



Borough of Queenscliffe

Queenscliff & Point Lonsdale, Victoria, Australia

15 May 2023

Point Lonsdale Civic Association

Mr. David Kenwood

President

Via email: [REDACTED]

Dear David Kenwood

PUBLIC QUESTION TAKEN ON NOTICE

I am writing in response to the public question that was taken on notice at the Ordinary Meeting of Council held on Wednesday 26 April 2023.

The public question reads as follows:

Regarding Borough of Queenscliffe, Ordinary Meeting 29/4/15, P55 'Sale of Murray Rd Land' - Given recent statements by the Acting CEO The Association is confused about what uses the \$3.5 million Murray Road Sale monies can be invested in. In particular the reference to "investing in projects to reduce operating expenses".

1. Does the original motion and subsequent Council resolution still stand, given the statement made by the A/CEO at the last Ordinary meeting (29/3/23 - P20) at which he indicated: "In accordance with the Local Government Act 2020 and Council Policy CP044 Sale, Exchange or Transfer of Council Land, proceeds from the sale will be assigned in accordance with the relevant key budget principles as included in Council's financial plan and adopted budget. Proceeds from the sale will be directed to either investing in projects to generate additional revenue streams or investing in projects to reduce operating expenses."
2. Will the Council re-establish the Governance and Finance Committee to review the use of the proceeds of the Land sale, so that ratepayers get the best possible result from the Land Sale funds?

In response to the question, I provide the following advice:

Question 1.

The 2015 resolution was:

That Council:

1. **Notes the contents of this report and the Development Plan Report included in Appendix 3;**
2. **Approve Council officers to prepare and submit a Planning Permit Application to enable the subdivision of 61-75 Murray Road into two lots in general accordance with the Development Plan;**
3. **Requests Council officers to provide a further report to Council at the conclusion of the Planning Application process;**
4. **If Council determines that the land is to be sold in the future, that Council establishes a mechanism to maintain the value of the asset;**
5. **Notes that the Department of Environment, Land, Water & Planning will fully assess the impact of this development of the flora and fauna on the site.**

The motion was not rescinded and as such still had effect.

The provisions with the Local Government Act 2020 and the objectives in Council Policy CP044 Sale, Exchange or Transfer of Council Land do not appear to be contrary to the Council resolution on 29 April 2015. The 2015 resolution does not provide direction on the use of proceeds from any future sale. The 2015 resolution does not include a determination to sell the land.

Question 2.

The original Terms of reference for the Governance and Finance Reference Group were prepared in 2009 and adopted by resolution at the Ordinary meeting 18 March 2009:

Purpose

To promote community participation over the 4 year term of this Council, build partnerships and improve Council decision making.

Initial Focus

- *To generate a broad range of ideas and perspectives to inform the Council Plan.*
- *To monitor the implementation of the Council Plan in 2009/10.*
- *To identify 'emerging' opportunities, issues and priorities for Council to consider as part of its future planning and priority setting.*

I cannot find a record of any amendments to the terms of reference, but did find the following officer notes in the report considered at the Ordinary Council meeting on 22 June 2017:

The primary role of this group was to provide Council with feedback in the best interests of the community on the annual Implementation Plan and Budget.

Until 2017 the Group met annually in May of each year to receive a briefing and presentation on the annual Implementation Plan and Budget. Additional meetings of the Reference Group have been scheduled when Council has considered other finance related matters such as proposed changes to the Council's Rating Strategy.

It does not appear from the material above that the Governance and Finance Reference Group had a specific purpose or function relating to decisions on the use of proceeds from land sales.

The Council Policy CP044 Sale, Exchange or Transfer of Council Land, however, was developed specifically to provide guidance to Council about use of proceeds from the sale of land.

The policy does not preclude Council from seeking advice on how to implement the direction in the policy which is, proceeds from land sales can be used to:

- Retire debt
- Invest in in projects to generate additional revenue streams; or
- Investing in projects to reduce operating expenses (invest-to-save projects)

I note that the independent Audit and Risk committee will play an advisory role under its charter, reviewing any Council proposal to spend the sale proceeds of Murray Road land to ensure it meets the criteria of the Policy and the value for the community.

At his point Council has not asked officers to obtain advice on these matters.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M Gill', with a long, sweeping underline that extends to the right.

Martin Gill
CHIEF EXECUTIVE OFFICER