



GROWING LOCAL ECONOMIES

Application Form

Short application (Expression of Interest)

PLEASE COMPLETE THIS APPLICATION FORM AND ATTACH RELEVANT DOCUMENTS.

You may type full answers in this form or you may refer to an attachment. For more information and before completing this application please read the program guidelines: nsw.gov.au/growinglocaleconomies

APPLICANT DETAILS

Applicant organisation	Snowy Valleys Council
------------------------	-----------------------

CONTACT DETAILS

Contact person	Georgia MacDougall
Position	Divisional Manager – Strategy and Place
Telephone number	02 69 48 9118
Mobile	0408 811 154
Email	gmacdougall@snowyvalleys.nsw.gov.au

Part B – Description of Project

Project name (Maximum of 50 characters including spaces)

Development of Tumut Industrial Estate

Geographical references (Location of all Project sites)

184 degrees 10.89 East
35 degrees 19.83 South

Project summary (Describe the objective of the project, the strategy to be adopted to deliver this objective and all expected outputs and outcomes from the project including the infrastructure to be established or constructed). (Maximum of 500 words)

There is no dedicated large acreage industrial land developed in Tumut, suitable for use by light industrial and heavy industrial businesses needing extensive operating areas. Businesses have been largely located on the edge of the town, resulting in some urban encroachment conflicts arising through noise and traffic complaints. Snowy Valleys Council owns 44.0 ha of land, and has negotiated to purchase an adjacent 19.5ha land package. The total 63.5ha site is situated 7kms south of the Tumut CBD.

It is planned to develop this land, which currently has a RU1 zone rating, into a fully serviced industrial estate, through the installation / connection of electricity, water – sewerage services (including pumping station), and road infrastructure. The land has been identified in Council's Local Environmental Plan, and the RU1 zone rating permits its use for industrial development.

The site will provide the capacity to accommodate a number of road transport and timber industry operators, who have expressed interest in expanding or establishing on this site, provide capability to house new businesses who locate to Tumut to service the Snowy 2.0 project, and establish a site for future industrial development growth in the region.

Project timeline – Please provide the proposed start and end dates for construction of your project.

Start:	1 st February 2019	End:	30 th December 2019
--------	-------------------------------	------	--------------------------------

Estimated total cost of the infrastructure – Please include estimated expenditure by years.

The estimated total cost of the development of the infrastructure services is A\$ 4,213,000, with the expenditure and timeframe on individual infrastructure projects as follows:-

- Water and Sewerage infrastructure connection would be carried out as one project – commencing March 2019 and concluding in September 2019
- Electricity – Commence April 2019 – Completion September 2019 –
- Roadworks – Commence July 2019 Completion = December 2019 –

Funding requested (\$) from Growing Local Economies (Restart NSW) – Please include proposed funding profile by years and break down the expenditure of the requested funding according to infrastructure construction and any other permissible use.

Snowy Valleys Council is seeking a grant of A\$3,185,000 from the Growing Local Economies Project Fund to assist with this development project. This funding would be required prior to 15th February 2019 and would be totally expended by 30th December 2019.

Commencement of Water and Sewerage infrastructure works for this project is planned for March 2019, with this portion of the project to cost A\$ #####

The Electricity infrastructure portion of this project would commence in July 2019, and has a planned cost of A\$ #####

The Roadworks infrastructure portion of this project would commence in July 2019 and has a planned cost of A\$ #####

The funding requested would be expended in the period from February 2019 to December 2019, with all work completed by December 2019, allowing access to land users by early 2020.

The requested funding is designed to enable Council to develop this site, and to be able to market this land to prospective occupants at the most economically affordable purchase price, and provide an Industrial Estate for both light and heavy industries.

Other funding contributors – Include name, contribution amounts and whether contributors are confirmed or prospective. (Add rows if required)

Contributor	Contribution Amount (\$)	Contribution confirmed by contract? Y/N
Snowy Valleys Council	A\$ 528,000	Land Purchase - Confirmed
Snowy Valleys Council	A\$ 100,000	Engineering Fees - Confirmed
Snowy Valleys Council	A\$ 400,000	Council Contribution - Confirmed
Totals	A\$ 1,028,000	

Who owns the land that the project will be sited on? If the land is leased, who is the leasee? (Maximum of 50 words)

A site of 44.0 ha is owned by Snowy Valleys Council, the purchase of a further 19.5ha of land which adjoins the site is currently being finalised.

Has the project previously received NSW Government funding? If yes, what are the reasons for requesting further NSW Government support?

No previous NSW Government funding requested.

Part C – Detailed Project Description

1. STRATEGIC ASSESSMENT

A) Describe the economic benefits of the project for NSW.

Describe how the project will open up new economic opportunities for regional NSW and the State. Provide any available measures of the current situation. (Maximum of 600 words)

The development of this Industrial Estate is required to be able to take advantage of a number of new economic opportunities which have become available in the Snowy Valleys region. The Visy Tumut craft paper mill recently announced A\$ 50.Mil expansion investment – <https://visy.com.au/newsroom/2017/5/8/50m-upgrade-to-tumut> , Batlow Co op recently announced A10m investment <https://www.theland.com.au/story/4662796/batlow-apple-growers>., and Snowy 2.0 project, <https://www.snowyhydro.com.au-businessopportunities> are all examples of the major economic potential investment in the region.

Council has recently been approached by two prospective contactors for the Snowy 2.0 project, (concrete batching and steel fabrication businesses). These businesses are exploring opportunities for possible business establishment in Tumut, should they become successful tenders for the project, and this developed estate would provide the site for these new businesses.

With Tumut industrial estate being the closest site , and have the shortest travel time to the snowy 2.0 project site, it would make Tumut the most cost effective location over other industrial sites at other centres.

In addition to these potential economic opportunities, the industrial estate is required to accommodate a number of identified businesses who wish to relocate, in order to expand their operations, or are seeking to develop a new industry presence in Tumut. These businesses are road freight contractors and harvesting contractors working within the timber industry, providing product plantation, harvesting and transportation of logs or bark and wood chip products, used in a variety of manufacturing processes, including craft paper, house frames and compressed particle board. Their opportunity to grow is directly related to the expansion of the Visy Industries Tumut operation.

All of these identified businesses have been interviewed, and have expressed interest in relocating or establishing on this industrial estate, and each business has indicated that a total additional employment(approx. 9.11 additional FTE), over the three business,

would be created,

The road access to this site will be developed to have the capacity to accommodate B Double road transport, which are utilised in timber and timber product cartage industries, and will also provide opportunities for contractors working on the Snowy 2.0 hydro project.

Smaller land sites in Tumut are currently occupied to capacity. The new Tumut estate will allow the three identified businesses to immediately expand, and will enable Snowy Valleys Council to market the estate to other industries to establish, expand or relocate to this site, creating the opportunity for additional employment.

B) How does the project help the regional economy capitalise on its strengths or broaden, reposition or diversify its industry base?

Describe how the project will capitalise on regional strengths (natural or built endowments such as climate or transport infrastructure). You may wish to refer to the Regional Economic Development Strategy for the area/s in which it is to be located (if available). Provide any available measures of the current situation. (Maximum of 600 words)

The Snowy Valleys regional Economic Development Strategy identifies the forestry and timber processing industries as a natural endowment, and the Snowy Hydro expansion as a major economic opportunity. The development of the Tumut industrial estate is identified as a key priority action.

The Strategy details the need to support the Timber Industry, both plantation and production operations, as well as the manufacturing businesses. The businesses committed to this project are timber product carriers (logs or bark and wood chip), forestry plantation developers, planters and harvesters.

Each of these business areas were identified as regional strengths, and the development of the industrial estate will enable Council to highlight the uncommitted industrial land, as an asset to encourage new and existing businesses to expand to this site.

Program 1) Regional Development Framework –

https://industry.nsw.gov.au/data/assets/pdf_file/0018/93222/regional-development-framework.pdf

Program 2 Aligning effort to support Growing Regional Centres – page 8 of the framework document-

ABS statics report that the Tumut population in 2011 was 10,934; the 2016 census revealed the population had grown to 11,408. Population projections reflect a future growth in population.

This new enabling infrastructure that will provide a base for the transport support for the Softwood Industry (refer to the recently released report) –https://www.crownland.nsw.gov.au_data/assets/pdf_file/0005/721724/socio-economoc-impacts-of-the-softwood-plantation-industry.pdf. (Section 7 pages 42 to 45 of this report give a comprehensive overview of the Softwoods Timber Industry in the South West Slopes region, and its potential for expansion.

This report interviewed 19 regional Softwood processing and service companies who operated in this region and 60% of those interviewed projected an increase in workforce, and 18% projected an increase in revenue.

Page 13 of this report details the direct employment generated by the Softwood Industry in the South West Slopes as totalling 1917, of which 341 or 17% are employed in the harvesting and haulage contracting businesses.

Page 18 of the report notes that employment grew in the Snowy Valleys Council (Tumut and Tumbarumba) region, due the expansion of the Hyne and Visy Mills, and the relocation of harvesting and haulage businesses. This expansion trend continues with Visy Industries recently announcing a A\$50 million expansion.

A survey carried out by Council on truck movements of timber products throughout the Snowy Valleys Shire revealed inbound truck movements of 153,000 per annum, and outbound movements of 48,000 per annum, resulting in a total truck movement of in excess of 200,000 per annum. This figure does not include empty trucks arriving for loading or departing unloaded.

The Snowy 2.0 project will provide the regional with an opportunity to diversify its economy. With the Industrial Estate developed, Council will be in a position to provide sites for any contractors or suppliers who wish to establish in the region.

v

C) Describe how the project will deliver key enabling infrastructure for the local region.

Please provide names of other businesses that will use the enabling infrastructure when available or suggest any other ways to measure the use of the infrastructure or measure its benefits for local businesses. Provide any available measures of the current situation. (Maximum of 600 words)

Once established, the industrial estate will benefit a number of businesses, some of which are already established in Tumut and undergoing expansion, and others who would like to further develop their business to this estate.

Once developed, the industrial estate will provide Snowy Valleys Council with a long term asset for any future business development which arises, including those associated with Snowy 2.0.project.

The following businesses are currently operating a Tumut business, however due to constraints on their current operation sites, have expressed keen interest to expand to this new industrial estate:

V- Southern –Transport – Contact Chris Sutherland – land interest approx. 10 ha.

This company is a major transporting contractor of bark and chip timber to the Visy Industries site in Tumut. The company operates a fleet of more than 30 B Double and Single – moving floor trucks. The company is keen to increase its fleet by further 6-8 vehicles, in order to accommodate additional material movements required, resulting from the expansion of the Visy operation at Tumut. The current operation site for V _ Southern in Tumut is unable to accommodate the additional trucks required for this expansion. Projected additional employment of 4-6 FTE.

G and J Groves Pty Ltd. – Forest Contractors – Contact Michael Clancy – land interest approx. 5.0ha.

This business operates as a forest contractor, clearing harvested timber plantations, replanting, thinning and harvesting plantation timber. The business currently operates from three sites, administration site, maintenance workshop site and a vehicle storage site. Meetings with the companies Commercial Manager have disclosed the desire by the Company to bring all of their operations onto one site. Once established, the site would provide the Company with an opportunity to expand its operations, which it currently is unable to do, while at the same time, improving operational efficiency. The Company has recently signed long term contracts for harvesting operations with NSW State Forests, and this will provide the opportunity for additional employment. Estimated additional employment 1-2 FTE

New Business to Tumut to establish on this site:

Greenfreight Transport Pty Ltd. – contact Chris Jones- land interest 7.5ha.

This Company has established transport operations bases throughout the Riverina and Murray regions, with trucking operations in general freight and log haulage. With the development of Visy Industries stage 2 and 3, the company has experienced an increase in operations in the Tumut region, and has recognised the need to establish a new freight operation base in the area. Once established, the base would become the centre of log truck operations for the Timber industry in the Snowy Mountains region. The new operations base would create employment opportunities for drivers and maintenance staff. Estimated additional employment 2-3 FTE.

Snowy 2.0 associated businesses

Recent Council contact with two Snowy 2.0 project contracting businesses, could also create employment opportunities, should these businesses decide to establish in Tumut

In addition to these businesses, casual employment opportunities will be created through site development and building construction projects.

D) Describe any other benefits from the project, direct or indirect, such as educational, health or environmental benefits.

Provide any available measures of the current situation. (Maximum of 600 words)

The aim of this project is to establish an Industrial site which is appropriately located and suitably serviced to prevent land use conflicts and ensure there is an ongoing supply of land to meet market demand. The location of this new estate- 5km from residential housing and adjacent to a softwood processing plant, will protect industries and associated infrastructure from land use conflicts arising from the encroachment of inappropriate and incompatible land use.

Road infrastructure to enable access for B Double and Super B vehicles from the Snowy Valleys Highway will be developed for the site, to ensure that the trend of upsizing vehicles for more efficient means of transport is catered for at this site.

E) What will happen if the project does not receive NSW Government support? (Maximum of 400 words)

If not supported, Snowy Valleys Council will seek funding through other existing and future Federal and State Government grant funding opportunities. The project could be created as a staged development, however to develop in this manner would result in a major increase in the cost to develop the project.

If not supported, an extended time frame for the development would result in the loss of potential business opportunities, particularly those associated with the Snowy 2.0 project.

The recently released report on the Socio-economic impacts of the Softwood Plantation Industry in the South West Slopes and Bombala-https://www.crownland.nsw.gov.au/_data/assets/pdf_file/0005/721724/socio-economic-impacts-of-the-softwood-plantation-industry.pdf – indicated that “other services” was 14% of the expenditure of the plantation industry. If the service industries cannot expand adjacent to the processors, it will add to the costs and make the entire softwood industry less complete.

2. ECONOMIC ASSESSMENT

A) Please complete the attached data request sheet for the project.

Make sure that you have completed the attached data request sheet – use the space below for any notes/explanation of the data provided. (Maximum of 400 words)

Local Jobs

Discussions with owners and managers who have registered an interest in relocating or establishing their businesses to this proposed site have indicated that 9 to 11 new positions would be created. The timeframe for the creation of these positions will be controlled by the site development timing, together with the relocation and establishment of business sites. An estimate time of 12 to 18 months, from site construction commencement, to site operation, would be expected.

The increase in employment numbers is based only on businesses which have already expressed an interest in the site. There is potential for additional employment opportunities once the Snowy 2.0 tenders have been decided (expected October 2018).

Once established, the Tumut Industrial Estate will provide for future development, and offer the opportunity for new and expanding businesses to have access to both large and small, fully serviced industrial blocks, suitable for light and heavy industry. It will also provide Tumut with a major economically beneficial asset, through future sales of these industrial sites.

With the ongoing expansion of Visy Industries, and the long term security of the Timber industry in the Tumut region, the industrial estate will provide a much needed location for all forms of industry, with transport, distribution and manufacturing being initial occupants. The design of the industrial estate will make it suitable to accommodate large and small business sites, with block sizes varying from 0.5 h/a to 10- 15 h/as. Planned infrastructure will be suitable for a wide variety of businesses.

Industries operated at site

Initially, the businesses which move to the site will be mainly road transport organisations that service the softwood processing industries, being providers of cartage of softwood logs and other softwood products together with timber planting and harvesting contractors. The expansion of the softwood production industry has resulted in these businesses needing to expand their operations and truck fleets and as a result their driver and maintenance staff.

The establishment of these businesses on the industrial estate, with increased size operational areas, will enable the businesses to take advantage of any future softwood industry production expansion, and the service requirements created by this expansions.

Revenue Growth

The revenue growth these businesses have experienced has resulted in their expansion to their current size, and will provide the basis of their future proposed increase in business growth and employment. Discussions with management of two of the businesses planning to relocate revealed that an estimate of 10% to 12% increase in revenue would result from the relocation.

Other businesses which will be targeted as future tenants for the industrial estate will be transport related, service organisations and manufacturing businesses.

Snowy 2.0 Businesses

With the Snowy 2.0 access tunnel work due to start in November – December 2018, and the main project in June 2019, the project is set to be complete and producing power by 2024. Council has already received two enquiries about industrial site availability from prospective contractor businesses.

3. AFFORDABILITY

A) Capacity to maintain and develop the infrastructure

Identify and describe the life-cycle costs (on-going operating and maintenance, renewal and other costs) of the project and the funding arrangements to meet these costs. Be sure to itemise each ongoing cost and revenues/contributions to offset them. (Maximum of 500 words)

The industrial estate, once developed, will form part of the Snowy Valleys Council ongoing annual maintenance program for roads and other service infrastructure. It is planned that all infrastructure for the estate will be developed and installed by Council or Council managed contractors, during the development. The project will supply water, electricity, sewer and road infrastructure to all sites. Once businesses are resident at the estate, rate payments derived from the properties would provide an income source to Council to compensate for ongoing regular maintenance expenditure.

Discussions with Council engineers revealed that the water and sewerage infrastructure installed would have a 60 to 80 year lifespan, with only limited preventative maintenance required for the first 15 years. The proposed sewerage pumping station structure would also have a 60 to 80 year lifespan, however the pumps used at the site would have a 10year operational lifespan. Electricity infrastructure installed would have a 30 to 40 year expected lifespan.

4. DELIVERABILITY

A) Experience

Has your organisation previously delivered a project of a similar scale and nature before? If yes, please provide details of the type, cost and date of such project/s. (Maximum of 400 words)

Snowy Valleys Council has a long history in delivery of property development, and infrastructure installation. Some of these projects include:

Stage 1 and 2 of "Snowview Residential Estate - Tumbarmba" completed Dec 2017 – Cost A\$ 2 Million

Sturt Close Estate – Tumut – completed June 2014 – Cost A\$ 1.2 Million.

B) Personnel

Does your organisation employ personnel that have previously delivered a project of a similar scale and nature before? If yes, please provide the name and affiliation of such person/s and details of the type, cost and date of their project/s. (Maximum of 400 words)

Snowy Valleys Council employs a wide range of staff with engineering and civil constructions qualifications, with many of these staff being involved with projects listed in the "experience" section of this submission.

External qualified contractors will be used to install infrastructure services and roadworks for the site. These contractors will be under the management and supervision of Council Directors and Managers.

There will be a tender process used in order to determine most suitable contracts to be utilised.

Council staff who will be involved in delivering this project, and have previously been involved in similar projects:-

Mathew Christensen - Director Assets and Infrastructure Civil Engineer – Managed Sturt Close Project

Gus Cox - Director Strategy and Community Development – Building Surveyor and Engineer – Managed "Snowview" project.

Heinz Kausche – Divisional Manager Infrastructure Works – Civil Engineer – Managed development project with Wagga City Council.

C) Delivery risk mitigation

Does your organisation have in place measures to mitigate the risk of failure to deliver the project, such as the employment of expert consultants etc.? If yes, please provide the name and affiliation of such person/s and the details of the measures in place. (Maximum of 400 words)

RISK	PROPOSED MITIGATION	IMPACT	LIKELIHOOD	RATING
Funding from NSW Government is Not secured	-Identify alternative funding sources - delay project, seek additional Council funds for project Continue to consult with site tenants, to ensure they are aware of funding negotiations.	Severe	Likely	HIGH
Unfavourable weather, causing delays in site development	-Project management to identify additional contractors who could be engaged in order to bring project back on time Ensure constant communication of construction delays notified to land purchasers	Medium	Likely	MODERATE
Delay of services Supplier contractors Availability	- Seek replacement service contractors	Medium	Unlikely	MODERATE
Indigenous survey results in adverse findings	=Negotiations to be held with Indigenous leaders to seek suitable solution	Low	Unlikely	LOW
<p>There are limited service and financial risks to this project apart from the securing of funding to carry out the project.</p> <p>There is access to all services required, including water, and electricity, with connectivity in close proximity.</p> <p>The connection of sewerage services to the site will be the largest service expenditure for the project. The site will require an onsite sewerage pumping station to be established, as part of the project.</p> <p>The other major cost will be the development of road system for entry and exit of the industrial estate.</p> <p>All these costs have been factored into the cost structure of the project.</p>				

D) Timetable

Describe key milestones and estimated timetable.

- 1) Carry out earthworks
February 2019 – March 2019
- 2) Installation and connection of power, water and sewerage services to site
Water and Sewerage infrastructure connection - March 2019 – September 2019
Electricity - April 2019 – September 2019
- 3) Construct and develop road infrastructure to estate
July 2019 – December 2019
- 4) Relocation and establishment of tenants businesses to estate.
January 2020

Part D – Declaration

I certify that the information provided in and supporting this short application is true and correct and that I am legally authorised to sign this short application for and on behalf of the applicant organisation/company.

Signed		Date	Click or tap here to enter text.
Name	Click or tap here to enter text.	Position	Click or tap here to enter text.

All Application Forms must also be endorsed and signed off by the Asset Owner/s and Asset Manager/s before the project will be considered.

All information submitted by applicants may be provided to relevant stakeholders for the purposes of eligibility and project appraisal. Applicants should identify any information that they want to be kept confidential, supported by reasons for the request. Except as disclosed, the Department of Premier and Cabinet will keep all information confidential and secure.

Phone	Email	Website
1300 679 673	regionalsw.business@dpc.nsw.gov.au	www.nsw.gov.au/growinglocaleconomies

Growing Local Economies applications opened 17 August 2017. The fund remains open to applications year-round until funds are fully allocated

Please submit your Application Form to regionalsw.business@dpc.nsw.gov.au