



DIRECTOR SHIRE SERVICES SUPPLEMENTARY REPORT

11th October 2005

**DSS12 MATTYS FLAT BOATSHED LICENSE
SUPP. FILE: LA4098 APV**

SUMMARY:

Reporting on the current situation regarding the Licence of the Boatshed at Matty's Flat, New Entrance.



As reported to Council at its meeting on 13th September 2005, the Department of Lands has offered Council a Licence for the operation of the Boatshed. A copy of that report is attached ([Appendix B](#)). The Department has indicated that the Licence will be offered only for the short-term, with the Department in the longer term releasing the site by way of competitive tendering.

Council at its meeting resolved:

"That Council prioritise this matter for discussions with the Minister on 29th September and that the Director Shire Services be asked to advance the Plan of Management for Mattys Flat".

On 30th September 2005, Mayor Cr J Hayes, Cr R McWilliam and Director Shire Services K Finnie met with Minister Kelly and Director General Warwick Watkins regarding several issues including the Mattys Flat Boatshed licence. The Minister indicated that the government was seeking to provide a service to the community as well as attracting a commercial return for the community at the Boatshed at Mattys Flat. No undertaking was given by the Minister in regard to the term of the interim licence offered to Council. The Director General has agreed to visit the area and discuss options in November.

The Department have indicated in their letter of offer to Council that the Licence would be of sufficient term for Council to amortise the cost of remedial works. Subsequent discussions with staff from

the Department of Lands suggest that the Department may consider a lease period of up to say 2 years.

As previously reported, because of safety issues that currently exist, work to the value of an estimated \$19,500 would need to be undertaken immediately before operation of the Boatshed could recommence. The Department of Lands has indicated they would be willing to offer the 'Caretaker' Licence to Council with no annual lease fee. Council may recoup some of its costs during the Licence period, or else it would be reimbursed by the Department for capital costs if unsuccessful in the long-term competitive tendering process. With no guarantee that Council would be successful in obtaining the long-term lease, Council could be required to undertake immediate necessary repairs, call for expressions of interest to operate the Boatshed and supervise the licensee. This would require Council to outlay between \$10,000 and \$15,000 (with this being recouped at a later date) and expending considerable management staff resources.

Whilst Council is keen to ensure the operation of the boatshed is recommenced in a timely manner so as to provide improved services to the local community and to tourism generally, it is unknown whether Council can offset the administration costs and provide any financial return until Expressions of Interest are received.

Neither the Minister nor the Department seem willing to offer Council a long term Licence to operate the Mattys Flat Boatshed, without calling for competitive tenders. In view of this, it is recommended that Council leave the licensing of the boatshed with the Department of Lands who could call Expressions of Interest themselves for a 'Caretaker' Lease in the interim until the long-term competitive tendering process is finalised.

REPORT IMPLICATIONS:

- ***Environmental***

There are no environmental implications from this report.

- ***Social***

The Boatshed at Mattys Flat provides an essential service to the local community and to the tourist industry by facilitating recreational boating and fishing. Any disruption will have major impacts on both and may impact detrimentally on businesses working out of the facility.

- ***Economic (Financial)***

If Council resolved to accept the offer of the 'Caretaker' Licence for the Boatshed, Council would need to expend between \$10,000 and \$15,000 of capital expenditure,

presumably from Working Funds, which would likely not be recouped for 12 - 24 months. In addition considerable staff resources would also be directed from Council's approved work plan to address the issues.

- *Policy or Statutory*

There are no Policy or Statutory implications, as any works would comply with both Council Policy and Statutory requirements.

- *Director's Review*

Whilst by taking up the Licence Council would be ensuring the continuation of the service, this would come at a capital cost that may not be recovered for some time, together with a cost in management staff time.

RECOMMENDATION:

That negotiations continue with the Department of Lands.

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K J Finnie
DIRECTOR SHIRE SERVICES