

Board Meeting: September 2018	Agenda Number: 12 (iv)	Record Number: ED18/8073
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LORD HOWE ISLAND BOARD

Business Paper

OPEN SESSION

ITEM

Public Fuel Sales - Location

RECOMMENDATION

That the Board:-

1. consider this report and recommend a site for the sale of public fuel; and
2. direct that a DA application for the sale of public fuel be prepared and submitted for the Board's consideration.

BACKGROUND

A Public Fuel Supply Preliminary Options Assessment was presented at the May 2017 Board meeting and informal updates at subsequent meetings. The Board Administration has completed further site assessment following a community survey. The current owner of the public fuel sales business on the Island, Gower Wilson, who advised that he intended to cease trading in the fuel business when the Island Trader was sold, has indicated his intention to operate for a further five (5) years at the present location and would provide twelve (12) months' notice if this timeframe changed again.

This paper presents the results and discussions of the preferred community site investigation.

COMMUNITY SITE ASSESSMENT AND UPDATE

Following the identification of the two preferred sites (Airport and Jetty) consultation was initially undertaken with the northern lease holders potentially impacted by the Jetty location site. The consultation was then broadened to include all residents, see attached householder, to establish the preferred site and seeking any other concerns or comment in relation to this matter.

Local lease holders were also directly approached to see if there was any interest in setting up a public fuel sales business on their existing leases. Unfortunately there was no interest most likely as the estimated capital cost to establish such as business (\$300,000 to \$400,000) would be relatively high and the return would be low.

Therefore at this time it is proposed to determine the most suitable location and put in place the required DA. This way before the five years is complete, or following Gower's notification, the 4-6 months required to source and install the equipment for the new public fuel sales can be achieved.

The outcome of the consultation showed overwhelming community support for the Airport location with three potential sites identified as shown in the Airport Location Site Plan below. With the most favoured site being closer to the Lagoon Road as it was away from the airport entrance and the private residence.



Airport Location Site Plan

Initial discussions with the Board's Town Planning consultants identified that this site is in the Environmental Protection zone. Of the proposed Old Lagoon Road sites identified, they agree that the site closer to Lagoon Road would be preferable as it is not directly opposite the airport entrance, furthest from the nearest dwellings, and can be positioned further off the road and therefore has more possibilities for planting of vegetative screening. However the facility would need to be owned and operated by the Board otherwise it is not permissible anywhere in the Environment Protection zone. Therefore unless a rezoning was appropriate and achieved, the site nearest Lagoon Road would preclude private ownership or operation.

The other two sites opposite Airport Road are in the Special Uses zone where fuel storage depots are permitted and therefore it may be that the operation could be undertaken by a private person or organisation.

In summary therefore:

- If the two sites nearer the airport terminal in the Special Uses zone were favoured, market testing by advertising for expressions of interest (EOIs) is recommended.
- If these sites are not favoured and the site close to Lagoon Road in the Environmental Protection zone is favoured, it is understood that only the Board could own and operate the fuel facility.
- It appears pointless to advertise for EOIs if the sites in the Special Uses zone near the terminal are not supported.

Depending on the Board's decision regarding favoured location, the Administration would further pursue a Development Application and planning assessment and if sites 1 or 2 were favoured prepare for advertising of the business opportunity. This would be advertised in the local and Port Macquarie communities, as resolved by the Board in May 2017.

The above steps are so that when Gower provides notice, the new location, expressions of interest and planning assessments are well advanced.

RECOMMENDATION

That the Board:

1. consider this report and recommend a site for the sale of public fuel; and
2. direct that project planning be advanced including preparation of a DA application for the sale of public fuel.

Prepared: John Teague, Manager Infrastructure & Engineering Services

Endorsed: Peter Adams, Chief Executive Officer

Attachments:

Attachments A: Householder - Public Fuel Supply

LORD HOWE ISLAND BOARD

LORD HOWE ISLAND PROPOSED PRIVATE FUEL SUPPLY

The current owner of the public fuel sales business on the Island, has indicated that he intends to cease trading in the fuel business sometime in the near future. As there are no other fuel outlet alternatives the Board is investigating options for private fuel supply which includes site locations.

Whilst to date the timing of the business closure is unknown, the Board has investigated a number of sites for suitability with two sites identified as possibilities. These sites are; Site 2 - Grassed Storage Area on Old Lagoon Road (three alternatives) and Site 4 - Opposite Jetty Corner Lagoon Road and Ocean View Road as shown below.



Site 2: Grassed storage area Old Lagoon Road near airport (3 alternatives)

Site 4: Opposite Jetty on Lagoon Road

Both sites are suitable in terms of zoning, access and layout. Site 4 is positioned closer to the Settlement and the Jetty and therefore has an advantage in terms of fuel transport from the Jetty and access for the public. Site 2 is on the way to the airport or the waste management facility. However if people have other suggestions to make, they would be very welcome.

The proposed fuel supply outlet, would have an approximate overall footprint of 18 metres by 6 metres and consist of a concrete fuelling hardstand, above ground tank/s, bowsers, credit card facility and oil/water separator.

The Board is now seeking written comment from the Lord Howe Island community by Friday December 8 in respect to these two sites or any alternative sites before any decision can be made and any works can commence.

Penny Holloway
CHIEF EXECUTIVE OFFICER
Date: 24 November 2017