



BOGAN SHIRE COUNCIL

Business Paper

Extraordinary Meeting

3 April 2017



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30 March 2017

COUNCIL MEETING NOTICE

An Extraordinary Meeting of Council will be held in the Council Chambers, Nyngan on Monday 3 April 2017 at 9.30am.

AGENDA

1. Opening Prayer
2. Remembrances
3. Apologies
4. Declarations of Interest
5. General Manager's Report

Your attendance at this meeting would be appreciated.

Yours sincerely

Cathy Ellison

Executive Assistant

**General Manager's Report to the Extraordinary Meeting of Bogan Shire Council
held on 3 April 2017**

REPORT TO THE EXTRAORDINARY MEETING OF COUNCIL – GENERAL MANAGER'S REPORT

Mayor and Councillors

The following report is submitted for consideration:-

1 INLAND PETROLEUM

1.1 Introduction

As discussed at the March Council meeting, Inland Petroleum have expressed an interest in establishing a fuel depot on railway land in Nymagee Street opposite the truck stop.

Bogan Shire Council had previously, in 2016, registered its interest in this land with John Holland Rail.

At the March Council meeting Council took the following resolution –

“Notwithstanding earlier discussions with John Holland Rail regarding Council's lease / licence of railway land in Nymagee Street, Council has no objection to the granting of a lease / licence to Inland Petroleum for the purposes of establishing a fuel depot on this site”.

Further discussion on this matter is, however, required as it is understood that the subject land has been declared 'surplus' by Transport for NSW and could shortly be transferred from Government Properties NSW to Council's ownership in line with the interest Council showed in 2016.

It is now also understood that Inland Petroleum would seek to take ownership of the land rather than establish a lease / licence.

1.2 Discussion

In 2015 Bogan Shire Council held discussions regarding the construction of seniors' living units including possible locations for these units. This culminated in an expression of interest for grant funding which required Council to specifically identify the location where these units could be built.

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As part of this expression of interest process, at an informal meeting on 16 March 2016 involving Councillors, Management and Council's Consultant, it was decided to approach John Holland Rail to see if they would release land at the following three sites for construction of units:-

- Open ground on the eastern end of Pangee Street (Between the RSL Bowling Greens and Hoskins Street) – Site 1.
- Open ground opposite the Shell service station in Pangee Street (between the Alamo Motel and John Holland's offices) – Site 2.
- Open ground alongside the Highway (Nymagee Street) opposite the truck stop and Essential Energy – Site 3.

Council's first preference was for Site 1 (Eastern Pangee), the second was Site 2 (Western Pangee) with the third being the Highway site as a fall-back position should it be required in the future.

Enquiries with John Holland identified that Council's preferred site was unsuitable at that stage due to the need to remediate contamination at the old fuel depot and was still under a licence agreement with Caltex Australia – also the RSL Club was not willing to sell the bowling greens to Council. The expression of interest was therefore based on the site opposite Shell. Unfortunately Council was not successful with this application.

In discussion with John Holland they indicated that:-

- They didn't foresee any issues with having the land declared surplus to rail needs.
- Transport for NSW were "very keen on selling surplus land".
- Transport for NSW could only sell this land direct to Council if it they were satisfied that it was for a "community project".

On this last point, NSW Government policy states that land can be sold for an agreed value direct to Council if it is to be used for community purposes, such as a park or seniors housing, however, if the land is to be used for commercial purposes, it has to be publicly auctioned to the highest bidder. Whether the land was acquired by Council or publicly auctioned it would need to be surveyed and valued to enable the land to be registered.

Notwithstanding that Council was unsuccessful in the 2016 grant process, the General Manager proceeded with the land acquisition process on Sites 2 and 3 so that Council would be more "shovel-ready" for later rounds of grants on Site 2 and it seemed advantageous to acquire Site 3. Site 1 could be the subject of future discussions, depending on appropriate levels of remediation and the licence agreement status with Caltex Australia.

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The process for Sites 2 and 3, has now reached the point where approval from Government Properties NSW and the relevant Minister is required to transfer the land (sell direct) to Council.

If Council wishes to facilitate the establishment of a fuel depot by Inland Petroleum – or any other commercial development – along that portion of Nymagee Street then it is necessary for Council to pass a resolution withdrawing Council's interest in acquiring this land as a matter of urgency. If Council withdraws its interest in Site 3, John Holland will proceed with the process of a public auction as the land has now been declared 'surplus'. It is uncertain how long this will take, but it could be some months. The following steps are understood to be involved:-

- Another Ministerial brief would be prepared seeking approval to sell the land via public auction;
- Land would be surveyed, valued and sub-divided if required;
- Local real estate agents would submit a proposal to sell the land;
- A real estate agent would be selected, and;
- The land would be then sold under auction conditions – with the purchaser also responsible for Legal Costs.

Of course, there is no guarantee that Inland Petroleum would be the successful bidder in any public auction. Council could bid on the sale of Site 3 and could purchase, for example the eastern-most and/or western-most portions of the land (if it were subdivided) to retain the trees and the visual amenity the open space provides for the approaches to town – especially this first entrance into the CBD at Hoskins Street.

1.3 Attachment

1. Letter from Inland Petroleum dated 22 March 2017.
2. Map showing sites 1, 2 and 3

1.4 Recommendation

For Council's Consideration.

Derek Francis

General Manager



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22 March 2017

To The Bogan Shire Council,

Expression of Interest

On behalf of Inland Petroleum we wish to express our interest in the lot of land, next to the railway line on Nymagee Street in Nyngan. The land currently belongs to John Holland. Please see attached street map.

Inland Petroleum is a locally owned and operated family business with our head office based in Dubbo. Inland Petroleum has service stations across Western and North Western New South Wales. We also run a bulk fuel facility from our Dubbo, Gilgandra and Gunnedah Depots. We pride ourselves on being local, independent and competitive in price.

In 2015 we became involved in the Nyngan Rugby Club. The relationship continues to develop, with the Nyngan Community showing us ongoing support. We wish to further invest in the community by building a bulk fuel facility in Nyngan. This would mean we could service the area with bulk fuel more frequently, particularly in high demand periods such as sowing and harvest. We could also offer our customers a more cost effective price on their fuel.

We hope this is something The Bogan Shire Council feels would benefit the local community.

I look forward to hearing from you in regards to our development idea, so Inland Petroleum can move forward with the process of acquiring the land.

If you have any further questions, please don't hesitate to contact me.

Kind regards,

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