

UNSOLICITED PROPOSAL  
27 DAVIS STREET  
STAGE 2

This unsolicited proposal is prepared as per the conditions of the *Unsolicited Proposals Guide for Submission and Assessment, August 2017*.

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## CONTENTS

1.	Introduction .....	1
2.	Responsibilities .....	1
	Stage 2 .....	1
	Proponent Responsibilities .....	2
	Berrigan Shire Council Responsibilities .....	2
	Outcomes.....	3
	Feedback.....	3
	Disclosure.....	3
3.	Participation Agreement .....	4
4.	Steering Committee .....	4
5.	Assessment Panel.....	4
6.	Establishment Meeting .....	4
7.	Development Workshops.....	4
8.	Detailed Proposal .....	4
	Median House Prices in Berrigan .....	4
	Current Houses and Land for Sale in Berrigan.....	5
	Current Market Considerations.....	5
	Works Required for 27 Davis Street .....	5
9.	Stage 3 Requirements .....	6
	Proponent responsibilities .....	6
	Council Responsibilities.....	6
	Outcomes.....	6
	Feedback.....	6
	Disclosure.....	7
10.	Glossary of Terms.....	7
	Appendix 1 – Stage 1 Proposal.....	9
	Appendix 2 – Participation Agreement .....	10
	Appendix 3 – 32 William Street.....	11
	Appendix 4 38 Jerilderie Street .....	12
	Appendix 5 – 164-166 Jerilderie Street .....	13
	Appendix 6 – 18-20 Creed Street .....	14

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Appendix 7 – Lot 18 Drohan Street .....	15
Appendix 8 – 59 Denison Street.....	16

## 1. INTRODUCTION

As per the Unsolicited Proposals Guideline, an Unsolicited Proposal is an approach to Government (in this case Berrigan Shire Council) from a Proponent with a proposal to deal directly with the Government over a commercial proposition, where the Government has not requested the proposal.

A Stage 1 Proposal was considered by Council at the June Ordinary Council meeting. The minute from that meeting is recorded below:

### 8.23 Unsolicited Proposal – 27 Davis Street, Berrigan

- 174 Resolved Cr Taylor and Cr Paine that the Council:
1. note the unsolicited proposal received for the purchase of 27 Davis Street, Berrigan from the Council
  2. assess this proposal in line with the requirements of the NSW Government's *Unsolicited Proposals Guide for Submission and Assessment* (the Guide) issued in 2017
  3. delegate the Deputy Chief Executive Officer to form a steering committee from Council staff and including one independent representative to work with the proponent on a detailed proposal as per the Guide
  4. appoint the Council as a whole as the assessment panel for the detailed proposal
  5. obtain two market appraisals for the property

The Stage 1 Proposal is included at [Appendix 1](#).

A Glossary of Terms is included at [Section 10](#).

## 2. RESPONSIBILITIES

This section is modified from 4.4 of the Unsolicited Proposals Guide to allow for the circumstances of this proposal.

### STAGE 2

The objective of Stage 2 of the assessment of an Unsolicited Proposal is for the Proponent (in this case Council's CEO) and the Council to work co-operatively in the development of a Detailed Proposal, which may require a degree of preliminary negotiation on key issues, subject to the nature of the proposal.



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## PROPONENT RESPONSIBILITIES

During Stage 2 the Proponent will:

- Enter into a Participation Agreement;
- Attend the Establishment Meeting;
- Participate in Proposal Development Workshops where those occur; and
- Prepare and submit a Detailed Proposal in a form previously agreed with Council that address each of the Assessment Criteria. This may include (where appropriate):
  - draft terms for Council's consideration; and / or
  - a (Preliminary) business case and / or economic appraisal.

This document forms the detailed proposal for Council consideration.

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## BERRIGAN SHIRE COUNCIL RESPONSIBILITIES

During Stage 2 the BSC will:

- establish a Proposal Specific Steering Committee, Assessment Panel and associated governance framework;
- prepare an internal Governance Plan (may be updated as appropriate throughout the process);
- consider the engagement of a specialist Project Director where necessary;
- enter into a Participation Agreement
- facilitate an Establishment Meeting in order to:
  - provide feedback to the Proponent regarding risks and concerns with the Initial Submission;
  - provide guidance to the Proponent regarding Government requirements;
  - agree the approach to managing Proposal Development Workshops where those workshops are deemed necessary;
  - advise of the relevant Assessment Criteria;
  - agree the format for the Detailed Proposal, including the information and level of detail required;
  - commence discussions concerning the acceptable commercial and legal terms (with a view to developing draft commercial and legal terms that will form the basis of a final binding offer);
- commit approximately experienced and qualified resources to participate in the Stage 2 process, including legal, financial and technical advice where appropriate;
- confirm the approach to assessing Value for Money (which may include investigating benchmarking and preparing a Public Sector Comparator where appropriate);
- where appropriate, undertake (or require the Proponent to undertake) a (Preliminary) Business Case and / or an economic appraisal, consistent with NSW Treasury Guidelines;

- ensure relevant policy (e.g. NSW PPP Guidelines) and project assurance processes (e.g. Infrastructure Investor Assurance Framework) are considered and applied where appropriate;
- participate in Proposal Development Workshops. Where appropriate, the Council may establish commercial / technical teams to guide and liaise with the Proponent. These teams will provide information to the Assessment Panel which will in turn report to the Proposal Specific Steering Committee;
- provide further information to the Proponent to assist with proposal development;
- receive the Detailed Proposal;
- undertake assessment of the Detailed Proposal (by the Assessment Panel) against each of the Assessment Criteria;
- request further information from the Proponent as required;
- prepare and Assessment Report (by the Assessment Panel) and make recommendations to the Proposal Specific Steering Committee;
- make recommendations to Council;
- Council approval to progress to Stage 3, if warranted.

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## OUTCOMES

The following outcomes may result from this stage:

- The Detailed Proposal is considered acceptable to progress to Stage 3. Ideally, commercial terms should be agreed by Council and the Proponent, and will form the basis of a Final Binding Offer; OR
- The Detailed Proposal is not considered suitable for further consideration.

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## FEEDBACK

Should the Proposal progress to Stage 3, the Proponent with a draft Stage 3 Agreement and a schedule of items and issues to be negotiated (this may be provided separately to the Stage 3 Agreement).

Written feedback will be provided to the Proponent should Council decide not to proceed based on the information contained in the Detailed Proposal.

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## DISCLOSURE

At the end of Stage 2 Council's website will be updated with the assessment outcome.

Other information will also be published, such as reasons why the proposal has or has not progressed to Stage 3, the governance structure for Stage 3 and the probity advisor appointed.

Further information may be published as appropriate. The Council will consult with the Proponent before any information is disclosed to ensure and sensitive information remains confidential.

### 3. PARTICIPATION AGREEMENT

The signed Participation Agreement is included at [Appendix 2](#) of this document.

### 4. STEERING COMMITTEE

The Steering Committee to assess the detailed proposal shall include the following:

- Matthew Hansen, Deputy CEO
- Council as a whole

### 5. ASSESSMENT PANEL

The Assessment Panel shall be the Elected Body as a whole. The Probity Officer for the Assessment of the Detailed Proposal shall be Cr Julia Cornwell-McKean. Cr Cornwell-McKean has extensive knowledge of probity and is seen as the best officer to represent Council in this matter.

### 6. ESTABLISHMENT MEETING

An establishment meeting was held informally with the Deputy CEO and the Proponent following the June Ordinary Council meeting on 16 June 2022. This document and the current market valuations were developed as a result of that meeting.

### 7. DEVELOPMENT WORKSHOPS

Given the nature of the proposal and the fact it is not a complex matter, no development workshops were deemed necessary.

### 8. DETAILED PROPOSAL

The Proponent's offer to Council is \$300,000. Supporting evidence for this proposed offer is detailed below.

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#### MEDIAN HOUSE PRICES IN BERRIGAN

According to Real Estate.com, the median house price in Berrigan as at 6 August 2022 was \$215,000 which represents a 5.4% reduction over the past 12 months.

During July 2022, Berrigan had 5 properties available for sale. 47 properties were sold in the past 12 months when considering CoreLogic data.

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## CURRENT HOUSES AND LAND FOR SALE IN BERRIGAN

A comparison of properties and land for sale at the time of writing this report are listed below and included in the appendices to this document. These were valid at the time of writing this report (August 2022)

1. 32 William Street Berrigan ([Appendix 3](#)) – 3 bedroom, 1 bathroom (no car), 758m<sup>2</sup> parcel - \$205,000
2. 38 Jerilderie Street Berrigan ([Appendix 4](#)) – 3 bedroom, 1 bathroom, 1 car, 1,782m<sup>2</sup> parcel - \$189,000
3. 164-166 Jerilderie Street Berrigan ([Appendix 5](#)) – 4 bedroom, 2 bathroom, 3 car, 2 parcels
4. 18-20 Creed Street Berrigan ([Appendix 6](#)) – 4 Bedroom, 2 Bathroom, 9 car, 4,047m<sup>2</sup> parcel
5. Lot 18 Drohan Street, Berrigan ([Appendix 7](#)) – 1,570m<sup>2</sup>
6. 59 Denison Street, Berrigan ([Appendix 8](#)) – 809m<sup>2</sup>

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## CURRENT MARKET CONSIDERATIONS

The current lack of housing in the Berrigan Shire is artificially increasing the value of housing across the area. Currently demand is outstripping supply in both the rental and selling market.

Council may also consider that they will not be paying agent fees for the sale of this property so all proceeds from the sale will go directly to Council.

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## WORKS REQUIRED FOR 27 DAVIS STREET

Current known works required for 27 Davis Street include:

- Upgrade of the electrical system to current required standards – estimated value \$15,000
- Repointing of the tiled roof – estimated value \$10,000
- Refurbishing the kitchen – estimated value \$15,000
- Replacing flooring in main living areas – estimated value \$10,000
- Renovating the bathroom and ensuite areas (there has been considerable leaking between walls in the past and there is damage that needs addressing) - \$15,000
- Installation of shed – estimated value \$30,000

Very little maintenance work has been done to 27 Davis St over the year and it is therefore in need of considerable works to address those matters. The shed is the only thing that is a want rather than a need.

## 9. STAGE 3 REQUIREMENTS

The objective of Stage 3 is to finalise any outstanding issues with a view to entering into a binding agreement.

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### PROPONENT RESPONSIBILITIES

During Stage 3, the Proponent will:

- enter into an agreement to negotiate with Council in good faith;
- participate in the negotiation process; and
- submit a Binding Offer, including any appropriate legal terms and considerations.

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### COUNCIL RESPONSIBILITIES

During Stage 3, Council will

- enter into an agreement with the Proponent to negotiate in good faith;
- inform the Proponent of the process and protocols for negotiation;
- provide the Proponent with a schedule of items for negotiation;
- prepare an internal Governance Plan (may be updates as appropriate throughout the process);
- commit appropriate qualified resources to complete negotiations, including legal, financial and technical advice where appropriate;
- undertake a comprehensive assessment of the Final Binding Offer;
- define the appropriate Contract Management arrangements to monitor and ensure contracted outcomes are delivered;
- make any recommendations to the Elected Body; and
- recommend to the Elected Body the Final Binding Offer for adoption no later than the October Ordinary Council meeting.

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### OUTCOMES

The following outcomes may result from the finalisation of Stage 3:

- Recommendation to Council that the Final Binding Offer be accepted; OR
- Recommendation to Council that the Final Binding Offer not be accepted.

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### FEEDBACK

Notification of recommendations and ongoing procedures will be supplied to the Proponent.

Written feedback providing reasons for a decision to not proceed will be provided to the Proponent.

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## DISCLOSURE

At the end of Stage 3, Council’s website will be updated with the assessment outcome. Other information will also be published, such as the reasons why the proposal has been accepted or not accepted. Further information may be published as appropriate.

Where the Final Binding Offer has been accepted, the relevant agency will comply with the Council’s standard of public disclosure requirements, such as those described in the *Government Information (Public Access) Act 2009*.

Council will consult with the Proponent before any information is disclosed to ensure any sensitive information remains confidential.

## 10. GLOSSARY OF TERMS

<b>Term</b>	<b>Meaning</b>
Assessment Criteria	The criteria upon which the Unsolicited Proposal will be assessed (as per the Unsolicited Proposals Guideline).
Assessment Panel	A panel of BSC representatives including Councillors and staff (this may include a specialist adviser)
BSC	Berrigan Shire Council
Detailed Proposal	A submission by the Proponent to the Minister at the conclusion of Stage 2
Establishment Meeting	The first meeting between the BSC and the Proponent held at the commencement of Stage 2
Final Binding Offer	A formal proposal submitted by the Proponent at the conclusion of Stage 3 which is capable of acceptance by the Minister
Initial Submission	A submission by the Proponent during Stage 1 which briefly describes the Unsolicited Proposal (in accordance with the Schedule of Information Requirements)
Initial Schedule of Information Requirements	Information to be prepared by the Proponent in preparation for pre-lodgement meeting with BSC
Intellectual Property	Inventions, original designs and practical applications of good ideas protected by statute law through copyright, patents, registered designs, circuit layout rights and trademarks; also trade secrets, proprietary know-how and other confidential information protected against unlawful disclosure by common law and through additional contractual obligations such as Confidentiality Agreements.
Minister	The Minister responsible for the administering Local Government

Participation Agreement	An agreement signed by BSC and the Proponent at the commencement of Stage 2
Proponent	Karina Ewer (CEO)
Proposal Development Workshop	Interactive meetings held between BSC and Proponent representatives with the aim of progressing proposal development
Proposal Manager	The Deputy Chief Executive Officer of BSC who is responsible for coordinating BSC input for the receipt and assessment of an Unsolicited Proposal
Public Sector Comparator (PSC)	An estimate of the net present value of a project's whole of life costs and revenues using the most efficient and likely form of BSC delivery
Reference Project	The basis for calculating the PSC, reflecting BSC delivery of the project by traditional means
Shadow Bid Model	The BSC's best estimate of a private party bid price
Stage 3 Agreement	An agreement signed by BSC and the Proponent at the commencement of Stage 3.
Steering Committee	Is the full Elected Body of Councillors that make up the Council of the Berrigan Shire Council
Unsolicited Proposal	An approach to BSC from a Proponent with a proposal to deal directly with the BSC over a commercial proposition, where the BSC has not requested the proposal. This may include proposals to build and / or finance infrastructure, provide goods or services, or undertake a major commercial transaction.
Unsolicited Proposals Guideline	Is the Unsolicited Proposals: Guide for Submission and Assessment as produced by the NSW Government and published in August 2017.
Value for Money	The overall value of a proposal to Government (refer to section 2.3 of the Unsolicited Proposals Guide for further details).





UNSOLICITED PROPOSAL  
27 DAVIS STREET  
STAGE 1

This unsolicited proposal is prepared as per the conditions of the *Unsolicited Proposals Guide for Submission and Assessment, August 2017*.

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## CONTENTS

1.	Introduction .....	1
2.	Pre-Submission concept review .....	1
3.	Responsibilities .....	1
	Stage 1A .....	1
	Proponent Responsibilities .....	1
	Berrigan Shire Council Responsibilities .....	2
	Outcomes.....	2
	Feedback.....	2
	Stage 1b .....	2
	Objective.....	2
	Proponent responsibilities .....	3
	Berrigan Shire Council Responsibilities .....	3
	Outcomes.....	3
	Feedback.....	4
	Disclosure.....	4
4.	Schedule of Information Requirements .....	5
5.	Unsolicited Proposal .....	6
	Uniqueness .....	6
	Value for money.....	6
	Impact.....	7
	Return on Investment .....	7
	Capability and Capacity .....	9
	Affordability .....	9
	Risk Allocation.....	9
	Financial Risk.....	9
	Professional Indemnity.....	10
	Community (Social & Cultural) / Government Reputation / Media.....	10
	Legal.....	11
	Positive Consequences.....	11
6.	Glossary of Terms.....	12

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## 1. INTRODUCTION

As per the Unsolicited Proposals Guideline, an Unsolicited Proposal is an approach to Government (in this case Berrigan Shire Council) from a Proponent with a proposal to deal directly with the Government over a commercial proposition, where the Government has not requested the proposal.

A Glossary of Terms is included at [Section 6](#).

## 2. PRE-SUBMISSION CONCEPT REVIEW

There has been no pre-submission concept review provided to Council other than initial conversations with both Mayor Matt Hannan and the Executive Leadership Team. All felt the concept should be presented to Council for further and more detailed consideration.

## 3. RESPONSIBILITIES

This section is modified from 4.3 of the Unsolicited Proposals Guide to allow for the circumstances of this proposal.

### STAGE 1A

Stage 1A of the process allows the BSC to undertake a Preliminary Assessment of the proposal in conjunction with the relevant agencies, to determine if the submission constitutes an unsolicited proposal and if sufficient justification exists to warrant direct dealing and therefore undertake a Stage 1 assessment. The BSC reserves the right to further consider, or not consider, Unsolicited Proposals beyond this stage at its absolute discretion. The Unsolicited Proposals Steering Committee\* approves progressing to Stage 1b.

*\* Council may decide that the full Elected Body be nominated as the Steering Committee or part of the Elected Body. The make up of the Steering Committee is at Council's discretion.*

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## PROPONENT RESPONSIBILITIES

During Stage 1a the Proponent is responsible for:

- preparing and Initial Submission in accordance with the Schedule of Information Requirements listed below
- identification of unique elements of the proposal
- forwarding the Initial Submission to the Deputy CEO; and
- responding to requests for further information. The information to be provided will depend on the size and complexity of the proposed project.

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## BERRIGAN SHIRE COUNCIL RESPONSIBILITIES

During Stage 1a the BSC is responsible for:

- promptly acknowledging receipt of the Initial Submission
- Undertaking an initial compliance check to ensure the required information has been provided
- Requesting further information from the Proponent if required. This may involve clarification meetings with the Proponent in order to promote clarity of Government requirements.
- Undertaking a Preliminary Assessment that will be based on the potential for the proposal to satisfactorily meet the Assessment Criteria.
- Preparing a Preliminary Assessment Report for review and approval by the Steering Committee
- Steering Committee approval to progress to Stage 1b if warranted
- Notification of the Preliminary Assessment outcome to the Proponent.

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## OUTCOMES

The following outcomes may result from this stage:

- The Submission is considered suitable for progression to Stage 1b
- The Submission is not considered suitable for further consideration. In this case the Steering Committee will recommend a course of action including whether that the submission will not be considered further, or that it may require further information.

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## FEEDBACK

Proponents will be provided with written feedback on whether their Submission has progressed to Stage 1b or reasons for a decision not to proceed with a proposal.

## STAGE 1B

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### OBJECTIVE

For the BSC to undertake a comprehensive initial assessment of the proposal to identify the potential benefit to Council of further consideration and development with the Proponent.

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## PROPONENT RESPONSIBILITIES

During Stage 1b the Proponent is responsible for:

- Responding to requests for further information. The information to be provided will depend on the size and complexity of the proposed project.

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## BERRIGAN SHIRE COUNCIL RESPONSIBILITIES

During Stage 1b the Council is responsible for:

- Establishment of the Assessment Panel\*\*
- Requesting further information from the Proponent if required. This may involve clarification meetings with the Proponent in order to promote clarity of Government requirements
- Undertaking a formal assessment. The assessment will be based on the potential for a subsequent Details Proposal to satisfactorily meet each of the Assessment Criteria if progressed to Stage 2
- Determining whether other procurement policy documents and / or project assurance mechanisms should be applied for proposals recommended to proceed to Stage 2
- Preparing an Assessment Report for review and approval by the Steering Committee
- Preparing a draft Participation Agreement for all proposals deemed appropriate to progress to Stage 2
- Notification of the initial assessment outcome to the Proponent

*\*\* The composition of the Assessment Panel is at Council's discretion.*

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## OUTCOMES

The following outcomes may result from this stage:

- The proposal is considered suitable for progression to Stage 2. The proposal, in concept form, is deemed of sufficient interest to BSC to warrant further development and progression to a more defined project either with the original Proponent or with a view to bringing the project to market.
- The proposal is not sufficiently unique to justify direct negotiations with the Proponent. In this case, the Steering Committee will agree to a recommended course of action such as those outlined above in Stage 1a.
- The proposal is considered suitable for further consideration if the project appears to have merit, requires a relatively low resource commitment by the BSC, is low risk, and does not conflict with any whole of Government initiative.
- The Submission is not considered suitable for further consideration.

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## FEEDBACK

Proponents with proposals considered suitable to proceed to Stage 2 for further consideration will be provided with the following information:

- A summary of the assessment finding
- The proposed process for the further development and consideration of a Detailed Proposal, including governance arrangement.
- Guidance regarding: value, scope, appropriate target return on investment parameters, timing, risk and other limitations affecting the Detailed Proposal in order to avoid unnecessary costs for the Proponent.
- A Draft Participation Agreement
- Written feedback providing reasons for a decision not to proceed with a proposal will be provided.

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## DISCLOSURE

Information on all Unsolicited Proposals that progress to Stage 2 will be published on the BSC website. This may include details of the Proponent and proposal, the governance structure for Stage 2, the probity advisor appointed and reasons why the proposal has progressed to Stage 2. Further information may be published as appropriate. The BSC will consult with the Proponent before any information is disclosed to ensure commercially sensitive information remains confidential.

Generally, the Government seeks to disclose all proposals in this stage. In some cases, Proponents may request that proposals are not listed, if this would pose significant risks to commercial negotiations or Intellectual Property. The BSC considers each request and may agree not to disclose a proposal. The ability to undertake an assessment in confidence is considered essential to creating a receptive environment to elicit innovative private sector proposals.

#### 4. SCHEDULE OF INFORMATION REQUIREMENTS

The BSC will consider Unsolicited Proposals that address the following criteria (as set out on the NSW Government website <https://www.nsw.gov.au/unsolicited-proposals/key-criteria-and-assessment-process> )

- A. **Uniqueness** – your organisation must be uniquely placed to delivery a proposal that will bring tangible benefits to the Berrigan Shire Council and the community of the Berrigan Shire. For a proposal to meet the uniqueness criterion, you must be the only party able to deliver the proposal and the proposal must deliver unique benefits to the people of the Berrigan Shire. The BSC may agree to initial market testing of a proposal if it has met merit but is not unique.
- B. **Value for money** – does your proposal delivery value for money to the community of the Berrigan Shire, including financial and economic benefits?
- C. **Impact** – does your proposal deliver on the objectives and align with the strategic priorities of the Berrigan Shire Council?
- D. **Return on Investment** – is the proposed return on investment, to you the Proponent, in line with industry standards?
- E. **Capability and capacity** – Does your organisation have the proven experience, capability and capacity to carry out the proposal?
- F. **Affordability** – does your Proposal require any funding from the Berrigan Shire Council or any other Government funding source?  
NOTE: If so, the BSC will have to undertake a separate process to determine whether funding is available.
- G. **Risk allocation** – do the risks identified with your proposal reflect an acceptable risk allocation to the BSC?

## 5. UNSOLICITED PROPOSAL

The essence of this Unsolicited Proposal is that the Proponent purchase Council's property at 27 Davis Street at market value. The Proponent is currently offering \$260,000 for the purchase of the property given the renovations required to the property though this is subject to further investigations and assessment should the Proposal be deemed suitable to progress.

The property at 27 Davis Street is an ageing asset that has had only minor and immediate maintenance undertaken during Council's ownership of the property. As a result some renovations are required to ensure the property meets current requirements, including the urgent need to upgrade the electricity to current legislated standards (i.e. it does not have surge protection) and the fire alarm does not meet current legislated requirements.

Further work required at the property includes renovation of the primary bathroom due to some water damage, replacement of flooring due to age and use, and the renovation of the kitchen due to age and use.

The Proponent would also prefer Council include the first right of refusal to any signed agreement of sale, so that in the future if the property is to be sold, that Council have the first right to repurchase the property at current market value.

### UNIQUENESS

The Proponent believes the opportunity for her to purchase the property from Council offers a unique opportunity to Council.

The sale of the property to Council would remove the ageing asset from Council's assets and therefore remove the depreciation from Council's financial schedules. It would also provide Council with the initial capital required to commence their plans to build some affordable housing in Finley. Further allowing the sale of the property to the Proponent would alleviate the need for Council to undertake the significant renovations required at the property.

### VALUE FOR MONEY

The Proponent believes offering to purchase the property at market value will allow Council to ensure it is not selling the property below a fair price. The Proponent requested market valuations of all Council owned rental properties at the beginning of her term with Council and therefore current Market Valuations are available for this property. That information is provided at Appendix A.

The Proponent further offers a second market valuation be undertaken to ensure the valuation undertaken previously addresses the current increase in house values across the Shire.



## IMPACT

The Proponents believe the Proposal does align well with Council's strategic plans and objectives.

**Strategic Outcome 2** looks to ensure Council operations are open, honest, transparent and accountable to the community including the development of new opportunities. Ensuring this Proposal to be open to public scrutiny from its inception will ensure the Proposal meets the requirements of good governance.

### 2. Good Government

...Increasing...the transparency of day to day Council operations and Council accountability for how we connect with, and report to our communities. And just as important as the (Community Strategic) plan, is the process which facilitates...the development of new opportunities.

2.1 Berrigan Shire 2027 objectives and strategic actions facilitate the effective governance by Council of Council operations and reporting.

2.1.3 Council operations and financial management support ethical, transparent and accountable corporate governance.

**Strategic Outcome 4** looks to ensure Council provides the environment in which investment and innovation is possible in the community. Providing Council the opportunity to hold some initial investment capital into key worker housing meets one of the identified issues being experienced across the community at this point in time. Council and the community have recognised the urgent need for key worker housing in the area and this Proposal will give them the opportunity to commence investment in that area.

### 4. Diverse and resilient businesses

Local job creation driven by investment and innovation (new products/services) is needed to retain and attract skilled professionals and young people.

4.1 Strengthen and diversify the local economy and invest in local job creation and innovation.

4.1.1 Partner with government and industry to promote strategic investment in the development of economic assets and infrastructure needed to create [and support] jobs.

## RETURN ON INVESTMENT

Return on Investment (ROI) is calculated by subtracting the initial value of the investment from the final value of the investment (which equals the net return), then dividing this new number (the net return) by the cost of the investment, then finally, multiplying it by 100.

In this case the Social Return on Investment (SROI) may be the better assessment tool. SROI is an outcomes based measurement tool that helps organisations to understand and quantify the social, environmental and economic value they are creating. The point of SROI is to understand value creation through capital allocation. In this way SROI is calculated as the total present value of the impact divided by the total investment. The calculation should indicate the how much value (including social value) is generated for every dollar invested (i.e. 5:1 indicates for every \$1 invested, a social value equivalent of \$5 is generated)

In this case I have estimated that the social value provided by this investment would allow Council to provide the initial capital to commence works on 2 houses and one set of units in Finley on the parcels of land already set aside for this purpose. It is envisaged that this capital will require partnership with MLHD and some possible grant funding monies for affordable housing that have been mooted following the recent Federal Election.

The Proponent is offering in this Proposal to pay \$260,000 for the property at 27 Davis Street.

Finley's current median house price is \$239,000. If we then add the social value of being able to retain professional and key workers due to their ability to find and afford suitable accommodation, if I estimate those workers add \$2.00 per investment dollar to the local economy ( $\$239,000 \times \$2 = \$478,000$ ) over a 5 Year period.

Estimate worked out as follows:

- Key worker income of \$50,000 per year – 5 years = \$250,000
- Cost of recruitment saved (approx. 75% of wage) = \$37,500 x 5 years = \$187,500
- Social value (community spending and further job creation at 20% of wage) = \$10,000 each year X 5 years = \$50,000

So if we have 4 accommodation offerings (2 houses and 2 units) then the total social impact value is \$1,912,000.

$SROI = (\text{Social Impact Value} - \text{Initial Investment}) / \text{Initial Investment}$

$(\$1,912,000 - \$260,000) / 260,000$

$\$1,652,000 / \$260,000$

**SROI = 6:1**

The Proponent would of course, should the Proposal move to Stage 2, suggest a more indepth and independent assessment of SROI is undertaken to support the assumptions made above.

Should the Proposal move to Stage 2 of the process, the Proponent also understands a current market valuation of the property would be required to underpin the SROI figures estimated in this document.

## CAPABILITY AND CAPACITY

The Proponent believes they will be able to secure the required loan amount from their bank and have initiated a pre-approval process to do so.

## AFFORDABILITY

The Proponents believe there will be little requirement for Council to inject funds into this process.

## RISK ALLOCATION

The following risks have been assessed from the Proponent's point of view according to Council's Risk Management Policy and Framework.

The following categories of risk are not considered in the following assessments and a commentary of why those categories are not considered is provided below:

- Public Liability
- Work Health and Safety
- Environment

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## FINANCIAL RISK

*Negligible financial loss (2.5% of annual budget): no impact on program or business operation.*

*Likelihood – Rare*

	Consequence				
Likelihood	1	2	3	4	5
A	Medium	High	High	Very High	Very High
B	Medium	Medium	High	High	Very High
C	Low	Medium	High	High	High
D	Low	Low	Medium	Medium	High
E	Low	Low	Medium	Medium	High

Council would be divesting itself of an asset that is due to cost it a significant amount of money (electrical upgrade, fire alarms and other renovation requirements such as replacement of the primary bathroom which has leaked and damaged an interior wall and renovation of the kitchen, and replacement of the flooring throughout the house).

Council would gain the price at which the house is sold.

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## PROFESSIONAL INDEMNITY

*Contain complaint or action with short term significance; medium loss to organisation*

*Likelihood – Possible*

	Consequence				
Likelihood	1	2	3	4	5
A	Medium	High	High	Very High	Very High
B	Medium	Medium	High	High	Very High
C	Low	Medium	High	High	High
D	Low	Low	Medium	Medium	High
E	Low	Low	Medium	Medium	High

It is unlikely the sale of the property would be considered sufficient to warrant investigation by the Minister as long as Council ensures the entire process is open and transparent to the community. Offering Council first right of refusal on any signed contract of sale will also ensure that, should the renovated property be sold into the future, that it will have first option to retain the property. This lessens the risk of Council retaining a deteriorating asset on their financial records, and lessens their exposure to not having a property available in Berrigan in the future for other incoming personnel.

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## COMMUNITY (SOCIAL & CULTURAL) / GOVERNMENT REPUTATION / MEDIA

*Heightened local community concern or criticism*

*Likelihood – Likely*

	Consequence				
Likelihood	1	2	3	4	5
A	Medium	High	High	Very High	Very High
B	Medium	Medium	High	High	Very High
C	Low	Medium	High	High	High
D	Low	Low	Medium	Medium	High
E	Low	Low	Medium	Medium	High

The Proponent acknowledge the risk to reputation associated with this Proposal. The Proponents however feel this risk can be mitigated by the transparency of the decision and by the SROI offered to the community as a result of the Proposal being found suitable.

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## LEGAL

*Isolated non-compliance or breach; negligible financial impact*

*Likelihood – Rare – Conceivable but highly unlikely*

	Consequence				
Likelihood	1	2	3	4	5
A	Medium	High	High	Very High	Very High
B	Medium	Medium	High	High	Very High
C	Low	Medium	High	High	High
D	Low	Low	Medium	Medium	High
E	Low	Low	Medium	Medium	High

The Proponent has sought initial legal advice and believes the Proposal will address legal risks if:

- It is transparent to the community;
- A second market valuation is attained before an agreed price is reached
- The Proponent (CEO) plays no part in any decision made
- The Council is provided the first right of refusal as a condition of any signed contract of sale.

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## POSITIVE CONSEQUENCES

*Significantly enhanced reputation, huge financial gain, significant saving in time.*

*Likelihood – Almost Certain*

	Consequence				
Likelihood	1	2	3	4	5
A	Medium	High	High	Very High	Very High
B	Medium	Medium	High	High	Very High
C	Low	Medium	High	High	High
D	Low	Low	Medium	Medium	High
E	Low	Low	Medium	Medium	High

The amount of money provided by the sale of 27 Davis Street could be used a leverage for the key worker accommodation project to be undertaken in Finley. The initial investment is therefore not a huge amount within Council's budget but could provide significant opportunity to the broader community.

## 6. GLOSSARY OF TERMS

<b>Term</b>	<b>Meaning</b>
Assessment Criteria	The criteria upon which the Unsolicited Proposal will be assessed (as per the Unsolicited Proposals Guideline).
Assessment Panel	A panel of BSC representatives including Councillors and staff (this may include a specialist adviser)
BSC	Berrigan Shire Council
Detailed Proposal	A submission by the Proponent to the Minister at the conclusion of Stage 2
Establishment Meeting	The first meeting between the BSC and the Proponent held at the commencement of Stage 2
Final Binding Offer	A formal proposal submitted by the Proponent at the conclusion of Stage 3 which is capable of acceptance by the Minister
Initial Submission	A submission by the Proponent during Stage 1 which briefly describes the Unsolicited Proposal (in accordance with the Schedule of Information Requirements)
Initial Schedule of Information Requirements	Information to be prepared by the Proponent in preparation for pre-lodgement meeting with BSC
Intellectual Property	Inventions, original designs and practical applications of good ideas protected by statute law through copyright, patents, registered designs, circuit layout rights and trademarks; also trade secrets, proprietary know-how and other confidential information protected against unlawful disclosure by common law and through additional contractual obligations such as Confidentiality Agreements.
Minister	The Minister responsible for the administering Local Government
Participation Agreement	An agreement signed by BSC and the Proponent at the commencement of Stage 2
Proponent	Karina Ewer (CEO)
Proposal Development Workshop	Interactive meetings held between BSC and Proponent representatives with the aim of progressing proposal development
Proposal Manager	The Deputy Chief Executive Officer of BSC who is responsible for co-ordinating BSC input for the receipt and assessment of an Unsolicited Proposal
Public Sector Comparator (PSC)	An estimate of the net present value of a project's whole of life costs and revenues using the most efficient and likely form of BSC delivery

Reference Project	The basis for calculating the PSC, reflecting BSC delivery of the project by traditional means
Shadow Bid Model	The BSC's best estimate of a private party bid price
Stage 3 Agreement	An agreement signed by BSC and the Proponent at the commencement of Stage 3.
Steering Committee	Is the full Elected Body of Councillors that make up the Council of the Berrigan Shire Council
Unsolicited Proposal	An approach to BSC from a Proponent with a proposal to deal directly with the BSC over a commercial proposition, where the BSC has not requested the proposal. This may include proposals to build and / or finance infrastructure, provide goods or services, or undertake a major commercial transaction.
Unsolicited Proposals Guideline	Is the Unsolicited Proposals: Guide for Submission and Assessment as produced by the NSW Government and published in August 2017.
Value for Money	The overall value of a proposal to Government (refer to section 2.3 of the Unsolicited Proposals Guide for further details).





# Participation Agreement

## Unsolicited Proposal – Purchase of 27 Davis Street, Berrigan NSW 2712

### Proponent

Name: Karina Ewer

Address: 27 Davis Street, Berrigan NSW 2712

### Council

Name: Berrigan Shire Council

Representative: Matthew Hansen, Deputy CEO

### Agreement

All parties agree that any negotiations concerning the purchase of 27 Davis Street, Berrigan by Karina Ewer will consider the following matters:

#### Value for Money

Value for Money will be assessed against current market value of the property, including current and future expected trends. Other matters such as maintenance of the property by Council during the past 5-10 years and therefore the works required by the Proponent should purchase be approved may also be included in the evaluation of Value for Money.

#### Assessment Criteria

The Assessment of the Detailed Proposal will include considerations such as:

- Return on Investment
- Alignment with Council's strategic outcomes
- Risk Assessment
- Cost to Council

#### Communication

The Proponent is prohibited from lobbying Councillors regarding this matter and any attempt to do so will be seen as a breach of the Code of Conduct and immediately reported to the Deputy CEO for referral to the relevant agencies for investigation.

The Proponent may only engage with the Deputy CEO on this matter within the framework provided by Council and the Steering Committee. Any attempt by the Proponent to direct the Deputy CEO in carrying out the duties required of them to assess or negotiate the purchase of the property will be considered a breach of the Code of Conduct and immediately referred to the Mayor for referral to the relevant agencies for investigation.

#### Costs

Costs associated with attaining current market valuations will be the responsibility of Council.

Each party will bear their own costs in relation to any legal advice required.

Any costs associated with developing the Detailed Proposal shall be the responsibility of the Proponent.

### Resource Commitments

Council will be responsible for the establishment of the Steering Committee and attaining two current market valuations.

### Conflict of Interest Management and Arrangements

The Proponent shall not receive information relating to the current market valuations as these are and will remain the property of Council.

The Proponent shall not be permitted to remain in the Council Chambers whilst matters relating to the proposed purchase of 27 Davis Street are discussed by Council.

### Confidentiality Requirements

All parties are expected to keep all matters relating to the negotiation of the sale or otherwise of 27 Davis Street confidential until an agreement is reached.

### Approach to Discussions

Discussions and negotiations relating to the proposed purchase of 27 Davis Street will be undertaken in good faith. All records relating to the negotiations, governance management and other discussions, will be held by Council for review by the public if requested.

### Timeframe

The negotiations regarding any approval to purchase 27 Davis Street shall be concluded no later than the November Ordinary Council meeting.

### Approval Requirements

Approval to purchase the property at 27 Davis Street is a decision of Council and cannot be made by any other body or employee of Council.

### Signatures

Karina Ewer

Proponent

Matthew Hansen

Deputy CEO





## Heaps of Potential

**\$205,000**

 3  1 | House

This 3 bedroom weatherboard home features front & rear verandas. Great location close to town, school & on a block with lots of potential.

Kitchen has electric cooktop/oven, breakfast bench, timber look flooring & a split system. Large lounge also has a split system, fan, sliding door with back-yard access. 4x7m shed out the back.

Makes for a great start in the market or an investment opportunity.

These details have been prepared to assist solely in the marketing of this property. While all care has been taken to ensure the information herein is correct, we do not take responsibility for any inaccuracies. Accordingly all interested parties should make their own enquiries to verify the information.

Property Code: 4265

## Upcoming Inspections

Inspect by appointment, contact agent.

### Andrew Jenkins & Co - Cobram

33-35 High Street, COBRAM, VIC 3644



**Brendan Mustica**  
0418 349 752



**Andrew Jenkins**  
0428 570 717



No floorplan available







**Attractive Home in the Heart of Berrigan on Half Acre**

**\$189,000**

3 1 1 | House

The Phone Code for this property is: 97621. Please quote this number when phoning or texting.

This home is located in the heart of town on a large half acre block. it would suit a family, couple or single person.

- Features:
- Modern Kitchen
  - Two showers
  - Two toilets
  - Sunroom
  - 3 Large Bedrooms
  - 2 A/C (lounge and master BR)
  - New Bathroom
  - Tiled floors (carpet in lounge)
  - Large flat block
  - NBN installed ready for use
  - One block: Public School, PO, Vet, Coffee Shop, butcher, Pub. Two blocks: IGA, Chemist, Church, Doctors, Pub 2, sundry shops.
  - Club, Race Course, Caravan Park nearby.
  - 20 KM Cobram and Finely, 40 Tocumwal. Inspections by appointment.
  - Rates: \$2348.13

Disclaimer:

...

**Upcoming Inspections**

Inspect by appointment, contact agent.

**For Sale By Owner**

Suite 3, 19 William Street, BALACLAVA, VIC 3183



**For Sale By Owner (NSW)**  
0488847018



No floorplan available







## Character - Charm - Convenience

**\$280,000**

 4  2  3 | House

This charming four bedroom, period-style home has an abundance of character and many appealing features.

Updated kitchen/meals area, lounge and family room. Four good-sized bedrooms with two bathrooms. The ducted gas heating, ducted evaporative cooling as well as the reverse cycle split system air conditioning provides comfort year round.

Lock up garage, double carport, 6m x 3m lock up shed with concrete floor and power - all on a large double block with lovely, established surrounds.

A solid character home with loads of potential.

These details have been prepared to assist solely in the marketing of this property. While all care has been taken to ensure the information herein is correct, we do not take responsibility for any inaccuracies. Accordingly all interested parties should make their own enquiries to verify the information.

Property Code: 4254

## Upcoming Inspections

Inspect by appointment, contact agent.

## Andrew Jenkins & Co - Cobram

33-35 High Street, COBRAM, VIC 3644



**Andrew Jenkins**  
0428 570 717



**Brendan Mustica**  
0418 349 752



No floorplan available







## Family Home on 1 acre. A Perfect Lifestyle Property to Treasure

**Lifestyle \$450,000**

 4  2  9 | House

**Summary:** This weatherboard with colourbond roof home is set back on approx. one acre and has 4 bedrooms plus a large office/bedroom or family room, with separate lounge, dining and kitchen, this home is the perfect family home with room to move. Two bathrooms one with spa bath and a veranda at the front and a huge entertainment area out the back overlooking the private yards. A home with something for everyone.  
Area: 4047m<sup>2</sup>

- Enter to the property via the circular driveway through the large front yard which has trees spread throughout providing plenty of room to move and privacy.
- Single carport adjoins the main house with large veranda at the front.
- Entry into the foyer shows the gorgeous wooden floorboards that are throughout the whole house.
- With the lounge on the right through french glass doors which has a wood fire combustion heater, fan and wooden floors and Venetian blinds with large glass sliding doors to front veranda.
- Through the lounge to the separate dining room which has a large reverse cycle split system air conditioner.
- From here we walk through into the kitchen with beautiful hand crafted timber cabinetry, plenty of bench space and cupboards, electric standalone stove/oven and dishwasher. The large window at the sink provides that perfect view out through the entertainment area to the back yard and cubby house.
- To the left we circle back past the laundry which exits out to the entertainment area
- Down the hallway is the bathroom with shower, bath and vanity and separate toilet
- First bedroom is double bed size and has large window overlooking the back yard ...

## Upcoming Inspections

Inspect by appointment, contact agent.

## Aussie Country Properties - BERRIGAN

41 Chanter Street, BERRIGAN, NSW  
2712



**Tracy Dunn**  
0472635263



No floorplan available







## Large Vacant Block - Rural Outlook

### Large block \$95,000

#### Residential Land

Large 1570m2 approx Vacant Block with Rural Outlook in Quiet Location within Berrigan Township

Blocks this size in town are a rare find. Build your dream home in a quiet street with lovely rural outlook.

Approx 22.4m frontage with 69.9m side.

There are three blocks side by side available for sale - Buy one or all three. Each block is listed for \$95,000

Please contact Tracy Dunn for more information on 0472 635 263

## Upcoming Inspections

Inspect by appointment, contact agent.

### Aussie Country Properties - BERRIGAN

41 Chanter Street, BERRIGAN, NSW  
2712



**Tracy Dunn**  
0472635263





No floorplan available





Your own peace of paradise awaits you to build your dream home

**Great Price \$69,000**

Residential Land

Summary: Vacant land with rear lane access, rural aspect across the road and close to the local primary school, shopping centre and other amenities in country NSW town of Berrigan

Size: 809sm2

- \* This great block of land is now for sale.
- \* With fencing on one side, this block is waiting for someone to build their dream home.
- \* Property has rear lane access with a rural aspect across the road.

Listed for \$69,000 This block won't last long Contact Tracy Dunn 0472 635 263 for more information today.

**Upcoming Inspections**

Inspect by appointment, contact agent.

**Aussie Country Properties -  
BERRIGAN**

41 Chanter Street, BERRIGAN, NSW  
2712



**Tracy Dunn**  
0472635263



No floorplan available