

Minutes

for the Special Meeting of Council held in the Council Chamber – 104 Hovell St, Wodonga on Monday, January 19, 2015

Present

Cr R Wangman (Mayor)

Cr M Byatt

Cr M Fraser

Cr E Kerr

Cr L Mahood

Cr A Speedie

Cr J Watson

In attendance

Ms P Harrington	Chief Executive Officer
Mr M Verbaken	Acting Director Business Services
Ms D Mudra	Director Community Development
Mr L Schultz	Director Planning and Infrastructure



CITY OF WODONGA VIC

OUR PEOPLE OUR CITY OUR FUTURE

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1. Calling to order

The meeting was called to order by the Mayor, Cr Rodney Wangman.

2. Statement of acknowledgement

The Mayor read the following:

We acknowledge the traditional owners of the land on which we are meeting. We pay our respects to their Elders and to Elders from other communities who may be here today.

3. Apologies and requests for leave of absence

There were no apologies or requests for leave of absence.

4. Declaration under Acts, Regulations, Codes or Local Laws

Recording of council meeting

The CEO advised that council's Meeting Procedure Local Law states that audio, video, or still image recording devices are not to be used, unless prior approval has been given by the Chairperson or by council. Members of the public gallery were requested to observe this requirement.

5. Declaration by councillors of any conflict of interest

There were no conflicts of interest disclosed.

6. Officers reports for determination

- 6.1 Request to be heard - proposed land sale at Logic Wodonga 3

7. Confidential business

Nil. There was no confidential business.

8. Close of meeting

There being no further business the meeting closed at 9.35am.

Minutes confirmed this day of 2015.

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Chairperson

Request to be heard - proposed land sale at Logic Wodonga

Purpose of report

This special council meeting has been scheduled for the purpose of hearing from person/s who have requested to be heard in support of a written submission made under section 223 of the *Local Government Act 1989* (the Act).

The submission process is in relation to a proposed land sale, and the granting of options and the sale of other land, at Logic Wodonga.

Background

At its meeting of December 4, 2014 Council resolved to give notice of its intention to sell and to grant options to sell and to sell other land. A copy of the public notice, published in the Border Mail on Friday, December 5 and Saturday, December 13, 2014, is attached to this report as attachment A.

When the period for submissions closed at noon on Friday, 16 January 2015, 19 submissions had been received. A copy of each submission has been provided to councillors. One of the submitters, Mr Colin Rees, Ettamogah Rail Hub, has asked to be heard in support of the written submission.

Mr Rees has been advised that:

- *All councillors have received a copy of the submission.*
- *You will have up to 15 minutes to speak to the submission. The Chairperson may extend the period if it appears that the time allowed is insufficient where there is complexity in the submission.*
- *The comments, or a summary of them, will be included in a report to the special council meeting scheduled for 9am on Wednesday, January 28, 2015.*
- *Your comments should be in support of the written submission.*
- *Other than to clarify procedural matters through the Chairperson, there will be no opportunity to ask questions of the councillors.*
- *There will be no questions directed at you while you speak to the submission. The Chair or other councillors may ask questions once you have finished speaking to the submission in order to clarify or explore matters raised.*
- *You are requested to observe any directions that the Chairperson may give.*

The submission from Mr Rees, Ettamogah Rail Hub, is tabled.

All submissions will be tabled at the special council meeting scheduled for January 28, 2015.

Request to be heard - proposed land sale at Logic Wodonga (cont'd)
Council plan / key strategic activity

Strategic Objective	Strategy
We are innovative, responsive and responsible in the way we conduct business.	Practice responsible financial management.
We are innovative, responsive and responsible in the way we conduct business.	Practice good governance, act with transparency and integrity in our decision-making.

Council policy / strategy implications

Council has issued Guidelines on the section 223 process and this special meeting is being conducted in accordance with those Guidelines.

Risk management implications

Risk description	C'quence	L'hood	Rating	Controls & treatments
Section 223 hearing is not held and council is in breach of the Act.	3	B	S	Conduct the hearing in accordance with the requirements in the Act.

Financial implications

There are no financial implications with holding this hearing, with all costs covered in council's operational budget for 2014-15.

Environmental implications

There are no environmental implications associated with this report.

Social/cultural implications

There are no social / cultural implications associated with this report.

Legislative implications

This hearing is part of the legislative process by which council considers submissions received under section 223 of the Act.

Request to be heard - proposed land sale at Logic Wodonga (cont'd)

Consultation proposed / undertaken

This special council meeting is a part of the legislated process involving a public call for submissions, and an opportunity to be heard.

Options for consideration

Council is required by legislation to provide for submitters to be heard in support of section 223 submissions. This process complies with the resolution of council of December 4, 2014.

Conclusion

The request to be heard is a right for any submitter who responds to a section 223 public notice on a proposed action by council. This special meeting will provide the opportunity for this to occur.

Attachments

A copy of the public notice is attached to this report. A copy of the submission from Mr Colin Rees, Ettamogah Rail Hub is tabled.

Declaration of conflict of interests

Under section 80C of the *Local Government Act* 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Director business services - Trevor Ierino

In providing this advice as Director, I have no interests to disclose in this report.

Governance officer - Kevin Scully

In providing this advice as the report author, I have no interests to disclose in this report.

Recommendation

That the presentation made in support of the section 223 submission from Mr Colin Rees, Ettamogah Rail Hub be noted, and a summary of the presentation be included in a report on the section 223 process to be presented to the special meeting of council scheduled for January 28, 2015.

Request to be heard - proposed land sale at Logic Wodonga (cont'd)

Motion

Crs. Mark Byatt / Lisa Mahood

That the presentations made in support of the section 223 submissions from Mr Colin Rees, Ettamogah Rail Hub, Richard Hughes, and Geoff Burton, Border Rail Action Group, be noted, and a summary of the presentations be included in a report on the section 223 process to be presented to the special meeting of council scheduled for January 28, 2015.

(Carried)

Following the issuing of the agenda and after the closing of the period for the receipt of public submissions, two further submissions were received, being from Richard Hughes and from the Border Rail Action Group.

Mr Hughes asked to be heard in support of his written submission and was invited to present to the special meeting of January 19. The submission from the Border Rail Action Group did not contain a request to be heard. Two representatives from the Group attended the special meeting and requested at that time to be heard. Following the request, the Mayor invited Geoff Burton, of the Border Rail Action Group, to present to council.

The submissions from Mr Hughes and the Border rail Action Group were also tabled.

The following is a summary of the three presentations made to council.

Ettamogah Rail Hub presentation

Mr Colin Rees, owner, and Mr Rob Perkins, Strategy and Business Development spoke to the submission from Ettamogah Rail Hub (ERH).

The ERH is opposed to the sale of the land because it is not considered to be in the public interest. Councillors were referred to the three points listed on page 10 of the written submission as requiring a response from council.

1. *Is a second intermodal hub in Albury Wodonga an efficient addition to the network?*
2. *What level of subsidies are being offered, and will it distort competition?*
3. *Will the terminal be open access?*

Mr Perkins stated that ERH had sought details on the proposed sale under an FOI application, but access to documents had been refused by both the Victorian Government and council.

Mr Perkins reviewed the involvement of Mr Rees in regional rail, and noted that he first set up an intermodal terminal in the area approximately 30 years ago.

Mr Rees had worked with council during the formative years of the rail bypass and the announcement of Logic. It was the decision of the Kennett Government whereby the government retained ownership of the track but sold off the lease that effectively locked the company out of Logic. At about this time they secured a new site at Ettamogah.

Request to be heard - proposed land sale at Logic Wodonga (cont'd)

Mr Perkins highlighted the prohibitive cost of establishing rail hubs, in part because of the costs associated with connecting to the network.

Mr Perkins said that SCT had never approached ERH about operating / using their site.

Mr Rees concluded the presentation by noting that the land for Ettamogah had been obtained from the mill, and it was a suitable site for servicing the region, particularly as he was unable to locate at Logic.

Presentation by Mr Richard Hughes

Mr Hughes said he was opposed to the land sale because the Logic centre was too costly, and these costs were adversely affecting Wodonga ratepayers.

He said that Logic had no private equity at all, with complete funding by taxpayers and ratepayers.

The precinct and the Fatigue Management Centre have both failed, leaving council with a Logic debt of \$30M.

Mr Hughes addressed the condition of the concrete slab at the Fatigue Management Centre and indicated that it was in poor condition, and would be a significant future cost to council.

Mr Hughes said council there was no business plan for the rail hub, and full details have not been disclosed to ratepayers and it would cost the community tens of millions of dollars if it went bad.

Mr Hughes referred to the expense of constructing rail terminals and cited his experience in constructing the rail hub at Ettamogah.

In closing, Mr Hughes asked that council stop throwing money at Logic.

Presentation by Geoff Burton, Border Rail Action Group

Mr Burton spoke in support of the written submission by highlighting the existence of an established rail hub, just 20 minutes from Wodonga.

He said that BRAG's mission was to improve the rail system, which was presently unreliable. He argued that council should not pursue a rail hub, while ever the rail system was not working, but should concentrate its efforts on fixing the current system.

Mr Burton completed his presentation by referring to council's debt of \$30m.

Request to be heard - proposed land sale at Logic Wodonga (cont'd)

Attachment A

Notice of intention to sell land and to grant options to sell and to sell other land

Wodonga City Council (Council) gives notice under Sections 189 and 223 of the Local Government Act 1989 (Act) that it intends to sell its land, and grant options to sell and sell other land, as described below (proposal).

The land to be sold is:

1. Lot A on proposed plan of subdivision no. PS726959D (Plan A), being part of the land in certificates of title volume 11222 folios 052 and 054, volume 11077 folios 380, 381 and 382, volume 11000 folio 523, volume 10909 folio 337 and volume 11388 folio 372 known as Lot A, PS726959D, Logic Boulevard, Barnawartha North 3688;
2. Lot A on proposed plan of subdivision no. PS726961S (Plan B), being part of the land in certificates of title volume 10962 folio 729 and volume 11125 folio 320 known as Lot A, PS726961S, Tom Tanners Road, Barnawartha North 3688;
3. Crown land (Government Road) within the Shire of Indigo, shown on Plan C below; and,
4. Crown Land (Government Road) within the City of Wodonga, shown on Plan C below. (Land).

The proposal is that the Land be sold by private treaty to Blanalko Pty Ltd ACN 005 822 926 (Purchaser).

The principal terms of the Contract of Sale will be:

1. A purchase price at valuation.
2. Payment of a deposit of 10% of the price on exchange of contracts.
3. The contract is subject to a terms agreement, ending in 2023.
4. The Purchaser will be entitled to possession of the land seven days after the last to occur of the following:
 - The issue of a planning permit for a rail terminal on the Land
 - The Purchaser securing government funding for the rail terminal
 - Registration of Plan A and Plan B
 - Payment of further installment of the price

(Preliminary Settlement Date)

5. The Purchaser entering into a section 173 agreement with the council on the Preliminary Settlement Date in respect of the Land to be registered on title (if required), imposing obligations upon the Purchaser as follows:
 - To construct a rail terminal in accordance with the relevant planning permit; and,
 - To construct the rail terminal within agreed timeframes.
6. The grant by the council to the Purchaser on the Preliminary Settlement Date of options to sell the following land:
 - Lot 1 on proposed plan of subdivision no. PS726960U (Plan D), being part of the land in certificates of title volume 11222 folios 052 and 054, volume 11077 folio 380, 381 and 382, volume 11000 folio 523, volume 10909 folio 337 and volume 11388 folio 372 known as Lot 1, PS726960U, Logic Industrial Park, Roche Drive, Barnawartha North; and
 - Lot 2 on Plan A, being part of the land in certificates of title volume 11222 folios 052 and 054, volume 11077 folios 380, 381 and 382, volume 11000 folio 523, volume 10909 folio 337 and volume 11388 folio 372 known as Lot 2, PS726959D, Logic Industrial Park, Logic Boulevard, Barnawartha North (collectively referred to as Option Land).

The terms of each option are as follows:

- Exercisable within five years of the Preliminary Settlement Date;
- A purchase price at or above valuation;
- Payment of a deposit of 10% of the price on exchange of contracts; and,
- Settlement is 60 days after registration of Plan D or Plan A (as the case may be).

If the options for the Option Land are exercised, the proposal is that the Option Land be sold.

7. The council to partially fund agreed infrastructure.
8. The parties entering into a rate concession deed.

A person may make a submission on the proposal.

Please note that copies of submissions (including submitters' names and addresses) will be made available at the council meeting at which the above proposal will be considered. The council is also required to make submissions available for public inspection for a period of 12 months.

Any person proposing to make a submission under section 223 of the Act must do so by noon on Friday, January 16, 2015.

All submissions will be considered in accordance with section 223 of the Act.

Submissions should be addressed to the Chief Executive Officer and can be hand-delivered to council's office at 104 Hovell St, Wodonga, VIC 3690 or posted to the following address:

The Chief Executive Officer
Wodonga City Council
PO Box 923
WODONGA VIC 3689

Any person requesting to be heard in support of his or her submission is entitled to be heard before the council (or a committee established by the council for this purpose) or be represented by a person acting on his or her behalf. A special meeting of the council will be held at 9am on Monday, January 19, 2015 in the Council Chambers, council office, Level 2, Hovell St, Wodonga, to hear from any person.

A special meeting of the council will be held at 9am on Wednesday, January 28, 2015 to consider a report on the section 223 process.

Debra Mudra
Acting Chief Executive Officer

