

18.2 Parndana Housing Development - Renewal SA Head of Agreement

Moved: Cr S Mumford, Seconded: Cr R Cotterill

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except:

- Chief Executive Officer, Daryl Buckingham
- Director Corporate Services, Nicki Putland
- Director Works and Infrastructure, Jon Herron
- Senior Manager Governance & Legal, Melissa Grimes
- Corporate Risk Officer - Felix Palmer

Be excluded from attendance at the meeting for Agenda item 18.2 in confidence.

The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable Council to consider the report at the meeting on the following grounds:

Section 90(3) (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest.

This report relates to a proposed commercial agreement, accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

CARRIED

Minute: OM151:2024

Moved: Cr S Mumford, Seconded: Cr R Cotterill

1. That Council resolves to endorse and accept the terms of the tripartite agreement between the State Government, Kangaroo Island Council and Kiland LTD, regarding the delivery of infrastructure to support Kiland LTD proposed housing development in Parndana and the transfer of a land parcel to Kangaroo Island Community Club (KICC) for the purpose of constructing a group accommodation facility.
2. That Council resolves to delegate the power to the Chief Executive Officer to enter into an agreement with the Department for Infrastructure and Transport for the purpose of a Grant Offer for Parndana Housing Development and to sign the grant offer as provided in Attachment 1 to this report with the terms provided in Attachment 2.

CARRIED

Minute: OM152:2024

Moved: Cr S Mumford, Seconded: Cr J Gellard

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council's decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda item (18.2) in confidence under sections 90(2) and 90(3) (d) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

Item	Duration of Confidentiality NB: Item to be reviewed every 12 months if not released
Report	Until further Order Made
Related Attachments	Until further Order Made
Minutes	Until further Order Made
Other	Until further Order Made

Pursuant to section 91(9)(c) of the Local Government Act 1999, the Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.

CARRIED

Minute: OM153:2024

18.2 Parndana Housing Development - Renewal SA Head of Agreement

Responsible Officer	Anne Ellson
Title	Asset Officer
Directorate	Jon Herron, Director Works and Infrastructure
Purpose	Decision

Summary

Council previously provided *“in-principle support for the development of proposed terms of a tripartite agreement between the State Government, Council and Kiland, regarding the delivery of infrastructure to support Kiland’s proposed housing development in Parndana and including transfer of a land parcel to Kangaroo Island Community Club (KICC) for the purpose of constructing a group accommodation facility.”* (minute: C399:2023)

The Department for Infrastructure and Transport has now provided the grant agreement for Council’s consideration.

Officer Recommendation

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except:

- **Chief Executive Officer, Daryl Buckingham**
- **Director Corporate Services, Nicki Putland**
- **Director Works and Infrastructure, Jon Herron**
- **Senior Manager Governance & Legal, Melissa Grimes**
- **Minute Taker**

Be excluded from attendance at the meeting for Agenda item 18.2 in confidence.

The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable Council to consider the report at the meeting on the following grounds:

- Section 90(3) (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—**
- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and**
 - (ii) would, on balance, be contrary to the public interest.**

This report relates to commercial in confidence agreement and as such represents private interest that should not be divulged in the public realm.

Accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

- 2. That Council resolves to endorse and accept the terms of the tripartite agreement between the State Government, Kangaroo Island Council and Kiland LTD, regarding the delivery of infrastructure to support Kiland LTD proposed housing development in Parndana and the transfer of a land parcel to Kangaroo Island Community Club (KICC) for the purpose of constructing a group accommodation facility.**

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3. That Council resolves to delegate the power to the Chief Executive Officer to enter into an agreement with the Department for Infrastructure and Transport for the purpose of a Grant Offer for Parndana Housing Development and to sign the grant offer as provided in Attachment 1 to this report with the terms provided in Attachment 2.
 4. Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council's decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda item (18.2) in confidence under sections 90(2) and 90(3) (d) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

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Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.

BACKGROUND

In March 2023, Council made a resolution to write to the Minister for Climate, Environment and Water seeking intervention over a proposed development for workers' accommodation by the KICC which had been referred to the Native Vegetation Council (NVC) in 2022 in relation to a Native Vegetation Overlay which applied to the land and which application had subsequently been rejected.

That Council write a letter to the Minister for Climate, Environment and Water in conjunction with the Parndana Progress Association challenging the decision on why approval was not granted for the removal of native vegetation for an allotment zoned residential in Parndana for the purposes of a housing development. (Minute: C149:2023)

A response from the Minister was received dated 29 May 2023, which notified that the Minister was unable to intervene in relation to decisions made regarding clearance of native vegetation and advice on the grounds of the NVC's grounds for refusing the proposed development.

Subsequent discussions with the Minister for Planning and Renewal SA identified an alternative solution being proposed by state government to enable the proposed KICC development and trigger additional housing supply in Parndana to meet demand. This demand primarily driven by the significant agricultural land re-development near this part of the Island, being undertaken by Kiland and subsequent need for accommodation for their growing employee numbers.

Kiland has purchased a parcel of land that abuts Rowland Hill Highway Parndana and Wedgwood Road Seddon which has areas zoned as Neighbourhood and Rural Living.

Renewal SA is now seeking Ministerial approval to make a financial contribution of \$1,010,000 (ex GST), toward enabling infrastructure to support Stage 1 of a housing development proposal by Kiland at this site.

As part of this proposed arrangement Renewal SA sought Council's endorsement for the preparation of proposed terms of a tripartite agreement between the State Government, Council and Kiland regarding the delivery of infrastructure to support Kiland's proposed housing development in Parndana and including transfer of a land parcel to Kangaroo Island Community Club (KICC) for the purpose of constructing a group accommodation facility.

At its July 2023 meeting, Council resolved that:

The Council provides in-principle support for the development of proposed terms of a tripartite agreement between the State Government, Council and Kiland, regarding the delivery of infrastructure to support Kiland's proposed housing development in Parndana and including transfer of a land parcel to Kangaroo Island Community Club (KICC) for the purpose of constructing a group accommodation facility. (minute: C399:2023)

The proposed terms (refer Attachment 2) included:

- The intent of having Council play a central role in holding the funds from government and being on the Project Steering Committee, is to ensure that the infrastructure is specified in accordance with Council's reasonable requirements, particularly where there are upgrades or augmentation to Council assets such as the sewerage system.
- Council essentially playing the role of auspice of state government funds toward the project and overseeing the project management for delivery of the enabling services.
- There is no intention to have any clauses that would alter the usual planning or development application processes.
- The proposed state government milestones for funding instalments include the requirement for Kiland to transfer a 7,280 square metre rural living allotment to KICC; the completion of road and sewer upgrades and completion of each of the Stage 1 Dwellings, inclusive of sewer, water and power connections.

The agreement has now been drafted and has been provided to Council for signing (refer Attachment 1). The agreement indicates that the project will be implemented in accordance with the proposed terms above.

ANALYSIS

➤ Strategic Management Plan

Community - Communities and individuals are empowered to improve the quality of Island life.

Partnerships

2.1 Enhance Community partnerships with Council.

2.1.2 Collaborate with external funders and Community groups to access external funds to improve or extend community assets or services.

➤ Legal Considerations / Council Policy Alignment

There is no legal requirement for Council to Auspice this grant however not doing so may result in the project not proceeding unless an alternative Auspice agency can be found.

➤ Risk Management Implications

RISK	
Identify	Mitigation
Governance, Regulatory and Compliance Considerations	There is no legal requirement for Council to Auspice this grant.
People and WHS Considerations	Council would not be undertaking the construction itself. Council's involvement is acting as the Auspice for the financing, including distribution of funds. Any site inspections would be undertaken in accordance with Council's WHS policies.
Financial, Infrastructure and Information Technology Considerations	Council will need to provide staff resources to manage the financial aspects of the project, complete quarterly returns and inspect the construction progress. Council would also be responsible for repaying any unspent funds at the completion of the grant agreement.
Social and Service Delivery Considerations	There will be minimal impact on service delivery with the main implication being some staff resources.
Environmental Climate Change Considerations	The original proposal for community housing was rejected due to Native Vegetation issues. This project provides an alternative location.

➤ **Financial / Resource Implications**

Council would be required to act as the Auspice for Kilands for this project. While there is no direct financial contribution, staff resources would be required to manage the funding (receipt of grant and payments to Kiland), inspect the construction prior to any payments to ensure the milestones have been met and complete quarterly reports.

After three years, any funds still held by Council would need to be repaid to the State Government.

➤ **Customer Service and Community Implications**

The Community has indicated the need for workers accommodation in Parndana and this grant provides an opportunity for this to proceed.

OPTIONS

Council has the following options:

1. **That Council endorses and accepts the terms of the tripartite agreement between the State Government, Council and Kiland, regarding the delivery of infrastructure to support Kiland's proposed housing development in Parndana and the transfer of a land parcel to Kangaroo Island Community Club (KICC) for the purpose of constructing a group accommodation facility.**

That Council resolves to delegate power to the Chief Executive Officer to enter into an agreement with the Department for Infrastructure and Transport for the

purpose of a Grant Offer for Parndana Housing Development and to sign the grant offer as provided in Attachment 1 to this report with the terms provided in Attachment 2. (Recommended)

Council has previously indicated in-principle support for this project. The project will allow for the construction of housing in Parndana and impact to Council relates to staff resources rather than direct funding.

2. **That Council does not endorse the tripartite agreement between the State Government, Council and Kiland, regarding the delivery of infrastructure to support Kiland's proposed housing development in Parndana and the transfer of a land parcel to Kangaroo Island Community Club (KICC) for the purpose of constructing a group accommodation facility. (Not Recommended)**

As Council previously indicated in-principle support for this project it is recommended that this position remain. The impact to Council relates to staff resources rather than direct funding however without Council endorsement, the project may not be able to proceed unless another Auspice agency is found which would delay the project.

ATTACHMENTS

1. Attachment 1 KILANDS [18.2.1 - 14 pages]
2. Attachment 2 20230629 - Parndana Housing Development - Draft Terms Sheet for comment v 3 [18.2.2 - 3 pages]