

TENURE ARRANGEMENTS FOR COMMUNITY ORGANISATIONS (NOT FOR PROFIT)

PGS | 55/2/3 | #7859865

RECOMMENDATION:**That Council:**

- 1. Applies exceptions under the *Local Government Regulation 2012* for the disposal of valuable non-current assets, other than by tender or auction, pursuant to section 236(1)(b)(ii) being for the purpose of negotiating tenure arrangements with the community organisations and associated land described below:
 - a. A lease over land described as Lot 115 on NR8008836, 2-40 Anderson Street, Manunda to ARC Disability Services Inc.;**
 - b. A lease over land described as Lot 4 on SP227602, 77-89 MacNamara Street, Manunda to AFL Cairns Ltd;**
 - c. A lease over land described as Lot 3 on SP8807132, 34-44 Behan Street, Manunda to Cairns Roller Sports Inc.;**
 - d. A lease over land described as Lot 2 on RP721342, Marshall Street, Machans Beach to Pride Boxing and Fitness Inc.;**
 - e. A lease over land described as Lot 2 on RP729059, 48-52 Graham Street, Edmonton to Act for Kids;**
 - f. A lease over land described as Lot 9 on NR1987, 32 Meerawa Road, Aloomba to Top of the State Rod and Custom Car Club Inc.;**
 - g. A lease over land described as Lot 312 on SP318398, 10-20 Walker Road Edmonton to Southside Comets Football Club Inc.;**
 - h. A lease over land described as Lot 312 on SP318398, 10-20 Walker Road, Edmonton to Mulgrave Combined Cricket Association Inc. and Southside Comets Football Club Inc. (joint); and**
 - i. A lease over land described as Lot 2 on SP285528, 47-69 Sheppards Street, Gordonvale to Southern Suburbs Rugby League Club Incorporated; and****

 - 2. Delegates authority to the Chief Executive Officer under section 257 of the *Local Government Act 2009* to negotiate and finalise any and all matters in connection with the lease arrangements.**
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INTERESTED PARTIES:

1. ARC Disability Services Inc.;
2. AFL Cairns Ltd.;
3. Cairns Roller Sports Inc.;
4. Pride Boxing and Fitness Inc.;
5. Act for Kids Ltd.;
6. Top of the State Rod and Custom Car Club Inc.;
7. Southside Comets Football Club Inc.;
8. Mulgrave Combined Cricket Association Inc.; and
9. Southern Suburbs Rugby League Club Inc.

Note: Attachment 1 provides further details for committee members or point of contact. The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

This report seeks to apply exceptions for the disposal of valuable non-current assets in accordance with section 236 of the *Local Government Regulation 2012* (the **LGR**). Applying an exception enables Council to issue leases over the described parcels of Council controlled land to the community organisations nominated in **Attachment 2** without the need to tender and at below market value.

These exceptions are recommended to enable streamlined negotiations to renew tenure arrangements with community organisations who hold a current lease and with community organisations who have been identified as most suitable to hold a lease over other vacant Council assets. The application of these exceptions to enable negotiations is considered low risk, having regard to demonstrated past performance (where applicable) and the capacity of the organisations noted to meet lease obligations.

This streamlined approach provides a coordinated, consistent, and efficient renewal process that supports the continuation of services to the community while reducing administrative burden for both Council and the relevant community organisations.

Subject to Council endorsement, each organisation named in the recommendation will be required to submit a conforming application and undergo an assessment process in consultation with the Asset Manager.

The application assessment takes into consideration the community organisations capacity to successfully operate the premises and meet lease obligations. Current lessees are also assessed on their past performance and compliance with lease conditions.

If it is determined that the requirements can be satisfied, a lease may be issued under the Chief Executive Officer's delegated authority which is generally subject to Council's standard lease terms and any other negotiated conditions. Where they are not satisfied, the matter will be subject to further consideration, including the potential need for a further Council resolution or an alternative disposal process.

BACKGROUND:

The specified land and associated facilities noted within the resolution of this report are currently leased, or have previously been leased, to community organisations.

It is anticipated that the majority of the community organisations who have a current tenure arrangement will make an application to renew their existing lease. Community organisations that have a current lease and have demonstrated they can operate and maintain the asset in accordance with the lease conditions, are generally given preference to renew their lease and are invited to make an application in accordance with the Cairns Regional Council's "*Community leasing of Council-owned land and facilities guidelines*" available on the Council's website.

COMMENT:

A review of Council's current leases with community organisations has identified seven existing leases that are due to expire before 31 December 2026, one lease that expires on 30 June 2027 which is proposed to be renewed to align with a proposed joint lease over the same lot and 2 new leases (one being the joint lease between 2 existing lessees).

Attachment 2 provides further details including the lot description, asset location, permitted use as well as current tenure details including the community organisation name, tenure commencement and expiry dates where applicable.

Applications for a lease will be assessed in conjunction with the relevant Asset Manager and in accordance with the provisions of "*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. If supported, a new tenure arrangement will be issued under the delegated authority to the CEO.

OPTIONS:

Option 1: (Recommended)

That Council:

1. Applies exceptions under the *Local Government Regulation 2012* for the disposal of valuable non-current assets, other than by tender or auction, pursuant to section 236(1)(b)(ii) being for the purpose of negotiating tenure arrangements with the community organisations and associated land described below:
 - a. A lease over land described as Lot 115 on NR8008836, 2-40 Anderson Street, Manunda to ARC Disability Services Inc.;
 - b. A lease over land described as Lot 4 on SP227602, 77-89 MacNamara Street, Manunda to AFL Cairns Ltd;
 - c. A lease over land described as Lot 3 on SP8807132, 34-44 Behan Street, Manunda to Cairns Roller Sports Inc.;
 - d. A lease over land described as Lot 2 on RP721342, Marshall Street, Machans Beach to Pride Boxing and Fitness Inc.;
 - e. A lease over land described as Lot 2 on RP729059, 48-52 Graham Street, Edmonton to Act for Kids;

- f. A lease over land described as Lot 9 on NR1987, 32 Meerawa Road, Aloomba to Top of the State Rod and Custom Car Club Inc.;
 - g. A lease over land described as Lot 312 on SP318398, 10-20 Walker Road Edmonton to Southside Comets Football Club Inc.;
 - h. A lease over land described as Lot 312 on SP318398, 10-20 Walker Road, Edmonton to Mulgrave Combined Cricket Association Inc. and Southside Comets Football Club Inc. (joint); and
 - i. A lease over land described as Lot 2 on SP285528, 47-69 Sheppards Street, Gordonvale to Southern Suburbs Rugby League Club Incorporated; and
2. Delegates authority to the Chief Executive Officer under section 257 of the *Local Government Act 2009* to negotiate and finalise any and all matters in connection with the lease arrangements.

Option 2:

That Council does not apply exceptions under Section 236(2) of the *Local Government Regulation 2012* for these sites and manages each tenure arrangement individually.

CONSIDERATIONS:

Council Finance and the Local Economy:

Section 236 of the LGR allows local government to dispose of land (or an interest in the land) to a community organisation without the need to tender or auction and for less than market value. As such, costs associated with lease arrangements will be applied in accordance with Councils adopted fees and charges for not for profit organisations.

These organisations are also generally eligible for a concession for rates, water and sewerage charges in accordance with the General Policy for “*Rates Based Financial Assistance Policy for Not for Profit Recreation, Sporting and Community Groups*”. Relevant fees and charges for all other services remain the responsibility of the lessee.

The Asset Manager for each site noted within **Attachment 2** will absorb reasonable costs associated with the preparation and registration of the tenure arrangements.

Community and Cultural Heritage:

The provision of land and / or facilities for community organisations provides numerous opportunities for people to participate and engage in activities and programs that improve the overall health and well-being of the community.

Corporate and Operational Plans:

This report aligns with Council’s Corporate Plan 2025-2030 focus areas relating to:

1. Focus 3 – A place-based approach that celebrates our community;

2. Focus 4 – Community and culture; Fostering a vibrant, healthy and inclusive community; and
3. Focus 5 – Delivering for community through strong governance and informed decision making.

Statutory:

Section 236 of the LGR allows Council to apply exceptions to dispose of a valuable non-current assets without the need to tender or auction. This section also allows Council to issue leases to community organisations for less than market value which would not apply in the absence of an exception.

The Chief Executive Officer, Director Planning, Growth & Sustainability and Executive Manager Licensing & Compliance have delegated authority under this provision where an exception for the disposal has been applied by Council resolution.

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

Policy:

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

CONSULTATION:

Discussions have occurred with relevant Asset Managers to seek preliminary direction on lease arrangements for the identified land noted in the recommendation and support the application of an exception via Council resolution.

Officers will consult with the proposed lessees and other relevant stakeholders during the application assessment process and progress the recommendations from the relevant Asset Manager for each site in accordance with the delegated authority.

ATTACHMENTS:

Attachment 1 – Committee member and/or point of contact.

Attachment 2 – Existing and new lessees, land and tenure arrangement details.



Amy Patterson
Executive Manager – Licensing and Compliance



Mark Davey
Director – Planning, Growth and Sustainability

Attachment 1 – Committee member and/or point of contact.

	Organisation Name	Committee Contact 1	Committee Contact 2	Committee Contact 3
1.	ARC Disability Services Inc.;	Benjamin Keast	Daniel Kruger	Seranie Eecen
2.	AFL Cairns Ltd;	Craig Lees	Audrey Baker	Stephen Olle
3.	Cairns Roller Sports Inc.;	Deborah Evans	Terry Johns	Dave Conley
4.	Pride Boxing and Fitness Inc.;	Shirley Wellman	Aaron Wellman	Paula Carey
5.	Act for Kids;	Tmara Stafford	Terry Gibbs	
6.	Top of the State Rod and Custom Car Club Inc.	Chris Batch	Sue MacGregor	Colin Johnson
7.	Mulgrave Combined Cricket Association Inc. and Southside Comets Football Club Inc. (joint)	Gavern Lovett Kieren O'Brien	Justin Weder Tanya Johnson	Alan Richards Shavi Kanagaratnam
8.	Southern Suburbs Rugby League Club Incorporated	Danny Maher	Charlee Rose Pope	Luke Saunders
9.	Mulgrave Combined Cricket Association Inc. and Southside Comets Football Club Inc. (joint)	Gavern Lovett Kieren O'Brien	Justin Weder Tanya Johnson	Alan Richards Shavi Kanagaratnam

Attachment 2 – Existing and new lessees, land and tenure arrangement details.

	Proposal	Lot and Plan number	Property Address	Organisation Name	Tenure Commencement Date	Tenure Expiry Date	Type of Agreement	Permitted Use
1.	Renewal Application Process	Lot 115 on NR800836	2-40 Anderson Street, Manunda	ARC Disability Services Inc.	01/12/2021	25/06/2025	Trustee Permit then trustee lease to coincide with the adjoining lease	Community garden
2.	Renewal Application Process	Lot 4 on SP227602	77-89 MacNamara Street, Manunda	AFL Cairns Ltd	01/07/2015	30/06/2026	Trustee lease	Sports and recreation ground
3.	Renewal Application Process	Lot 3 on SP307132	34-44 Behan Street, Manunda	Cairns Roller Sports Inc.	01/07/2019	30/06/2026	Trustee lease	Recreation purposes and for purposes incidental to and for no other purpose
4.	Renewal Application Process	Lot 2 on RP721342	Marshall Street, Machans Beach	Pride Boxing and Fitness Inc.	01/07/2023	30/06/2026	Freehold lease	Boxing, Fitness and associated facilities
5.	Renewal Application Process	Lot 2 on RP729059	48-52 Graham Street, Edmonton	Act for Kids	01/01/2016	31/12/2026	Freehold lease	Community programs, public community hall and ancillary purposes
6.	Renewal Application Process	Lot 9 on NR1987	32 Meerawa Road, Aloomba	Top of the State Rod and Custom Car Club Inc.	01/08/2022	31/12/2026	Trustee lease	Car club purposes

	Proposal	Lot and Plan number	Property Address	Organisation Name	Tenure Commencement Date	Tenure Expiry Date	Type of Agreement	Permitted Use
7.	Renewal Application Process	Lot 312 on SP318398	10-20 Walker Road, Edmonton	Southside Comets Football Club Inc.	01/07/2017	30/06/2027	Freehold lease	Football club and ancillary purposes
8.	New Application Process	Lot 312 on SP318398	10-20 Walker Road, Edmonton	Mulgrave Combined Cricket Association Inc. and Southside Comets Football Club Inc. (joint)	To be confirmed	To be confirmed	Freehold lease	To be confirmed
9.	New Application Process	Lot 2 on SP285528	47-69 Sheppards Street, Gordonvale	Southern Suburbs Rugby League Club Incorporated	To be confirmed	To be confirmed	Trustee lease	To be confirmed