



Point Lonsdale Civic Association Inc.

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Representing Point Lonsdale Residents since 1910

23/5/19

To: BoQ Mayor – Cr. Bob Merriman;

BoQ Councillors - Cr. Boyce Pizzey, Cr. Ross Ebbels, Cr. Susan Salter, Cr. Tony Francis

CC. Lenny Jenner - CEO BoQ;

CC. Phil Carruthers - General Manager Organisational Performance & Community Services.

CC. Johann Rajaratnam - General Manager Planning & Infrastructure.

Dear Mayor, Councillors & Officers;

SUBMISSION TO BoQ DRAFT BUDGET 2019/20

Introduction:

The Draft Budget 2019 – 2020 and associated documents is a comprehensive document that sets out the operating and capital funding for the Borough of Queenscliffe.

It deals with the income constraints placed on it (along with all local governments in Victoria) by the state government no doubt looking to reduce spending and have local governments re-set their priorities.

The Borough has over the recent years embarked on an aggressive capital works agenda, funded by grants from the state and federal governments that has seen some areas of the borough benefit significantly whilst others have seen little benefit.

This can be in part put down to the grants being tied to their objectives but it can be argued that little or no priority has been given to other projects and therefore no funding was applied for from state and federal sources or Council was unsuccessful in the applications.

The budget document identifies there is supplemental borrowing to support the capital spending of \$550,000 dollars in the current year. This is however only \$140,000 of new initiatives in this budget which does seem low given the significant sums for in grants. This would indicate the planning timelines are significantly longer than first thought or planned for.

1.0 Capital Spending:

The numbers contained within the Draft Budget 2019 – 2020 shows that capital funding grants will reach \$9.24 mil. Dollars which is more than is received via rates and charges (\$7.38 mil).

I refer you to page 10 of the document where there is a project list or roll-call of existing projects part finished, not started or almost done. Of the list there are only three projects plus the appropriate administrative spending in the Point Lonsdale area.

They are:

1. Stage1- of the Point Lonsdale Light House Reserve. (Total project \$975,000 spend could be as low as \$100,000 in 2019 -20)
2. Simpson Street storm water upgrades (\$140,000)
3. The contribution to the Point Lonsdale Tennis Club lighting (\$30,000)

Question 1.

Why is there such a disparity in the number and value of projects being run between the areas of Queenscliff and Point Lonsdale?

Question 2.

Were there any applications for capital expenditure grants for the area of Point Lonsdale and what is Councils' understanding of why they were not successful?

Question 3.

Was there an application for grant funds to re-establish the Avenue of Honour?

Question 4.

Why is the Avenue of Honour not mentioned in the budget document as a project or a priority for Council?

Question 5.

Why is the Ocean Beach at Point Lonsdale not identified for rehabilitation or even mentioned in the budget document?

Question 6.

Why is the 2004 Significant Tree and Vegetation Report not mentioned for completion?

Question 7.

As a priority, why can't the Borough finalise the Marine and Coastal Management Plan (\$181,000), before embarking on any beach boxes (\$110,000), and Queenscliff Foreshore works? (\$750,000 - we have been provided limited details as to where this money coming from).

Question 8.

We have had many enquiries from members about Ganes Reserve in Point Lonsdale. Will the Council consider some funding to be allocated for enhancing the Reserve and surrounds, for residents and visitor enjoyment?

2.0 Operating Expenditure.

The operating income and expenditure is more difficult to tie down as the numbers are mixed in with the capital grants and must make internal reporting and management information difficult.

The income is from three main sources. Rates and charges from residents and land owners is by far the largest at around 68% or \$7.4mil, caravan user fees are also significant at 18% or \$1.96mil and operating grants from government agencies for services 8.4% or \$0.9mil. (Various sources account for about 5% or \$0.54mil)

This income funds the real operations of Council and provides residents and owners with the fundamental services needed. This makes this income important to residents and owners and must be protected from erosion.

History shows however, the income from the caravan parks has been badly affected by a reduction of approximately 40-45 in caravan park sites in the sporting precinct and the result is a loss of income close to \$200,000 per year. This was known by Council in 2017, as the 2018/19 budget was adjusted down by \$250,000.

Question 1.

Did Council carry out a financial analysis of the losses they were to incur over the loss of 40-45 caravan sites?

Question 2.

Did the plan to replace the lost income mean the old botanic gardens now known as Victoria Park would have more caravan sites and open longer thereby restricting resident use?

Question 4.

Were there any other plans made to replace the income losses ongoing?

Question 5.

Is it possible to generate income from the vacated netball site for the benefit of residents?

Question 6.

A figure, of \$435,000, for “Project Management Resourcing” is mentioned the original capital works program. Is this money diverted from other operational areas?

Question 7.

As a substitute for surrendering the annual boat ramp fees revenue (\$106,000), should we be considering the BoQ approach State Government to become committee of management over the Ferry Terminal area (or indeed the harbour) so the lease fee(s) revert to Queenscliffe Council?

Question 8.

The Budget papers do not provide details of the 2 outstanding consultancies; The Deloitte Queenscliff Fort Business Case, and Version 3 of Destination Queenscliff. Can the Budgetary papers be updated with this information, as they are a significant cost to the Borough – and the community, including Traders, should be fully informed given the large amount of angst regarding original Destination Queenscliff plans?

3.0 Write-offs

There is \$577,000 of asset write-offs within the expenses area of the budget. There is a note, 4.1.12 which simply indicates these were demolished buildings and assets in the sports precinct.

Question 1.

Please advise what are the nature and specifics of the assets that were destroyed in the development?

4.0 Transfers

On page 29 of the Draft Budget the chart 2.6, Reconciliation with budgeted operating result indicates there is a “Transfers from reserves to operating budget \$3.206 mil.”

Question 1.

What is the origin of these funds and why are they being moved from reserve to operating budget?

5.0 Loss of Boat Launch Fees

The loss of \$125,000 in income per annum is significant given the tight budget position brought about by the major capital works program and losses from the caravan sites.

Question 1.

When did Council become aware of the policy that the State Government was to make boat launching free to state residents?

6.0 Proceeds from the sale of investments

The “Net cash flows used in investing activities “ chart on page 63 of the Draft Budget, show proceeds of sale \$2.25 mil. The note 4.4.2, is inconclusive regarding the sale and destination of the funds.

Question 1.

Are these funds simply a rollover of investments or the result of the sale of assets?

Question 2.

What is the destination, and use of the funds?

Question 3.

Is the \$2.25mil mentioned above proceeds of the sale of the Council Land at Murray Rd? If it is how confident are the council in successfully achieving this figure?

Conclusion.

We realise the financial health of the BoQ is critically important, and we as an Association support a viable, well-governed, financially strong, independent, Borough of Queenscliffe.

However, we are concerned the stated headwinds spoken of by our Prime Minister, Federal Treasurer, and the Federal Reserve Bank, do not cause residents and traders and the Borough overall, and financial pain.

Our initial review of the Draft Budget has yielded some questions and we will continue to analyse this and associated documents.

We hope you receive our comments in the spirit they are asked. We also wish to be heard at any meeting in relation to the Budget Process.

Rob Minty - President PLCA; on behalf of Committee, and Membership.

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