

Additional Item

14 March 2012

Director's Report

To the Ordinary Council Meeting

Community and Recreation Services
Department

4.9 Wyong Skills Centre

TRIM REFERENCE: F2010/02334 - D02947795

AUTHOR/ MANAGER: Maxine Kenyon; Director

SUMMARY

Council has received further information from the Department of Education, Employment and Workplace Relations regarding the funding application for the Wyong Skills Centre to the Federal Government's Community Infrastructure Grants – Youth Commitments program. This report provides a summary of the current status and recommends a joint application with Central Coast Group Training be submitted by 27 March 2012.

RECOMMENDATION

- 1 That Council submit a joint application with Central Coast Group Training by 27 March 2012 for the Wyong Skills Centre based on the criteria provided by the Federal Government.**
- 2 That Council develop documentation prior to the application being submitted that outlines the agreement between Central Coast Group Training and Wyong Shire Council for the Wyong Skills Centre is based on:**
 - The funds being provided by the Federal Government**
 - The land being transferred to Council ownership**
 - A commercial lease being signed before funds are released from Council.**
- 3 That Council note that the following will be the base arrangements for the development of the funding application:**
 - Council be the auspice of the funding and identified as the lead agency**
 - It be located at Bounty Close, Tuggerah and Central Coast Group Training gift the site to Council**
 - Central Coast Group Training provide minimum 300m2 (warm shell) net lettable area in the building to Council**
 - Council is responsible for the outgoings only associated with the 300m2**
 - Central Coast Group Training is responsible for all costs associated with the building including all structural, maintenance and outgoings**
 - Central Coast Group Training are required to 'make good' the site prior to the end of life**
 - Central Coast Group Training receive peppercorn rent from Council for the life of the building of 40 years**
 - Changes to the use or sub letting of the building must receive Council permission**
 - Using equity of the building requires Council permission.**

- 4 That Council nominate two Council representatives (one Councillor and the General Manager of his delegate) to sit on the Board of Central Coast Group Training should the Wyong Skills Centre application be successful.**

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.

In early 2012 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. After receipt of this letter DEEWR representatives made contact with Council staff requesting a meeting to discuss this issue.

On 1 February 2012 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 2012 and on 9 February 2012 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). Following this meeting, staff advised Councillors of the outcome of the meeting on 10 and 11 February 2012, it was agreed that staff provide further information to a Councillor briefing on 22 February 2012.

On 20 February 2012 staff and representatives from CCGT again met to discuss the possibilities. On 22 February 2012 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 2012. (Please note the February dates listed above were also included in the 22 February 2012 report, however were mistakenly noted as 2011).

On 22 February 2012 Council resolved the following:

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

Council submitted a letter to the Federal Government on 24 February 2012 advising of this resolution and agreement to work with the Government to receive funding for the Wyong Skills Centre.

On 29 February 2012 staff and representatives from CCGT again met to discuss the way forward as a result of the Council resolution.

CURRENT STATUS

On 6 March 2012, Council received a further letter from the Department of Education, Employment and Workplace Relations (attachment 1) acknowledging that CCGT and Council are both willing to work toward meeting the funding criteria to secure funding for the Wyong Skills Centre.

This letter advised a joint application was required to be submitted by Tuesday 27 March 2012. They will require one organisation to nominate as the lead member of the consortium who will be responsible for delivering and managing the consortium's obligations under the funding agreement and will receive the funding.

THE PROPOSAL

As outlined at the briefing today with Councillors, it is recommended that a joint application be progressed with Central Coast Group Training which is based on the following:

1. Council and CCGT do a joint application, operated by CCGT and owned by Council
2. Funding application be submitted by 27 March 2012
3. Prior to funding application being submitted, documentation is needed that states any discussion / agreements are based on:
 - The funds being provided by the Federal Government
 - The land being transferred to Council ownership
 - A commercial lease being signed before funds are released from Council.
4. The discussion between CCGT and Council regarding the funding application include the following arrangements:
 - Council be the auspice of the funding and identified as the lead agency
 - It be located at Bounty Close, Tuggerah and CCGT gift the site to Council
 - CCGT provide minimum 300m² (warm shell) net lettable area in the building to Council
 - Council is responsible for the outgoings associated with the 300m²
 - CCGT responsible for all costs associated with the building including all structural, maintenance and outgoings
 - CGT required to 'make good' the site prior to the end of life
 - CCGT receive peppercorn rent from Council for the life of the building, 40 years

- Changes to the use or sub letting of the building must receive Council permission
 - Using equity of the building requires Council permission.
5. If the application is successful, Council have two representatives on the Board of CCGT, one being a Councillor and the General Manager or his delegate.

The above is recommended to ensure that the risk to Council is minimised and that the funding is secured for the Wyong Shire to address youth unemployment:

OPTIONS

Council could decide:

1. To submit a joint application with CCGT for the Wyong Skills Centre, this option is recommended.
2. Not to submit a joint application with CCGT for the Wyong Skills Centre.
3. To amend the conditions of a joint application with CCGT from those listed above.

Budget Impact

If Council are successful in securing the funding for the Wyong Skills Centre, there will be minimal negative budget impacts for Council.

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.

The Federal Government funding criteria for this grants process is clear and relies on a joint application between Wyong Shire Council and Central Coast Group Training submitted by 27 March 2012.

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ATTACHMENTS

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| 1 | Letter from DEEWR - Acknowledgement of letter sent - Wyong Skills Centre - confirming joint application with CCGT | D02949181 |
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**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

Thank you for your letter dated 24 February 2012 in which you provided confirmation 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 Wyong Youth Skills and Employment Centre (the Centre) under the Community Infrastructure Grants Youth Commitments Program (the Program).

As discussed in the meeting between all parties on 9 February 2012, in order for the Government to provide the funding for this particular commitment consistent with the Program Guidelines developed for this purpose, Wyong Shire Council and Central Coast Group Training are required to submit a joint application to the Department.

We are pleased that your organisation and Central Coast Group Training have agreed to put forward a joint application for consideration by the Department. The joint application will be assessed against the original Program Guidelines by a panel convened by the Department and including an independent construction consultant.

If your joint application for funding is successful, the Department will propose entering into a funding agreement with both Wyong Shire Council and Central Coast Group as a consortium, or some other joint arrangement, to establish the Centre. In this regard, both Wyong Shire Council and Central Coast Group Training will be jointly and individually responsible for the building of the Centre and providing the outcomes intended by the election commitment. Therefore, the joint application should be signed by both Wyong Shire Council and Central Coast Group Training as per the instructions at the beginning of the application template, and be lodged with the Department by close of business on Tuesday, 27 March 2012 or earlier if possible. Please find attached the application documentation to be submitted jointly by Wyong parties. Also attached are Financial Viability Assessment forms, to be completed by individual parties and returned directly to the Department.

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Please note that, for the purposes of the consortium arrangement, the Department will require Wyong Shire Council and Central Coast Group Training to nominate one organisation as the "lead member" of the consortium. The lead member will be the organisation that the Department will expect to be primarily responsible for delivering and managing the consortium's obligations under the funding agreement in order to meet the intention of the election commitment, and will be the organisation to which funding under the agreement will be provided. I therefore recommend that you agree which of your two organisations will be the lead member, and make your own arrangements to ensure that your organisations can work productively together and disburse funding efficiently and effectively.

We agreed at the meeting between all parties to provide you with written feedback on your original application. Accordingly, a summary of the evaluation panel's assessment report of your application is included at Attachment A. I urge you to consider the feedback and expand on information which was deemed lacking in the original application in order that the joint application may be assessed efficiently and without the need for further clarification.

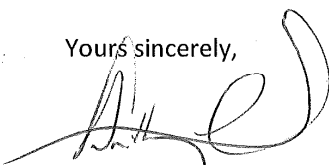
A question raised at the meeting between all parties related to whether the Centre must be located in Wyong town or could be within the Shire. We have sought legal guidance and have concluded that the election commitment's purpose was to improve regional outcomes, and therefore allows for the Centre to be located within the Wyong Shire, on land contributed by the Wyong Shire Council. The location should, however, provide for easy transportation access and maximise training and employment opportunities for the young people of the Shire.

If there are any issues on which you require clarification or wish to discuss prior to submitting the application, please do not hesitate to refer them to me in writing. Questions and responses will be provided to both Wyong parties for reasons of probity.

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

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

Yours sincerely,



Anthony Fernando

Branch Manager

Office for Youth

Department of Education, Employment and Workplace Relations

Email anthony.fernando@deewr.gov.au

06 March 2012