

Southern Mallee District Council

21

Minutes of the Confidential Council Meeting held in the Council Chambers situated at Railway Terrace North, Lameroo on Wednesday 10 July 2013

The Mayor Cr Gordon Hancock opened the meeting at 3.48 pm and welcomed those in attendance

1 Attendance

Councillors Gordon Hancock [Mayor], Jeff Nickolls [Deputy Mayor], Allan Dunsford, Barry Lukins, Neville Pfeiffer, Robert Sexton, Bruce Summerton, Brian Toogood and Alf Walker

Staff in Attendance

Tony Renshaw [Chief Executive Officer]
Harc Wordsworth [Manager Environment and Planning]
Sheryn Bennier [Manager Executive Services]
Shona Hyde [Customer Service Officer and Minute Secretary]

RECEIVED	
14 AUG 2013	
Record No	NGOV 2013509
File No	9.24/12
GDS 20/12	5

2 Apologies

Nil

3 Manager Environment and Planning Report - Proposed Pinnaroo Industry Zone

4.05 pm Cr Lukins left the meeting

3.1 Cr Pfeiffer moved Cr Dunsford seconded that the Confidential Report prepared by the Manager Environment and Planning dated July 2013 is received

Carried 1 / 0713

3.2 Cr Dunsford moved Cr Summerton seconded that the Council proceed with the rezoning

Carried 2 / 0713

3.3 Cr Pfeiffer moved Cr Summerton seconded that Council remove the existing fence

Carried 3 / 0713

Released
Jan 2015

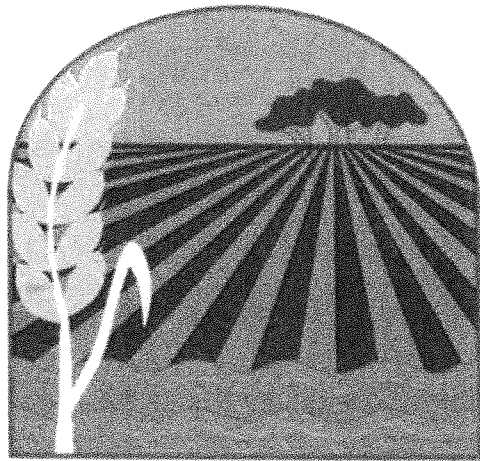


4 Closure

There being no further confidential business the Mayor Cr Hancock closed the confidential meeting, and as set in the Local Government Act Section 91 [7], having considered this agenda item in confidence under Section 90 and Section 90 [3] [b], the Council orders that the item and the minutes relating to the matter be retained on a confidential basis for a period of 12 months from the date of this meeting and on this basis the public shall be invited to re-join the meeting at 4.19 pm

CONFIDENTIAL





SOUTHERN MALLEE
DISTRICT COUNCIL

Confidential Meeting

Wednesday 10 July 2013

Agenda

- 1 **Attendance**
- 2 **Apologies**
- 3 **Confidential Manager Environment and Planning Report – Proposed Pinnaroo Industry Zone**

Recommendation

The Confidential Manager Environment and Planning report dated July 2013 is received
- 4 **Other Business**
- 5 **Closure**

Manager Environment and Planning Report dated July 2013

Confidential Report

Recommendation

As set out in the Local Government Act Section 90 and Section 90 [3] [b] the public other than the Chief Executive, Manager Environment and Planning, Manager Executive Services and necessary Administrative support staff for record keeping and minute taking, shall be excluded from the meeting to consider matters that must be considered in confidence in order to ensure that the Council does not disclose information that may reasonably confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business or to prejudice the commercial position of the Council

PROPOSED PINNAROO INDUSTRY ZONE

Current Status of Industry Zone SBC WSUD& G DPA

SITE ADDRESS: 658 Mallee Highway, Pinnaroo lots 6, 8 & 658, Section 57
Hundred of Pinnaroo. CT Volume 5511 Folio 369
DA 723 / D002 / 10 (051/10)

1 Overview

In June 2010 the Council's Asset Committee determined the following :

Council Industrial Land Option Asset committee – 21 June 2010 INTO CONFIDENCE

Council has become aware of a potentially new industrial land site, which the Committee needs to assess re its suitability and possible purchase by Council

This matter was discussed in camera

As the current Industrial Land located to the rear of the Pinnaroo Mobil Roadhouse was not suitable for future development due to flooding in the winter months

The site is subject to flooding from the overflow of the nearby stormwater dam, located at the rear of the Pinnaroo Motel

With this in mind the subject site was favoured, however it was flagged in the initial stages that the proposed land division development would be viewed as non-complying development, as it did not meet the current density requirements for land division (100ha) in a General Farming Zone

1 Overview continued

Initially a land division was proposed which, was delayed due to the view that it was better to rezone the land than to proceed under the current zoning provisions

2 Statutory Environment

It was then determined that a change in zoning should occur by way of the Strengthening Basin Communities Water Sensitive Urban Design and General (SBC WSUD&G) Development Plan Amendment (DPA) accordingly Accessing Planning Consultants were engaged to facilitate and proceed with this DPA

Currently the SBC WSUD&G DPA is awaiting the outcome of Ministerial Consent to proceed with agency and public consultation of the SBC Integrated Water Management Plan DPA as the provisions contained in this IWMP DPA are required to be adopted by the SBC WSUD & G DPA

Once this SBC IWMP DPA is consented to by the Minister it is anticipated that a new draft of the SBC WSUD & G DPA will return to Council's Strategic Planning & Development Policy Committee's (as this is a joint DPA) to endorse the decision to seek Ministerial Consent for agency and public consultation of that DPA.

It is anticipated that the SBC WSUD DPA may be completed by mid-2014 once this occurs subject to Ministerial agreement the proposed industrial site will be zoned Industry and the existing Industry Zone (owned by Council located at the rear of the Pinnaroo Mobil Roadhouse) will revert to a Recreation Zone

3 Strategic Implications

It should be recognised that provided the above described process proceeds, the land to be zoned Industry is currently freehold land, is privately owned and the owner will be able to proceed with a land division application suitable for this zone should they desire

At this stage the Council has not determined to purchase the land and accordingly the following Financial Implications does not include a purchase price for the land in question

3 Strategic Implications continued

The Council does not necessarily need to own this land, as in consideration of Lameroo it should be noted that ample vacant privately owned industrial land available in Pinnaroo

The issue here is that sufficient land will be zoned for future industrial purposes (13 allotments), should developers determine to undertake industrial development in Pinnaroo

In respect to the calculations identifying the financial implications to bring this project to completion, should Council determine to undertake some of the works along with that of the various utilities, places a figure of approximately \$400,000.00 [preliminary estimate] for the development

4 Financial Implications

Members would be aware the following detail has been determined by Council decision in respect to allotment pricing

Infrastructure and utility costs are preliminary estimates

This detail does not include land acquisition

4.1 Revenue

Land Allotments 13 @ \$20,000

Total Revenue \$260,000

4 Financial Implications continued

4.2 Expenditure

Members would be aware that the preliminary estimated costs for infrastructure as shown above [\$400,000.00] has been calculated on the following basis ;

Kerbing	\$200 per linear metre [LM] for 670 LM \$134,000
Survey	\$2,500 per allotment by 13 allotments \$32,500
6 Culverts	\$18,000
Piping	\$20,000
Bitumen Seal	\$40,000
SW Retention Basin	\$20,000
Service Road Construction	\$45,000
Power	\$ To Be Confirmed
Telecommunication	\$ To Be Confirmed
SA Water	\$ To Be Confirmed
Total Preliminary Estimate	\$400,000

4.3 Cash Flow

The preliminary forecast reveals a cash flow deficit of \$140,000

4 Financial Implications continued

4.4 Financing the Development

Debt financing from the Local Government Finance Authority

Loan	\$400,000
Term	10 Years
Interest Rate	7%
Repayments	\$557,000

Revised cash flow deficit \$297,000

The application of an implied cost of capital [using the Council's own cash flow] reveals a total cost \$509,000 and a revised cash flow deficit of \$249,000

5 Other Influencers and Decision Making

It is timely for the Council to consider development of Industrial Land as Core Business when ;

- 5.1 The likely outcome for the Council is a deficit rather than a sector wide standard of at a least break even scenario
- 5.2 There is ample existing privately owned Industrial Land available in Pinnaroo
- 5.3 Higher priorities around the continued reengineering of the financial structures of the Council are likely to continue for further 12 months

6 Recommendations

- 6.1 That the information set out in this report be received as preliminary guide to the possible outcomes for the development of Industrial Land in Pinnaroo and that the opportunity be further considered in July 2014
- 6.2 That the Council release the following statement ;

' the Southern Mallee District Council is not in a position to further explore the development of Industrial Land in Pinnaroo until July 2014 and during the period leading up to July 2014 the Council welcomes proposals for the private sector who may have an interest in the development of Industrial Land in Pinnaroo
- 6.3 That as set in the Local Government Act Section 91 [7], having considered this agenda item in confidence under Section 90 and Section 90 [3] [b], the Council orders that the item and the minutes relating to the matter be retained on a confidential basis for a period of 12 months from the date of this meeting and on this basis the public shall be invited to re-join the meeting