

SPECIAL COUNCIL AGENDA

MONDAY, 7 NOVEMBER 2016



GLENORCHY CITY COUNCIL

* *The General Manager certifies that the reports contained in this Agenda have been written by qualified persons under Section 65 of the Local Government Act 1993.*

Hour: 12 noon

Present:

In attendance:

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1. APOLOGIES

2. PECUNIARY INTEREST NOTIFICATION

GOVERNANCE

3. ANNUAL REPORT 2015-16

Author: Senior Internal Compliance Advisor (Bryn Hannan)

Qualified Person: Director, Corporate Governance and General Counsel (Seva Iskandarli)

ECM File Reference: Annual Report

Community Plan Reference:

Under the City of Glenorchy Community Plan 2015 – 2040, the Community has prioritised ‘transparent and accountable government’.

Strategic or Annual Plan Reference:

Objective 4.1: Govern in the best interests of the community

Strategy 4.1.1: Manage Council for maximum efficiency, accountability and transparency.

Reporting Brief:

To present the *Glenorchy City Council Annual Report 2015-16* (including Council’s financial statements for the financial year) for adoption by Council.

Proposal in Detail:

The *Glenorchy City Council Annual Report 2015-16* (‘Annual Report’) has been drafted for consideration by Council ([Attachment 1](#)).

The Annual Report has been prepared in accordance with section 72 of the *Local Government Act 1993* (‘the Act’). Section 72 requires that Council must prepare an annual report and sets out the information that the annual report must include (sections 72(1)(a) to (e)). A copy of section 72 of the Act in its entirety is [Attachment 2](#).

The Annual Report has also been prepared in consultation with the Executive Leadership Team, Council Directorates and Aldermen.

This year’s version of Council’s Annual Report sees significant changes to key sections of the document, as well as to the way the report is structured. The Annual Report is now broken up into four parts as follows:

- [Part 1 – About Council](#): Contains the Mayor’s and General Manager’s messages, Aldermen Profiles and an Organisational Structure (which has not previously been included)
- [Part 2 – Council’s Performance](#): Addresses key requirements of the Act which require Council to provide a summary of Council’s annual plan (s. 72(1)(a) and statement of its activities and performance (s. 72(1)(b)).

This section of the report now lists each of Council's actions targeted for 2015-16 and the status of each, as well as providing a summary of the key outcomes achieved for each of Council's strategies.

- Part 3 – Legislative Requirements: Sets out various information required under the Act and associated legislation which is not already included elsewhere in the report.
- Part 4 – Financial Report: Contains Council's financial statements for the 2015-16 financial year in the form of the *2016 General Purpose Financial Report* ('financial report'). The financial report is discussed below.

The revised layout provides for much greater ease of reference by readers by grouping similar information together and providing a more methodical structure. It also provides a substantial amount of additional information about Council's activities compared to previous years by listing Council's actions and their status.

Aesthetically, the report contains a number of photos showcasing the natural, architectural and community features of Glenorchy, all of which were taken and generously provided to Council by a member of Council's staff.

Financial Report

The financial report is included in the Annual Report in accordance with section 72(1)(c) of the Act, which requires that Council provides its '*financial statements for the preceding financial year*'.

The financial report has been certified by the General Manager as required under section 84 of the Act. Its inclusion also addresses the requirement in section 84(4) of the Act that Council's financial statements be tabled at a meeting of the Council.

Prior to its certification by the General Manager, the financial report was thoroughly reviewed and formally endorsed by Council's Audit Panel at its special meeting on 31 August 2016. It was also reviewed by the Tasmanian Audit Office (TAO). A copy of the TAO's Independent Audit Opinion dated 6 September 2016 is included in the Annual Report as required under section 72(1)(d) of the Act.

Outcomes of Council Meeting on 24 October 2016 and amendments to Annual Report

The Annual Report was initially presented to Council at its meeting on 24 October 2016 as item 16 in the open part of the meeting.

Following debate, Council voted to defeat it by a vote of 6-4.

As a result, and given that Council has a statutory obligation under the Act (s. 72) to adopt the Annual Report prior to its Annual General Meeting (which must be held by 15 December 2016), Council agreed that it would convene a Special Meeting of Council on 7 November 2016 to re-consider the Annual Report.

Mayor Johnston subsequently exercised her power under section 4(1)(b) of the *Local Government (Meeting Procedures) Regulations 2015* ('Meeting Procedures') to call the Special Meeting of Council at which this report is being considered.

At the 24 October 2015 meeting, it was also agreed that any Aldermen wishing to make submissions about the draft Annual Report would submit these to the General Manager by email by 28 October 2016. One submission was received Mayor Johnston. In response to that submission, amendments have been made to correct minor errors in the list of Aldermanic Representations. The draft Annual Report is otherwise in the same form as was presented at the Council meeting on 24 October 2016.

Regulatory Requirements

In order for Council to adopt the recommendations in this report, Council will need to overturn the decision made at its meeting on 24 October 2016 in respect of Item 16. Council's current decision is:

That Council:

- (a) *ADOPT the Glenorchy City Council Annual Report 2015-16 without the current Mayor's message.*
- (b) *RECEIVE the 2016 General Purpose Financial Report (included in the Annual Report) in accordance with section 84(4) of the Act, and*
- (c) *AUTHORISE the General Manager to do all things necessary to comply with the public notification and other requirements in section 72(2) of the Local Government Act 1993.*

FOR: Aldermen Pearce, Branch-Allen, Nielsen and Lucas.

AGAINST: Aldermen Dunsby, Slade, Quick, Johnston, King and Stevenson.

The motion was LOST.

Regulation 18 of the Meeting Procedures Regulations sets out the procedure for Council to overturn a previous decision. Regulations 18(1) and (2) relevantly provide:

- "(1) *For the purposes of this regulation, a decision may be overturned, wholly or partly, by –*
 - (a) *a motion directly rescinding or otherwise overturning the decision or part of the decision; or*
 - (b) *a motion that conflicts with, or is contrary to, the decision or part of the decision.*
- (2) *A council or council committee may only overturn a decision passed at a previous meeting held since the last ordinary election –*
 - (a) ***by an absolute majority, in the case of a council....***" (emphasis added)

Pursuant to regulation 18(3), Council is advised that the recommendations made in this report, if adopted by Council, would overturn Council's decision at its meeting on 24 October 2016 to defeat the above motion.

The decision of Council that is being overturned did not direct that any action be taken, and accordingly no action has been carried out.

Next Steps

Council is required to adopt the Annual Report, advertise its availability to the public, make copies available for inspection and invite submissions to be discussed at Council's Annual General Meeting.

The specific steps that Council is required to take are set out in section 72(1) of the Act which is set out in the 'Community Consultation and Public Relations Implications' section of this report, below, along with the actions that Council proposes to take to address them.

Consultations:

Executive Leadership Team

Human Resource / Financial and Risk Management Implications:

Risk Identification	Consequence	Probability	Rating	Risk Mitigation Treatment
If Council does not adopt the Annual Report at the current meeting, there will be insufficient time to comply with public consultation and other requirements under section 72(2) of the Act before Council's Annual General Meeting. This would represent a failure to comply with an express statutory requirement.	Moderate	Almost Certain	High	Council adopts the <i>Glenorchy City Council Annual Report 2015-16</i> as attached.

Community Consultation and Public Relations Implications:

Section 72(2) of the Act requires that Council:

- (a) *submit one copy of the report to the Director [of local government] and one copy of the report to the Director of Public Health; and*
- (b) *make available copies of the report for public inspection; and*
- (c) *make available copies of the report free of charge or on payment of a prescribed fee; and*
- (d) *advertise in a daily newspaper circulating in the municipal area the availability of the report, together with an invitation to electors to lodge submissions on the report with the council for discussion at its annual general meeting.*

In accordance with the statutory requirements, it is proposed to:

- publish an advertisement in The Mercury notifying the public of the annual report and inviting public submissions for a period of two weeks
- make the Annual Report available on Council's website and at Council's Customer Service Centre, free of charge, and
- submit electronic copies of the Annual Report to the two State directors.

Recommendation:

That Council:

- (a) ADOPT the *Glenorchy City Council Annual Report 2015-16* in the form of Attachment 1
- (b) RECEIVE the *2016 General Purpose Financial Report* (included in the Annual Report) in accordance with section 84(4) of the *Local Government Act 1993*, and
- (c) AUTHORISE the General Manager to do all things necessary to comply with the public notification and other requirements in section 72(2) of the *Local Government Act 1993*.

Attachments/Annexures

- 1 Attachment 1 - GCC Annual Report 2015-16
- 2 Attachment 2 - Section 72 - Local Government Act 1993