



**9.1** **TRANSITION PLAN FRIENDS OF SUAI**

**EXECUTIVE MEMBER: TONY KEENAN, GENERAL MANAGER, COMMUNITY WELLBEING AND INCLUSION**

**PREPARED BY: TONY KEENAN, GENERAL MANAGER**

**1. PURPOSE**

1.1 To consider a plan for Council to reduce all funding to Friends of Suai within a reasonable timeframe.

**2. EXECUTIVE SUMMARY**

2.1 The City of Port Phillip became the first Australian local government to sign a formal statement of friendship with Timor-Leste in May 2000.

2.2 In 2005, a Memorandum of Understanding (MoU) was signed with the aim of formalising the partnership between the District Administration of Covalima and the City of Port Phillip Council.

2.3 The Friendship has been formally recognised through three ten-year Friendship Agreements, initially signed in 2000 and renewed in 2010 and 2020.

2.4 The Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) operates as an Advisory Committee of Council.

2.5 In the 2021-22 financial year, Council allocated \$126,000 to support the friendship.

2.6 In considering the draft Council Plan and Budget, Council endorsed the following at its 21 April 2021 meeting:

2.6.1 That officers develop a transition plan by the end of December 2021, that would reduce all funding to Friends of Suai in a reasonable timeframe

2.6.2 That this plan would outline ways the Council can continue to support the Friendship without providing direct funding.

2.6.3 That a plan be developed to support other income to support projects in Suai

2.7 This report outlines the transition plan and recommends:

2.7.1 That Council reduces direct funding to Friends of Suai over a five-year timeframe. This timeframe would allow for alternative funding to be sourced and reduce the risk to the viability of the Covalima Community Centre.

2.7.2 That Council continues to support Friends of Suai through provision of "in-kind" support such as use of meeting rooms, use of venues for events, opportunities for staff to volunteer through Council's staff volunteering program, donation of expired computers and technology.

2.7.3 That Council continues to provide secretariat support for meetings and minutes at a level similar to other advisory committees of Council.

2.7.4 That officers work with the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) to assist them in sourcing options to replace the community strengthening component of the current program.



- 2.7.5 That officers work with the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) to explore issues of structure, governance models and succession.

### 3. RECOMMENDATION

That Council:

- 3.1 Endorses the transition plan as outlined in this report.
- 3.2 Reduces grant funding to Friends of Suai from the current \$60,000, as below:
  - To \$45,000 for 2022-23;
  - To \$30,000 for 2023-24;
  - To \$15,000 for 2024-25.
- 3.3 Reduces all grant funding by 2025-26.
- 3.4 Transitions funding for the Friends of Suai Coordinator (FOSC) from the 0.6 FTE, as below:
  - To 0.4 FTE for the 2024-25 year;
  - To 0.2 FTE for the 2024-25 year.
- 3.5 Authorises the Chief Executive Officer to continue the donation of computer equipment to Covalima Community Centre through the disposal program when upgrading equipment.
- 3.6 Directs the Chief Executive Officer (or delegate) to explore other in-kind support that Council can provide to the Friends of Suai including use of meeting rooms, use of venues for events, opportunities for staff to volunteer through Council's staff volunteering program and encouraging staff giving to the Friends of Suai.
- 3.7 Directs the Chief Executive Officer (or delegate) to explore with the Friends of Suai/Covalima Community Reference Committee (Committee):
  - Options for replacing the community strengthening function that is currently carried out by the Friends of Suai Coordinator;
  - The advantages and disadvantages of a possible changed governance structure for the Committee, including seeking Deductible Gift Recipient Status;
  - Succession planning for the Committee.

### 4. KEY POINTS/ISSUES

- 4.1 In May 2000, the City of Port Phillip became the first Australian local government to sign a formal statement of friendship with Timor-Leste.
- 4.2 The 'Statement of Friendship' agreement was signed on 4 May 2000. The Statement of Friendship set the foundations of an initial ten-year relationship based on friendship and mutual respect.
- 4.3 In 2005, a Memorandum of Understanding (MoU) was signed with the aim of formalising the partnership between the District Administration of Covalima and the City of Port Phillip Council. The MoU acknowledged the ongoing community-to-community partnership that was already established



- 4.4 The Friendship has been formally recognised through three ten-year Friendship Agreements, initially signed in 2000 and renewed in 2010 and 2020. The Friendship Agreement comprises a:
- 4.4.1 **Statement of Friendship** which outlines the nature and intent of the friendship to utilise the skills and knowledge in both communities and in doing so, empower both to manage their shared future.
  - 4.4.2 **Memorandum of Understanding** between Port Phillip and Covalima municipalities. The MoU maintains a formal arrangement for Council's relationship with government representatives in Suai
- 4.5 The Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) operates as an Advisory Committee to Council.
- 4.6 Council provides the following support:
- 4.6.1 \$60,000 to provide a grant to Covalima Community Centre (CCC), program support, external audit of CCC, administration and community events.
  - 4.6.2 \$66,000 to employ the Friends of Suai Coordinator (FOSC). This role provides secretariat support for the FOS Committee, reporting to Council, advice and community development support for the CCC and programs, stakeholder relationships and fundraising support.
  - 4.6.3 Council also donates computer equipment through the disposal program when upgrading equipment.
  - 4.6.4 Since 2008, St Kilda library book sales proceeds and unwanted books have provided resources for the Suai Secondary School library (this is fully funded by FoS donations).
- 4.7 In considering the draft Council plan and Budget, council endorsed the following at its 21 April 2021 meeting:
- 4.7.1 That officers develop a transition plan by the end of December 2021, that reduce all funding to Friends of Suai in a reasonable timeframe.
  - 4.7.2 This plan would outline ways the Council can continue to support the Friendship without providing direct funding.
  - 4.7.3 A plan to support other income to support projects in Suai.

#### **BENCHMARKING**

- 4.8 There are 14 other local government/East Timor friendship groups in Victoria. Attachment A provides a de-identified overview or summary of these groups (information could not be sourced for three groups).
- 4.9 Two Groups operate as an advisory or Council Committee.
- 4.10 Three operate as Section 86/63 Committees of Council (one of these is transitioning to an Incorporated Association).
- 4.11 Five operate as Incorporated Associations and two of these have Deductible Gift Recipient (DGR) Status.
- 4.12 One operates as an informal committee not connected to Council.

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- 4.13 Five Councils provide direct financial grants to their groups. The amounts range from \$5,000 to \$19,328.
- 4.14 Most councils provide some in kind support in the form of provision of rooms, town hall for fundraising, officer support for meetings. One Council used to provide an annual \$50,000 grant. This has now stopped, and that Council has provided a one-off grant to assist the group to transition to an incorporated association.
- 4.15 Most councils provide some in kind support in the form of provision of rooms, town hall for fundraising, officer support for meetings.
- 4.16 No council provides fundraising support or development support in East Timor.

### PROPOSAL

- 4.17 In developing a proposal for Council's consideration, officers have considered what constitutes a "reasonable" time frame for Council to withdraw all financial support for Friends of Suai.
- 4.18 Immediate removal of all funding, without a strategy to replace that income, would seriously jeopardise the viability of the Covalima Community Centre (CCC).
- 4.19 The CCC leadership team would no longer be able to function as five positions are fully funded and three positions are partially funded by the CoPP grant.
- 4.20 CCC would have no capacity to seek alternative funding as staff would be unemployed and opportunities will remain limited due to COVID-19 pandemic.
- 4.21 This would seriously damage the relationship between the Port Phillip and Covalima.
- 4.22 Given this, officers believe that reduction of financial support over a five-year period as detailed in the table below would provide for withdrawal of Council funding while minimising the impact in East Timor. Five years would also align with the current Friends of Suai/Covalima Strategic plan 2020-25.

Component	2021-22	2022-23	2023-24	2024-25	2025-26
Officer time	0.6 FTE	0.6 FTE	0.6 FTE	0.4 FTE	0.2 FTE
Council Grant	\$60,000	\$45,000	\$30,000	\$15,000	0
Fundraising increase	<b>\$65,000</b>	<b>\$75,000</b>	<b>\$85,000</b>	<b>\$95,000</b>	<b>\$100,000</b>
Total income	\$125,000	\$120,000	\$115,000	\$110,000	\$100,000
Reduction in Council income	<b>\$15,000</b>	<b>\$35,000</b>	<b>\$45,000</b>	<b>\$82,000</b>	<b>\$104,000</b>

- 4.23 This would provide sufficient time for alternative sources of income and/or support to be sourced to minimise the impact in East Timor.
- 4.24 This assumes a decline in total income, over time, to the CCC, with an expectation that the CCC will be able to replace that income.
- 4.25 This assumes a reduction in officer time to 0.2 FTE (which is an estimate of officer support for other Council Committees)



- 4.26 Council can also provide the following “in kind” support for Friends of Suai:
- 4.26.1 Meeting rooms for the Friends of Suai Committee.
  - 4.26.2 Use of Town Hall/Council venues for a fundraising event.
  - 4.26.3 Promoting Friends of Suai in staff giving.
  - 4.26.4 Promoting opportunists for staff to use their two days volunteer leave for FOS activities, including fundraising events

#### **OTHER MATTERS**

- 4.27 There are some other matters that will need to be considered with the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC). These are:
- 4.27.1 Options to replace the community strengthening functioning as this will not be supported over time
  - 4.27.2 Possible governance structure for the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC), including seeking Deductible Gift Recipient (DGR) Status
  - 4.27.3 Succession Planning for the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC)

#### **5. CONSULTATION AND STAKEHOLDERS**

- 5.1 Officers met with representatives of the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) to discuss their capacity and capability to increase fundraising.

#### **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 None. There will be legal implication for the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) should they determine to change their governance structure.

#### **7. FINANCIAL IMPACT**

- 7.1 The proposal would provide savings to Council of \$35,000 in 2022-23, \$45,000 in 2023-24, \$82,000 in 2024-25 and \$104,000 annually to Council from 2025-26.

#### **8. ENVIRONMENTAL IMPACT**

- 8.1 None

#### **9. COMMUNITY IMPACT**

- 9.1 Friends of Suai has contributed to community strengthening and engagement in Port Phillip as outlined below. The proposed timeframe for reducing funding to the project should allow this to strengthen and continue
- 9.2 The Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) continues to operate as an advisory committee to Council. In 2019/20 FoSC members contributed more than 1,000 hours of their time to the friendship.
- 9.3 Many local residents have embraced the friendship, giving money, time, expertise and hospitality. The long-term duration and commitment to the friendship has forged mutually beneficial ways of working and deep, trusting relationships.



- 9.4 Many exchange visits have also occurred, with residents travelling to Suai as volunteers or hosting guests from Timor-Leste in their homes, sometimes for extended periods of time.
- 9.5 FoSC involve the local community in activities, raise funds for programs in Covalima and lift community awareness of the Friendship. It engages residents, service clubs, churches and educational institutions in Port Phillip to connect with and support friends in Timor-Leste. Each year fundraising events are held, and donations received, which fund a range of community development initiatives in Covalima district.

**10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

- 10.1 This is aligned with Strategic Direction One; Inclusive Port Phillip

**11. IMPLEMENTATION STRATEGY**

**11.1 TIMELINE**

- 11.1.1 If adopted, officers will meet with representatives of Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC) to discuss implementation
- 11.1.2 If adopted, the Friends of Suai Coordinator (FOSC) work plan will be change to help implement the decision of Council

**11.2 COMMUNICATION**

- 11.2.1 This decision will be formally communicated to the Friends of Suai/Covalima (FoSC) Community Reference Committee (CRC)
- 11.2.2 The minutes of the Council meeting will be available on Council's website.

**12. OFFICER DIRECT OR INDIRECT INTEREST**

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter. The person employed as the Friends of Suai Coordinator (FOSC) provided background information on the project but was not involved in the preparation of the report.

**ATTACHMENTS**

**1. Friendship Groups**