

**15.3 CHRISTIAN EMERGENCY FOOD CENTRE**

<b>Author's Name:</b>	Kevin O'Brien	<b>Director:</b>	Kevin O'Brien
<b>Author's Title:</b>	Director Communities and Place	<b>Directorate:</b>	Communities and Place
<b>Department:</b>	N/A	<b>File Number:</b>	99/01/02028A

**Officer Conflict of Interest**

Officer disclosure in accordance with *Local Government Act 2020* – Section 130:

Yes  No

**Reason:** Nil

**Status**

Defined as confidential information in accordance with *Local Government Act 2020* – Section 3(1):

Yes  No

**Reason:** Private Commercial Information

**Appendix:** **Note Appendices contain information that is confidential and are not supplied.**

**Purpose**

To commence the statutory process to advertise its intention to sell the property at 28 Firebrace Street Horsham (Lot 1 TP 813567Y) (the Property) to the Christian Emergency Food Centre (CEFC).

**Summary**

- History of the Property
- Rationale regarding why it is being recommended that the Property be sold to CEFC
- Process to be undertaken for the Property to be sold by private treaty to CEFC

**Recommendation**

1. That Council, in accordance with section 114 of the *Local Government Act 2020* and Council's Community Engagement Policy, publish public notice of its intention to sell the Property at 28 Firebrace Street Horsham (the Property) to the Christian Emergency Food Centre (the CEFC) for an amount of \$1.00 plus GST (the Sale).
2. That Council authorise the Chief Executive Officer to execute the Contract for the Sale, if no submissions in response to Council's public notice advertising its intention to sell the Property to the CEFC are received which oppose the Sale.
3. That the matter be brought back to Council for determination if submissions opposing the Sale are received.

**Council Resolution**

**MOVED Cr Bob Redden, Seconded Cr Claudia Haenel**

1. That Council, in accordance with section 114 of the *Local Government Act 2020* and Council's Community Engagement Policy, publish public notice of its intention to sell the Property at 28 Firebrace Street Horsham (the Property) to the Christian Emergency Food Centre (the CEFC) for an amount of \$1.00 plus GST (the Sale).
2. That Council authorise the Chief Executive Officer to execute the Contract for the Sale, if no submissions in response to Council's public notice advertising its intention to sell the Property to the CEFC are received which oppose the Sale.
3. That the matter be brought back to Council for determination if submissions opposing the Sale are received.

CARRIED

## REPORT

### Background

In 2002 an Agreement was entered into between Council and the CEFC to formalise Council's purchase of the Property on behalf of the CEFC. A copy of the Agreement is provided at **(Appendix 15.3A)**. The building and land on the Property are owned by Council due to State Government funding requirements that were in place at the time of purchase. A copy of the title and title plan for the Property are provided at **(Appendices 15.3B & 15.3C)**.

CEFC operations are delivered from the Property. Their emergency assistance service is available to help those living in the municipalities of Hindmarsh, Horsham, West Wimmera and Yarriambiack as well as some parts of the Buloke and Northern Grampians shires. Emergency assistance is by way of food parcels, financial assistance and referrals to outside agencies for physical needs, accommodation, or financial and mental health counselling.

In February 2022, a meeting was convened between the CEFC, Council's Chief Executive Officer and Director Communities and Place to discuss the future needs for expansion of the CEFC and the proposal to change ownership of the Property to CEFC.

By letter dated 31 August 2022 the CEFC explained that they would like to have ownership of the Property to enable investigation of opportunities for expansion. A copy of that correspondence is provided at **(Appendix 15.3D)**. Based on the current number of clients that utilise the CEFC, if the Property is sold to the CEFC it will provide the CEFC with the financial means to investigate the acquisition of a more suitable premises by potentially selling the Property and utilising the funds from the sale to expand operations.

### Discussion

In 2002, Council assumed ownership of the Property in order to facilitate the grant of \$60,000 towards the purchase price that was made by the Victorian State Government's Community Support Fund. This funding requirement is no longer applicable as the funding was received more than 20 years ago.

The CEFC is a registered Public Benevolent Institution registered with the Australian Charities and Not-for-profits Commission. Their Rules of Incorporation has clauses that relate to the wind up or cancellation of the CEFC:

*Sec 76 (3) Subject to the Act and any court order made under section 133 of the Act, the surplus assets must be given to a body that has similar purposes to the Association and which is not carried on for the profit or gain of its individual members.*

*Sec 76 (4) The body to which the surplus assets are to be given must be decided by special resolution.*

By selling the Property to the CEFC, they can then consider options for expansion and use the funds from the sale of the Property to purchase a larger premises which would provide better office space for staff, improved privacy for clients, and improved storage and food handling.

### Options to Consider

There are effectively two options for Council to consider -

1. That Council retain ownership of the Property which would limit the ability of the CEFC to investigate options for expansion; or
2. That Council sell the Property to the CEFC.

**Sustainability Implications**

There are no sustainability implications that have been identified by the proposed sale of the Property.

**Community Engagement**

In accordance with Council's Community Engagement Policy and the statutory requirements of the *Local Government Act 2020* (the **Act**), the community will be provided with an opportunity to make written submissions in response to Council's public notice if Council decides to advertise its intention to sell the Property to the CEFC.

All submissions will be provided to Council for consideration and discussion.

**Innovation and Continuous Improvement**

Not applicable

**Collaboration**

Not applicable

**Financial Implications**

In accordance with s.114(1)(c) of the Act if Council proposes to sell land it must obtain from a person who holds the qualifications or experience specified under section 13DA(2) of the *Valuation of Land Act 1960*, a valuation of the land which is made not more than six months.

*This information has been redacted due to confidentiality requirements.*

Whilst it was an original condition of the Victorian State Government's Community Support Fund, that Council auspice the grant by holding the title of the building, the condition of this grant is now expired and ownership of this facility by the CEFC will allow them to investigate options for the expansion of the services provided by this valued charitable organisation.

**Other financial considerations include the following:**

- By selling the property to CEFC the responsibility of this asset becomes the CEFC's in its entirety.
- A rate exemption currently applies to the Property due to the charitable status of the CEFC.
- The CEFC would need to obtain their own building insurance.
- The CEFC receives an annual grant of \$5,000 from Council through the community grants and donations scheme for food hampers.
- Pursuant to clause (H) of the Agreement (**Appendix 15.3A**) there is a condition which provides that the Jack Brockhoff Foundation will be refunded their grant of \$10,000 in the event that the CEFC ceases to operate from the Property. Pending the sale of the Property to CEFC, this liability, will be legally transferred to the CEFC as a condition on the contract of sale.
- Council agrees to pay legal costs for the preparation of the contract of sale and the cost of obtaining the required valuation, estimated at \$4,000.
- The proposal is to sell the property to CEFC for \$1:00 plus gst.

**Regional, State and National Plans and Policies**

Not Applicable

**Council Plans, Strategies and Policies**

2021-2025 Council Plan

Theme 2 – Liveability

Horsham Rural City Council will actively work to create a healthy and connected community that is a great place to live, work invest and explore for all ages, abilities and backgrounds.

Strategy 5 Quality opportunities and facilities that meet the health and wellbeing needs and interests of all ages, abilities and backgrounds

2022-23 Annual Action Plan

1.2 Support and empower localised community groups in their goals and plans

Council’s Community Engagement Policy

Council’s Asset and Surplus Material Disposal Policy

**Risk Implications**

If the Property is not sold in the manner proposed, there is a risk that CEFC’s operations, which provide a vital service to the community would become unsustainable, therefore having broader social implications for the community.

**Conclusion**

In order to support CEFC’s future operations, it is recommended that Council advertise its intention to sell the Property by private treaty for the sum of \$1:00 plus gst.