

Additional Item

22 February 2012
To the Ordinary Council Meeting

Director's Report
Community and Recreation Services
Department

2.6 Wyong Skills Centre

TRIM REFERENCE: F2010/02334 - D02928557

AUTHOR: Maxine Kenyon; Director

SUMMARY

Council have had a number of discussions with the Department of Education, Employment and Workplace Relations regarding Council's application for the Wyong Skills Centre to the Federal Government's Community Infrastructure Grants – Youth Commitments program. This report provides a summary of those discussions and recommends a way forward to secure this funding.

RECOMMENDATION

That Council respond to the Department of Education, Employment and Workplace Relations by 24 February 2012 indicating that Council will work with Central Coast Group Training to meet the criteria to receive funding for the Wyong Skills Centre.

BACKGROUND

In May 2009, Wyong Shire Council and Central Coast Group Training (CCGT) made a joint application to secure funding for a Wyong Skills Centre to be located in Margaret Street, Wyong which was operated by CCGT and owned by Council. An overview of the resolutions is provided below:

On 10 August 2011 Council resolved to terminate Council's involvement in the project; the use of Margaret Street properties by others; and to undertake an Expression of Interest to operate such a facility.

On 24 August 2011 Council endorsed a further application made by Council which did not identify an operator of the facility but noted it would be through an expression of interest process.

On 14 December 2011 Council endorsed that the expressions of interest received were not conforming.

CURRENT STATUS

Council received a letter from the Federal Government that the application for the Wyong Skills Centre application under the Community Infrastructure Grants – Youth Commitments program was unsuccessful as it was not compliant with the election commitment.

The letter noted, that 'the decision of Central Coast Group Training (CCGT) and Wyong Shire Council to submit separate applications has rendered a failure to address the original intent of the election statement. However, should Wyong Shire Council and CCGT wish to

proceed with the development of the Youth Skills Centre at Wyong as set out in the election commitment, the Department of Education, Employment and Workplace Relations will work with both parties to bring effect to the election commitment to assist with addressing youth unemployment in the region'.

After receipt of this letter DEEWR representatives made contact with Council staff requesting a meeting to discuss this issue.

On 1 February 2011 staff raised this letter and their request for a meeting with DEEWR, as well as a joint meeting between Council staff, DEEWR and CCGT at the Councillor Briefings. This briefing endorsed staff to have discussions with these groups.

Staff met with CCGT reps on 8 February 2011 and on 9 February 2011 Council staff met with three representatives from the DEEWR, followed by a separate meeting with DEEWR, Council staff and representatives from Central Coast Group Training (CCGT).

At these meetings Council staff received feedback on the Council application and DEEWR advised for the funding under this program to be provided to Wyong the election commitment needed to be met and highlighted the following criteria:

1. A joint application was required which included that the Skills Centre be established and operated by CCGT and owned by Council
2. \$700K of the funding needs to be spent by the end of 2011/2012 financial year
3. An increase in funding is very unlikely
4. The site can be within the Wyong Local Government Area
5. Council and CCGT were to independently advise the DEEWR by 24 February whether a joint application will be made. This letter of intent did not require an application, only the time frame for when an application will be received.

Following this meeting, staff advised Councillors of the outcome of the meeting on 10 and 11 February 2011, it was agreed that staff provide further information to a Councillor briefing on 22 February 2011.

On 20 February 2011 staff and representatives from CCGT again met to discuss the possibilities.

On 22 February 2011 a Councillor Briefing was held to determine if Council were to respond to the letter from DEEWR requesting that we indicate if we will work with CCGT by 24 February 2011.

THE PROPOSAL

Council have been requested to provide a response to the Federal Government by Friday 24 February 2011 indicating if we would be submitting a joint application for the Wyong Skills Centre compliant with the original intent of the election commitment.

As outlined at the briefing today with Councillors we have been advised by the DEEWR that the following criteria needs to be met with any application for the Wyong Skills Centre:

- A joint application was required which included that the Skills Centre be established and operated by CCGT and owned by Council
- \$700K of the funding needs to be spent by the end of 2011/2012 financial year

- An increase in funding is very unlikely
- The site can be within the Wyong Local Government Area
- Council and CCGT were to independently advise the DEEWR by 24 February whether a joint application will be made. This letter of intent did not require an application, only the time frame for when an application will be received.

CCGT have offered the following:

- Site in Tuggerah Business Park, gifted to Council
- CCGT to be the recipient of the funding and therefore responsible for meeting Federal Government requirements
- Approximately 1500 – 1800m², 300m² dedicated to Council (warm shell)
- CCGT responsible for all maintenance and outgoings, except those associated with any Council operated space
- Lease from Council for life of the building at peppercorn rent.

Council staff identified a number of currently owned Council sites within the Wyong town centre as potential sites, including Margaret Street, Church St, Rankens Court, as well as privately owned sites. Although a number of these sites would reinforce the vision for the Wyong Town Centre and activate this area, in order to meet the requirements as outlined above by DEEWR these sites are not suitable due to a number of issues including:

- Potential under development of the site
- Pre-identified use of the site
- Time delay of vacating the site
- Drainage issues
- Council would have to purchase it
- Costs may increase due to size, topography of the land etc

As a result of these factors, Council staff have recommended the following to ensure that the risk to Council is minimised and that the funding is secured for the Wyong Shire to address youth unemployment:

- Council and CCGT do a joint application, operated by CCGT and owned by Council
- Funding application be submitted by 6 April 2012 (based on 4-6 weeks to prepare a joint application)
- Contracts be signed prior to application being submitted based on the following:
 - Council be the auspice of the funding
 - It be located at Tuggerah site and CCGT gift the site to Council
 - CCGT responsible for maintenance and outgoings
 - CCGT required to 'make good' the building prior to the end of life
 - CCGT receive peppercorn rent from Council for the life of the building
 - CCGT provide space in the building to Council
 - Using equity of the building requires Council permission.

The above provides an overview of the key issues, finer details will need to be negotiated at the relevant time if Council decides to proceed.

OPTIONS

Council could decide:

1. To respond to DEEWR indicating our support to working with CCGT to provide a funding application for the Wyong Skills Centre which meets the election criteria
2. To respond to DEEWR indicating we do not support working with CCGT to provide a funding application for the Wyong Skills Centre which meets the election criteria

Budget Impact

This recommendation does not have any budget impact.

CONSULTATION

Consultation outlined in the body of this report.

CONCLUSION

Wyong Local Government Area has high youth unemployment, any investment into initiatives that support young people building their skills, career path and employability would be of value in this community.

In each meeting staff have had with DEEWR, DEEWR have indicated that the criteria from the initial agreement must be met for the funding to be secured, primarily that the Skills Centre be operated by CCGT and owned by Wyong Shire Council.

ATTACHMENTS

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|---|---------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1 | Letter from DEEWR - Application unsuccessful - Wyong Skills Centre - CIG Youth Commitments Program | D02931400 |
| 2 | Letter received 09/02/2012 - CIG Youth Commitments - Wyong Skills Centre - DEEWR ask submit joint application from WSC and CCGT | D02918081 |



Australian Government

Department of Education, Employment and Workplace Relations

Mr Michael Whittaker
General Manager
Wyong Shire Council
PO Box 20
WYONG NSW 2259

Dear Mr Whittaker

Community Infrastructure Grants - Youth Commitments Program

I refer to your application for funding under the Community Infrastructure Grants - Youth Commitments Program (the Program).

Prior to the election of the Gillard Labor Government in 2010, it had been announced that a Gillard Labor Government would support a proposal to build a Youth Skills and Employment Centre (Youth Skills Centre) at Wyong.

The election statement acknowledged that should the Gillard Labor Government take office, it would provide \$2.7 million towards the building of the Youth Skills Centre, which "would be established and operated by Central Coast Group Training Ltd (CCGT) and owned by Wyong Shire Council".

The election statement was also reflected in the Program Guidelines at Section 3 which clearly states all proposals "*must match the intent of the election commitment*" and "*only projects identified by the Australian Government will be considered under these Guidelines*".

Following a thorough assessment process adhering to the Commonwealth Financial Framework, your application for funding has been deemed unsuccessful on the grounds that it is not compliant with the election commitment. The decision of CCGT and Wyong Shire Council to submit separate applications has rendered a failure to address the original intent of the election statement.

However, should Wyong Shire Council and CCGT wish to proceed with the development of the Youth Skills Centre at Wyong as set out in the election commitment, the Department of Education, Employment and Workplace Relations will work with both parties to bring effect to the election commitment to assist with addressing youth unemployment in the region.

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We would like to meet with you to discuss the original proposal, your application, and to negotiate a resolution. I propose that I and other senior officers travel to meet with you on Thursday 9 February (our first preference) or Tuesday 7 February. We would propose an individual meeting with both parties followed by a meeting of all parties.

Could you please acknowledge receipt of this letter and indicate your willingness to proceed as outlined above via email to cyc@deewr.gov.au by close of business on 30 January 2012 with a copy to lynne.nicholas@deewr.gov.au.

Yours sincerely,



Matt Davies

Group Manager

Engagement and Wellbeing Group

Australian Government Department of Education, Employment and Workplace Relations

Phone (02) 6240 7570 | Fax (02) 6123 7302 | Email matt.davies@deewr.gov.au

25 January 2012



Australian Government

Department of Education, Employment and Workplace Relations

Received 9/2/12

Mr Michael Whittaker
General Manager
Wyong Shire Council
PO Box 20
WYONG NSW 2259

Dear Mr Whittaker

Community Infrastructure Grants - Youth Commitments Program

The purpose of this letter is to request an indication in writing to the Department of Education, Employment and Workplace Relations (the Department) of your organisation's willingness to give effect to the Government's election commitment to build the Youth Skills and Employment Centre at Wyong under the Community Infrastructure Grants Youth Commitments Program (the Program).

Central to the commitment was an announcement that the centre would be "established and operated by Central Coast Group Training and owned by Wyong Shire Council".

As set out in my letter of 25 January 2012, in order for the Government to provide the funding for this particular election commitment consistent with the Program Guidelines, Wyong Shire Council and Central Coast Group Training are required to submit a joint application to the Department for consideration.

As discussed in our meeting between all parties, I noted that to progress this important initiative DEEWR requires a formal response by Friday, 24 February 2012 from each party, indicating whether a joint application will be made.

I have also written in the same terms to the Central Coast Group Training.

Please email your response to me with a copy to cyc@deewr.gov.au.

Yours sincerely,

Matt Davies

Group Manager
Engagement and Wellbeing Group
Australian Government Department of Education, Employment and Workplace Relations
Phone (02) 6240 7570 | Fax (02) 6123 7302 | Email matt.davies@deewr.gov.au
9 February 2012