



MAYORAL REPORT

16 January 2007

MM4	SLIM DUSTY PROJECT
FILE: 462	EAG {Folio No. *}

SUMMARY:

Reporting on a meeting of Councillors with members of the Slim Dusty Project held on 21st December 2006.

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DESCRIPTION:

At the invitation of Slim Dusty Project members, Councillors Hunt, Sowter, Walker, Gribbin, Saul, McWilliams and myself met with them at the Slim Dusty Centre site on the Pacific Highway, South Kempsey.

General discussion took place around the current issues facing the project.

The Slim Dusty Project members were very appreciative of the work which has been done by Council staff to ensure that the Development Application has been approved in time for them to apply for a grant to further the project.

However, they had other areas of concern.

Of major concern to the Foundation members was the community's perception that the project has folded. It would appear that there is more interest in the project outside the Shire than within.

A further perception, by the project members, is that Kempsey Shire Council is not interested in the project even though it has the potential to increase tourism and therefore business activity within the Shire with an increase in employment and the potential for attracting other businesses to the Shire.

An outline of what other local government councils are doing for their respective areas was also given with the question as to why Kempsey Shire Council was not providing the same or similar support for the Slim Dusty Centre project.

Some of the issues highlighted were:

- The land lease has been completed with the Department of Lands and takes effect as of August 2007?

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- Present lessees are working with the Foundation and sharing office space with them until such time as the present lease expires when the office will be handed over to the Slim Dusty Foundation.
- The Foundation would like a sign (on the highway) identifying their present location. Also identifying that this is the site of the future Slim Dusty Centre. Probably at Council's cost.
- Assistance to line / insulate the office and / or install air conditioning as the office is very small and hot (does not meet OH&S requirements).
- The Foundation has limited liquid assets, is seeking Council assistance in relation to relief of DA fees (\$8,500) and assistance with operational costs for the period 2007 to 2009. This latter could take the form of a bridging loan to progress the project and / or possibly assistance with grant applications.
- The Premier's Department has promised a matching grant to that of the Federal Government. However, this has not materialised to date. The Foundation has requested that Council lobby on their behalf re this issue.
- The proposal is that the Slim Dusty Centre would be built and as activities increase then other businesses would be added or invited to become part of the project. The Foundation has had discussion with several current Kempsey businesses re the proposal and has had some positive feedback.
- Also have had input from RTA as to the location of the on and off ramps and would like Council support in having at least one of these reviewed so as to divert travellers into Kempsey township, not directly back onto the highway.
- Request that Council do up the roadways on the current site so as to improve the ambience of the Site for current and future visitors to the site.

What can Kempsey Shire Council do?

Options:

- i) Do nothing and have the Slim Dusty Foundation make or break the project on their own.
- ii) Provide financial support by relief of DA fees. This could be by way of donation back of fees or be taken to be 1 ½ year's donation of \$5,000 per year.

However this needs to be matched with the inherent issues which this will raise:

- a. Precedence for other organisations to request the same treatment for their projects.
 - b. Cause concern to ratepayers as to the proper use of their rates.
- iii) Provide financial support for updating current office accommodation to an acceptable standard.
 - iv) Provide "in kind" support for updating current office accommodation to an acceptable standard. Figure mentioned \$200,000pa.
 - v) Provide operational cost funds from Council budget for periods 2007 to 2009.

- vi) Assist Foundation to raise a loan for operational costs for the above period on the understanding that the Foundation has responsibility for repayment. This could / would have an impact on our debt service ratio.
- vii) Assist the Foundation to access grant funding to continue with the development of the project. (Council may need to be the managing body for such a grant which may also need some seeding funds?) In this latter case could the environmental levy be used for such seeding as this project does have an environmental aspect?
- viii) Provide in kind services for the road (mud track) upgrade to a reasonable standard until such time as the project is underway and when the development of proper road works must be included in the project.
- ix) Lobby the NSW Premier for written confirmation of his commitment to the Foundation for grant funding equalling that of the Federal Government.

Infrastructure requirements would need to be included in Council planning and budgets for the relevant periods.

REPORT IMPLICATIONS:

- ***Environmental***

Significant environmental matters need to be addressed in the EIS being undertaken as part of the project.

- ***Social***

The project when completed has the potential to:

- ***improve tourism;***
- ***increase employment; and***
- ***increase resources in the Kempsey business areas, thereby improving the general well being of the Shire.***

- ***Economic (Financial)***

There are potential financial risks in the options available which will need to be matched against the perceived advantages of the project.

This is a commercial venture and, as such, Council needs to assess its involvement in possible;

- ***partnership***
- ***cost implications***
- ***debt responsibilities***
- ***joint venture***
- ***future income?***

Council has previously agreed to provide \$25,000 over 5 years (i.e. \$5,000 per annum) to the Slim Dusty Centre.

- ***Policy or Statutory***

Council may not provide financial assistances to a 'recipient who acts for private gain' until at least 28 days public notice of the proposal to pass the necessary resolution has been given (Sec. 356 LGA 1993).

RECOMMENDATION:

1. That Council lobby the Premier on the Foundation's behalf for the funding promised by the State Government.
2. That Council refer the signage request to the RTA via the Local Traffic Committee.
3. That Council determine what, if any, level of support / involvement Council wishes to have in the development of the Slim Dusty Centre.

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MAYOR