centre functions into one site was a strategic decision of Council to enable a single viable project for the city.

The capital project is currently in the preliminary design phase and the decision to go to tender to secure early engagement with the future trustee lessee was to ensure that Council would deliver a fit-for-purpose facility under an externally managed model.

COMMENT:

Council invited submissions via an open tender process pursuant to section 228 of the *Local Government Regulation 2012* (Qld). The proposed lease area is the extent of the building footprint, not including any outward facing public toilets, playground, landscaping, carparking or sports fields.

The Request for Tender for Contract 3019 - Lease and Operation of Cairns Community and Multicultural Centre was advertised on 20 June 2025 and closed on 29 August 2025. Despite interest and enquiries from a number of organisations during the tender period, at tender closing time, only two submissions were received from the following organisations:

- Roman Catholic Trust Corporation for the Diocese of Cairns trading as Centacare Far North Queensland (local office); and
- IVG Global Pty Ltd (non-local).

IVG Global Pty Ltd.'s submission included a cover letter stating that they did not have a chance to prepare a tender. The panel deemed the submission non-conforming and did not assess the tender given the tender had been open for ten weeks and IVG didn't request an extension during the live tender period upon finding out about it.

The evaluation panel consisted of senior Council officers from within Community Spaces, Community Life and Property Services. Assistance during the procurement process was provided by a member of the Contracts Unit within the Procurement and Payables branch.

The following qualitative criteria was utilised in the evaluation process:

- **Criteria A (40% weighting)** – Alignment with Council objectives for the Centre.
- **Criteria B (30% weighting)** – Demonstrated ability to operate the Centre including past performance, relevant experience and tenderer's organisational structure, resources, systems, policies, procedures and quality assurance.
- **Criteria C (30% weighting)** – Value for money – financial offer by tenderer.

Council's Request for Tender required tenderers to provide comprehensive documentation to support their proposal, including:

- Alignment with Council objectives:
 - a welcoming space for everyone
 - delivery of services and programs in response to community need
 - inclusive and equitable access
 - vibrant and activated
 - safe and well maintained
 - long term sustainability
- A Business Development Plan including:
 - overview of how the spaces will be used and hours of operations
 - Program and Service Plan outlining a schedule of activities and events
 - Marketing and Promotion Plan
 - draft Access and Usage Policy
 - Workplace Health and Safety Plan
- Financial offer, including:
 - financial details and solvency
 - proposed fees and charges
 - details of how the Centre will be funded (including grant funding)
 - explicit detail on any proposal of a contribution from Council in the proposal.

Centacare Submission – assessment summary:

Centacare FNQ are a local not-for-profit organisation, operating under the Catholic Diocese of Cairns, governed by a Board of Directors – led by the Executive Director. The organisation has over 40 years' experience delivering inclusive, place-based services across FNQ and support up to 280 new arrivals each year, offering wraparound settlement services, housing support, pathways to education and employment.

Importantly, Centacare have demonstrated experience in operating several high functioning community hubs across Cairns:

- Manoora Neighbourhood Centre
- Park Hub (West Cairns)
- Connect Hub (Cairns Central Shopping Centre)
- Multiple specialist sites.

Centacare have the systems, experience and workforce required to manage a facility that will require a physical presence and provide a balanced approach to the programming, activation and booking of the Centre.

The reputable Centacare brand is built upon proven relationship with communities they serve, particularly CALD, refugee, First Nations and faith-based groups across the region.

Centacare have long standing partnerships across sectors, community and government, which was illuminated in the 26 letters of support that accompanied their tender.

These letters indicated strong support and trust from the community that confirms that they are a well-placed organisation to operate the Centre. Every major sector organisation was represented in the letters of support. The inclusion of these letters was overwhelmingly convincing that Centacare are best placed to manage this type of facility and gave confidence to the panel that this decision would be well received amongst those most likely to use the Centre.

Centacare outlined a multi-stream funding model that leverages a mix of Commonwealth, State, philanthropic and self-generated revenue to ensure sustainable operations and the proposal identified many funding opportunities to pursue in this sector, demonstrating awareness of the sector. They have proposed a reasonable fee structure for proposed hire of areas of the Centre which will be further reviewed and agreed before the Centre commences operations.

The panel's assessment demonstrated a high level of confidence in Centacare's ability to deliver a level of service at this Centre that is unparalleled.

Centacare Proposal:

The essence of the Centacare proposal is based on a model of Centacare assuming all responsibility for operations associated with the Centre and Council supporting with asset related costs. This model is not dissimilar to the management model at Council's municipal swimming pools. The proposed responsibility of each party is detailed below:

Centacare responsibilities	Council responsibilities
Rent (\$400 p/a) as per Tenure's Policy	CCTV monitoring via CitySafe and after-hours security patrols.
Water, rates and sewage charges (eligibility for Rates Based Financial Assistance as per the Policy)	Maintenance of the security/access control system
Outgoings / utilities: water, electricity, internet etc	Routine cleaning of outward facing, publicly accessible toilets
Refuse removal for Centre usage.	Hygiene (sanitary) services for outward facing, publicly accessible toilets
All costs associated with the administration (staff), coordination, programming, activation, bookings for the Centre.	Fire and safety compliance
Routine cleaning and hygiene inside the Centre	Pest control and compliance
Routine maintenance and repair	Airconditioning maintenance
PLI (\$20M), Workers Compensation, Plate Glass Insurance	Interior and exterior painting
Screening and access control protocols	Building Insurance
Marketing, signage and promotion	Major maintenance of commercial kitchen equipment
	Maintenance of exterior and structural elements of the building (including Solar)
	Depreciation and amortisation

The proposed division of responsibilities above allows Centacare to deliver the exceptional programming, services and management of the day to day of the Centre as per their proposal and notwithstanding the financial consideration, Council can absorb the asset related activities amongst its existing contracts and services. An assessment of the financial impact of the proposal is included in the Financial section of this Report.

Trustee Lease Terms and Conditions:

The Trustee Lease will commence as soon as practicable after the project achieves practical completion and is subject, but not limited to, the following terms and conditions:

1. For the permitted use of a Community and Multicultural Centre (and uses ancillary to);
2. For a term of five (5) years from a date to be determined;
3. The Trustee Lessee must operate the Premises under the name "Cairns Community and Multicultural Centre" for the duration of the Term;
4. An annual review whereby Centacare will provide audited financial statements and submit the annual report in the format approved by Council;
5. Centacare will be responsible for:
 - a. rent – in accordance with Council's Tenure's Arrangements and Disposal of Council Property Policy
 - b. rates (general) – trustee lessee may apply for rates based financial assistance;
 - c. charges – sewerage / EML – lessee may apply for Rates Based Financial Assistance;
 - d. water;
 - e. utilities /outgoings – electricity / phone / gas;
 - f. public liability insurance noting Council as an interested party, plate glass insurance and workers compensation insurance; and
 - g. bin/waste collection – to be met by lessee.
6. Maintenance Scheduled defining responsibilities as outlined in Centacare proposal;
7. The tenure dealing will be accordance with Council's Tenure Arrangements and Disposal of Council Property General Policy; and
8. Should the negotiations become protracted, and the tenure arrangement is not finalised within three (3) years from the date of this Report, Council reserves the right to withdraw its trustee lease offer.

OPTIONS:

Option 1: (Recommended)

That Council:

1. Awards Contract 3019 to Roman Catholic Trust Corporation for the Diocese of Cairns trading as Centacare Far North Queensland for the lease and operation of the Cairns Community and Multicultural Centre, Tiffany Street, White Rock (Lot 771 on SP345759), subject to the terms and conditions contained herein; 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 offer the Trustee Lease Agreement for the lease and operation of the Cairns Community and Multicultural Centre, Tiffany Street, White Rock (Lot 771 on SP345759) and adopts a Council managed model to operate the Centre.

CONSIDERATIONS:

Risk Management:

This facility is the first of its kind for the city of Cairns and there are elements of unknowns associated with the operation of the Centre. The strategies implemented to mitigate risks are:

- A robust and open Request for Tender and tender assessment process that provided an opportunity for all proposals to be put forward.
- A bespoke trustee lease drafted by Council's legal representatives to adequately cater for the proposed arrangement that protects Council's interests.
- A mandatory annual review whereby Centacare provide audited financials and operational reporting as per a Quality Assurance Program determined by Council.
- Council taking responsibility for asset related management, ensuring Council's qualified staff and contractors are managing the facility as we do with all other Council facilities.

Council Finance and the Local Economy:

The offer from Centacare is based on the overarching principle that Centacare (the lessee) will fund operational and administrative costs associated with the Centre, while Council will cover the asset management costs.

The asset manager will absorb reasonable costs associated with the preparation of the agreement including a lease survey plan, trustee lease preparation and lease and survey registration fees with Titles Queensland.

Operational

A provisional annual operational sum of \$500,000 (from FY29) was included in the Long-Term Financial Plan based on high level assumptions of a Council managed operating model.

In consultation with Council business areas, an estimate of annual Council costs under the Centacare proposed model are:

ACTIVITY	ESTIMATE
CCTV monitoring (CitySafe)	\$10,000
Security patrols	\$15,000
Maintenance of the access control / security system	\$2,500
Cleaning of the public toilets	\$35,000
Sanitary bins for public toilets	\$2,000
Fire safety and compliance	\$1,000
Pest control and compliance	\$3,000
Airconditioning maintenance	\$16,000

Interior and exterior painting	Nil in yr 1-3
Solar maintenance	\$3,000
Depreciation and amortisation	\$200,000
Building insurance	\$5,000
Commercial kitchen equipment maintenance	\$2,000
Maintenance of the exterior (outside the leased area) and structural elements of the building	\$32,000 - grounds maintenance \$10,000 – pressure washing
Breakdown and damages	\$80,000
TOTAL	\$416,500

The expertise Centacare have in this sector and their superior programming and service delivery capabilities will enable the Centre to realise its full potential. Not only is the estimated operational cost in this scenario better than in a Council managed scenario, the day-to-day product that will be delivered by Centacare will meet the original intentions for the Centre.

The offer from Centacare is considered excellent value for money for Council.

Capital

Council will be responsible for moderate to major capital renewal and end of life replacement for the Centre. There is \$9M allocated to this overall project in the 10-year Capital Works Program to design and construct the Centre. The proposal from Centacare specifies that the fit out of the building is a Council expense. Fit out is considered in scope of the capital budget already and this is considered a reasonable request given the extent of the fit out required, but the extent of the fit out will be at Council's discretion.

The project has \$4M external funding under the Federal Governments Growing Regions Program. An Expression of Interest has been submitted to the State Governments' Multicultural Connect Grants Program for the maximum funding of \$500K.

This report does not seek to deal with the approval of capital expenditure, a Project Launch Approval report will be submitted in due course.

Community and Cultural Heritage:

The multicultural community has been in discussions with Council regarding a fit-for-purpose facility for decades and this project will undoubtedly elate many people and organisations when complete. Further, the need for a community centre in the suburb of White Rock is expected to provide crucial services and facilities for the lower socio-economic community in the southern corridor.

The evaluation criteria utilised was selected to ensure that any potential lessee demonstrates how their management and operation of the Centre will deliver fair and equitable access for community and multicultural users.

Native Title is extinguished over the whole of Lot 771 on SP345759 through previous Deeds of Grant. Native title assessment for Lot 771 has been completed under Module BA (PEPA) (Valid grant) & Module BB of the Native Title Works Procedures applies (Extinguishing effect of the PEPA Native Title rights and interests cannot be revived).

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', in particular part 1 of the associated administrative instruction which provides for use by not-for-profit community groups.

CONSULTATION:

Consultation related to the project has been comprehensive and has been documented in previous reports to Council regarding the project.

Centacare's abundance of support provided in their submission demonstrates that the multicultural sector has been sufficiently consulted in developing their proposal.

ATTACHMENTS:

Nil



Tim Dendle
Executive Manager Community Spaces



Destry Puia
Director Lifestyle and Community