

18 June 2020

MEDIA RELEASE



SOUTHERN MALLEE TO SELL PARILLA ACCOMMODATION FACILITY THROUGH EOI PROCESS

The Southern Mallee District Council will this month, begin the process to sell the Parilla Accommodation Facility, through an open Expression of Interest (EOI).

The facility was built back in the early 2000's by the Parilla community, in response to demand for accommodation for itinerant horticulture workers in the district, which was not being filled by the private sector. Council then took on ownership and management of it a few years later in order to support the local community, industry and economy.

Council has maintained the Parilla facility over the past two decades, however believes private sector ownership would be more appropriate for this facility. There is now commercial interest in the facility and Council has decided to commence an asset disposal process.

Council cannot disclose details of the private parties interested in the sale of the Parilla Accommodation Facility, however it can advise that it will follow its disposal of land and assets policy, by starting a public EOI process in the coming weeks.

Significant community consultation was undertaken on the sale of the facility in 2018-19 and the views of the local community and key stakeholders have been considered by Council. However, Council will also write to Parilla residents to advise them of the plans for the facility, and provide a chance for feedback.

In considering the sale of the facility, Council will not only take in to account the market price offers, but also the future use for the facility, noting that a preference is for it to continue to support local community, industry and economy.

Deputy Mayor Paul Ireland says Council believes the sale of the Parilla Accommodation Facility will be positive for the community, industry and the Council.

"There is significant merit in this facility becoming privately owned and operated," Cr Ireland says.

"While we have managed this facility really well for many years, we believe now is the right time to explore the opportunity for private investment.

"The facility was built back in 2001 because there was simply not enough available accommodation to house the workers our district needed to maintain growth in the horticultural sector. It was an asset for the community then, and it still can be now, but it's time for the private sector to take it on.

"Last year we spoke to the local Parilla community members, and while their preference was for the local hotel to take it on, the owner simply was not interested.

"The facility's occupancy numbers have been slowly dropping over the years, and Council's maintenance costs have increased, so the time is right to open up Expressions of Interest, and dispose of it from Council's register.

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There was considerable financial analysis done for the sale of the facility by an objective auditing company in 2018-19, which recommended that Council undertake ongoing annual reviews of the performance and viability of the facility, with a goal to eventually sell it.

During the EOI process, and in line with Council's policy on the disposal of land and assets, it will take into consideration (where applicable) matters such as:

- the usefulness of the land or asset;
- the current market value of the land or asset;
- the annual cost of maintenance;
- any alternative future use of the land or asset;
- any impact the disposal of the land or asset may have on the community; and
- the economic development benefits associated with the sale of the facility.

Council is working through the early stages of the EOI now, and will communicate on this matter through advertisements and articles in the local newspaper, the Council website (www.southernmallee.sa.gov.au) and Council's Facebook page.

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