

**BUTTER FACTORY ARTS CENTRE MANAGEMENT – FURTHER REPORT**

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<b>Index</b>	<b>ECM/ Subject/ 72.04 Butter Factory Arts Centre</b>
<b>Attachments</b>	<b>1. 2014/15 Breakdown of BFAC operational costs 2. 2013/14 Breakdown of BFAC operational costs (6 months)</b>

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**EXECUTIVE SUMMARY**

Not applicable.

**RECOMMENDATION**

That Council note the report by the Special Projects Officer to the Infrastructure and Services Committee Meeting dated 15 September 2015 and the Further Report to the General Committee Meeting dated 21 September 2015 and:

- A. Adopt Option A (as set out in the Report to the Infrastructure and Services Committee Meeting dated 15 September 2015) and authorise the CEO to enter into an agreement with the Cooroy Lower Mill Board to operate the Butter Factory Arts Centre on a 12 month trial basis, commencing 1 January 2016; and
  - B. Provide a 12 month operating subsidy of \$120,279 to the Cooroy Lower Mill Board on the basis that the Board provide six monthly acquittals.
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**REPORT**

A report on the Butter Factory Arts Centre Management was presented to the Infrastructure and Services Committee on the 15 September 2015. At this meeting, Councillors requested a further report be presented to the General Committee on 21 September 2015 with additional information detailing a breakdown of operational costs for the Butter Factory Arts Centre (BFAC) since 1 January 2014, an estimate of costs for the business planning process since the previous Council decision in March 2015 and any details of the building condition.

**Previous Council Consideration****Ordinary Meeting 12 March 2015***REVIEW OF THE OPERATIONS OF THE COOROY BUTTER FACTORY.*

*That Council note the report by the Director of Community Services to the Infrastructure & Services Committee Meeting dated 3 March 2015 and agree to:*

- A. Adopt Option 3 as its preferred option;*
- B. Staff consulting with the Cooroy Lower Mill Board to develop a Business plan and budget to present to Council in a future report; and*
- C. Continue to maintain the Butter Factory and Pottery Shed buildings.*

**Finance & Risk**

- 1. Breakdown of operational costs for the BFAC since January 2014**

A breakdown of operational costs for the BFAC since 1 January 2014 can be found in Attachments 1 and 2. The breakdown has been provided based on financial years, however the 2013/14 financial year only represents the six months of operation since 1 January 2014.

The following table summarises the operating costs (actuals) for each financial year:

	2014/15 FY	2013/14 FY (6 months)
<b>Revenue</b>	<b>-\$8,973</b>	<b>-\$5,163</b>
<b>Expenditure</b>	<b>\$117,550</b>	<b>\$95,364</b>
<i>Employee Benefits</i>	<i>\$50,684</i>	<i>\$62,977</i>
<i>Materials &amp; Services</i>	<i>\$65,146</i>	<i>\$31,583</i>
<i>Other Expenses</i>	<i>\$1,719</i>	<i>\$804</i>
<b>Net Operating Cost to Council</b>	<b>\$108,576</b>	<b>\$90,201</b>
Depreciation & Amortization	\$19,082	\$9,412
Corporate Overheads*	\$75,800	\$37,900
<b>Total Cost to Council</b>	<b>\$203,458</b>	<b>\$137,513</b>

\* Limited information on corporate overheads for 2014/15 and 2013/14 financial years. Corporate overheads from 2015/16 financial year budget have been used for more accurate comparison as suggested and calculated by the finance team.

Note that employee benefits represent staff costed directly to the BFAC. For example, the full time staff member ceased at the end of the 2013/14 financial year and was replaced by staff from other areas such as the Community Development team. In this case employee costs for Community Development staff have not been directly allocated to the BFAC.

As highlighted in the report to the Infrastructure and Services Committee on the 15 September 2015, limited programming has been undertaken at the BFAC for some time, particularly since 1 July 2014.

## 2. Estimate of costs since Council decision in March 2015

Estimated costs for staff time and all consultant fees since the Council decision at the Ordinary Meeting on 12 March 2015 are shown in the following table:

	Estimated cost
Staff time/ wages (Estimate)	\$5,975
Consultant fees (Actual)	\$1,688
<b>Total</b>	<b>\$7,663</b>

These costs cover a period of approximately five months. The original estimate to undertake the business planning project was \$8,000 over a period of approximately three months.

## 3. Building Condition

A full condition assessment was undertaken on 12 August 2015 by Council's Building Inspector (Paul Riley - who is currently on annual leave). The only significant issue identified was a roof leak and quotes are currently being sourced to fix that leak (replacement of box gutter etc).

There were no other significant maintenance issues identified in the condition assessment and no significant maintenance costs have been identified in the next 5 years.

**Consultation**

**External Consultation - Community & Stakeholder**

Nil.

**Internal Consultation**

Management Accountant  
 Manager, Libraries and Galleries

Departments/Sections Consulted:

- Community Services**  
 Disaster Management & Public Order  
 Waste & Environmental Health  
 Community Facilities
- Cultural Facilities

- Planning & Infrastructure**  
 Building & Plumbing Services  
 DA Planning  
 Strategic Land Use Planning  
 Asset Design & Investigations  
 Asset Planning  
 Civil Operations  
 Environment

- Executive Office**  
 Community Engagement  
 Customer Service  
 Executive Support  
 Governance  
 Human Resources

- Corporate Services**  
 Finance  
 ICT  
 Procurement & Fleet  
 Property & Facilities  
 Revenue Services

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