

ITEM NUMBER: 18.3

CONFIDENTIAL REPORT

GLENELG FOOTBALL CLUB LOAN UPDATE

Pursuant to section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- d. **commercial information of a confidential nature (not being a trade secret) the disclosure of which –**
 - i. **could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and**
 - ii. **would, on balance, be contrary to the public interest;**

Recommendation – Exclusion of the Public – Section 90(3)(d) Order

1. That pursuant to section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 289/24 – Glenelg Football Club Loan Update in confidence.
 2. That in accordance with section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 289/24 – Glenelg Football Club Loan Update on the following grounds:
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
 3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: 18.3

Subject: GLENELG FOOTBALL CLUB LOAN UPDATE

Summary

To provide Council with an update on the progress of the Glenelg Club Loan since the resolution of Council on 24 April 2024.

This report also recommends the approval of an extension of the current financial assistance to the Glenelg Football Club from 30 June 2024 to the 30 September 2024 being that the Glenelg Football Club continue to not be charged interest on existing borrowings.

Recommendation

That Council:

1. notes the Deed of Forgiveness of Debt with the Glenelg Football Club;
2. approves the extension of the current financial assistance to the Glenelg Football Club from 30 June 2024 to the 30 September 2024 (or earlier based on settlement) being that the Glenelg Football Club continue to not be charged interest on existing borrowings; and
3. authorises the Mayor and Chief Executive Officer to execute the Deed of Forgiveness of Debt for the Glenelg Football Club as provided as Attachment 1 to this report.

RETAIN IN CONFIDENCE - Section 91(7) Order

4. That having considered Agenda Item 18.3 – Glenelg Football Club Loan Update in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and minutes be retained in confidence for a period of six months and the Chief Executive Officer is authorised to release the documents when the Audited Financial Statements are presented to Council.
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Background

In 2023 Council established a working group, consisting of members of both Glenelg Football Club and City of Holdfast Bay, to ensure the Club's long-term sustainability. Part of the role of this group was to establish the financial capacity of the Club to make repayments of its loan once the final South Australian National Football League (SANFL) disbursement was received in October 2023. The outstanding balance of the loan owed to Council is currently \$1,029,922.

Council on 23 April 2024 resolved the following:

That Council:

1. *notes it has received and considered the request from Glenelg Football Club for debt forgiveness on 50% of its outstanding debt with Council;*
2. *approves the debt forgiveness proposal from the Glenelg Football Club;*
3. *approves the extension of the current financial assistance to the Glenelg Football Club to 30 June 2024 being:*
 - a) *that the Glenelg Football Club continue to not be charged interest on existing borrowings;*
 - b) *that the current lease and licence be held over at an annual rental of \$40,000 pa (including GST);*
4. *approves the extension of the Glenelg Football Club Working Group until the matter is resolved, including the continued appointment of Councillors Abley, Smedley and Snewin to the Working Group; and*
5. *authorises the CEO to execute any documents required to action this resolution.*

Report

The Glenelg Football Club has been liaising with its Financer regarding the loan and has had a positive response, however the Financer is requiring a Deed of Forgiveness of Debt to be signed by both parties before it provides approval. A Deed of Forgiveness of Debt has been drafted by the club's lawyers which has been reviewed by our lawyers and is attached for Members' information.

Refer Attachment 1

This Deed requires a common seal and therefore a formal Council resolution is required before the Deed can be signed. Once the Deed is signed the Financer requires at least two weeks to process its formal approval before settlement, therefore an outer date of 30 September 2024 has been included in the Deed. Hopefully it can be processed quicker with a settlement date in mid-September.

As the process to source funding has taken longer than the planned 30 June 2024, it is recommended that an extension of the current financial assistance to the Club, the continuation of not charging interest on existing borrowings from 30 June 2024 until 30 September 2024 (or earlier based on settlement) be endorsed.

Budget

No impact on Council's operational budget, however the settlement will have a positive cashflow impact of \$514,961 in the 2023-24 financial year.

Life Cycle Costs

Not applicable

Strategic Plan

Wellbeing – Supporting local community organisations that encourage engagement with demographics

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, section 143

Written By: Chief Executive Officer

Chief Executive Officer: Mr R Bria

CONFIDENTIAL

Confidential Minutes of the Ordinary Meeting of the City of Holdfast Bay held in the Council Chamber, Glenelg Town Hall, Moseley Square, Glenelg on 27 August 2024.

18. ITEMS IN CONFIDENCE

18.1 Confidential Minutes – Audit and Risk Committee (Report No: 286/24)

Motion - Exclusion of the Public – section 90(3)(d) Order C270824/7864

1. That pursuant to section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 286/24 Confidential Minutes – Audit and Risk Committee – 14 August 2024 in confidence.
2. That in accordance with section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 286/24 Confidential Minutes – Audit and Risk Committee – 14 August 2024 on the following grounds:
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Miller, Seconded Councillor Lonie

Carried Unanimously

The confidential minutes of the meeting of the Audit and Risk Committee held 14 August 2024 were presented to Council for information and endorsement.

Motion

C270824/7865

That the Audit and Risk Committee advises Council that:

1. it has received and considered an assessment of community loans receivable as at 30 June 2024;
2. the current impairment amount of \$517,780 be maintained for impairment of community loans receivable as at 30 June 2024; and
3. in accordance with Accounting Standards the impairment amount be reviewed and updated annually.

RETAIN IN CONFIDENCE - Section 91(7) Order

4. That having considered Agenda Item 18.1 – Confidential Minutes – Audit and Risk Committee – 14 August 2024 in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report, attachment and minutes be retained in confidence for a period of six months and the Chief Executive Officer is authorised to release the documents when the Audited Financial Statements are presented to Council.

Moved Councillor Smedley, Seconded Councillor Lonie

Carried Unanimously

18.2 Alwyndor Update (Report No: 274/24)

Motion - Exclusion of the Public – Section 90(3)(d) Order C270824/7866

1. That pursuant to section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 274/24 - Alwyndor Update in confidence.
2. That in accordance with section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 274/24 - Alwyndor Update on the following grounds:

- d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Lonie, Seconded Councillor Miller

Carried Unanimously

A workshop was held on 6 August 2024 where Elected Members (collectively the Trustee of the Dorothy Cheater Trust) were asked to consider the appropriateness of Alwyndor's governance structure and its associated business model to ensure sustainability in the context of the size and complexity of the organisation, an increasingly competitive environment and the Federal Aged Care Reform agenda.

Further research is to be undertaken, including identification and analysis of potential options and their implications and benefits, associated requirements and processes, and risk identification, assessment and mitigations.

This work will form a report for presentation to Audit and Risk Committee which will make recommendations to Council for consideration and decision making.

Motion

C270824/7867

1. That consideration be given to an alternate governance structure for Alwyndor which would ensure financial sustainability, enable access to national system industrial structures and associated funding and streamline the governance of Alwyndor.
2. That this consideration be informed by further investigation, analysis and advice regarding governance structure options, alternate industrial relations options and associated risks which will form a report for the Audit and Risk Committee to consider and make further recommendations to Council.
3. That following receipt of legal advice regarding industrial relations options (including investigating amendments to relevant industrial regulations and legislation) that Mayor Wilson and the General Manager Alwyndor meet with relevant community members as determined by the Mayor and seek to brief state and federal Members of Parliament to discuss the matter and associated implications.

RETAIN IN CONFIDENCE - Section 91(7) Order

4. That having considered Agenda Item 18.2 Alwyndor Update in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and minutes be retained in confidence for a period of 18 months and that this order be reviewed every 12 months.

Moved Councillor Miller, Seconded Councillor Lonie

Carried Unanimously

Conflict of Interest

Councillor Abley declared a general conflict of interest for Item 18.3 - **Glenelg Football Club Loan Update** (Report No: 289/24) (pursuant to sections 74 and 75A of the Local Government Act 1999), on the basis that she is in discussions with the club about a future event. Councillor Abley dealt with the general conflict of interest by making it known to the meeting and remaining in the chamber as she was acting in the interests of the community. Councillor Abley voted in favour of the motion.

18.3 **Glenelg Football Club Loan Update** (Report No: 289/24)

Motion - Exclusion of the Public – Section 90(3)(d) Order C270824/7868

1. That pursuant to section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 289/24 – Glenelg Football Club Loan Update in confidence.
2. That in accordance with section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 289/24 – Glenelg Football Club Loan Update on the following grounds:
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Lonie, Seconded Councillor Miller

Carried

To provide Council with an update on the progress of the Glenelg Club Loan since the resolution of Council on 24 April 2024.

The report also recommended the approval of an extension of the current financial assistance to the Glenelg Football Club from 30 June 2024 to the 30 September 2024 being that the Glenelg Football Club continue to not be charged interest on existing borrowings.

Motion

C270824/7869

That Council:

1. notes the Deed of Forgiveness of Debt with the Glenelg Football Club;
2. approves the extension of the current financial assistance to the Glenelg Football Club from 30 June 2024 to the 30 September 2024 (or earlier based on settlement) being that the Glenelg Football Club continue to not be charged interest on existing borrowings; and
3. authorises the Mayor and Chief Executive Officer to execute and affix the common seal to the Deed of Forgiveness of Debt for the Glenelg Football Club as provided as Attachment 1 to this report.

RETAIN IN CONFIDENCE - Section 91(7) Order

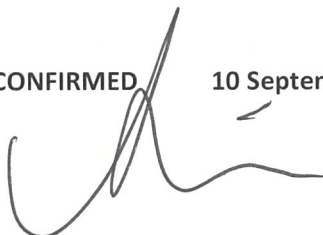
4. That having considered Agenda Item 18.3 – Glenelg Football Club Loan Update in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and minutes be retained in confidence for a period of six months and the Chief Executive Officer is authorised to release the documents when the Audited Financial Statements are presented to Council.

Moved Councillor Smedley, Seconded Councillor Lonie

Carried Unanimously

CONFIRMED

10 September 2024



MAYOR