

Maleny and District Green Hills Fund

Briefing Note to Sunshine Coast Councillors re Item

10.2.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - MALENY GOLF LEASE – Council Meeting, 17 October 2013

Leases on the Maleny Precinct are not subject to the controls and conditions you would normally expect of a large project with millions of dollars at stake.

This places Council at reputational and ethical risk.

Sunshine Coast Council is poised to hand a large proportion of prime Precinct land to the Maleny Golf Club under a no-cost lease with the potential to yield millions in the years ahead.

The club plans an 18-hole course. It received DA approval for nine holes in 2012.

Under an unusual licensing arrangement, it will also have the use of land not included in the lease.

Council will consider the lease at its meeting this Thursday 17 October 2013.

Council and the golf club have refused to reveal details about the deal, which will impact rate-payers and tie up land on a sport whose popularity is declining.

Council has already spent a reputed million dollars on a road and parking lot that mainly benefit the club. The exact spend is unclear as the works were not carried out under a publicly tendered contract.

No grants for infrastructure on community facilities will be made by Council in financial year 2013-14.

There is speculation that Council may instead lend money to the club.

There is also speculation that Council will permit the club to use the site for commercial facilities that align with Council's economic strategy to encourage capital construction and business tourism. This translates as conference centres, reception centres, hospitality venues and the like.

This would provide the club with an income stream while leaving the most popular part of the Precinct, the Parklands, reliant substantially for its income on ratepayers.

Council said in 2010 that it would base the economic management of the Precinct on a strategic business plan. Such a plan has never been drawn up.

A sensible business plan would separate commercial from recreational leases, and entrust commercial leasing to Council itself or to an independent governing body, with proceeds payable to a parklands trust.

This would not stop recreational lease-holders from building amenities like club houses. It would prevent them from assuming control of the Precinct commercially.

The present leasing system enables leases to be negotiated without clear and concrete conditions in certain areas. For example –

- There is no condition clarifying that approval of a lease boundary does not entitle the lease-holder to more land outside the boundary. The absence of this condition has effectively extended the already large estate controlled by the golf club.
- There is no condition to prevent the holder of a lease agreement whose original claim has been superseded, from acting for another party under the same Agreement. The Maleny and District Sports and Recreation Club, which is moving its facilities off-Precinct, has used this loophole to effectively pass its lease agreement on to the Maleny Equestrian Group. This excuses MEGS from making a lease claim in its own right and also binds MEGS to using the MDSRC site rather than, say, a mix of sites (a section of golf land would be much better suited to polo and cross-country than the MDSRC site).
- There is no condition to prevent lease boundaries from encroaching on a best-practice (40 metre) corridor along the Precinct bank of the Obi Obi Creek. This has given rise to much unnecessary contention and remains unresolved.

Council has gone along with this questionable system oblivious, apparently, to the financial, reputational and ethical risks. If Council approves the golf club lease on Thursday, it will be taking on that risk; a risk it should properly avoid.