

**8 DIRECTOR COMMUNITY AND ECONOMIC DEVELOPMENT AND SUPPLEMENTARY MATTERS****8.1 BARHAM MICRO ABATTOIR - UPDATE REPORT**

**File Number:** -

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**RECOMMENDATION**

That council;

1. Accept the \$2,209,000 total funding offered through the Growing Local Economies Program, the Drought Communities Program and the Murray Darling Basin Economic Development Program and authorise the CEO and Mayor to sign the funding agreements and apply the council seal where required.
2. Approve proceeding with the Barham Micro-Abattoir Project.

**BACKGROUND**

The Murray Plains Meat Cooperative was formed for the purpose of pursuing the development of a Micro-abattoir in Barham to meet the processing needs of local artisan meat producers.

The organisation sought council's assistance to identify suitable funding programs and assistance to write applications.

The various funding bodies reported to NSW Regional Development that whilst they were impressed by the application and believed that the project was worthy of funding, they had concerns about providing funding to an organisation with no trading or operating history.

Murray Plains Meat Cooperative board and a representative of NSW Regional Development approach council to ask if council would consider assisting the group by agreeing to be lead funding applicant, project manager and initial owner of the facility.

Council, at its monthly meeting held on 28 January 2020 resolved as follows;

1. Confidential motion titled Proposed Barham Micro-Abattoir – Update (Item 17.5 of the Confidential Reports) that was lost at the meeting of 26 November 2019 be rescinded.
  2. Council agrees to act as the lead applicant for funding for the proposed Barham Micro- Abattoir project through the Growing Local Economies Program, the Drought Communities Program and the Murray Darling Basin Economic Development Program.
  3. Council agrees to act as the project manager for the Barham Micro-Abattoir project.
  4. Council agrees to accept ownership of the Barham Micro-Abattoir upon completion.
  5. The Barham Micro-Abattoir project be fully funded from grant funding and lease fees; and that no ratepayer funds be committed to the project.
  6. Council receive a further report, including a feasibility study, business case and details of the draft lease agreed between Murray Plains Meat Cooperative (Barham Micro-Abattoir) and Murray River Council for its consideration before proceeding to construction.
- This report has been prepared in accordance with item 6 of council's resolution.

## DISCUSSION

Applications for funding through several funding programs have all been successful. They are;

Drought Communities Program	\$375,000
Murray Darling Basin Economic Development Program	\$450,000 and
Growing Local Economies Program	\$1,384,000

Total funding of \$2,209,000 has been allocated to the project.

Copies of the Murray Plains Meat Cooperative Business Case and the Growing Local Economies Business Case together with a copy of the draft lease agreement are attached to this report in accordance with council's resolution.

**Please note the Draft Lease Agreement has only just been drafted and as a result has not yet been reviewed at the time of writing.**

## STRATEGIC IMPLICATIONS

4 - Strategic Theme 4: Economic Growth

4.1 - Encourage and support economic development across a range of sectors

4.1.3 - Identify new opportunities and actively encourage investment in agriculture, agribusiness, value added manufacturing, alternate and renewable energy, health, wellbeing, aged care, and education

## BUDGETARY IMPLICATIONS

Nil

## POLICY IMPLICATIONS

Nil.

## LEGISLATIVE IMPLICATIONS

## RISK ANALYSIS

- **What can happen?**

Murray Plains Meat Cooperative may be unsuccessful in operating the meat processing business.

- **How can it happen?**

Poor Management.

- **What are the consequences of the event happening?**

Murray River Council would have to offer the facility for lease to another party or offer the modular facility for sale.

- **What is the likelihood of the event happening?**

Low

- **Adequacy of existing controls?**

Adequate

- **Treatment options to mitigate the risk?**

Manage

**CONCLUSION**

Applications for funding have been successful and council may now resolve to proceed to tender for the Design, Development approvals, construction and installation of the Barham Micro-abattoir facility.

By doing so 29 artisan producers will be able to continue to supply high quality, sustainable, locally grown meats to their markets and create 21 direct and indirect jobs in an area significantly impacted by drought and Murray Darling Basin Plan implementation.

**ATTACHMENTS**

- 1. Growing Local Economies Fund - Business Case - Confidential**
- 2. Murray Plains Meat Cooperative - Business Case - Confidential**
- 3. Remplan Impact Report - Confidential**
- 4. Site Plan - Confidential**
- 5. Draft Lease Agreement - Confidential**
- 6. Contract Special Conditions - Confidential**
- 7. Lease Annexure A & B - Confidential**