

Attachment B – Reports and Council Resolutions

Date	Meeting	Resolution
17/07/2012	General Meeting - Future of Boyne Tannum Country Club Site	G/5.3.3
24/05/2016	General meeting – Confirmation and Adoption of the Environment and Community Services Committee Meeting Minutes of 24/05/2016 – Resolution G/16/2815	G/16/2815
20/12/2016	General Meeting – Confirmation and Adoption of the Commercial Services Committee Meeting Minutes of 13/12/2016 – BITS Golf Course Irrigation System Upgrade – <i>Resolution G/16/2943</i>	G/16/2943

SUBJECT: FUTURE OF BOYNE TANNUM COUNTRY CLUB SITE

Responsible Officer: Director Corporate and Community Services

Council Meeting Date: 17 July 2012

Purpose:

Director Corporate & Community Services seeking endorsement for a consultation proposal for the Boyne Tannum Country Club site; and to determine tenure requests for Boyne Tannum Golf Club Inc.

Officer's Recommendation:

THAT:

1. Council endorse the following draft position on the Boyne Tannum Country Club site for the purposes of community consultation only:
 - a. The proposal to develop the existing Boyne Tannum Country Club as a mixed density residential and resort development not be pursued in its entirety and instead the area remain predominantly an open space and recreation area.
 - b. AFL/Cricket remains as is and be offered standard lease tenure.
 - c. Lawn bowls remain as is and be offered standard lease tenure.
 - d. Council offer standard lease tenure to Golf and seek to cease its commitment to operations and maintenance of the course at the earliest opportunity.
 - e. The section of the BITS site east of Jacaranda Drive (Lot 10 on SP171136) be marketed for sale with its existing development approval applicable.
 - f. Subject to suitable funding being secured (including from the proceeds of the sale of Lot 10 above), Council proceed to develop Stage 1 of Boyne Tannum Sports Park consistent with the draft Master Plan.
 - g. Soccer, little athletics and hockey be invited to relocate to new facilities at Boyne Tannum Sports Park and/or explore joint usage with existing tenants of Dennis Park.
2. Council also endorse the general approach to consultation on this subject as proposed in this report, with results to be reported back to Council.
3. Boyne Tannum Golf Club be advised that:
 - a. Council is prepared to offer it a standard 10-year lease over the following areas:
 - i. Existing clubhouse
 - ii. Existing 13-hole golf course
 - iii. Additional land to accommodate a 5-hole expansion of the course (as indicated in orange on the *attached* plan).

- b. Council is prepared to repair the clubhouse roof only and that any other repairs/upgrades to the kitchen and other parts of the building will be the sole responsibility of the club.
- c. The existing plant and equipment (excluding loose tools) and the maintenance shed area will be included in the lease and transferred as assets to the club.
- d. If the lease is signed on or before 1 January 2013, Council will provide or fund:
 - i. Major course renovations for the 2013 calendar year (est. cost \$26,000);
 - ii. Up to two (2) weeks training in golf course maintenance by a qualified green keeper; and
 - iii. Provision of relevant training/certification of up to eight (8) volunteers (e.g. WHS White Card, First Aid, Chemical handling/use).
- e. The Club will be expected to assume responsibility for the agreement currently held with Avid Golf Pty Ltd for operation of the Pro Shop.
- f. Should the club prefer not to accept the offer of a lease over the clubhouse and golf course as proposed, Council may choose to test the market for alternative managers of the facilities.

Background:

The long-standing contract with Boyne Tannum Pty Ltd to develop the Boyne Tannum Country Club into a resort and residential complex lapsed on 31 March 2012. Council notified Boyne Tannum residents at the time (refer *attached* Householder dated 17 April 2012) that the future of the site would be considered by the incoming Council following elections.

At its meeting on 3 July 2012, Council resolved to offer (subject to Crown approval) Boyne Tannum Golf Club Inc. a 10-year lease over its existing area, along with room for expansion.

Councillors are known to also be keen to resolve the matter of operation and maintenance of the Boyne Tannum Golf Course and officers have had various discussions with Boyne Tannum Golf Club Inc. (refer *attached* letter dated 20 June 2012).

This report deals with each of these inter-related issues.

Consideration:

BITS Club

The current BITS Club site is nearing capacity as far as existing sporting facilities goes:

- Soccer officials report that they are utilising nearby schools as overflow facilities to cater for increased participant numbers.
- Little Athletics usage conflicts with AFL/Cricket on the main oval.
- Hockey is currently operating (inadequately) from Tannum Sands State High School.

With considerable development forecast in Tannum Sands, additional and alternative facilities need to be considered to accommodate future needs.

The proposal to privately develop the BITS Club site has already led Council to explore development of new sporting facilities on the opposite side of the Boyne River – the Boyne Tannum Sports Park. A copy of this Sports Park proposal is *attached*.

Detailed designs have been completed for a Stage 1 of BTSP (soccer, athletics and hockey) and are ready for submission for regulatory approval in the normal manner. Council has already committed to having electricity connected to the site.

The next steps in advancing development of the Sports Park are:

- a. Resolution of the future of the BITS Club site following the lapsing of the contract for sale.
- b. Determination of an acceptable capital funding solution.

In terms of the future of the BITS Club site, Council has previously made an undertaking to the residents of Boyne Tannum to consult widely about the preferred future plans. In order to do so, it is considered that Council should first endorse its own position in order that some constructive and focused discussions can take place. Such a position might be:

THAT proposals to develop the existing Boyne Tannum Country Club as a mixed density residential and resort development not be pursued in its entirety and instead:

- a. AFL/Cricket remains as is and be offered standard lease tenure.*
- b. Lawn bowls remain as is and be offered standard lease tenure.*
- c. Council offer standard lease tenure to Golf and seek to eliminate its commitment to operations and maintenance of the course at the earliest opportunity.*
- d. The section of the BITS site east of Jacaranda Drive (Lot 10 on SP171136) be marketed for sale with its existing DA applicable.*
- e. Subject to suitable funding being secured (including from the proceeds of the sale of Lot 10 (above), Council proceed to develop Stage 1 (only) of Boyne Tannum Sports Park consistent with Master Plan.*
- f. Soccer, little athletics and hockey be invited to relocate to new facilities at Boyne Tannum Sports Park and/or explore joint usage with existing tenants of Dennis Park.*

Officers are proposing a multi-faceted consultation strategy, including:

- a. Householder No. 2 (3,500 residents) inviting feedback on the draft proposal.
- b. (Ongoing) face-to-face meetings and other dialogue with stakeholder clubs.
- c. Opportunity for face-to-face meetings with individuals by appointment during nominated times (including some weekend and evening) - probably at Boyne Tannum Community Centre.
- d. Some time spent by Council personnel at Boyne Tannum Country Club during scheduled matches/games with a "stall/booth" stocking some marketing collateral.
- e. Council seek out some opportunities attend meetings of other community groups in the Boyne Tannum area and add this discussion topic to an agenda.
- f. Council website and on-line feedback options, including social media.
- g. Nominated telephone contact.
- h. Snail mail response capability as part of Householder No. 2.

Aquatic Centre

Of course, the issue not addressed by the proposal outlined is that of a public swimming pool for Boyne Island/Tannum Sands. This will, undoubtedly, be one of the major issues raised during this consultation period.

The development approval granted for Lot 10 east of Jacaranda Drive includes a public-access swimming pool, however, it is unknown if this will proceed in its current form, if at all.

Council has no other formal plans for development of a new public swimming pool (at this or any other site across the region) at this time.

Boyne Tannum Golf Course

A condition of the contract of sale with Boyne Tannum Pty Ltd was for it to reimburse Council for costs associated with operations and maintenance of the golf course (est. \$400,000/annum).

The lapsing of the contract has seen this cost fall solely to Council and Councillors are anxious to see the host club assume this responsibility at the earliest opportunity. Whilst being generally receptive, club representatives have sought Council's assistance in transitioning to arrangements that (rightly or wrongly) have not existed for that club for many years.

Accordingly, the transition proposal being recommended by officers is:

- a. A standard 10-year lease be offered over:
 - Existing clubhouse
 - Existing lease
 - Additional land to accommodate a 5-hole expansion of the course (as indicated in orange on the attached plan).
- b. The Golf Club being permitted (if not encouraged) to sub-let part of the premises to the AFL Club and to explore opportunities to lease the kitchen/catering privately.
- c. Council will repair the BITS Club building roof only. Further repairs/upgrades to the kitchen and other parts of the building will be the sole responsibility of the club.
- d. The existing plant and equipment (excluding loose tools) and the maintenance shed area will be included in the lease.
- e. If the lease is signed on or before January 1, Council will provide or fund:
 - Major course renovations for the 2013 calendar year (est. cost \$26,000);
 - Up to two (2) weeks training in golf course maintenance by a qualified green keeper; and
 - Provision of relevant training/certification of up to eight (8) volunteers (e.g. WHS White Card, First Aid, Chemical handling/use).
- f. The Club assumes responsibility for the agreement currently held with Avid Golf for operation of the Pro Shop.

In the event that the club does not take up the option of this lease, Council may choose to test the market for an alternative tenant on similar terms.

Communication and Consultation (Internal/External):

This report recommends an ongoing communication and consultation proposal.

Legal Environmental and Policy Implications:

Officers will progress leasing arrangements over the land at the BITS Club as per normal process.

Financial and Resource Implications:

Officers will provide revised financial projections for development proposals once the consultation period has concluded.

Summary:

Council has previously committed to a process of extensive consultation with the Boyne/Tannum community to determine the future of this iconic site following the lapsing of the earlier contract for sale. This report recommends the next phase of that process.

In so doing, Council has also chosen to advance some important tenure issues for long-standing tenant sporting clubs of the site. The future of the Boyne Tannum Golf Course is dealt with in this report.

Attachments:

1. Site plan of Boyne Tannum Country Club showing indicative lease areas.
2. Householder to Boyne Tannum residents, 17 April 2012.
3. Letter from Boyne Tannum Golf Club, 20 June 2012
4. Proposed Stage 1, Boyne Tannum Sports Park

Tabled Items:

Nil

Report Prepared by: Director Corporate & Community Services

[Attach 1 Site Plan BITS Country Club](#)
[Attach 2 Householder to Boyne Tannum residents](#)
[Attach 3 Letter from Boyne Tannum Golf Club](#)
[Attach 4 Proposed Stage 1, Boyne Tannum Sports Park](#)

SUBJECT: FUTURE OF BOYNE TANNUM COUNTRY CLUB SITE

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Council Meeting Date: 17 July 2012

Purpose:

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Officer's Recommendation:

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 - iii. Provision of relevant training/certification of up to eight (8) volunteers (e.g. WHS White Card, First Aid, Chemical handling/use).
- e. The Club will be expected to assume responsibility for the agreement currently held with Avid Golf Pty Ltd for operation of the Pro Shop.
- f. Should the club prefer not to accept the offer of a lease over the clubhouse and golf course as proposed, Council may choose to test the market for alternative managers of the facilities.

Council Resolution:

Moved Cr Brushe
Seconded Cr Neill-Ballantine

That the Officer's Recommendation be adopted.

CARRIED

ECSC/5.11. BITS GOLF COURSE IRRIGATION SYSTEM UPGRADE

Responsible Officer: Director Corporate and Community Services

Committee Meeting Date: 24 May 2016

File Ref: SR4.1

Purpose:

The purpose of this report is to seek Council's position on funding the proposal to upgrade the Boyne Island Tannum Sands (BITS) Golf Club irrigation system.

Officer's Recommendation:

THAT:

1. The Boyne Island/Tannum Sands Golf Club Inc. be advised that:
 - a. Council has recently invested in substantial upgrades to the existing, treated effluent irrigation system and, therefore, has no plans to commit further capital to establishing a parallel, potable water irrigation system to service the same sporting facilities.
 - b. However, Council is prepared to consider a one-off investment to replace the existing irrigation reticulation (ie. pipes and sprinklers) at an estimated cost of \$370,000, subject to the following conditions:
 - i. The club agreeing to make a contribution of not less than 20% (consistent with other Council sporting capital funding programs) of the actual capital cost on payment terms to be negotiated.
 - ii. The club acknowledging Council's statutory obligation to invite tenders for a purchase of the quantum anticipated.
 - iii. The club accepting all ownership responsibility, management and maintenance of any upgraded irrigation reticulation system, subject to Council providing suitable training to club personnel.
 - iv. The club accepting the finite volume of treated effluent available from the Council system.
 - v. The club acknowledging that responsibility for any supplementary water source additional to that provided via Council's treated effluent system rests entirely with the club.
 - vi. The club consenting to a termination/renewal of its current lease to better reflect the conditions outlined above.
 - c. Consistent with advice provided to club personnel on 7 May 2013, Council has no forecast plans to further invest in expansion of the Boyne Island/Tannum Sands Golf Club facility, including additional holes.
2. The Chief Executive Officer be authorised to conclude negotiations with the club (generally in line with the terms outlined above) and execute any requisite agreements to give effect to agreement reached.

3. Subject to such agreement being reached, requisite capital budget requests be made for 2016/17, noting the anticipated reduction in operating costs outlined in the report.

Background:

Council owns the property on which the Boyne/Island Tannum Sands Gold Club operates and has been servicing the facility with treated effluent for many years. Up until 2012, Council also provided the greenkeeper service for the golf course.

In 2015, the effluent irrigation system experienced considerable downtime due to malfunction and Council invested heavily to restore the system and ensure that the use of treated effluent on playing fields met the obligatory licensing requirements with the Queensland Government.

Most recently, a meeting on 3rd May 2016 with BITS Golf Club representatives to negotiate viable solutions that complement the use of the current treated effluent system. Key outcomes of this meeting are as detailed below:

- Mr Clint Storch, President BITS Golf Club was advised that Council does not intend to invest in establishing a potable water solution for the purpose of irrigation. This decision was established in light of the significant investment undertaken by Council to upgrade the effluent irrigation system.
- Officers discussed finding viable turf management and soil conditioning solutions to optimise the effectiveness of irrigating with treated water. The BITS Golf Club's Greens Director advised that they are already working with Fernland Agencies (Horticultural Specialist) with respects to turf and soil conditioning practices.
- Officers signalled Council's intention to transition full responsibility of infrastructure management (including the irrigation system) to the club. In anticipation of this transition, the BITS Golf Club, tabled the proposal for the upgrade of the aging irrigation system for the current 13 hole course.
- With this proposal, BITS Golf Club will assume full responsibility of the irrigation asset (operation and maintenance) to be formalise in a Lease Agreement.
- BITS Golf Club will remain using treated effluent for irrigation purpose accepting the restrictions to the volume supplied under the current system. Council will train BITS Golf Club staff in the appropriate use and management of treated effluent prior to handling over responsibility and maintenance.
- Should this proposal be accepted, the BITS Golf Club agree to take full responsibility for the ongoing maintenance of the asset relinquishing Council from the current maintenance arrangement.
- Officers advised that a financial contribution of 20% would be expected from BITS Golf Club by way of co-contribution to this project. Opportunities to secure this funding can include a submission to Council's 2016/17 Facility Assistance Grant Program - Strategic Projects.

Consideration:

Sport and Recreation has compared the proposal to Council's current cost (including 5 year projections attached) for managing the treated effluent system (in its current capacity) as well as the approximate cost and ongoing water concession subsidy for a potable water solution (attached).

A summary of this comparison is detailed below:

Infrastructure	Impact on Council	Impact on BITS Golf Club
Current treated Effluent System	<ul style="list-style-type: none"> • 2015/16 operational cost: \$178,243 • Future budgeted operational cost: \$220,000 (2016/17). This cost will likely increase in future years as the asset continues to age. • Asset and maintenance remains the responsibility of Council. Any future upgrade is therefore a Council cost. 	<ul style="list-style-type: none"> • Water Concession Subsidy not applicable • Remain with an aging irrigation system • Limited treated water supply
Potable Water Solution	<ul style="list-style-type: none"> • \$400,000 - \$500,000 estimated capital works cost. • Asset remains the property and responsibility of Council • Irrigation system will continue to age (future cost to upgrade will be on Council) • Ongoing water concession subsidy approx. value \$243,606 per year (under the current concession policy) 	<ul style="list-style-type: none"> • Eligible for significant Water Concession Subsidy each year • Increase access to volume of water • Assume full responsibility and control over operating cost and maintenance. • Irrigation infrastructure remains unchanged and continue to age.
Irrigation System Upgrade	<ul style="list-style-type: none"> • \$367,280 investment (pending 20% co-contribution from BITS Golf Club in alignment with current strategic grant requirement. • Training cost for BITS golf course staff in operating and managing treated effluent for the purpose of irrigation. • Council recoup investment (cumulative budget allocated for operational cost) within 2/3 years. • Asset becomes the responsibility of the BITS Golf Club. • Operating and maintenance cost will be transitioned to BITS Golf Club. • No future operational cost specific to the operation and maintenance of the irrigation system at the golf course. • Water concession subsidy not applicable. 	<ul style="list-style-type: none"> • New irrigation system • Assume full responsibility and control over operating cost and maintenance. • Trained in operating and managing the effluent irrigation system • BITS Golf Club will remain using treated effluent water for the purpose of irrigation. • Water concession subsidy does not apply.

The BITS Golf Club has engaged TIS irrigation and pumping specialist (based in Capalaba) to scope and cost the proposed irrigation system upgrade (attached). Of course, any purchase by Council will need to be preceded by competitive tender.

Communication and Consultation (Internal/External):

Officers have been in regular contact with club personnel over an extended period.

Legal Environmental and Policy Implications:

To formalize the arrangement detailed in this brief, once confirmed, the Sport and Recreation Section will arrange for the current Lease Agreement with the BITS Golf Club to be terminated and initiate a new Lease Agreement to reflect conditions of funding including, but not limited to:

- a. Funding for future irrigation expansions (for 18 holes) will not be considered.
- b. Assume full ownership and maintenance responsibility for the upgraded irrigation system.
- c. Remain using treated effluent water for the purpose of course irrigation.
- d. Accept the restriction to volume of treated water supply imposed by a closed treated effluent system, subsequent environmental regulations and licenses and does not disadvantage (in water supply) other sporting bodies on the same closed treated effluent system.

Prior to transitioning the responsibilities to the BITS Golf Club, Council will train a set number of BITS Golf Club staff (nominated) in the appropriate use and management of treated effluent for the purpose of irrigation prior to handing over full responsibility and maintenance.

Council needs to ensure that any new management arrangements struck with the club meet the licensing requirements required by the Queensland Government.

Parks management confirm that the staff currently deployed (in part) to maintain the current system will be redeployed to other duties and savings achieved through attrition over time.

Financial and Resource Implications:

The anticipated capital investment to replace the existing reticulated irrigation system is about \$370,000 but will be subject to competitive tender. That sum will need to be allocated in Council's 2016/17 budget and has not been forecast before now.

As shown in the attached analysis, it is expected that the investment will reduce Council's operating expenditure currently allocated to maintenance of the system by some \$200,000/annum, meaning that the investment should yield a positive financial result by the end of the second year of operation. return by the end of the second year.

As outlined above, this level of expenditure proposed will require Council to undertake a tender process for this project.

Commentary:

Officers consider this proposal to be the most viable solution that will inherently transition full responsibility of the irrigation assets currently maintained by Council to the BITS Golf Club.

The new Lease Agreement with BITS Golf Club will need to be comprehensive to ensure no recourse to Council is imposed should future asset issues arise.

Summary:

Nil

Attachments:

1. Comparison table - BITS Golf Course irrigation solutions
2. Comparison table - 5 year cost forecast
3. TIS Quote - BITS irrigation system upgrade
4. BITS irrigation upgrade design layout
5. Email exchange between Cale Dendle and Mick Collins

Tabled Items:

Nil.

Report Prepared by: Sport and Recreation Coordinator

ECSC/5.11. BITS GOLF COURSE IRRIGATION SYSTEM UPGRADE

File Ref: SR4.1

Purpose:

The purpose of this report is to seek Council's position on funding the proposal to upgrade the Boyne Island Tannum Sands (BITS) Golf Club irrigation system.

Officer's Recommendation:

THAT:

1. The Boyne Island/Tannum Sands Golf Club Inc. be advised that:
 - a. Council has recently invested in substantial upgrades to the existing, treated effluent irrigation system and, therefore, has no plans to commit further capital to establishing a parallel, potable water irrigation system to service the same sporting facilities.
 - b. However, Council is prepared to consider a one-off investment to replace the existing irrigation reticulation (ie. pipes and sprinklers) at an estimated cost of \$370,000), subject to the following conditions:
 - i. The club agreeing to make a contribution of not less than 20% (consistent with other Council sporting capital funding programs) of the actual capital cost on payment terms to be negotiated.
 - ii. The club acknowledging Council's statutory obligation to invite tenders for a purchase of the quantum anticipated.
 - iii. The club accepting all ownership responsibility, management and maintenance of any upgraded irrigation reticulation system, subject to Council providing suitable training to club personnel.
 - iv. The club accepting the finite volume of treated effluent available from the Council system.
 - v. The club acknowledging that responsibility for any supplementary water source additional to that provided via Council's treated effluent system rests entirely with the club.
 - vi. The club consenting to a termination/renewal of its current lease to better reflect the conditions outlined above.
 - c. Consistent with advice provided to club personnel on 7 May 2013, Council has no forecast plans to further invest in expansion of the Boyne Island/Tannum Sands Golf Club facility, including additional holes.
2. The Chief Executive Officer be authorised to conclude negotiations with the club (generally in line with the terms outlined above) and execute any requisite agreements to give effect to agreement reached.
3. Subject to such agreement being reached, requisite capital budget requests be made for 2016/17, noting the anticipated reduction in operating costs outlined in the report.

ECSC/16 /0014 Committee Decision:

Moved Cr Trevor
Seconded Cr O'Grady

That the Officer's Recommendation be adopted.

CARRIED

G/5.3. ENVIRONMENT AND COMMUNITY SERVICES COMMITTEE

Nil.

G/5.3.1. CONFIRMATION AND ADOPTION OF THE ENVIRONMENT AND COMMUNITY COMMITTEE MEETING MINUTES OF 24 MAY 2016

File Ref: CM7.2

Purpose:

Cr Bush reporting on the Environment and Community Services Committee meeting of 24 May 2016 and the confirmation of the minutes of that meeting.

Chairperson's Recommendation:

That:-

1. The minutes of the Environment and Community Services Committee meeting held on 24 May 2016 be confirmed and the committee decisions contained within these minutes be adopted.
2. Council note the statement of reasons offered for the committee not adopting the following:-

Item ECSC/5.02. viz:-

- That Council undertake further consultation.

Item ECSC/5.07. viz:-

- Committee Officer's recommendation adopted with an extra part to the Committee Decision added.

G/16 /2815 Council Resolution:

Moved Cr Masters
Seconded Cr Trevor

That the Committee's Recommendation be adopted.

CARRIED

G/5.4. FINANCE AND CORPORATE GOVERNANCE

Nil.

CSC/5.4. BITS GOLF COURSE IRRIGATION SYSTEM UPGRADE

Responsible Officer: Director Corporate and Community Services

Committee Meeting Date: 13 December 2016

File Ref: SR4.1

Purpose:

The purpose of this report is to seek Council's position on funding the upgrade of the Boyne Island Tannum Sands (BITS) Golf Club irrigation system.

Officer's Recommendation:

{recommendation-start}

THAT:

1. The Boyne Island Tannum Sands Golf Club Inc. be advised that, in the interests of reaching agreement, Council is prepared to increase its earlier (13 June 2016) offer of a one-off investment (estimated to be in the order of \$460,000) to upgrade/replace the existing irrigation system at Boyne Island Tannums Sands Golf Course and no longer require a financial contribution from the club.
2. This increased offer to the club remain subject to the following conditions:
 - i. All other conditions (with the exception of the financial contribution) from Council's June 2016 offer being accepted.
 - ii. The club agreeing to work collaboratively with Council and other clubs accessing the irrigation system to ensure that no undue disadvantage is created for one or other club as part of this proposal.
 - iii. Council reserving its rights to not proceed with the project unless a satisfactory and affordable tender can be accepted.

{recommendation-end}

{remove-from-minutes-start}

Background:

In June 2016, Council adopted the minutes of the Environment and Community Services Committee meeting held 24 May 2016, which include the recommendation of funding the proposal to upgrade of the Boyne Island Tannum Sands (BITS) Golf Club irrigation system.

ECSC/5.11. BITS GOLF COURSE IRRIGATION SYSTEM UPGRADE

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 - b. However, Council is prepared to consider a one-off investment to replace the existing irrigation reticulation (ie. pipes and sprinklers) at an estimated cost of \$370,000), subject to the following conditions:
 - i. The club agreeing to make a contribution of not less than 20% (consistent with other Council sporting capital funding programs) of the actual capital cost on payment terms to be negotiated.
 - ii. The club acknowledging Council's statutory obligation to invite tenders for a purchase of the quantum anticipated.
 - iii. The club accepting all ownership responsibility, management and maintenance of any upgraded irrigation reticulation system, subject to Council providing suitable training to club personnel.
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 - v. The club acknowledging that responsibility for any supplementary water source additional to that provided via Council's treated effluent system rests entirely with the club.
 - vi. The club consenting to a termination/renewal of its current lease to better reflect the conditions outlined above.
 - c. Consistent with advice provided to club personnel on 7 May 2013, Council has no forecast plans to further invest in expansion of the Boyne Island/Tannum Sands Golf Club facility, including additional holes.
2. The Chief Executive Officer be authorised to conclude negotiations with the club (generally in line with the terms outlined above) and execute any requisite agreements to give effect to agreement reached.
3. Subject to such agreement being reached, requisite capital budget requests be made for 2016/17, noting the anticipated reduction in operating costs outlined in the report.

ECSC/16 /0014 Committee Decision:

Moved Cr Trevor
Seconded Cr O'Grady

That the Officer's Recommendation be adopted.

CARRIED

In August 2016, the BITS Golf Club declined Council's offer of \$370,000 towards cost of the proposed irrigation system upgrade on grounds that the club does not have the financial capacity to contribute the \$91,820 (20%) towards the total cost of the project (\$459,100).

On 1st December 2016, Officers met with the club to further clarify the limitations with irrigating with treated effluent, capacity of the Tannum Sand Waste Water Treatment Plant (TSWWTP) to supply water for irrigation and discuss feasible solutions to the ongoing issues

with the closed irrigation system. This included renegotiating on the upgrade of the irrigation system infrastructure for the existing 13 holes.

Fundamentally, the current irrigation system (if not upgraded) does not have the capacity to disperse higher volumes of water regardless of whether capacity to supply water for irrigation was increased. Compounding this issue is the consistent blockages of sprinklers due to calcification (further resulting in a reduction on watering).

It was agreed in principle that upgrading the irrigation infrastructure would resolve the ongoing issue with capacity to disperse more water and eliminate (in the short term) the problem with blocked sprinklers. The BITS Golf Club has agreed to take full ownership responsibility, management and maintenance of an upgraded irrigation reticulation system subject to Council providing suitable training to club personnel.

Alternative Solutions

Alternative solutions to supplement the club's irrigation needs including establishing a dam on site and dropping bores to access groundwater were discussed at length. Both solutions considered unviable for the following reasons:

- Site does not have the natural terrain/gradient that is conducive to stormwater catchment.
- Accessing groundwater on a site that was previously a dump made difficult identifying appropriate locations to sink bores and initial investment does not guarantee supply of water would be adequate or dependable.

Impact on other BITS Sporting Clubs

Currently, the irrigation needs of the BITS AFL, Cricket and Football (Soccer) clubs are serviced by the same closed irrigation system as that servicing the golf club. The BITS Golf Club has agreed to work collaboratively with Council and the other clubs to ensure that the irrigation needs are met equitably and does not disadvantage or reduced irrigation to the detriment of other sporting fields. Should Council resolve to fund the irrigation upgrade, working with the other sporting clubs on irrigation needs will be made a condition of the offer.

Consideration:

Option 1 - Fund in full the upgrade of the BITS Irrigation System

Council adopt the Officer's Recommendation that the BITS Golf Club be advised that:

- a) Council's position remains unchanged and has no plans to commit additional capital to establish a parallel, potable water irrigation system to service the BITS sporting facilities.
- b) Council is prepared to make a one-off investment to upgrade the existing irrigation reticulation (ie. pipes and sprinklers) at an estimated cost of \$460,000 subject to the following conditions:

That the Club:

- i. acknowledges Council's statutory obligation to invite tenders for a purchase of the quantum anticipated.
- ii. accepts the finite volume of treated effluent available from the Council system.

- iii. Accepts all ownership responsibility, management and maintenance of any upgraded irrigation reticulation system, subject to Council providing suitable training to club personnel.
 - iv. in accepting all ownership responsibility, management and maintenance of any upgraded irrigation reticulation system, agreed to work collaboratively with Council and the other clubs to ensure that the irrigation needs are met equitably, does not disadvantage or reduced irrigation to the detriment of other sporting fields. acknowledge that responsibility for any supplementary water source additional to that provided via Council's treated effluent system rests entirely with the club.
 - v. consent to a termination/renewal of its current lease to better reflect the conditions outlined above.
- c) Consistent with advice provided to club personnel on 7 May 2013, Council has no forecast plans to further invest in expansion of the Boyne Island Tannum Sands Golf Club facility, including additional holes.
1. The Chief Executive Officer be authorised to conclude negotiations with the club (generally in line with the terms outlined above) and execute any requisite agreements to give effect to agreement reached.
 2. Subject to such agreement being reached, requisite capital budget requests be made for 2016/17, noting the anticipated reduction in operating costs outlined in this report.

Potential operational savings are detailed under the Financial and Resources Implication section of this report.

Option 2 - Maintain Status Quo

Council uphold the original offer of \$370,000 conditional to the BITS Golf Club contributing 20% of the total project cost (\$459,100) and accepting the conditions attached to the funding.

Council will continue to work within the capabilities of the current irrigation infrastructure and the golf club will either resolve to accept the system as it stands or allegedly fold as the club cannot sustain/attract new memberships due to the inferiority and standard of the golf course.

Resultantly, should the issues with the BITS irrigation system remain unresolved; Council has approved the inclusion of \$500,000 in 2018/19 for the upgrade of the irrigation system as part of the Long Term Financial Plan. Council will also retain full ownership and responsibility for the maintenance of the asset including ongoing operational cost.

This option is not preferred.

Legal Environmental and Policy Implications:

To formalize the arrangement detailed in this report, once confirmed, the Sport and Recreation Section will arrange for the current Lease Agreement with the BITS Golf Club to be terminated and initiate a new Lease Agreement to reflect conditions of funding including, but not limited to:

- a) Funding for future irrigation expansions (for 18 holes) will not be considered.

- b) Assume full ownership and maintenance responsibility for the upgraded irrigation system.
- c) Remain using treated effluent water for the purpose of course irrigation.
- d) Accept the restriction to volume of treated water supply imposed by a closed treated effluent system, subsequent environmental regulations and licenses and does not disadvantage (in water supply) other sporting bodies on the same closed treated effluent system.

Prior to transitioning the responsibilities to the BITS Golf Club, Council will train a set number of BITS Golf Club staff (nominated) in the appropriate use and management of treated effluent for the purpose of irrigation prior to handing over full responsibility and maintenance. Council needs to ensure that any new management arrangements struck with the club meet the licensing requirements required by the Queensland Government. Parks management confirm that the staff currently deployed (in part) to maintain the current system will be redeployed to other duties and savings achieved through attrition over time.

Financial and Resource Implications:

The table below provides Council with an estimated cost comparison between Option 1 and Option 2.

	Option 1	Option 2
Expenditure Proposed	\$460,000	\$0
Current Operating Budget	\$73,610* BITS Sporting Fields and Dennis Park	\$245,367 \$171,757: Golf Course (70%) \$73,610: BITS Sporting Fields and Dennis Park (30%)
Future Operational Cost	17/18: \$81,000 18/19: \$89,100 TOTAL: \$170,100	17/18: \$270,000# \$189,000 - Golf Course \$81,000 - BITS Sporting Fields and Dennis Park 18/19: \$297,000# \$207,900 - Golf Course \$89,100 BITS Sporting Fields and Dennis Park TOTAL: \$567,000 \$396,900 - Golf Course \$170,100 - BITS Sporting Fields and Dennis Park
Capital Project (IPP)	\$0	\$500,000
Estimated Expenditure by 2018/2019	\$703,710^	\$1.3M^
Estimated saving by 2018/2019	\$608,657	\$0

^ Totals are approximations

* Plus additional cost associated with training golf club staff on management of effluent system

10% increase from previous year estimated budget

The anticipated capital investment to replace the existing reticulated irrigation system is about \$460,000 and will be subject to competitive tender.

Should Council adopt the Officer's Recommendation, it is proposed that the funds allocated in Council's Long Term Financial Plan for 2018/19 for the upgrade of the BITS irrigation System be brought forward to 2016/17.

As shown in the comparison table, it is estimated that the investment will reduce Council's operating expenditure allocated for maintenance of the current system by some \$600,000 yielding a positive financial result by 2018/19.

As outlined above, this level of expenditure proposed will require Council to undertake a tender process for this project.

It is important to note that Option 1 **does not** include the upgrade of the irrigation system servicing the BITS AFL, Cricket and Soccer sporting fields and Dennis Park. These fields have the same irrigation infrastructure as that of the golf club and are affected by the same issues albeit to a lesser extent.

Council may wish to consider need the cost of upgrading these irrigation systems in the Long Term Financial Plan with the aim of transitioning full responsibility to the sporting clubs. Officers have not had these discussions with the other BITS clubs.

Communication and Consultation (Internal/External):

Internal

Manager, Parks and Environment
Parks Operations Coordinator, Parks and Environment
Manager, Water Services
Senior Engineering Officer, Water Services
Manager, Community Wellbeing
Sport and Recreation Coordinator

External

BITS Golf Club - Officers have been in regular contact with club personnel over an extended period.

Commentary:

Officers consider Option 1 to be the most viable solution that will inherently transition full responsibility of the irrigation asset currently maintained by Council to the BITS Golf Club.

The new Lease Agreement with the BITS Golf Club will need to be comprehensive to ensure no recourse to Council is imposed should future asset issues arise.

It is important to note that Council's energies are focused on resolving the irrigation needs of the BITS Golf Club in the first instance. Ultimately, Council would like to arrive at a situation that sees all BITS sporting clubs take full responsibility for the irrigation of their sports fields in line with that of other sporting clubs across the Gladstone Region.

Summary:

NIL

Attachments:

1. BITS Golf Club Letter to Council regarding irrigation proposal dated 5 December 2016
2. Council's original letter of offer dated 13 June 2016

Tabled Items:

NIL

Report Prepared by: Sport and Recreation Coordinator

{remove-from-minutes-end}

G/3.2. COMMERCIAL SERVICES COMMITTEE

G/3.2.1. CONFIRMATION AND ADOPTION OF THE COMMERCIAL SERVICES COMMITTEE MEETING MINUTES OF 13 DECEMBER 2016

File Ref: CM19.2

Purpose:

Cr Sobhanian reporting on the Commercial Services Committee meeting of 13 December 2016 and the confirmation of the minutes of that meeting.

Chairperson's Recommendation:

That:-

1. The minutes of the Commercial Services Committee meeting held on 13 December 2016 be confirmed and the committee decisions contained within these minutes be adopted.
2. Council note the statement of reasons offered for the committee not adopting the following:-

Item CSC/5.4. viz:-

- *An addition was made to the officers recommendation*

G/16 /2943 Council Resolution:

Moved Cr Sobhanian
Seconded Cr Bush

That the Committee's Recommendation be adopted.

CARRIED

CSC/5.4. BITS GOLF COURSE IRRIGATION SYSTEM UPGRADE

File Ref: SR4.1

Purpose:

The purpose of this report is to seek Council's position on funding the upgrade of the Boyne Island Tannum Sands (BITS) Golf Club irrigation system.

Officer's Recommendation:

THAT:

1. The Boyne Island Tannum Sands Golf Club Inc. be advised that, in the interests of reaching agreement, Council is prepared to increase its earlier (13 June 2016) offer of a one-off investment (estimated to be in the order of \$460,000) to upgrade/replace the existing irrigation system at Boyne Island Tannum Sands Golf Course and no longer require a financial contribution from the club.
2. This increased offer to the club remain subject to the following conditions:
 - i. All other conditions (with the exception of the financial contribution) from Council's June 2016 offer being accepted.
 - ii. The club agreeing to work collaboratively with Council and other clubs accessing the irrigation system to ensure that no undue disadvantage is created for one or other club as part of this proposal.
 - iii. Council reserving its rights to not proceed with the project unless a satisfactory and affordable tender can be accepted.

CSC/16 /0082 Committee Recommendation:

Moved Cr Masters
Seconded Cr Bush

THAT:

1. The Boyne Island Tannum Sands Golf Club Inc. be advised that, in the interests of reaching agreement, Council is prepared to increase its earlier (13 June 2016) offer of a one-off investment (estimated to be in the order of \$460,000) to upgrade/replace the existing irrigation system at Boyne Island Tannum Sands Golf Course and no longer require a financial contribution from the club.
2. This increased offer to the club remains subject to the following conditions:
 - i. All other conditions (with the exception of the financial contribution) from Council's June 2016 offer being accepted.
 - ii. The club agreeing to work collaboratively with Council and other clubs accessing the irrigation system to ensure that no undue disadvantage is created for one or other club as part of this proposal.

- iii. Council reserving its rights to not proceed with the project unless a satisfactory and affordable tender can be accepted.
 - iv. The club consider restoring usage rights (revenue raising opportunities) of the licenced clubhouse for other BITS sporting clubs (AFL, cricket and soccer).
3. Officers provide a further report on the cost and timing of transitioning the balance of BITS sporting clubs to ownership and maintenance of irrigation systems currently contemplated for 2018/19.

CARRIED

Mayor Burnett attended the meeting.