

**GENERAL COUNCIL MEETING  
28 JUNE 2016****CONFIDENTIAL REPORT**

**Manager:** John Valentine, Manager Strategic Projects

**General Manager:** Abby Dickson, General Manager City Development

**Subject:** Glenthorne Farm

**Ref No:** GC280616F01

**File No:**

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If the Council so determines, this matter may be considered in confidence under Section 90(2) and 90(3)(d) of the *Local Government Act 1999* on the grounds that the report contains commercial information of a confidential nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest.

**Adrian Skull**  
Chief Executive Officer

**RECOMMENDATION:**

That pursuant to Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Vincent Mifsud, Abby Dickson, Tony Lines, Kate McKenzie, John Valentine, Jaimie Thwaites and Craig Clarke be excluded from the meeting as the Council receives and considers information relating to the Glenthorne Farm, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial information of a commercial nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of a person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest.

## **REPORT OBJECTIVE AND EXECUTIVE SUMMARY:**

To consider an approach to achieving community and environmental outcomes at Glenthorne.

## **RECOMMENDATIONS (4):**

**That Council;**

- 1. Authorise the Mayor and Chief Executive Officer to hold discussions with relevant Members of Parliament, State agencies and Adelaide University to achieve community and environmental outcomes at Glenthorne with areas for community and environmental purposes transferred, at no or minimal cost, to the most appropriate bodies to manage them and that trails and open space be developed prior to their transfer, or funds transferred to appropriate bodies, to establish the trails and open space.**
- 2. Notes the due diligence requirements outlined in this report which would need to be undertaken by Council for a project of this scale and scope.**
- 3. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report 'Glenthorne Farm' together with the appendix and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(d) of the Act shall, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2016.**
- 4. Notwithstanding the confidentiality of the Council as resolved in recommendation 3, the Council authorises the Mayor and/or Chief Executive Officer to provide information and/or make statements in the public realm in relation to confidential documentation where it is considered necessary to implement or respond to any aspects of this matter, including those that are made public by media reporting.**

## **BACKGROUND:**

Glenthorne Farm is a 209ha site in O'Halloran Hill containing built heritage dating back to the 1850's and remnants of nationally protected greybox woodland. Glenthorne is currently operated as a small-scale farm with some areas set aside for research on genetically modified organisms and woodland restoration.

In 2001, the Commonwealth sold the land to the University of Adelaide via a \$7 million grant from the State Government under strict conditions (set out in a deed) that the land be protected as open space and developed for agricultural and environmental purposes.

For the past 15 years, the University has not been able to establish the site as was originally intended under the Deed. The Deed conditions and some of the challenges associated with the site are as follows:

- The land must be maintained as open space – urban development is prevented through the deed, land management agreement (LMA) and caveat on the property title. Any development or change in land use of the site requires consent from the State Government;

- Regular, land management activities such as weed control and fire prevention are required;
- Fences need regular maintenance to prevent unauthorised access and vandalism;
- Vandalism and degradation of heritage buildings continues to occur;
- There is known asbestos contamination in buildings and other contaminants suspected on the property;
- The University is unable to sell or transfer the land to another party without that party also being bound by the same deed conditions;
- For the deed to be varied, both the University and State Government need to agree.

The Adelaide University has provided information to Council on a commercial in confidence basis about its plans for the site. The University is about to lodge plans with the State Government. The University has advised that their plans for the site involves the following:

- Housing, (potentially 600 houses)
- Trails and open space associated with housing
- University research facility.

Adelaide University has indicated that they are receptive to discussing soccer and other sporting infrastructure being established at Glenthorne. The NRM Board and Nature Play have also expressed interest in partnering.

The University of Adelaide has not released this information to the public and it is understood that it may do so after lodging the plans with the State Government.

For many years the City of Marion has responded to the active community interest around this site. In particular, Council works closely with the Friends of Glenthorne to advocate for better outcomes for the community at this site.

The Friends of Glenthorne made a deputation to the 8 September 2015 General Council meeting presenting their vision for the site. Following the deputation, Council resolved unanimously to:

“Liaise with key Glenthorne stakeholders including the University of Adelaide, the State Government, the local Natural Resources Management Board and the Friends of Glenthorne to promote uses of the land to achieve the best outcomes for the community.” (GC080915M07).

For the past 6 months, Council has been in discussions with the University and State Government (DPTI) per the September resolution.

### **Opportunities associated with the site:**

There are a range of potential opportunities associated with the site given its scale and unique environmental and cultural heritage.

Council has previously resolved to pursue the development of soccer facilities in southern Marion and these could be accommodated at Glenthorne in the northern portion of the site that has relatively flat terrain. Such a development could be undertaken by the Football Federation of South Australia. Approximately 4 hectares is required to accommodate a major soccer facility.

Over a number of years there have been calls for a natural cemetery to be established at Glenthorne. Such a use could complement the environmental characteristics of the site and could be established and managed by a cemetery operator.

The development of open space and trails at Glenthorne would also be consistent with creating opportunities to achieve the best outcomes for the community, as per Council's 15 September 2015 resolution. The trails and open space could include a nature play area. A trails /open space system around the watercourses and other areas, as shown on Appendix 1, would require an area of some 35 to 40 hectares, some of which could be retained by Adelaide University in association with their research facility.

In a straight forward sub division 12.5 % of the site is required to be provided as open space. If the whole of Glenthorne is considered 12.5% would equate to 26 hectares. Given Glenthorne's profile and values a negotiation for a larger part of Glenthorne to be set aside as a community and environmental offset is warranted. The CSIRO's 'Glenthorne A Plan for the Future' had scenarios for the site with well over 100 hectares as trails and open space.

Whilst it is not known which parts of Glenthorne the University is proposing for housing, the water courses and surrounds (the riparian areas) could not be developed for housing. The housing developer could be required to establish the trails network as part of the open space provision for the site and then the trails and open space transferred to Council to manage.

If Glenthorne is to be developed for housing the State Government ultimately would either approve or refuse to consider rezoning. The City of Marion would be involved if there was a rezoning process and in relation to the hand over and management of open space.

With the sensitivity of Glenthorne in relation to its environmental and heritage values the negotiation with the State could involve an environmental and community offset being the land required for trails, open space and potentially soccer and other community outcomes being transferred, to the relevant parties, at little or no cost and potentially with funds for the establishment of the trails and open space.

If the University is to develop housing they need the City of Marion to be a willing partner to achieve the community and environmental offsets for housing.

Glenthorne contains a significant concentration of European history. Identified in Appendix 1 is a 'state' heritage precinct that could be the basis of negotiation for its development and on-going management. The precinct contains heritage items and more recent farm and CSIRO buildings, some of which contain asbestos. The two munition stores to the west of the water course are also considered to be of heritage value from the era when Glenthorne was a cavalry remount facility, (early 1900's to the late 1940's).

A model regarding the roles and responsibilities of parties to fund the redevelopment, interpretation and on-going maintenance and management of the heritage precinct needs to be developed and could be included in the discussions with the State Government and Adelaide University.

### **Partnership Approach**

The above outcomes from the site could deliver significant community benefit and could potentially be achieved by working with either Adelaide University and/or the State Government to develop an agreed development strategy. An agreed development strategy could incorporate Council's desired outcomes whilst exposing Council to minimal risk depending on the nature of the agreement. The NRM Board and Nature Play have also expressed interest in partnering.

Depending on the level of interest and acceptance by Adelaide University and the State Government, Council could work to create a partnership arrangement to see the development of Glenthorne Farm for the benefit of the wider community.

The following table identifies possible outcomes that might be realised at Glenthorne.

<b>Outcome</b>	<b>Land arrangement</b>	<b>Outcomes delivered by</b>
Soccer facilities and potentially other sports	Land transferred to Football Federation of SA from State/ Adelaide University	FFSA with support from State & CoM develops, manages and operates soccer facilities
Natural Cemetery	Land transferred to cemetery owner / operator from State / Adelaide University	Cemetery owner / operator develops infrastructure, buildings and operates cemetery
Trails, Kaurna trail, Nature Play Open Space	Land transferred, at potentially no cost to City of Marion, or retained by State Government.	City of Marion works with State to secure funding for trails. CoM potentially works with housing developer and Nature Play to develop trails etc and enhance potential residential development. Trails could be part of the open space requirement for a housing area and be developed by the private sector.
University research facility	Land retained by Adelaide University	Facility developed by Adelaide University
NRM site	Land transferred to NRM by State / Adelaide University	Developed and managed by NRM
Housing	Land sold to private sector	Housing developed by private sector

### **Advocacy role**

If either Adelaide University or the State Government are not receptive to working on a shared development strategy with Council, or the University's plans are inconsistent with the Council's objectives, Council could undertake its own design and release the strategy as a public document to advocate for Council's preferred outcomes.

A partnership and/or advocacy role is recommended to Council as the costs and risks are then owned by the parties best able to manage them and community benefits are maximised whilst not exposing Council to unnecessary risks.

### **Due Diligence**

Under Section 48 (aa1) the Local Government Act:

A council must develop and maintain prudential management policies, practices and procedures for the assessment of projects to ensure that the council—

- (a) acts with due care, diligence and foresight; and
- (b) identifies and manages risks associated with a project; and
- (c) makes informed decisions; and
- (d) is accountable for the use of council and other public resources.

Should Council pursue any ongoing responsibilities or ownership of the site the following factors would need to be considered to meet due diligence requirements:

- Current Glenthorne deed precludes housing development
- Current zoning, (Primary Production), limits development on the site and currently only contemplates 1 dwelling per 4 hectares and would need rezoning
- Lands Title details, easements, encroachments
- European heritage and potential aboriginal cultural heritage would need to be taken into consideration and impacts on future development of the site and costs and responsibilities for the party that owns the site
- Development and finance model and associated opportunities, risks and costs
- Infrastructure provision, augmentation costs, financing infrastructure to develop housing and changing market conditions over time
- Site contamination, including known asbestos
- Soil and site conditions
- Approvals required
- Project risks and mitigation strategies
- Limitation of Council acting as a developer / development facilitator
- Public acceptance of Council acting as a developer.
- Public acceptance of the site being developed

A party seeking to own Glenthorne should undertake thorough due diligence into the above, and other matters, so as to be a fully informed purchaser with a detailed knowledge of the property and its opportunities and risks.

## **Conclusion**

Glenthorne is a unique property of cultural and environmental significance. The Adelaide University has not been able to develop the property in accordance with the property deed.

Council has resolved to promote uses of the land to achieve the best outcomes for the community.

If there is to be housing development on Glenthorne the State Government will need to either approve or determine to not engage with the rezoning process and vary the deed that relates to the property.

Any party that can achieve the rezoning of Glenthorne will require the close cooperation of the City of Marion to achieve community and environmental outcomes. These environmental and community outcomes could be achieved through negotiation with relevant parties at little or no cost or ongoing risks to Marion.

## **Appendix 1 – Site Map**





Map Width: 2001 m

Created by rates Wednesday, 22 June 2016

**About this Document**

This map has been created for the purpose of showing basic locality information and is a representation of the data currently held by The City of Marion. This information is provided for private use only.

**Disclaimer**

While every effort has been made to ensure the accuracy of the product, Council accepts no responsibility for any errors or omissions. Property boundary line network data is supplied by State Government.