



MINUTES

SPECIAL MEETING OF COUNCIL

Tuesday, 5 September 2017

Held at the
Council Conference and Reception Centre
City Hall, Little Malop Street, Geelong
commencing at 6.30p.m.

ADMINISTRATORS:

Dr Kathy Alexander (Chair)
Laurinda Gardner
Peter Dorling

SECTION A - PROCEDURAL MATTERS

➤ **Acknowledgement**

Council acknowledges Wadawurrung Traditional Owners of this land and all Aboriginal and Torres Strait Islander People who are part of the Greater Geelong community today.

➤ **Apologies**

➤ **Declarations of Conflicts of Interest**

SECTION B – REPORTS

1. Annual Financial Report for Year Ended 30 June 2017
2. 2016-17 Project Funding Carryover to 2017-18
3. Community Investment and Support Fund
4. Social Equity Framework
5. Contractural Matter (*Confidential*)

SECTION C – CONFIDENTIAL

**MINUTES OF THE SPECIAL MEETING
OF THE GREATER GEELONG CITY COUNCIL
HELD AT THE COUNCIL CONFERENCE AND RECEPTION CENTRE
CITY HALL, LITTLE MALOP STREET, GEELONG
TUESDAY, 5 SEPTEMBER 2017
COMMENCING AT 6.30P.M.**

PRESENT: Dr K Alexander (Chair), L Gardner, P Dorling

Also present: K Spiller (Chief Executive Officer), B Luxford (Director Investment & Attraction), G Lawler (Acting Director Manager Planning and Development), P Godfrey (Acting Director City Services), L Quinn (Director Community Life), P Anderson (Acting Director Finance & Strategy), R Leonard (Executive Manager Governance & Legal Services).

OPENING: The Chair declared the meeting open at 6.30pm

ACKNOWLEDGEMENTS:

Council acknowledged Wadawurrung Traditional Owners of this land and all Aboriginal and Torres Strait Islander People who are part of the Greater Geelong community today.

APOLOGIES: Andrew Keen (Executive Manager People & Organisation).

DECLARATIONS OF CONFLICTS OF INTEREST: Nil.

1. ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Source: Finance & Strategy - Financial Services
Acting Director: Peter Anderson
Index Reference: Financial Management / Reporting

Purpose

To approve "in principal" the audited Financial Statements and Performance Statement and authorise two Administrators to certify the statements.

Background

Under Section 131 of the Local Government Act 1989 (LGA), a Council must in respect of each financial year, prepare an Annual Report that includes audited Financial Statements and a Performance Statement for the financial year. These statements must be prepared in the prescribed manner and form and be certified by Council's auditors. Council's current auditors are Victorian Auditor General's Office (VAGO).

The draft Financial Statements and Performance Statement have been reviewed by VAGO and there were no major issues of high risk identified in the draft closing audit report.

Under Section 132 of the LGA, Council is required to approve "in principle" the Statements prior to receiving final certification from the Auditor General. Council's approval requires nominating two Administrators to certify those Statements, together with Chief Executive Officer and Principal Accounting Officer and to lodge these statements with the Auditor General.

Key Issues

- The 2016-17 Financial Statement of Accounts and Performance Statement have been prepared and reviewed by the Victorian Auditor General's Office (VAGO) with no major issues identified.
- These Statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards.
- The 2016-17 Financial Statement of accounts record a satisfactory period of operation with a \$46.2m surplus, high closing cash balances of \$103m and significant asset growth to \$2.2 billion.
- The overall spend in 2016-17 was \$405m including operating expenditure \$328.1m and capital expenditure \$76.9m. The Comprehensive Income Statement highlights a surplus for the year of \$46.2m plus \$19.8m Road asset revaluation increment for a total comprehensive result of \$66m.
- The result includes \$10m for early receipt of 50% Commonwealth Grants Commission funding for 2017-18.
- Debt levels reduced during the year from \$54.8m to \$45.5m which equates to a debt commitment of 5.7% (the percentage of rates required to payback principal and interest).
- Asset disposals for the year included the transfer of Kardinia Park assets to Kardinia Park trust representing \$29.1m loss on disposal.
- Non monetary contributions, representing subdivision assets transferred to Council were \$47.3m and reflect the continued subdivision growth within the City of Greater Geelong.

L Gardner moved, P Dorling seconded -

That Council:

- 1) gives approval in principle to the “Financial Statement of Accounts” (as per Appendix 1) and the “Performance Statement” (as per Appendix 2); and**
- 2) authorise two Administrators being the Chair, Dr K Alexander and L Gardner to certify the Statements subject to any changes recommended and agreed with the Auditor General.**

Carried.

Attachment 1

Discussion

The Financial Statement of Accounts 2016-17 (refer Appendix 1) record a satisfactory period of operation with a favourable operating surplus, high closing cash balances and significant asset growth.

COMPREHENSIVE INCOME STATEMENT

The surplus result for 2016-17 of \$66.0m includes the following major items:	\$m
▶ Early receipt of 2017-18 Grants Commission entitlement in 2016-17	10.0
▶ Non capital projects unspent amount	9.6
▶ Net Income/expenses	<u>0.8</u>
Recurrent Surplus	20.4
▶ Capital Grants Income/ Dev. Cap	14.6
▶ Recognition of Infrastructure	46.6
▶ Asset Disposals (Incl Kardinia Park \$29.1m)	(38.4)
▶ Sale of Property	5.6
▶ Other	<u>(2.6)</u>
Non Recurrent Surplus	25.8
SURPLUS/(DEFICIT) FOR THE YEAR	46.2
Net Asset revaluation (Roads) increment	19.8
TOTAL COMPREHENSIVE RESULT	66.0

The \$46.2m surplus result was (\$8.9m) unfavourable to adopted Budget and included the following favourable and unfavourable income and expenditure items (refer Note 2A - Appendix 1).

Main variances are as follows:

	Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Ref
INCOME				
Rates and charges	211,312	205,417	(5,895)	1
Statutory fees and fines	12,190	13,949	1,759	2
User fees	56,952	58,135	1,182	
Grants - operating	46,046	58,812	12,766	3
Grants - capital	14,166	13,591	(576)	
Contributions - monetary	5,980	6,730	750	
Contributions - non monetary	34,500	47,269	12,769	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(3,264)	(32,376)	(29,112)	5
Share of net profits/(losses) of associates and joint ventures	0	(974)	(974)	6
Other income	2,485	3,758	1,273	7
Total Income	380,367	374,311	(6,056)	
EXPENSES				
Employee Costs	143,760	142,931	829	
Materials & Services	95,586	100,311	(4,726)	8
Bad & Doubtful Debts	620	919	(299)	9
Depreciation & Amortisation	55,311	54,717	594	
Borrowing Costs	3,652	2,348	1,304	10
Other expenses	26,383	26,920	(536)	
Total Expenses	325,312	328,144	(2,832)	
Surplus/(Deficit) for the year	55,055	46,167	(8,889)	

Variance explanation:

1. Rates & Charges income (\$5.9m) unfavourable to budget.
Rates & charges income was \$1.6m favourable to budget, however there was \$7.5m of Budgeted Special Rates & Charges income which will now be billed in 2017-18. The unbilled schemes include Portarlington North East Group SRC Road Construction \$3.4m, Elcho Channel SRC Scheme \$2.8m, Street Construction SRC \$1.1m and Footpath Construction SRC \$0.2m.
2. Statutory Fees & Fines (\$1.8m favourable) – Increased planning permits and parking infringements.
3. Grants Commission 2017-18 50% received in June 2017 (\$10.0m favourable) and unbudgeted discretionary grants received (\$2.5m).
4. Contributions Non Monetary includes high levels of subdivision assets transferred from Developers (\$12.8m favourable).
5. Loss on disposal of assets (\$29.1m unfavourable) – transfer of Kardinia Park assets to Kardinia Park Trust.
6. Council does not budget for a share in result for the Geelong Regional Library Corporation Investments in Associates (\$0.97m unfavourable). This will be closely monitored in future.
7. Other income \$1.27m favourable with additional Interest received \$0.5m and storm insurance claims \$0.8m.
8. Materials & Services (\$4.7m) unfavourable includes transfer of expenses from Capital Work in Progress (\$3.5m) unfavourable.
9. Bad & Doubtful debts (\$0.3m) unfavourable includes increase in provision for Infringement debtor partially offset by reduction in sundry debtor provision.
10. Borrowing costs \$1.3m favourable with deferral of \$50.2m loans.

BALANCE SHEET

The Balance Sheet shows that Council has a very strong asset position with over \$2.2 billion worth of assets that are used to provide services to the community.

Current Assets are \$118m which includes an increase in cash balances due to early receipt of Grants Commission money.

Current liabilities are \$80m which is predominately leave provisions and non-current liabilities are \$37.7m which has reduced due to deferral of loans in 2016-17.

Total loan balance has reduced from \$54.8m to \$45.5m.

STATEMENT OF CASH FLOWS

Council's cash position at the end of the year is \$103.0m, an increase of \$15.8m from the prior year. This is due to:

- ▶ lower than expected Capital and Non Capital project expenditure with loans of \$28.9m deferred until 2017-18 and \$7.1m to 2018-19;
- ▶ the early Grants Commission receipt of \$10.0m in June 2017.

The cash balance will provide funds to complete Capital and Non Capital projects carried over from 2016-17 and working capital to ensure service provision continues at the same levels in 2017-18.

STATEMENT OF CAPITAL WORKS

Council has an extensive capital works program to renew, upgrade and provide new assets to ensure the continuation and improvement of services provided to the community. Council spent \$76.9m on capital works in 2016-17 and included the following highlights:

	\$M
• Road replacement and construction	14.9
• Corio Landfill Rehabilitation	6.0
• Plant and Vehicles	4.9
• Elcho Channel SRC	3.6
• Drainage replacement and construction	3.3
• Footpath replacement and construction	2.7
• Geelong Library and Heritage Centre	2.2
• Portarlington North East SRC Road Construction	2.1
• Kerb & Channel replacement and construction	2.0
• AC Town Centre Community Facilities Site	1.4
• Building Renewal Works	1.3
• Hendy St Reserve Redevelopment	1.3
• Drysdale Clifton Springs Sports Precinct	1.3
• IT Asset Replacements	1.2
• Improve Pedestrian Connections to Deakin & Gordon	1.0
• Central Geelong Advancement Fund	0.9
• Purchase of Gym Equipment	0.8
• Melaluka Road Clubroom Upgrade	0.8
• Drysdale Landfill Cell 5	0.7
• Johnstone Park Raingarden	0.7
• Stormwater Treatment Works – WSUD Levy	0.7
• Queens Park Changeroom Upgrade	0.6
• GREP Landscaping & Wetlands	0.6
• Geelong Soccer Club Facilities Upgrade	0.6
• Leopold Community Hub Stage 2	0.5
• Clifton Springs Boat Harbour Upgrade	0.5
• Playground Development Program	0.5

Performance Statement as at 30 June 2017

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

A Governance and Management checklist has been introduced for 2016-17. The results in the prescribed form represent Councils assessment against the prescribed Governance and Management checklist as at 30 June 2017.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the

Council's Strategic Resource Plan. The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 28 June 2016 and which form part of the Council plan. The results for 2016-17 are consistent with the results from the previous year.

Reporting ceased on all HACC indicators from July 2016 due to the introduction of the Commonwealth Government NDIS and CHSP programs.

The Performance Statement results and the Service Performance Indicators prescribed under the Local Government Performance Reporting Framework will be reported on the 'Know Your Council' website (www.knowyourcouncil.vic.gov.au).

In accordance with the requirements of Section 132 of the Local Government Act 1989 the nominated Principal Accounting Officer of Council, two Administrators and the Chief Executive Officer are required to sign the Performance Statement. The Governance & Management checklist is required to be signed by Chief Executive Officer and Administrator Chair to represent the status of Council's Governance and Management arrangements.

AUDIT

The external audit, conducted by the Victorian Auditor General's Office (VAGO), was completed on Friday, 5 August as per the audit plan. There were no major issues affecting the Financial Statements. A closing report summarising the Audit findings is to be reviewed by the Audit & Risk Committee.

Financial Implications

As detailed within accompanying financial statements – refer Appendix 1.

Stakeholder Consultation and Communication

The Financial Statement of Accounts and the Performance Statement will be available to the public as part of the published Annual report and accessible via www.geelongaustralia.com.au.

The prescribed indicators and measures of service performance outcome, financial performance and sustainable capacity as per section 131(3) and 131(4) of the Local Government Act 1989 will also be available on the State Government 'Know Your Council' website from November 2017.

Policy/Legal/Statutory Implications

Under Section 131 of the Local Government Act the Council must in respect of each year prepare an Annual Report, which includes audited financial statements for the financial year.

Under Section 131 a Council must not submit the Financial Statements to its auditors or the Minister unless it has passed a resolution giving approval "in Principle" to the statements.

Under Section 131 a Council must authorise two Councillors to certify the Statements in their final form after any changes recommended, or agreed to with the auditor.

The actions outlined in this report are aimed at complying with the requirements of the Act.

Alignment to City Plan

The Financial Statements and the Performance Statement highlight that 2016-17 Council operations have been managed in a responsible manner. The results contribute to responsible and sustainable financial management as aligned in Council's City Plan objective on the How We Do Business.

Conflict of Interest

Council staff preparing this report have no direct or indirect interest.

Risk Assessment

The Statements are released as a draft and are still subject to being signed off by the Auditor General.

Environmental Implications

Incomes and Expenditures on Council's environmental preservation and enhancement programs are included in the Financial Statements.

Appendix 1

**CITY OF GREATER GEELONG
ANNUAL FINANCIAL REPORT
*For the Year Ended 30 June 2017***

Appendix 2

**CITY OF GREATER GEELONG
PERFORMANCE STATEMENT
*For the year ended 30 June 2017***

2. 2016-17 PROJECT FUNDING CARRYOVER TO 2017-18

Source: Finance & Strategy - Financial Services
Acting Director: Peter Anderson
Index Reference: Financial Management / Reporting

Purpose

To endorse the 2017-18 Capital and Non Capital projection changes to complete projects carried over from 2016-17.

Background

Each year as part of the annual budget process Council commits to Capital & Non Capital projects notwithstanding that many of these projects may take more than the current budget year to deliver.

At 30 June each year a review is undertaken of current year Capital and Non Capital programs that are incomplete and represent commitments to be carried over into the subsequent financial year.

Council's endorsement is sought for carryover of funding to complete those projects that are either in progress but not completed or have not, for reasons within or beyond Council's control, commenced.

To improve the process and reduce the volume of carryover projects the 2018-19 budget process will give increased attention to the planned delivery and phasing of Capital & Non Capital projects.

This change will not only improve accountability in delivery of projects it will improve the understanding of when actual funding is required. Where a project has to depart from plan and is to be delayed and this delay will necessitate a movement of funds from one budget cycle to another, the quarterly finance report will list the projects and the reasons for the delay and seek endorsement of the funding transfer. The volume of carryover projects under the revised approach will be significantly reduced relative to this year's report.

The carryover requirements are incorporated as part of 2017-18 projection changes, together with other recent Council decisions. No extra funding is required to complete the committed projects and there will be no impact on the closing cash position as outlined in the adopted 2017-18 Budget.

Key Issues

- A review of the 2016-17 Capital & Non Capital program expenditure has highlighted programs that are incomplete with income & expenditure required to carryover into 2017-18.
- The 2016-17 income & expenditure amounts required to carryover are added to the 2017-18 budget program with the expanded program defined as the 2017-18 Projection. The 2017-18 Projection is the authorised program and will be used for variance reporting on a quarterly basis through 2017-18.
- The Capital carryover amounts represent commitments where program managers have provided updated project expenditure phasing. A total of \$88.9m expenditure and \$19.6m income is now phased for completion in 2017-18.

The 2017-18 Projected Capital program expenditure is \$142.7m with Projected Capital income \$26.9m. The Capital program is fully funded and will have no impact on the closing cash position as outlined in the adopted 2017-18 Budget.

- A review of the Non-Capital program at 30 June 2017 indicates that funding of \$9.9m is required to carryover into 2017-18. The Non Capital program will increase the projected 2017-18 operating deficit. The program is fully funded and these projection changes will have no impact on the closing cash position (30 June 2018) as outlined in the adopted 2017-18 Budget.
- Other projection changes are required to include the impact of recent Council decisions. Additional Library funding of \$215,949 was approved as part of adopting the 2017-18 budget on 27 June 2017. At a Council meeting on 2 August 2017 \$1m of expenditure was approved to fund the relocation, cleaning and ongoing storage of artefacts at Osborne House. These expenditure amounts will increase the net operating deficit and the closing cash position.
- The Projected Operating expenditure is \$344.22m and Income \$324.43m with a Deficit of \$19.79m. This deficit will be funded from higher than expected cash balance as at 30 June 2017 of \$27.9m.
- The projected Capital & Non Capital program will be used for variance reporting (Actual versus Projection) in the Quarterly Finance reports to Council.

L Gardner moved, P Dorling seconded -

That Council:

- a) endorses the 2017-18 Capital (Table 1) and Non Capital (Table 2) projection changes;**
- b) notes that in future the budget process will give increased attention to the planned delivery and phasing of Capital and Non Capital projects.**

Carried.

Attachment 1

Discussion

Capital Projects Program

Carryover requirements

Of the 302 projects listed in 2016-17, project managers have advised that 174 projects have been fully completed, with 128 projects identified as requiring some carryover funds in 2017-18 to complete works.

During the 2017-18 Budget development the Capital carryover was projected to be \$62m. At the end of the 2016-17 financial year a review was carried out to determine the actual Capital Program carryover requirements. The review indicates a net carryover of \$69.30m comprising of \$88.90m expenditure and \$19.60m income is required to complete the projects planned for 2016-17. The net variance between actual Net (\$69.30m) and estimate included in 2017-18 Budget (\$62.00m) is \$7.30m.

Of the 128 projects identified as requiring carryover funds, 16 projects represent 74% of the total carryover expenditure of \$88.90m. Example of the types of project commitments and rephrasing of expenditure into 2017-18 is as follows:

Capital Project Category	\$
DCP Projects	15,115,445
Central Geelong Action Plan Projects	10,394,264
Waste Projects	11,477,659
Construction Projects	22,717,506
Engineering Projects	6,116,244
Total Carryover to 2017-18	65,821,118

A review of likely carryover to 2018-19 indicates that expenditure carryover will be \$29m (as per Adopted Budget) and income carryover will be \$3.4m.

Major project expenditure carryover to 2018-19 as follows:

Capital Project Category	\$
DCP Projects	10,124,453
Waste Projects	2,270,996
Construction Projects	12,269,272
Other Projects	4,335,279
Total Carryover to 2018-19	29,500,000

Other Projection Changes

- Malop St Green Spine Stage 2 – Unbudgeted grant of \$4.7m of which \$3.76m was received in 2016-17, balance of \$0.94m to be received in 2017-18. Adjustment needed to recognise the income and expenditure in 2017-18.
- Johnstone Park Raingarden - Unbudgeted grant of \$1.85m of which \$1.21m was received in 2016-17, balance of \$0.64m to be received in 2017-18. Adjustment needed to recognise the income and expenditure in 2017-18 plus Council contribution of \$0.15m (approved by Council 28th March 2017).
- Geelong Gallery – Archibald Prize Gallery Refurbishment – budgeted income in 2017-18 \$0.1m not to be received from Geelong Gallery, therefore reduction in both income & expenditure.

The following table summarises the 2017-18 Projected Capital program.

The Projected Capital Program will be used for variance reporting in the Monthly Management Report and Quarterly Finance Reports.

Table 1 – 2017-18 Projected Capital Program

	Expenditure \$	Income \$	Net Expenditure \$
Council adopted 2017-18 Budget - New Capital Funding (excluding Carryover)	81,153,587	9,195,122	71,958,465
2016-17 Capital Carryover Requests	88,902,272	19,603,003	69,299,269
<i>Other Projection changes</i>			
Malop St Green Spine Stage 2 (balance of unbudgeted grant)	940,000	940,000	0
Johnstone Park Raingarden (balance of unbudgeted grant)	792,000	642,000	150,000
Geelong Gallery - Archibald Prize Gallery Refurbishment (No income to be received from Geelong Gallery)	(100,000)	(100,000)	0
Sub Total	171,687,859	30,280,125	141,407,734
Planned Carryover into 2018-19 (June 2018)	(29,000,000)	(3,354,000)	(25,646,000)
2017-18 Projected Capital Program	142,687,859	26,926,125	115,761,734

Estimated proceeds of \$752,600 on Light, Heavy & Dedicated Fleet sales relating to carried over purchases are also expected in 2017-18.

Operating Budget Projection

Non Capital Projects Carryover requirements

In addition to the Capital Program, Project Managers have undertaken a review of incomplete Non Capital Projects budgeted in 2016-17 that have been requested to be carried over into the 2017-18 financial year.

The 2016-17 Recurrent Operating result was favourably impacted by \$9.89m of incomplete Non Capital programs which are being re-phased on completion in 2017-18.

Requested Non Capital Program Carryover:

	Expenditure \$	Income \$	Net Expenditure \$
Council adopted 2017-18 Budget - Non Capital Program	9,947,600	3,329,798	6,617,802
2016-17 Non Capital Carryover Requests	9,972,586	81,643	9,890,943
Authorised 2017-18 Non Capital Program	19,920,186	3,411,441	16,508,745

The net 2017-18 Non Capital Program is noted as \$16.50m to reflect the additional \$9.89m carried over from 2016-17.

Other Projection Changes

Other Projection changes Fav/(Unfav):

- Increase in recurrent contribution to Geelong Regional Library Corporation as per Council Report 27 June 2017 of \$215,949.
- Allocation of funds of up to \$1m to meet the relocation, cleaning and ongoing storage of artefacts at Osborne House as approved by Council on 2 August 2017.

The impact of the requested Non Capital program carryover along with the other projection changes affecting the 2017-18 Projected Operating Surplus/(Deficit) is summarised in Table 2 below.

Table 2 – 2017-18 Projected Operating Surplus/(Deficit)

	Expenditure \$	Income \$	Surplus/(Deficit) \$
Council adopted 2017-18 Budget - Recurrent surplus/(Deficit)	333,038,729	324,351,637	(8,687,092)
2016-17 Non Capital Carryover Requests	9,972,586	81,643	(9,890,943)
Other Projection changes			
Library Contribution increase	215,949	0	(215,949)
Osborne House	1,000,000	0	(1,000,000)
2017-18 Operating Projection	344,227,264	324,433,280	(19,793,984)

Financial Implications

The program variances and carryover represents commitments that have been re-phased for completion into 2017-18.

The incomplete program, together with other favourable cash flows have increased Councils year end cash balance (30 June 2017) to a total of \$103.0m or \$27.9m higher than projected.

The projected closing cash position (30 June 2018) will be impacted by \$1.2m other operating projection changes.

Stakeholder Consultation and Communication

Project Managers have submitted requests for carryover and will be advised of the outcome pending consideration of this report by Council.

Policy/Legal/Statutory Implications

Section 144A part 1 of the Local Government Act states “A Council must prepare a revised budget if circumstances arise which cause a material change in the budget and which affect the financial operations and position of Council.”

In the context of the total budget, the projected changes to the closing cash position is not considered material.

Alignment to City Plan

This report contributes to responsible and sustainable financial management as aligned in Council’s City Plan objective on How We Do Business.

Conflict of Interest

Council staff preparing this report have no direct or indirect interest.

Risk Assessment

Capital projects by their nature are susceptible to delays for a large variety of reasons including weather, delays in approvals (ie. Special Rates & Charges programs) contractor availability, performance, etc.

The carryover Capital Program will result in a gross capital program for 2017-18 of \$142.7m.

Environmental Implications

The adoption of the 2016-17 carryover program recognises the required funding to complete the environmental programs previously approved as part of the 2016-17 Budget.

3. COMMUNITY INVESTMENT AND SUPPORT FUND (CISF)

Source: Community Life – Connected Communities
Director: Linda Quinn
Index Reference: Grants and Funding – Reports

Purpose

To seek endorsement of interim panel arrangements for assessment of the Community Investment and Support Fund (Community Grants Program).

Background

At its ordinary meeting on 23 May 2017, Council endorsed the community grants framework and funding model for the Community Investment and Support Fund (CISF). The aim of the CISF is to streamline Council's grants process and provide clear guidelines to support community groups through the application process.

The CISF grants are available to not-for-profit community organisations and not for-profit businesses.

The 2017/18 CISF budget is \$5.648M spread across five program areas as outlined in the framework (Attachment 2). A competitive grant round of \$1.613M will be allocated to the Grant Programs and Infrastructure Fund streams. An allocation of \$2.805 has already been made through both the Strategic Partnerships and Sponsorships and Donations streams in line with existing funding agreements. The remaining \$1.230M has been allocated to Geelong Major Events Programs, managed through Section 86 committee.

Key Issues

- Information sessions and advertising of grant opportunities through the CISF have been completed. Applications opened 14 August and will close 25 September 2017.
- It is proposed that in the 2017/18 CISF grant round the assessment panels will be chaired by an independent member supported by Council officers who will provide relevant advice and information on each funding stream. The independent panel member will be selected based on knowledge of local government and experience in the disbursement of grants to community groups. Their primary role will be to ensure that guidelines have been followed, criteria met and Council's policy and management procedure implemented.
- All grant streams will use a set of basic criteria consistent with Greater Geelong – A Clever and Creative Future, and the four year Council Plan priorities.
- It is proposed for future rounds of the CISF that independent panels are set up through an expression of interest (EoI) process. The EoI process will be advertised locally and promoted among broad professional and community networks to maximise the potential for diverse representation and appointment.
- Future panels will be established for each grant stream with members selected based on their interest and knowledge of community activities and aspirations. A further report will be presented to Council early 2018 detailing the new assessment process.

P Dorling moved, L Gardner seconded -

That Council endorses the recruitment of an independent panel member to assist with the assessment of grant applications through the 2017/18 Community Investment Support Fund.

Carried.

Attachment 1

Discussion

The CISF brings together 12 funding programs into one single investment model, with allocations based on funding streams aligned with the vision, Greater Geelong – A Clever and Creative Future.

Implementation of the CISF has included the development of a grant program timeline. (Attachment 3).

A number of community information sessions have been held during August outlining all available grant opportunities. These have been well received by the community with good levels of attendance and many enquiries.

Financial Implications

The budget allocation for the 2017/18 CISF will be \$5.648M spread across five program areas. \$1.613M will be allocated to the Grant Programs and the Infrastructure Fund. An allocation of \$2.805 has already been made through both the Strategic Partnerships and Sponsorships and Donations streams. Recipients of these grants have been advised that in future years they will be required to make an application for funding through the CISF. The remaining \$1.230M has been allocated to Geelong Major Events Programs and managed through a Section 86 committee. Minor costs may also be incurred to provide for the independent panel member. Should this be required, funds will be sourced from existing budgets.

Stakeholder Consultation and Communication

Community information sessions have been held during August 2017 to inform the community of the CISF. A further communication and engagement plan will be developed to invite community participation in assessment panels in early 2018.

Policy/Legal/Statutory Implications

The CISF aligns with the vision, Greater Geelong – A Clever and Creative Future. The endorsed framework and related guidelines provide the parameters for managing and delivering the CISF to the community.

Alignment to City Plan

The CISF aligns with City Plan and Greater Geelong – A Clever and Creative Future.

Conflict of Interest

No conflict of interest is identified as part of this report's development.

Risk Assessment

Grants will be governed in accordance with Council's monitoring, reporting and accountability framework. The engagement of the independent panel member will include processes to ensure probity and conflict of interest issues are addressed.

4. SOCIAL EQUITY PRINCIPLES

Source:	Community Life - Healthy Communities
Director:	Linda Quinn
Index Reference:	Community Services and Development/Community and Social Planning – Human Rights

Purpose

To approve social equity principles that will underpin all City of Greater Geelong activities.

Background

The Vision, Geelong: Clever and Creative City-Region was approved by Council on 25 July 2017. A key community aspiration within this vision is that Geelong will be an inclusive, diverse, healthy and socially connected community.

The City of Greater Geelong (the City) plays a fundamental role in delivery of the Vision. It provides over 126 services to the community and provides infrastructure across communities to support delivery of these services. The City also advocates on the community's behalf to other levels of government to attract investment to meet service and infrastructure needs. It requires that a set of social equity principles are applied to all aspects of service and infrastructure planning, resource allocation and delivery.

Key Issues

- The current socio-economic environment for Geelong is characterised by a major divide in SEIFA scores across the region. This is exacerbated by a similar divide in the provision of Council facilities and services.
- It will be difficult to achieve any of the aspirations contained in the Vision, Geelong: Clever and Creative City-Region unless inequity is tackled head on. All Council activities must address the following principles:
 1. All activities of the City will be informed by up to date demographic and geographic information on social equity in the region which identifies priority areas and groups for attention.
 2. Planning of all activities will be informed by effective, focused partnerships and engagement with priority groups and areas, aimed at fully understanding the particular needs and obstacles they experience in accessing services and facilities.
 3. Service and infrastructure design, location, communication and support arrangements will address the particular needs and obstacles faced by priority areas and groups.

K Alexander moved, L Gardner seconded

That Council :

- 1) adopts the principles outlined above;**
- 2) develops its annual City Plan in line with the principles;**
- 3) requires that all reports it receives account for how the principles have been applied; and**
- 4) requires that all staff have the skills and knowledge to apply the principles in their work.**

Carried

Attachment 1

Discussion

The City of Greater Geelong population forecast for 2017 is 239,003 and is expected to grow to 320,791 by 2036.

There is also increasing population diversity and evidence of significant differences between the community's experience of socio-economic advantage and disadvantage.

The Australian Bureau of Statistics broadly defines relative socio-economic advantage and disadvantage in terms of people's access to material and social resources, and their ability to participate in society. The SEIFA indexes indicate the average socio-economic characteristics of the people, families, and households living in the area.

The SEIFA Index of Disadvantage at the 2011 Census showed that Norlane - North Shore had the lowest rating of all Greater Geelong's small areas (745.4) followed by Whittington (825), Thomson - Breakwater (859.8) and Corio (856). In contrast, the least disadvantaged area in Greater Geelong is Wandana Heights (1,102.7).

These barriers to participation can be compounded by factors such as gender, life stage, having a disability, being Aboriginal or coming from a specific cultural background.

Council has a range of strategies in place to support community members experiencing barriers to participation. Social equity principles will enable all aspects of Council's future policy development, community engagement and resource allocation to achieve fairness and participation.

Community interest for a pro-active approach to social equity was confirmed in the community engagement outcomes for the Our Future project.

Financial Implications

No impact to budget.

Stakeholder Consultation and Communication

Stakeholder feedback was sought through the Future Geelong consultation process.

Policy/Legal/Statutory Implications

The establishment of social equity principles will contribute to Council's compliance with the Charter of Human Rights and Responsibilities Act (2006).

Alignment to City Plan

The social equity principles align to City Plan and the Clever and Creative vision.

Conflict of Interest

No conflict of interest is identified as part of this report's development.

Risk Assessment

The adoption of social equity principles will avoid the risk of inequity in Council's future policy development, community engagement and resource allocation.

Environmental Implications

No environmental implications have been identified in the development of this report.

5. CONTRACTUAL MATTER

Source: City Services - Capital Projects
Acting Director: Peter Godfrey

K Alexander moved, P Dorling seconded

That in accordance with Section 89 (2) (d) of the Local Government Act 1989, this contractual matter be considered at the conclusion of all other business at which time the meeting be closed to members of the public.

Carried

The Meeting was closed to the public at 6.40pm

A record of the proceedings of this section of the meeting is contained in a Confidential Minute Book.

The Meeting was opened to the public at 6.47pm

By resolution of Council it was determined that the decision made 'In Committee' in relation to Tender T1770851 - Armstrong Creek Sports Pavilion Construction be made public.

Resolution

That Council:

- 1) awards Contract C1770851 for the Armstrong Creek Sports Pavilion Construction to Rendine Constructions Pty Ltd for the tendered Lump Sum Price of \$3,168,611.93 (ex-GST);**
- 2) authorises the CEO the authority to execute Contract No. C1770851 - Armstrong Creek Sports Pavilion Construction, and any other documents required by or to give effect to the terms of that contract, on behalf of Council.**

CLOSE OF MEETING

As there was no further business the meeting closed at 6.47 pm. Tuesday, 5 September 2017.

Signed: _____
Dr Kathy Alexander (Chair)

Date of Confirmation: _____