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ITEM 35 EUGOWRA VOLUNTARY PURCHASE SCHEME2

CONFIDENTIAL ITEMS

Clause 240(4) of the Local Government (General) Regulation 2005 requires Council to refer any business to be considered when the meeting is closed to the public in the Ordinary Business Paper prepared for the same meeting. Council will discuss the following items under the terms of the Local Government Act 1993 Section 10A(2), as follows:

ITEM 4 CLEAN UP OF HOUSE BLOCK AT CUMNOCK

(b) matters in relation to the personal hardship of a resident or ratepayer

ITEM 5 LAND ACQUISITION - CUMNOCK SEWERAGE TREATMENT PLANT

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business

ITEM 6 CADIA VALLEY OPERATIONS - CONCENTRATE PIPELINE

(d) (iii) commercial information of a confidential nature that would, if disclosed, reveal a trade secret

ANNEXURE ITEMS

ANNEXURE 35.1 MAP OF VP PROPERTIES IN EUGOWRA.PDF6

ITEM 35 - EUGOWRA VOLUNTARY PURCHASE SCHEME

REPORT IN BRIEF

Reason For Report	Seeking Council endorsement for the reintroduction of the Voluntry Purchase scheme and "relocation" policy.
Policy Implications	Voluntry Purchase sheme
Budget Implications	Funds allocated in current budget
Area of Responsibility	Flood Mitigation
Annexures	1. Map of VP Properties in Eugowra.pdf
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DIRECTOR ENGINEERING AND TECHNICAL SERVICES REPORT

Current Voluntary Purchase Program

Cabonne Council has in the past carried out Voluntary Purchase (VP) of flood affected dwellings in Eugowra in accordance with Council's adopted Floodplain Risk Management Study and Plan (FRMS) 1999. The VP program is designed to remove residences in high risk areas.

Owners of these properties can apply to council to be considered for VP. The priority is based on date of application received by council. The practice has then been to purchase the property (at market value for a similar property not in a flood affected area), demolish the building and clear the land of obstructions to expedite passage of floodwater and to facilitate mowing and maintenance of the land, a requirement of the funding assistance program.

Funding for purchase and demolition is 1/3 Council and 2/3 Federal and State Government. Only residential dwellings are funded for VP by the State Government with the emphasis being to allow people to move out of the "high risk" floodway area.

For Council to be eligible to receive the 2/3 funding the state government department for administering funding, the NSW Department of Environment, Climate Change and Water (DECCW) must first be notified and approve the voluntary purchase.

Council makes application to DECCW annually for 2/3rds funding of a dwelling under the VP program. A claim is submitted to DECCW in May for 2/3rds costs associated with the purchase and demolition of the dwelling.

There are 25 properties identified in the Eugowra FRMS, 6 have been purchased and demolished and 2 have been purchased awaiting demolition. Refer to attachment.

There is allocation in the budget for a purchase in 2011/12.

Opposition has emerged in Eugowra to the purchase and demolition of properties obtained by voluntary purchase. The opposition appears to be derived from a risk that vendors of VP properties will leave Eugowra and that the vacant lots have a negative social and economic impact on the local economy. The vacant lots also present a negative appearance for visitors and prospective developers to Eugowra.

Upon emergence of the opposition to voluntary purchases an informal "hold" was placed by Council on further voluntary purchases. This followed the purchase and demolition of a building in North Street (No 4) in February **2008**. However Council did approve the purchase in late **2009** of 5 Grevillea Avenue with a view to extending the park area on the bank of the Mandagery Creek near the road bridge. This building then became a focus for opposition to voluntary purchases and has not yet been demolished.

In January **2011** Council received an letter from Mr Dave Tracey of 1 Barrack Street offering his property to Council as a voluntary purchase. This property is one that is identified under the current FRMS as being eligible for voluntary purchase.

Mrs Tracey addressed the Floodplain Review public meeting in Eugowra expressing concern with Council's hold on the VP program and requesting Council reconsider the purchase of her property citing financial and welfare issues.

Council resolved to consider the Tracey application.

Reintroduction of the Voluntary Purchase Program

The purchase of the Tracey property would in effect be reintroducing the Voluntary Purchase program in Eugowra without consultation with the community. Council should also consider the Tracey property has priority only due to there being no other applications received. There may have been other property owners eligible for the VP program who would have applied if Council did not have a "hold" on the VP program.

There would appear to be two main issues relating to the current VP program:

1. Risk of reducing population/families moving out of town after selling their property to Council; and
2. Adhoc vacant allotments having a negative impact on the town's economy and appearance and maintenance.

These issues may be addressed by the development of two programs.

1. Voluntary Purchase and Relocation Policy

This policy would include a prioritising process for the purchase of properties identified in the FRMS that would consider:

- a) An undertaking by the applicant to relocate to a similar valued property in Eugowra or provide a valid reason for not relocating i.e. health or age care. This would be subject to a suitable property being available.
- b) Depth of inundation. Depth of floodwater above floor level.

The implementation of this policy would be subject to:

- i) Confirmation by the funding agency, DECCW that the concept for purchase and relocation is possible under the VP funding arrangement.
- ii) Suitable contractual arrangements for purchases.
- iii) Determining valid reasons for not relocating.
- iv) Acceptance of the new policy by the Eugowra Community.

The new policy would replace the current priority system that is based on a "first in first served" basis. The new priority system would require submissions to be received by Council (closing date, say September). The submissions would then be assessed on the criteria a) and b) above.

2. Open Space and Recreation

To address the concern raised by sections of the local community that the vacant lots present a poor or negative appearance, it is proposed to investigate an open space and recreational walk along the Mandagery that would become an asset for Eugowra and an attraction for travellers and visitors to the area.

To progress the voluntary purchase program and enable consideration of Mr Tracey's application the following process is recommended;

RECOMMENDATION

THAT Council:

1. Seek the Eugowra Progress Associations concurrence to the Voluntary Purchase and Relocation concept and the Open Space and Recreation concept.

2. Seek concurrence for the Voluntary Purchase and Relocation concept from DECCW.
3. Subject to Concurrence from the Progress Association and DECCW prepare a detailed policy for Voluntary Purchase and Relocation.
4. Subject to the Progress Association's and DECCW concurrence, write to all residents identified in the FRMS who are eligible for VP asking if they want to be considered for VP under the new purchase criteria.
5. Subject to the Progress Association's and DECCW concurrence, advise Mr Tracey that his submission will be considered with others that might apply with priority given to:
 - a) An undertaking by the applicant to relocate to a similar valued property in Eugowra or provide a valid reason for not relocating i.e. health or age care. This would be subject to a suitable property being available.
 - b) Depth of inundation. Depth of floodwater above floor level.

