



***HEPBURN SHIRE COUNCIL
SPECIAL MEETING OF COUNCIL***

***TUESDAY 10 MAY 2011, 4 PM
DAYLESFORD SENIOR CITIZENS
VINCENT STREET
DAYLESFORD***

MINUTES

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Hepburn Shire Council Special Meeting



MINUTES

TUESDAY 10 MAY 2011

Daylesford Senior Citizens
Vincent St, Daylesford
Commencing 4 pm
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A handwritten signature in black ink, appearing to read 'K. Conrick'.

KAYLENE CONRICK
CHIEF EXECUTIVE OFFICER
10 MAY 2011

1. **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS:**

We would like to acknowledge we are meeting on Jaara people country, of which members and elders of the Dja Dja Wurrung community and their forebears have been custodians for many centuries.

On this land the Jaara people have performed age old ceremonies of celebration, initiation and renewal.

We acknowledge their living culture and their unique role in the life of this region.

2. **OPENING OF MEETING: The meeting opened at 4.05pm**

PRESENT: Mayor Councillor Rod May; Deputy Mayor Councillor Sebastian Klein; Birch Ward Councillor Jonathan Barrell; Creswick Ward Councillor Janine Booth; Creswick Ward Councillor Don Henderson; Cameron Ward Councillor Tim Ward; Holcombe Ward Councillor Bill McClenaghan.

IN ATTENDANCE: Chief Executive Officer Kaylene Conrick; General Manager Infrastructure Jeff Saker; A/O General Manager Community Development Kathleen Brannigan; A/O General Manager Environmental Sustainability Peter Reeve; Consultant Clunes Community and Interpretive Centre Michele Read.

STATEMENT OF COMMITMENT

“WE THE COUNCILLORS OF HEPBURN SHIRE
DECLARE THAT WE WILL UNDERTAKE ON EVERY OCCASION
TO CARRY OUT OUR DUTIES IN THE BEST INTERESTS
OF THE COMMUNITY
AND THAT OUR CONDUCT SHALL MAINTAIN THE STANDARDS
OF THE CODE OF GOOD GOVERNANCE
SO THAT WE MAY FAITHFULLY REPRESENT
AND UPHOLD THE TRUST PLACED IN THIS COUNCIL BY THE
PEOPLE OF HEPBURN SHIRE”

3. **APOLOGIES: Nil**

4. DECLARATION OF CONFLICTS OF INTEREST:

Nil

5. OFFICERS REPORTS

5.1 ENDORSEMENT OF APPLICATION TO RDAF FOR THE CLUNES COMMUNITY AND INTERPRETIVE CENTRE File Ref: 1/2570/00036

ATTACHEMENT – Under Separate Cover

ACTION OFFICER Chief Executive Officer

In providing this advice to Council as the Chief Executive Officer. I have no interests to disclose in this report.

PURPOSE

The purpose of this report is to provide information about the proposed redevelopment of the Clunes Museum to create the Clunes Community and Interpretive Centre and the funding application to the Regional Development Australia Fund (RDAF) for this project. The report seeks Council's endorsement to submit this application.

BACKGROUND

A copy of the application and supporting documentation has been provided to Councillors under separate cover.

The proposed development of the Clunes Community and Interpretive Centre will create a valuable and sustainable community and tourism asset for the Clunes township, Hepburn Shire and the region. The redevelopment and expansion of the existing Clunes Museum building, will enable the creation of the proposed facility to incorporate:

- A Visitor and Tourist Information Centre, to ensure ready access to these resources in the main street of Clunes and assist to progress the objective of the Grampians Central Highlands Regional Strategic Plan to '*position the regions heritage at a national level*'.
- Multifunctional exhibition, activity and event spaces to support a broad range of activities, including cultural exhibitions, training programs, Library and Museum activities and displays;
- Museum collection and display spaces designed to tell the story of Clunes and surrounds and its pivotal role in the gold rush era;

- The relocated Clunes Library to increase the operating capacity of the library, museum and visitor information services, allow for the sharing of resources and skills and address single staffing concerns at the library;

The facility will:

- Provide long term employment opportunities through the operation of the facility and increased visitations to the town,
- Encourage partnerships and innovation,
- Provide a quality tourism product in its own right and address shortfalls in the availability of accessible tourist information services,
- Celebrate the unique history of Clunes, and
- Address significant shortfalls in the availability of functional and flexible community space in Clunes.

The project initially began in 2005 when the Clunes Museum committee with financial assistance from Hepburn Shire Council and the Hugh Williamson Foundation undertook planning work focused upon the redevelopment of the Clunes Museum. The focus of the planning work was to develop a tourism and community facility with increased display space for the Clunes historical collection, house a replica model of the Port Phillip gold mine and incorporate a Visitor Information Centre. Concept plans were developed and considerable planning work undertaken, however, a lack of available funds meant that the project did not progress.

The announcement of economic stimulus funding by the Federal Government in 2009 presented an opportunity to pursue funding for this project and as part of this Council officers examined whether other facilities can or should be incorporated with the redevelopment of the Museum. Together with community members Council officers identified that the relocation of the Clunes Library from its current position to be incorporated as part of the Museum redevelopment would:

- assist in addressing single staffing concerns (at the library),
- allow for joint use of facilities,
- assist in developing a long term multi-functional community facility
- open up other funding opportunities, and
- help position the project so that it is more likely to attract funding.
- align with Council Plan 2009-2013 objectives to encourage new tourism infrastructure investments and encourage sustainable precinct development.

At its meeting on 21 July 2009 Council resolved:

That Council give in principle support to pursue funding opportunities for the redevelopment of the Clunes Museum including but not limited to the Small Town Development Fund, the Living Libraries Program and the Federal Government Jobs Fund.

Council was not successful in attaining funding for the project at that time and since then Council officers have continued to develop the project further and pursue funding opportunities as they became available including:

In January 2010 the Federal Government Regional and Local Community Infrastructure Program – Strategic Projects (RLCIP–SP) combined with funding from the Victorian State Government Small Town’s Development Fund and the Victorian Community Support Fund. These funding applications were not successful.

In September 2010 the Victorian State Government Victorian Community Support Fund, the Living Libraries Program and the Regional Infrastructure Development Fund.

In November 2010, the Victorian Labour government announced an election promise to fund the development of the Clunes Community and Interpretive Centre through the Community Support Fund, Living Libraries Program and the Regional Infrastructure Development Fund, should Labour win the State election. The Labour party did not win the election and funding has therefore not received for the project.

Council officers have continued to work with the Clunes community and keep the community informed about the development of this project including:

- Conducting a workshop with community organisations in August 2010 to provide an update about the project, workshop ideas for the operation and use of the facility and establish a project reference group.
- Establishing the project reference group with representatives from Creative Clunes, Hepburn Health, Wesley College, Clunes Football Netball Club, Clunes Museum, Clunes Neighbourhood House, Clunes Primary School, Clunes Community Planning Group, Clunes Tourism and Development Association, Hepburn Shire Council and the Central Highlands Regional Library Corporation. The group meets every two months or as needed.
- Developing terms of reference for the project outlining the role of the project reference group and Council in the delivery of the project. Articles in the Clunes Community newsletter in October, November, December 2010 and February 2011.
- Displaying copies of the concept plans in key locations in Clunes since September 2010.
- Holding an information stall as part of the Clunes Show in November 2010 to seek community input about the project and the concept plans.
- Regular articles in the Clunes Community newsletter to keep the community informed about the project. Articles have been placed in the newsletter in October, November, December 201 and February 2011.

- Establishment of a facebook site specifically to look for ways to engage young people more proactively in the project.
- Conducting a community meeting on Monday 11 April 2011 to provide an update about the project to the community and of the intention to pursue funding for the project through the RDAF.
- Development of a Business Plan and continued refinement of this document to ensure it reflects the capabilities and opportunities the Centre will offer, and provides a sound reflection of the likely visitations, income and expenditure for the Centre.

ISSUE/DISCUSSION

The Clunes Community and Interpretive Centre project has strong community support in Clunes and this is evidenced by the range of organisations that are involved in the project reference group, the letters of support for the project and that the project is identified as a priority in the Clunes Community Plan, which was developed by the Clunes community. It is recognised by the community as a project which will substantially improve the capacity of the local community and the local and regional economy.

The project has been identified as a regional priority, as part of the Grampians Central Highlands Regional Strategic Plan. A key strategic direction of the Plan is 'positioning the region's heritage at the national level' which capitalises on the regions gold heritage strengths with product and infrastructure development to underpin emerging tourism. Clunes is identified as one of the town's key to achieving this direction for the region. It is recognised as the site of the State's first official gold discovery and has successfully combined its heritage buildings with an annual Booktown event that is generating national interest.

The Clunes Community and Interpretive Centre project is the highest ranking project to be pursued and supported in the Central Highland's Regional Plan's Small Town Enhancement Project study. It is actively supported by the Grampians Regional Development Australia Committee who has provided a letter of endorsement for the project.

The project is a priority project for the Grampians Central Highlands Regional Strategic Plan *Sustainable Small Towns*.

The project provides an important avenue to assist Council in delivering on its 4 year Council Plan. Gold is identified as a key economic development and tourist theme in the Plan, and the development of gold related tourism and heritage features particularly around the townships of Clunes and Creswick is crucial to delivering on this theme.

The recent review of library services in the Hepburn Shire identified that library staffing levels were somewhat below industry benchmarks and that single staffing of the Clunes branch limits the programming and development opportunities and raises occupational health and safety concerns for staff. The review also highlighted that increasingly libraries were being collocated as part of community hubs and learning centres as a way of bringing compatible services together, addressing infrastructure challenges and sharing resources. The proposal to

incorporate the library as part of the Clunes Community and Interpretive Centre, was actively supported by the review as it will substantially increase the operating hours and capacity of the library, address the single staffing issue at the branch and provide much needed space to support programs such as children's story time.

The preparation of a funding application to the Regional Development Australia Fund (RDAF) for the Clunes Community and Interpretive Centre is consistent with Council's previous resolution at its meeting on 21 July 2009 (outlined in the Background above). The application and required attachments has been prepared and provided to Council under separate cover. The total project cost is \$3,239,000 including in-kind contributions of \$180,000, details of which can be found in the financial implications section of this report. A total of \$2,709,000 is sought from the RDAF.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

The Clunes Community and Interpretive Centre project draws its strategic basis in the Council Plan 2009-2013 from the following strategic directions:

1. Council has identified Gold as a key economic development and tourist theme in its 4 year Council Plan. The development of gold related tourism and heritage features particularly around the townships of Clunes and Creswick is crucial to delivering on this theme.
2. Strategies to achieve Good Governance include
 - a. *"Attracting high levels of government grants by having at least three significant projects ready to begin"*
3. Using Community Plans as a basis for fixing priorities for Council's Capital Works Program.
4. Encouraging sustainable precinct and multi function development

FINANCIAL IMPLICATIONS

Should the funding application be successful Council will be required to make a cash contribution of \$300,000 and an in-kind contribution of \$150,000 towards the project. The cash contribution is included in the 2011/2012 Prepared Council Budget and is to be funded through borrowings. The in-kind contribution reflects Council's role in co-ordinating the project and continuing its program of engagement and consultation with the Clunes community. Note the Clunes Museum will make a \$50,000 cash contribution and a \$30,000 in kind contribution to the project.

An ongoing subsidy will also be required for the operation of the facility. This will be minimised through reallocating existing and future resources from the operation of the library in Clunes, and the possible relocation of some Hepburn Shire Council customer service resources to the centre.

The operation of the existing Clunes Library costs Hepburn Shire Council nearly \$55,000 per annum. In addition the recent review of library services identified the need for Council to move away from single staffing of the Clunes Library to address occupational health and safety concerns, and the need to expand the operating hours of the branch.

Dual staffing of the branch and expanding the operating hours by 4 hours per week, will cost Hepburn Shire Council a further \$64,000 per annum, bringing the total commitment to library services in Clunes to \$119,000. The relocation of the library to the Clunes Community and Interpretive Centre would see these resources directed towards the operation and staffing of the new facility.

The additional cost to Council for the Clunes Community and Interpretive Centre is therefore minimised and is projected to be:

Year 1:	\$37,000
Year 2:	\$24,000
Year 3:	\$59,000
Year 4:	\$67,000
Year 5:	\$59,000

This will provide a substantially increased level of service which would not be possible if Council continues to operate single purpose, stand alone facilities ie: the library, visitor information Centre and Museum.

It should be noted that the operating budget incorporates whole of life maintenance costs and this has had a substantial impact upon the cost of operating the facility. Council has not previously allowed for whole of life costs appropriately in projects of this nature. While this is a cost which must be incorporated to accurately reflect the costs of a public building of this nature, it is also recognised that this is a new building and maintenance costs will be at the lower end of the spectrum in its initial years of operation. Consequently the five year budget has incorporated a graduated annual allowance for planned and unplanned maintenance, reaching the preferred percentages (2% and 1.5% of the construction cost, respectively) in year five (\$105,000).

RISK IMPLICATIONS

The Regional Development Australia Fund was announced in March 2011 with Round One closing 13 May 2011. There will be a number of other competitive rounds distributing amounts

of the \$1billion fund over the coming few years. The Fund can expect to become increasingly more competitive as local governments and not-for-profit organisations better position themselves to be eligible and ready to apply for funds. The timeframe between the announcement of the RDAF and the closing of Round One should result in fewer applications initially.

The Clunes Community and Interpretive Centre will increase Council service capacity in relation to library and visitor information services. In not proceeding with this project Council runs the risk of increased elevated costs to Council from continuing to run unsustainable stand alone facilities long term.

Collocating community activities more effectively utilises scarce volunteer resources, increases volunteer capacity and assists in prevention of volunteer burn out. Limited operating hours restricting the growth of tourism product are currently directly linked to the availability of volunteer resources in Clunes.

The project initially began in 2005 with a focus on increasing display space for the Clunes historical collection incorporating a replica model of the Port Phillip gold mine. The valuable Clunes Museum collection will continue to be at risk without provision for adequate display space profiling the unique history of Clunes should this project not proceed.

The project aims to increase the attractiveness and liveability of Clunes. Involving young people more in community life through the provision of extended library services and quality multimedia facilities is one of the anticipated outcomes of the project.

Finally, in not proceeding with the project Council will potentially forgo the opportunity to upgrade key infrastructure to be an effective part of positioning the Region's Heritage at the National level in accordance with one of the key strategic directions and actions in the Grampians Central Highlands Strategic Plan.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

The Grampians Central Highlands Regional Strategic Plan identifies the outstanding built and natural heritage as being a major comparative advantage of the region. The region boasts Australia's major concentration of nineteenth century architecture, heritage and sites associated with the world's largest gold rushes. This advantage not only forms the backbone of a tourism and recreation economy but also contributes to the attraction of the region as a highly liveable place. The Regional Strategic Plan identifies the need to build on this comparative advantage through 'positioning the region's heritage at the national level'.

Clunes is identified as one of the town's key to achieving this direction for the region and the Clunes Community and Interpretive Centre is a key infrastructure project designed to progress this objective and sustain economic growth for the region. In particular it will:

- Provide new tourism products for the region with arts and cultural exhibitions and displays and increased capacity to display and exhibit interpretive material about the

history of Clunes and surrounds, and to tell the story of Clunes and its role in the gold rush era.

- Assist visitors to the region to access heritage attractions, food, wine and accommodation options in the region.
- Support the nationally significant Back to Booktown event and other initiatives of Creative Clunes.
- Support the Creative Clunes objective to become an International accredited Book Town.
- Provide significant employment opportunities.

As noted previously Council has identified Gold as a key economic development and tourist theme in its 4 year Council Plan. The Clunes Community and Interpretive Centre will be a key piece of gold related infrastructure that will assist Council to deliver on this theme.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

As indicated in the background section Council officers worked with the Clunes community and kept the community informed about the development of this project through community meetings, establishment of a project reference group, regular articles in the Clunes Community Newsletter, displaying the concept plans in key locations, an information stall at the Clunes Show in November 2010 and establishment of a facebook site.

The project is also identified as a priority project in the Clunes Community Plan. It is recognised as a project which will substantially improve the capacity of the local community and the local and regional economy.

A range of organisations have provided letters of support for the project including the Clunes Primary School, Clunes and District Agricultural Society, Creative Clunes, Clunes Tourist and Development Association, Clunes Football Netball Club, Wesley College, Clunes RSL, Central Highlands Regional Library Corporation and Mount Beckworth Wines. Local members of parliament who have indicated their support for the project include Gayle Tierney, Joe Helper and Catherine King.

CONCLUSION

Significant work has been undertaken on this project commencing in 2005 when the Clunes Museum in association with Hepburn Shire Council and the Hugh Williamson Foundation first commenced planning for the redevelopment of the Clunes Museum. The Clunes Community and Interpretive Centre project enjoys significant support in the Clunes community and the region, and is recognised as a project which will substantially improve the capacity of the local community and the local and regional economy. Several attempts have been made to attract partnership funding to deliver this project and the Regional Development Australia Fund

represents a further opportunity to do so. Council officers would be hopeful of being successful with this application and it is recommended that Council endorse the submission of this application to the Federal Government.

OFFICER'S RECOMMENDATION

That Council:

5.1.1 Reaffirm its support to contribute \$300,000 to the Clunes Community and Interpretive Centre project.

5.1.2 Endorse the RDAF application for the Clunes Community and Interpretive Centre.

5.1.3 Authorise the Chief Executive Officer to take the necessary action to submit the application.

Moved: Councillor Tim Hayes

Seconded: Councillor Janine Booth

Carried:

Councillor Bill McClenaghan called for a Division.

Councillors in Favour of the Motion: Councillors Janine Booth; Jonathan Barrell; Rod May; and Tim Hayes.

Councillors Opposing the Motion: Councillors Sebastian Klein; Don Henderson; and Bill McClenaghan.

6. CLOSE OF MEETING.

The meeting closed at 5.55pm