
Future Water Project Stage 1 - Alstonville Groundwater Scheme Land Matters

Responsible Officer: Group Manager Planning and Delivery (Andrew Logan)

Recommendation

1. That based on the contents of this report, Council authorises the General Manager to
 - a) Finalise negotiations for the purchase of The Russellton Property identified in the report at the agreed price, and
 - b) Execute all relevant documents required for the purchase, including any heads of agreement, planning documents and the Contract for Sale.
2. That upon settlement of the purchase, the land be classified as Operational Land for the purposes of Part 2 Division 1 of the *Local Government Act 1993*.

Background

At its meeting of 21 July 2021, Council resolved the following;

RESOLVED [39/21] (Ekins/Cameron) that Council:

1. As part of its water security risk mitigation approach under the Future Water Project 2060, confirms that its:

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1. As part of its water security risk mitigation approach under the Future Water Project 2060, confirms that its:

(a) **Preferred option** is to acquire the Marom Creek Water Treatment Plant, including ancillary infrastructure and assets, and the Ellis Road and Lindendale groundwater access licenses ('The Property'), owned by Ballina Shire Council.

(b) **Second preferred option** is to develop a groundwater treatment plant for Rous' bores located at Alstonville.

(c) **Third preferred option** is to develop a groundwater treatment plant for Rous' bores located at Woodburn.

2. Direct the General Manager to write to the General Manager of Ballina Shire Council requesting that Ballina Shire Council not progress any of the planned upgrade works to the Marom Creek Water Treatment Plant, until Ballina Shire Council has resolved its position in relation to Rous' **Preferred option** (1(a)).

3. In the event that The Property acquisition does not proceed, confirm that the General Manager is authorised to progress the **Second preferred option**.

4. Note that the preferred aquifer to source future groundwater supplies for the **Preferred and Second preferred** options is the Clarence Moreton Basin.

5. Authorise:

(a) The General Manager to progress the **Preferred and Second options** concurrently and negotiate the purchase of The Property as described in the body of the report.

(b) The Chair and General Manager to sign necessary documentation under seal to affect the purchase and transfer of The Property to Rous County Council.

6. With reference to the 16 December 2020 resolution [61/20] "Note the progress of discussions with Ballina Shire Council regarding the potential transfer or lease of Marom Creek WTP and that a further report will be provided", note that this report satisfies the requirement to provide a further update on the progress of discussions with Ballina Shire Council

Ballina Shire Council, at its meeting of 23 September 2021, resolved not to transfer any assets associated with its Marom Creek Weir and Water Treatment Plant to Rous County Council as a part of the Future Water Project 2060 (FWP). As the Marom Creek was the “preferred option” under the 21 July 2021 Council report, further studies have been undertaken to investigate other options to secure the region’s water supply in the short term. This has occurred while further discussions and studies are undertaken regarding the Marom Creek Site and consideration given to whether a compulsory acquisition process is needed to secure the Marom Creek site. This pathway is not a preferred solution given the political climate and the potential to damage relationships with one of our constituent councils.

Given the resolution of Ballina Shire Council and the earlier resolution of Rous County Council, a site investigation assessment was completed in October 2022 to short-list suitable sites associated with the second preferred option (as outlined in the July 2021 report). The outcome of that process identified that a parcel of industrial land in the precinct of the Russellton Industrial estate, described as Lot 21 in DP 1252162 was determined to be a preferred site for a future Groundwater Treatment Plant (GWTP). During the initial stages of consultation with Ballina Shire Council staff, Rous staff became aware of Ballina Shire Council’s intentions to subdivide this parcel of industrial land. A copy of the development plan is included as Attachment 1 to this report.

Based on discussions between respective Council’s staff, proposed Lots 17, 18 and 28 in the proposed subdivision of Lot 21 DP 1252162 (hereby known as ‘The Russellton Property’) were identified as being a preferred location for the future GWTP and be suitable to meet the needs of its supporting infrastructure.

Rous engaged a suitably qualified valuer to provide an independent market assessment of the value of The Russellton Property. The valuation process identified a range for the expected market value, including consideration of the development being realised. At a meeting with Ballina Shire Council staff, a negotiated price within the range of the external market assessment was agreed in-principle. Rous staff consider the negotiated price represents a fair and reasonable market value of The Russellton Property and is within existing FWP2060 budgets.

As site investigations are still continuing in relation to water security risk mitigation, it is important to note that the acquisition of the land at Alstonville from Ballina Shire Council is not intended to satisfy the objectives of Resolution 39/21. Rous staff are still undertaking investigations and if possible, may still pursue an acquisition of the Marom Creek Water Treatment Plant if Ballina Shire Council has a change in their current position. The basis for keeping the First and Second Preferred Options under resolution 39/21 active, is that while The Russellton Property meets most of the objectives for water security risk mitigation, the Marom Creek site still provides additional benefits of existing surface water licences and, should that site be able to be obtained, would give Rous additional options for water access and water security.

Governance

- **Finance**

There are sufficient funds available in the 2022/23 financial year capital works budget within the FWP program area for the negotiated purchase price. However, given the land is yet to be developed and subdivided, it is likely that these funds will not be expended until the 2023/24 financial year. As more specific details become available regarding the timing of development, necessary budget amendments will be made through Quarterly Budget Reviews or end of financial year carry-over processes to ensure budget is available at the time of purchase.

- **Legal**

The acquisition of The Russellton Property is provided for by section 186 of the *Local Government Act 1993* as the property will be used to exercise Council’s functions once the property has been developed.

Consultation

At Ballina Shire Council's Commercial Services Committee of 15 November 2022, that Committee resolved to both develop the remaining parcel of industrial land and authorise the General Manager of Ballina Shire Council to finalise the sale of The Property for the negotiated price.

The minutes of this advisory Committee meeting were formally endorsed by Ballina Shire Council at its ordinary meeting of 24 November 2022. There are no further consultation requirements to complete the sales process.

Conclusion

At its meeting of July 2021, Council formally endorsed its draft revised Integrated Water Cycle Management Strategy known as the Future Water Project 2060. The first preferred short-term option was to maximise the benefit of the existing Marom Creek weir and WTP owned by Ballina Shire Council and better utilise the existing groundwater resources on the Alstonville plateau, whilst constructing new bores into the Clarence Moreton Basin Groundwater source. With Council being unable to secure access to the existing Marom Creek weir and WTP, Council progressed with the development of its second preferred option, being the development of a groundwater scheme in Alstonville and the construction of a GWTP.

Council has completed a site investigation assessment to determine the most prospective location for the future GWTP. The outcome of this process identified a parcel of land associated with the future development of the Russellton Industrial estate, which is owned by Ballina Shire Council.

Attachment

1. Russellton Industrial Estate Ballina Shire Council Development 2008_803 Lodgement Plan Set.PDF