

## REPLACEMENT REPORT

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### REPORTS FROM THE GENERAL MANAGER

#### 6 [GM-CM] National Stronger Regions Fund Round Two

SUBMITTED BY: General Manager



**Civic Leadership**



**Supporting Community Life**



**Strengthening the Economy**



**Caring for the Environment**

#### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- |       |   |
|-------|---|
| 1     | Civic Leadership  |
| 1.3   | Delivering the objectives of this plan  |
| 1.3.2 | Council will seek the best value in delivering services   |
| 2     | Supporting Community Life   |
| 2.1   | Foster strong, cohesive, cooperative, healthy and safe communities  |
| 3     | Strengthening the Economy   |
| 3.3   | Maintain and enhance the Tweed lifestyle and environmental qualities as an attraction to business and tourism |
| 3.3.2 | Facilitate government-funded infrastructure   |
| 4     | Caring for the Environment  |
| 4.4   | Manage the Tweed coastline to ensure a balance between utilisation and conservation                           |
| 4.4.2 | Protect and enhance the aesthetic qualities of the coastal zone   |

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#### SUMMARY OF REPORT:

Council submitted the Kingscliff Foreshore Protection and Revitalisation Project to the National Stronger Regions Fund (NSRF) Round 1 which closed on 28 November 2014 and the successful projects are due to be announced in May 2015. The Department of Infrastructure and Regional Development has opened Round 2 of NSRF and it will close on 31 July 2015. Applicants are allowed to submit two projects under Round 2.

To allow time for the preparation of a funding proposal Council will need to determine up to two preferred projects.

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**RECOMMENDATION:**

**That Council:**

- 1. Subject to positive feedback from the Department of Infrastructure and Regional Development, resubmits the Kingscliff Foreshore Protection and Revitalisation Project as its preferred project for Round 2 of the National Stronger Regions Funds (NSRF).**
- 2. Also submits the Northern Rivers Rail Trail (Murwillumbah to Crabbes Creek) project for consideration under Round 2 of the National Stronger Regions Fund (NSRF).**
- 3. Nominates the Cobaki Parkway infrastructure to facilitate Southern Cross University development project as the alternate should the Kingscliff Foreshore Protection and Revitalisation Project funding application not proceed.**

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### REPORT:

On 1 October 2014 the Australian Government announced the first round of the \$1 billion National Stronger Regions Fund (NSRF). This funding grant is available to local governments seeking matching funding for a range of local and regional development initiatives that are designed to spur economic growth. Council nominated Kingscliff Foreshore Protection and Revitalisation Project as its priority project for grant funds under round 1 of the National Stronger Regions Fund.

Round 1 closed on 28 November 2014 and the successful projects were announced on 15 May 2015. Round 2 of NSRF opened on 15 May 2015 and will close on 31 July 2015.

Given this timing and the work required to prepare these applications it is considered prudent to determine two preferred projects.

### Project Eligibility

The guidelines for Round 2 are available and there have been a number of changes. However they are closely based on the Round 1 guidelines. Council must be able to identify matching funding for all projects with up to \$10 million available from NSRF.

Below is an extract from the previous report to Council summarising the guidelines to the Round 1 NSRF:

*The NSRF guidelines identify that the grant funding will only be provided for capital projects which involve the construction of new infrastructure, or the upgrade, extension or enhancement of existing infrastructure. It provides examples of the following types of projects:*

- *upgrade transport networks to support connectivity and freight movement (transport hubs, intermodal services, airports, or upgrades to wharves or cargo loading facilities which cannot be funded by the market);*
- *enhance the efficient movement of freight, support an industrial estate or strengthen supply chains;*
- *increase access to water and waste services, support improved water management or enhance irrigation services (routine upgrades and repairs will not be funded);*
- *extend or enhance services to regions, for example deliver gas pipelines to new industrial estates, upgrade water pipes to support irrigation and industrial growth, or more efficiently manage waste water;*
- *convention centres and community or performance centres which deliver economic benefits or support increases in tourism; or*
- *construct large flagship or signature multi-purpose sporting facilities which generate significant long term economic and social benefits and/or support leadership in local communities, for example a state-of-the-art facility which will act as the state hub and will host national, state and elite events on a regular and ongoing basis*
- *upgrades to or the expansion of local sporting facilities or the construction of sporting facilities which are otherwise available in the state or territory are unlikely to be supported; or*

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- *facilities which support a single sport or which can be funded by state and national bodies are unlikely to be supported.*

The NSRF will not fund infrastructure projects which:

- *does not deliver sustainable economic benefits, including job creation;*
- *are eligible for funding under the National Disaster Relief and Recovery Arrangements;*
- *shift costs from state, territory or local governments to the Commonwealth; and/or*
- *are integral elements of hospitals, as they are funded by other Government initiatives.*

Grant funding from the NSRF cannot be used for the following:

- *expenditure incurred prior to the announcement that the project has been successful in its application for NSRF funding;*
- *provision of services and support activities;*
- *soft infrastructure, including computer software or hardware that is not an integral part of the funded capital project;*
- *payment of salaries for new or existing staff or contractors; or*
- *administrative overhead items, including office equipment, vehicles or mobile capital equipment, for example trucks and earthmoving equipment.*

Some of the important changes to the Round 2 Guidelines include the ability for applicants to submit two project applications, and a change to the weighting of Criteria, giving more importance to the Economic Benefit Criteria.

### Projects Summary

Below is the estimated project costing for 11 projects that are considered for the National Stronger Regions Fund.

<b>Project</b>	<b>Estimated Project Cost</b>
1. <i>Kingscliff Foreshore Protection and Revitalisation Project</i>	\$20,411,500
2. <i>Northern Rivers Rail Trail (Murwillumbah to Crabbes Creek)</i>	\$13,036,050
3. <i>Gondwana Terminus</i>	\$1,000,000
4. <i>Kingscliff Sportsfield Masterplan</i>	\$1,222,000
5. <i>Boyd Street Intersection North Facing Ramps to motorway from Cobaki</i>	\$15,000,000
6. <i>Boyd Street / Gold Coast Highway Intersection Upgrade and other roadworks to service the Cobaki Development (Cobaki Parkway infrastructure to facilitate Southern Cross University Development)</i>	\$30,000,000
7. <i>Interconnection to SE QLD Water</i>	\$10,000,000
8. <i>Arkininstall Park Stage 2</i>	\$37,240,000
9. <i>Tweed Coast Road Upgrade</i>	\$25,132,172
10. <i>Kennedy Drive Upgrade - Limosa Road to Cobaki Bridge</i>	\$4,050,000
11. <i>Jack Evans Boat Harbour Stage 2 - incorporating Goorimahbah, Aboriginal Gardens</i>	\$6,300,000

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### **1. Kingscliff Foreshore Protection and Revitalisation Project**

The Kingscliff Foreshore Protection and Revitalisation Project is critical to preserving the Kingscliff foreshore from severe erosion and ensuring the economic future of the Kingscliff community through innovative and sustainable economic opportunities.

This project will provide an economic growth platform through immediate construction activity and long-term tourism and related industry activity. This will be achieved via a three-pronged growth strategy.

Output of the \$20 million integrated project that is scheduled to be completed by September 2018, includes:

1. Constructing a sea wall that will protect the shoreline and foreshore areas of Kingscliff for decades from the immediate threat of severe and potentially catastrophic erosion and the subsequent risk of economic and social decline in the area.
2. The protective sea wall will allow the creation of a stunning beach-front park that will restore the uncluttered, natural vista of the beach front and provide an epicentre for community and visitor recreational and cultural activity, and
3. The redevelopment of the adjoining Holiday Park that will ensure sustainable economic growth and employment in the town and broader region through provision of increased quality short-stay accommodation.

The anticipated increase in visitor numbers to the Kingscliff foreshore and associated tourist activity in the region is central to the Tweed Shire Council strategy to build economic resilience, increase employment in the region, and improve the socio-economic wellbeing and environment of our community. This Business Case for the Project details how it will help the CBD of Kingscliff to achieve economic growth and sustainability.

This project was submitted under Round 1 and advice has been received that funding for this project was unsuccessful. However, there is a further opportunity to make application under Round 2. Council officers are currently awaiting feedback from the Department of Infrastructure and Regional Development on elements where the application can be enhanced.

### **2. Northern Rivers Rail Trail (Murwillumbah to Crabbes Creek)**

The Murwillumbah to Crabbes Creek section of the Northern Rivers Rail Trail would be 24 kilometres of trail connecting the regional centre of Murwillumbah with the villages of Stokers Siding, Burringbar, Mooball and Crabbes Creek. This section of rail trail would form a backbone linking features such as Mooball National Park, Tweed Regional Gallery, Mt Jerusalem National Park and Wollumbin/Mt Warning.

The trail would attract valuable tourism to the area and facilitate active transport and recreation activities for locals. The 24km Murwillumbah to Crabbes Creek section incorporates 2 tunnels (one approximately 500m long), 27 bridges and 25 level crossings. This section could be the initial stage of the regional Northern Rivers Rail Trail Project, a plan to establish a 130km rail trail all the way from Murwillumbah to Casino. The Northern Rivers Rail Trail Inc. have made a submission to the NSW State Government under the

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Regional Tourism Infrastructure Fund to design build and operate a substantial portion of the entire Trail from Casino to Murwillumbah.

On the basis that funding is secured under the State grant program, Tweed Shire Council could partner with NRRT Inc. and/or the proposed Trust under the model put forward, and make application for matching grant funding under the Federal Stronger Regions program to construct the section of rail trail from Murwillumbah to Crabbes Creek. Establishment of the section is estimated to cost \$13,036,050.

### 3. Gondwana Terminus

The area encompassing the World Heritage Rainforest Centre (WHRC), Budd Park, Tweed Valley Way roundabout, Murwillumbah Railway Station (North Coast Rail Trail Terminus) forms the gateway to Murwillumbah and the National Parks of the Border Ranges. Iconically, it is the entrance to the defining rim of the 'Green Cauldron' and the Gondwana rain forest. This area has the clear potential to consolidate these elements to produce a powerful entry statement to the Town and to the national parks and the Northern Rivers region.

The Murwillumbah Railway Station is proposed to be the terminus of the Northern Rivers Rail Trail project being immediately across the road. It has the potential to be connected with the WHRC which accommodates the Murwillumbah Visitor Information Centre (VIC)) forming a powerful entry statement for visitors to the Northern Rivers and users of the rail trail and offering tourists essential VIC services and advice.

The Gondwana Entry Statement project is conceived to achieve:

- improved services to visitors
- powerful interpretation of and orientation for the local Green Cauldron region and the Gondwana World Heritage Rainforest, of which the Green Cauldron is significant part
- Launching point for the Northern Rivers Rail Trail
- improved sense of 'entry' to Murwillumbah, including enhanced streetscape and pedestrian safety and amenity
- improved local park and riverfront amenity for community and visitors alike

The logical approach would be for this project to follow the establishment of the rail trail. The preliminary estimated value of the project is approximately \$1,000,000.

### 4. Kingscliff Sportsfield Masterplan

The Kingscliff Sports Fields Master Plan is Council's response to a key recommendation in the Tweed Shire Sports Field Strategy (2015). A significant increase in sporting use of this 12 hectare site over the last 15 years has caused considerable conflict for the 6 sports clubs using the fields. The area allocated to each sport and the low quality facilities available reflects the historical arrangement and has not kept pace with increasing use. A particular problem is the fields are bisected by Wommin Bay Road which carries up to 10,000 vehicles per day.

The Kingscliff Sports Fields complex comprises 3 separately named fields being the Walter Peate Field and Merve Edwards Fields, and the Reg Dalton Oval.

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The Master Plan proposes to:

- Consolidate areas allocated to each sport, particularly to reduce risk and problems associated with Wommin Bay Road. This requires construction of a new clubhouse, change rooms and toilet facilities on the Walter Peate Field north of the road.
- Increase the level of use by developing new key facilities, particularly sports lights.
- Undertake earthworks and relocate some existing facilities to allow a more efficient allocation of sports field layouts.
- Upgrade existing facilities that are very old and no longer meet the needs of the user groups

This application is for funds to commence stage 1a of the project, which addresses the problem of soccer and hockey operations being split by Wommin Bay Road. Soccer is to move to the Walter Peate Field (north of Wommin Bay Road) while Hockey will relocate to the southern Reg Dalton Oval.

• Construct a central clubhouse, change room, toilet facility and access driveway on the field north of Wommin Bay Road (Walter Peate Field)	\$800,000
• Construct sports lights on newly allocated soccer fields on the same field. This will include a transformer upgrade to support further sports lights improvements	\$350,000
• Construct 900mm fencing around new main soccer field on Walter Peate Field	\$37,000
• Relocate one synthetic cricket wicket to allow space for these newly allocated soccer fields	\$15,000
• Reconstruct part of the cricket wicket, and install hockey safety fencing to the Reg Dalton oval to allow hockey use	\$20,000
<b>Total</b>	<b>\$1,222,000</b>

**5. Boyd Street Intersection North Facing Ramps to motorway from Cobaki**

The North facing ramps onto the Motorway at the Boyd Street intersection will provide a vital long term connection from the Cobaki development and the surrounding locality to South East Queensland and the Motorway. The ramps are a component of the Tweed Road Contribution Plan and were originally envisaged to be required when the development at Cobaki reached 1500 lots.

With the proposal to locate Southern Cross University on the Cobaki site there is a desire from the developer to bring forward the construction of the North facing ramps to coincide with the initial stages of the development. As this project is required for the Cobaki development and Council has limited funds in the Tweed Roads Contribution Plan it is proposed that the developer designs and constructs the works and claims the appropriate financial credits.

The Stronger Regions program presents an opportunity to source additional funding for this project however under the grant conditions, Local Government and Not For Profit groups are the only organisations eligible to apply. For this project to be funded under the Stronger Regions program, Council would need to be the applicant and sign a binding agreement

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with the developer for them to complete the work, or for Council to complete the work with an agreement with the developer for them to fund and pay Council their portion of the project costs. It is considered, that given the uncertainty around timing of the Cobaki development, the complexity of the work and Council's limited resources that this project not be recommended for the Stronger Regions program. Ideally this project should be funded directly by the Federal Government, and the Council and developer should lobby for a change in funding criteria. The estimated project cost is \$15,000,000.

### **6. Boyd Street / Gold Coast Highway Intersection Upgrade and Other Roadworks to service the Cobaki Development, including Cobaki Parkway (*Cobaki Parkway infrastructure to facilitate Southern Cross University development*)**

Discussions have been held with the proponents of the Cobaki Development in regard to making a submission whereby Council would be the applicant for key roadworks which form the link from the Cobaki Development to the Gold Coast Highway. That portion of the work which is contained within NSW forms a component of the Tweed Road Contribution Plan (TRCP). There are other works which are required in Queensland which do not form part of the TRCP. All or part of this work could be included in an application by Council with LEDA as a partner, for the NSRF. Based on feedback provided by the Department of Infrastructure and Regional Development and given the complexity of the governance arrangements of any work carried out in Queensland, officers are of the view that if an application was to be submitted for this project, it should only include work within the Tweed Shire boundary.

Additionally there is conjecture over whether Council can apply to undertake a project for an asset which it will not own and maintain such as the Boyd Street intersection. The value of work considered to be eligible for the project within the Tweed Shire boundary, being Cobaki Parkway from the State Border south to Piggabeen Road (including the bridge and access to Piggabeen Road) is estimated at \$30 million.

Therefore, Council could partner with LEDA to make a joint application towards this \$30 million infrastructure project seeking an amount of \$10 million of the total in grant funding. Importantly, should the application be successful it will help to facilitate Southern Cross University building their new campuses within the Cobaki locality and bring forward the development.

### **7. Interconnection to SE QLD Water**

This project involves the design and construction of a water pipeline and pump station to interconnect the South East Queensland Water Grid to the Tweed District Water Supply. This project is the preferred contingency approach identified in the Tweed Shire Council Drought Management Strategy (Tweed Shire Council Drought Management Strategy, Final Report April 2009). It was considered in the Tweed District Water Supply Augmentation Options Study and could be implemented in a timely manner if some pre-construction and construction activities are undertaken concurrently.

This proposal provides an opportunity to connect to one of the most secure water supplies in Australia. The interconnection to the SEQ Water Grid would not necessarily negate the longer term need for the raising of Clarrie Hall Dam or construction of Byrill Creek Dam. Negotiations have been ongoing with SEQ Water regarding the operational arrangements and the proposed price of the water. The total estimated cost of the design and construction portion of the project is \$10million.

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### 8. Arkinstall Park Stage 2

Stage 1 of the Arkinstall Park Regional Sports Centre development is completed and officially opened May 2015. Stage 2 of the Centre 2 includes a regional indoor sports complex and rectangular multi-use sports fields with grandstands. A feasibility study and business case for stage 2 has recently been completed, and based on the recommendations of the business case a master plan and concept plan for the facilities have also been developed.

The market and demand analysis identified the following components as being required for the indoor facility:

- Three sprung timber floor courts suitable for competition level basketball, futsal and indoor netball
- One equivalent court purpose - built for gymnastics Training pits provided for all vaulting and parallel beam training
- Two multi-purpose rooms to cater for group fitness and spin activities, or be a social space directly associated with the soccer pitch No 1
- A dedicated gymnasium, to cater for cardio and weight training/fitness.
- A crèche/occasional care space, including outdoor play space.
- A centre operated sports administration area, as well as independent sports offices for local sport programming or club admin
- A precinct managed cafe which can cater for both stadium (indoor) and outdoor patrons
- Spectator seating (telescopic stadia seating) in both the gymnastics hall and sports hall to cater for both training and competition usage
- Associated break out areas to assist with event marshalling or game day competitions. These break out spaces can cater for both indoor and outdoor events
- Future expansion area (to the south) for at least 1 additional court and gym space.

The market and demand analysis identified the following components as being required for the outdoor football spectator venue and associated spaces:

- Four grass pitches suitable for regional competition level soccer (to FIFA 2014 pitch standards) and to serve rugby league, rugby union and touch football
- Under cover seating will be provided: 300 seats at pitch No. 1; 200 at pitch No. 2; and 100 at pitch Nos. 3. and 4
- Provision for State and Regional matches for amateur competition i.e. state youth championships
- A separated 'soccer' dedicated canteen and amenities (located between soccer pitches 2 and 3 to minimise distance of travel to the stadium)
- Civic hub/piazza at the frontage of the stadium connecting the soccer precinct to the northern Tennis and Netball Precinct
- Family BBQ area amongst shaded landscaped area
- Team and spectator covered seating for all soccer pitches
- Landscape buffer to all adjacent properties at a minimum depth of 15 metres
- Car park with an additional 240 spaces in the east and 61 spaces to the north
- Court expansion space to the south

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- Sport lighting to 250 lux to the southern 3 pitches. No lighting will be provided to pitch No. 4. to ensure no light spread (pollution) to the adjoining residential properties to the west of soccer pitch No.4
- External storage zones to all individual soccer pitches.

### Capital and operating costs

Based on the concept design, the estimated capital cost of stage 2 is \$28,100,000 comprising of:

- The approximate value of Sports Fields/External Works equates to \$7,518,500
- The approximate value of the Sports Stadium equates to \$13,470,000
- Environmental Sustainable Design costs estimated at \$630,000
- Contingency fees of \$2,151,000
- Professional and Authority Fees of \$2,330,450
- The approximate equipment, furniture and fittings value being \$2,000,000

To take advantage of funding opportunities and within current funding constraints, it is recommended that the development of stage 2 staged. An application through Round 2 of the Stronger Regions Fund can be submitted for the construction of the multi-purpose indoor facility and associated car parking estimated at \$17,000,000.

### **9. Tweed Coast Road Upgrade**

The Tweed Coast Road is currently a two lane rural road extending south from the Pacific Motorway interchange at Chinderah to Cudgen, Depot Road, Casuarina and Cabarita Beach/Bogangar. The construction of the section from Chinderah to Casuarina (previously named "Old Bogangar Road") was funded by Section 94 contributions as required by the Tweed Coast Contribution Plan.

To facilitate a standard of road network to cater for the increasing population growth along the Tweed Coast and its accompanying traffic generation this project was identified as being required in the Tweed Road Development Strategy, which was last updated in 2007. The project involves an upgrade from the existing two lanes to four lanes for the Tweed Coast Road from the new signalised intersection at Grand Parade, Casuarina to the Pacific Motorway at Chinderah.

The project includes upgrading of the north and south on ramps to the Motorway and the installation of a roundabout at the intersection of the Tweed Coast Road and Kings Forest Parkway. As timing and need for this work is unknown it is not recommended for the Stronger Regions grant program. Total project cost is estimated at \$25million.

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### **10. Kennedy Drive Upgrade-Limosa Road to Cobaki Bridge**

The scoping of works and design for the upgrade of Kennedy Drive between the Pacific Motorway and the Cobaki Bridge to dual lanes within each direction was undertaken by Council during 2010. Phase 1 of the project, Gray Street to Limosa Road, funded by Council was constructed during 2011. Following a commitment by the Federal Government to support further stages of works, the Department of Infrastructure and Regional Development has granted Council \$3.3M under its Infrastructure Investment Program for Phase 2 of the works between the Pacific Motorway and Gray Street. This phase of works commenced in October 2014 with completion due at the end of May 2015.

The final phase of works shall see the upgrade of Kennedy Drive from Limosa Road to the Cobaki Bridge, resulting in dual traffic lanes in each direction, improved drainage and a safer road network for traffic volumes of 19,000 traffic movements per day. The NSW State Government, as pre-election commitment, proposed a \$3.6million grant to construct Stage 3 of the Kennedy Drive upgrade. Council has yet to receive confirmation of this grant however it is envisaged that formal advice will be received in the coming months. This project is therefore not recommended for the Stronger Regions grant program. Project cost for Stage 3 is estimated at \$4million.

### **11. Jack Evans Boat Harbour Stage 2 - incorporating Goorimahbah, Aboriginal Gardens**

Conceptual planning for this stage was undertaken prior to the construction of Stage 1. Whilst the landform has been prepared for the Aboriginal Gardens, there is significant work and landscaping proposed in this Stage 2 concept. An attempt was made to initiate an aspect of the Aboriginal Gardens several years ago, however contractual issues resulted in this work being abandoned. The total estimate to undertake Stage 2 is \$6,300,000 of which Council has no matching funding. There is an opportunity however to pursue separate aspects of the concept such as the story wall, the gateway structure and saltwater sculpture as small one off projects as funding becomes available.

#### **OPTIONS:**

Council has several options at this point in time:

1. That Council determine the most appropriate capital works project from the above Projects List to submit to the grants program.
2. That Council nominates an alternative project to recommend to the grants program.
3. Council not submit an application to the grants program.

#### **CONCLUSION:**

The Round 1 nomination from Council for the National Stronger Regions Fund (NSRF) was Kingscliff Foreshore Protection and Revitalisation Project.

Subject to feedback from the Department on Round 1 it is recommended that the Kingscliff Foreshore Protection and Revitalisation Project and the Northern Rivers Rail Trail (Murwillumbah to Crabbes Creek) Project be submitted for Round 2.

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**COUNCIL IMPLICATIONS:**

**a. Policy:**

Corporate Policy Not Applicable.

**b. Budget/Long Term Financial Plan:**

This report recommends that Council submit an application for Federal Grant funding. Budget implications are as per the report.

**c. Legal:**

Not Applicable.

**d. Communication/Engagement:**

**Inform** - We will keep you informed.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

Nil.

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