

**GLENORCHY CITY COUNCIL
ATTACHMENTS
MONDAY, 24 JUNE 2019**



TABLE OF CONTENTS:

COMMUNITY

9. Glenorchy Access Advisory Committee

- 1: Terms of Reference - Glenorchy Access Advisory Committee..... 3

ENVIRONMENT

**10. INSTALLATION OF TELECOMMUNICATIONS EQUIPMENT AT
KGV SPORTS GROUND, 1B ANFIELD ST, GLENORCHY**

- 1: Telecommunications Infrastructure on Council Property Policy 9

GOVERNANCE

**11. Asset Management Strategy for Infrastructure Assets 2019-
2023**

- 1: Draft Asset Management Strategy for Infrastructure Assets 2019-2023..... 12
- 2: Asset Management Policy 55

12. Financial Management Strategy	
1: Financial Management Strategy 2019-2028	59
13. Financial Performance Report to 31 May 2019	
1: Attachment 1 - Financial Performance Report to 31 May 2019.....	78
14. Procurement and Contracts - Monthly Report	
1: Procurement Exemption Register 19 June 2019	84
15. Ministerial Directions - Monthly Report	
1: Ministerial Directions Monthly Progress Report June 2019	86



GLENORCHY ACCESS ADVISORY COMMITTEE

Committee Terms of Reference

Name of Committee	Glenorchy City Council Access Advisory Committee
Type of Committee	Special Committee
Date of Formation	September 1997
Resolution Details	
Strategic Reference	Leading Our Community Objective 4.3 Build strong relationships to deliver our communities goals. Strategy 4.3.1 Foster productive relationships with other levels of government, other councils and peak bodies to achieve community outcomes.
Responsible Officer	Manager Community

1. Purpose of Committee

1.1. Background

In 1988 Council formed a Community Access Advisory Committee. For some years the committee met on an as needed basis. Regular monthly meetings commenced in 1995 and the committee became a special committee of Council in 1997.

In 2007 the first Glenorchy City Council, Access Action plan was developed. The plan assisted Council to move toward eliminating discrimination in a considered way. It enabled resources to be used in the most important areas first and ensured matters were prioritised for the future.

The Access Action Plan (2016-2021) was further developed to improve opportunities for people with disability to participate as equal members of the community. The plan is supported by Council's Community Plan (2015-2040) to create a city where people with disability will be able to easily access all public areas and have public facilities to support them.

1.2. Purpose

The role of the Glenorchy City Council Access Committee is to make Glenorchy a more accessible and inclusive community.

1.3. Scope*For Council*

- Provide advice to Glenorchy City Council on access issues, policies and procedures
- Raise access concerns related to Council's roles and functions
- Be a point of consultation on the impact of Council activities and projects on people with disability
- Provide input and feedback on the implementation of Council's Access Action Plan
- Develop a 12-month action plan
- Promote to Council the right of people with a disability to be treated in a manner that enhances dignity, independence and equality of service
- Assist in the provision of Disability Awareness Training to Council Officers and other identified groups
- Assist in the organisation of events celebrating the achievements of people with disability

For the Community

- Advocate for improved accessibility in the city of Glenorchy
- Increase the understanding of the needs of people with a disability
- Provide opportunities for the community to have their voices heard through the committee

1.4. Extent of Delegated Authority

None

2. Membership

2.1. Composition

The Glenorchy City Council Access Committee will be made up of two categories of membership - individual and organisational membership.

- 2 Aldermen
- Up to 8 persons with disability*
- 1 person who is either a parent or carer to a person with a disability
- Up to 5 organisations that work in a specific area of disability (1 representative each)*

2 Officers to be appointed by the General Manager – Officer positions are ex officio

*Organisational membership will be provided to up to 5 organisations that work in a specific area of disability. Each organisation will be allowed one representative on the Committee.

*Membership will represent a broad range of disabilities and gender balance in both membership categories.

2.2. Office Bearers

- **Chairperson** – the Aldermen have the right of first refusal to the position of Chairperson. Should they refuse, the Chairperson shall be elected by the committee
- **Secretary** – one of the two Council officers appointed by the General Manager

2.3 Current Members

- Alderman Melissa Carlton
- Alderman Jan Dunsby

Remaining members to be appointed at time of adoption of Terms of Reference

2.4 Term of Appointment

- Alderman – term of Council appointment
- Chairperson – term of Council appointment
- Organisational representatives and community members – two years
- Staff – as appointed by General Manager

At the end of a term of appointment the position will be declared vacant and the position will be publicly advertised.

Committee members shall be eligible for re-appointment for a further term or terms.
A committee member may resign their position at any time.

If a committee member resigns the Alderman, Chairperson and the Access Officer will appoint a replacement.

If committee member misses two consecutive meetings without apology their membership will be withdrawn, and the position will be deemed vacant.

2.5 Selection and Appointment of Non-Aldermanic Members

- Officers will be appointed by the General Manager
- Community members will be appointed by Aldermen and the nominated Officer following advertisement for nominations in the local newspaper on Council's website and via relevant networks.
- Formal nominations are to be made with the option to apply in writing, via an interview, video presentation or other communication method suitable to the individual. The committee will not be involved in the evaluation or selection process of committee members.
- Successful applicants will be asked to provide a copy of a current Police Check or Working with Vulnerable People Registration prior to appointment.

3.0 Meetings

3.1 Frequency

The committee will meet at least five times a year.

Where the need to call a special meeting of the Glenorchy City Council Access Committee arises between regular meetings, Council's Access Officer, in consultation with the chairperson, will call the meeting.

3.2 Quorum

A quorum consists of 50% of committee members, one of whom must be an Alderman. However, the chairperson may use their discretion to determine if any item on the agenda should be deferred to a future meeting due to insufficient attendance.

3.3 Meeting Procedures

- Where decisions are required by the committee, the Chairperson will seek to bring committee members to a consensus decision. Where a consensus cannot be reached, the issue will be put to the vote.
- Committee members are entitled to vote at a committee meeting and must be present to vote on an issue. Meeting observers will not have voting rights.
- A majority vote will determine in favour of the matter and will be considered the opinion of the committee. A tied vote will result in the proposed decision being defeated.
- A committee member present may request that their dissent be recorded within the Minutes.
- Aldermen appointed to the committee will be advising council on the views of the committee only when there is consensus or a majority vote.

3.4 Minutes

Minutes of the meeting shall be taken by the Access Officer and distributed to committee members no more than ten days following the meeting.

4.0 Reporting Requirements

4.1 Frequency of Reports

To council

The Aldermen will provide reports to council as required. The committee will prepare an annual report for council in accordance with Council's adopted Committees Guide and Procedure.

To community

The committee is to report to the community through Council's interagency networks, the Glenorchy Gazette (or other local newspaper) and other available media platforms on an as-needs basis.

Review of Terms of Reference

The terms of reference shall be reviewed every two years

5.0 Version History

Version	Date	Adoption	Amendments Made
1.0	3 November 2016	Council Meeting (Item 15)	First version using new template.
2.0	5 January 2017	Committee resolution	Change to reporting requirements
3.0	23 December 2018	Council resolution	Updated membership following appointment of Aldermen following Council election.
4.0	4 April 2019	Council Meeting (Item 12)	Updated Terms of Reference in line with Committees Policy.



Telecommunications Infrastructure on Council Property

Title	Telecommunications Infrastructure on Council Property
Council Resolution	Item 11 (20 March 2017) as per Council Minutes
Responsible Directorate	Corporate Governance
Due for Review	Four (4) years from Council Resolution Date
Strategic Plan Reference	<u>Leading our Community</u> 4.1 <i>Govern in an open and responsible manner in the best interests of the community.</i> 4.2 <i>Manage our resources to achieve community outcomes</i>
ECM	Council Policy

PURPOSE

This Policy provides guidance as to when Council will provide its consent, as owner, to the installation of telecommunications infrastructure on Council Property.

It aims to find a balance between the preservation of residential amenity, obtaining commercial returns on Council owned land and ensuring an effective and reliable telecommunication network to service the City of Glenorchy.

SCOPE

This policy applies to:

- a) Council Property, and
- b) any request from a person or entity for Council's permission to install telecommunications infrastructure on Council Property.

Nothing in this policy alters or removes any obligation on a person to obtain all necessary planning approvals and comply with any and all relevant laws, including any other relevant Council policies.

STATUTORY REQUIREMENTS

Under section 52 of the *Land Use Planning and Approvals Act 1993 (LUPAA)*, if an applicant for a planning permit is not the owner of the land in respect of which the permit is sought, and the land is owned or administered by Council, the consent of Council (through the General Manager) is required in order to make the application.

Under section 178 of the *Local Government Act 1993*, a resolution by an absolute majority of Council is required if Council intends to sell, lease, donate, exchange or otherwise dispose of public land.

Acts	<i>Land Use Planning and Approvals Act 1993</i> <i>Local Government Act 1993</i>
Regulations	<i>Telecommunications (Low-impact Facilities) Determination 1997</i>
Other	Planning Scheme

DEFINITIONS

Council Property	For the purpose of this Policy, 'Council Property' means any land in respect of which Council is the 'owner' for the purposes of section 3 of LUPAA
Planning Scheme	The <i>Glenorchy Interim Planning Scheme 2015</i> (or the instrument that replaces it)



The following terms used in this Policy adopt the same definitions used in the Planning Scheme:

areas of environmental significance	Means as defined in the <i>Telecommunications (Low-impact Facilities) Determination 1997</i> .
line	Means a wire, cable, optical fibre, tube, conduit, waveguide or other physical medium used, or for use, as a continuous artificial guide for, or in connection with, carrying communications by means of guided electromagnetic energy.
telecommunications infrastructure	Means any part of the infrastructure of a telecommunications network and includes any line, equipment, apparatus, tower, antenna, tunnel, duct, hole, pit or other structure used, or for use, in or in connection with a telecommunications network.
telecommunications network	Means a system, or series of systems, that carries or is capable of carrying communications by means of guided and/or unguided electromagnetic energy.
tower	Means a tower, pole, mast or similar structure used to supply a carriage service by means of telecommunication.

POLICY STATEMENT

1. All applications by a person or entity are for Council's permission to install telecommunications infrastructure on Council Property are to be presented to Council (in the form of an officer's report) for consideration and in-principle approval*.
2. In considering whether to give its in-principle approval to an application, Council will have regard to the following criteria:
 - a) whether the proposed telecommunications infrastructure represents the highest and best use of the relevant Council Property, based on commercial, social and environmental considerations
 - b) whether the telecommunications infrastructure will assist in the provision of comprehensive and reliable telecommunication coverage throughout Glenorchy, and will provide services to both business and residential users
 - c) whether the proposed telecommunication infrastructure is designed and positioned such that it will not result in harm to human health or safety, adverse environmental impacts or a loss of amenity
 - d) the extent and effectiveness of public consultation which has been or will be undertaken
 - e) commercial considerations, including whether the proposed development will provide an adequate financial return to Council, and
 - f) whether there is any other reason to approve or refuse the application, having regard to commercial, social and environmental considerations.
3. All applications to lease Council land for telecommunications facilities will be subject to the entry into an appropriate commercial lease arrangement, which must include payment of an appropriate market based rental to Council, and otherwise be on terms satisfactory to Council.

* Note that if, as part of approving in-principle, the request to install telecommunications infrastructure, Council is required to decide whether to dispose of Council Property (for example, by entering into , Council's resolution by absolute majority is required under section 178 of the *Local Government Act 1993*).

**BACKGROUND**

As the governing body for the City of Glenorchy, Council's functions are to:

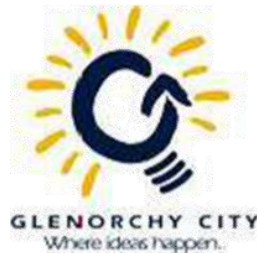
- (a) provide for the health, safety and welfare of the community
- (b) represent and promote the interests of the community, and
- (c) provide for the peace, order and good government of the municipal area.

As the owner of Council Property, Council is able to decide how Council Property will be used, and in doing so must have regard to Council's statutory functions and obligations.

In determining whether to permit the installation of telecommunications infrastructure on Council Property, Council must find a balance between the preservation of residential amenity, obtaining commercial returns on Council owned land and ensuring an effective and reliable telecommunication network to service the City of Glenorchy.

This policy is intended to assist Council in making decisions relating to telecommunications infrastructure on Council Property.

Glenorchy City Council



ASSET MANAGEMENT STRATEGY 2019-2023

for

Infrastructure Assets



Version 2.1

May 2019

Glenorchy City Council Asset Management Strategy

Asset Management Strategy 2019-2023

Glenorchy City Council

Document Control

Document Control

NAMS.PLUS Asset Management

www.ipwea.org/namsplus



IPWEA

INSTITUTE OF PUBLIC WORKS
ENGINEERING AUSTRALASIA



Document ID: 140527 nams.plus3 core am strategy template v1.1

Rev No	Date	Revision Details	Author	Reviewer	Approver
1.0	March 2014	Initial Asset Management Strategy 2014 – 2018 aligned with Ministerial Orders issued 10 th Feb 2014	Assetic	-	GCC
1.1	April 2014	Minor typographical errors corrected	Assetic	-	GCC
1.2	June 2014	Revised for updated status of Derwent Entertainment Centre and corrected renewal budgets.	Assetic	-	GCC
1.3	June 2014	Explanations of various figures expanded	Assetic	-	GCC
2.0	Jan 2019	Revision - first draft Asset Management Strategy 2019-2023	NH, FC	TR	TR
2.1	May 2019	Final draft Asset Management Strategy 2019-2023 to Council	NH, FC	TR	ELT
		Asset Management Strategy 2019-2023 endorsed by Council			

Source of the cover photo: Daryl Jones

NAMS.PLUS Asset Management
 The Institute of Public Works Engineering Australasia.
www.ipwea.org/namsplus
 © Copyright 2012 – All rights reserved.

Glenorchy City Council Asset Management Strategy

Asset Management Strategy 2019-2023

Glenorchy City Council

Table of Contents

Table of Contents	iii
Tables	iv
Figures	iv
Abbreviations	v
Executive Summary	1
1. Introduction	8
1.1 Legislative Reform	9
1.2 Asset Management Process	10
2. What Assets Do We Have?	11
3. Organisation's Assets and Their Management	12
3.1 State of the Assets	12
3.2 Life Cycle Cost and Asset Sustainability Ratio	16
3.3 Asset Management Governance Structure	19
3.4 Financial & Asset Management Core Competencies	20
4. Level of Service	23
4.1 Council Service Satisfaction Survey	23
4.2 Level of Service	24
5. Future Demand and Management	26
6. Where Do We Want to Be?	27
6.1 Council's Vision, Mission, Goals and Objectives	27
6.2 Asset Management Policy	27
6.3 Asset Management Vision	28
7. How Will We Get There?	29
7.1 Asset Management Strategy Guiding Principles	29
7.2 Strategy	30
7.3 Improvement Plan	31
7.4 Four-year Capital Work Programs	36

Asset Management Strategy 2019-2023

Glenorchy City Council

Tables

Table 2. 1: Assets used for providing services	11
Table 3. 1: Financial Status of Assets	12
Table 3. 2: Life Cycle Cost of Council Services	16
Table 3. 3: Life Cycle Expenditure for Council Services.....	17
Table 3. 4: Life Cycle Indicators.....	18
Table 3. 5: Asset Management Governance Role	19
Table 4. 1: Summary of Available State-Wide and GCC Satisfaction Results for Council Services	24
Table 5. 1: Demand Drivers, Projections and Impact on Service	26
Table 6. 1: Goals and Objectives relating to Infrastructure Assets.....	27
Table 7. 1: Asset Management Strategies	30
Table 7. 2: Asset Management Improvement Plan	31
Table 7. 3: Four-year Detailed Capital Work Programs	36

Figures

Figure 1. 1: Asset Management Planning Process	10
Figure 3. 1: Asset Replacement Values	12
Figure 3. 2: Asset Consumption Ratio	13
Figure 3. 3: Asset Condition Profile (Overall Condition)	14
Figure 3. 4: Asset Condition Profile (Transport Asset Class)	14
Figure 3. 5: Asset Condition Profile (Drainage Asset Class)	15
Figure 3. 6: Asset Condition Profile (Building Asset Class)	15
Figure 3. 7: Asset Condition Profile (Other Infrastructure Asset Class)	16
Figure 3. 8: Core Asset Management Maturity.....	21
Figure 3. 9: Asset Management Maturity Curve.....	22

Asset Management Strategy 2019-2023

Glenorchy City Council

Abbreviations

ACR	Asset Consumption Ratio
AMM	Asset Management Maturity
ASR	Asset Sustainability Ratio
GCC	Glenorchy City Council
IIMM	International Infrastructure Management Manual
IMG	Infrastructure Management Group
LCI	Life Cycle Indicator
LGAT	Local Government Association Tasmania
LGPMC	Local Government and Planning Ministers' Council
LoS	Level of Service
ODM	Optimised Decision Making
TAO	Tasmanian Audit Office

Asset Management Strategy 2019-2023

Glenorchy City Council

DRAFT

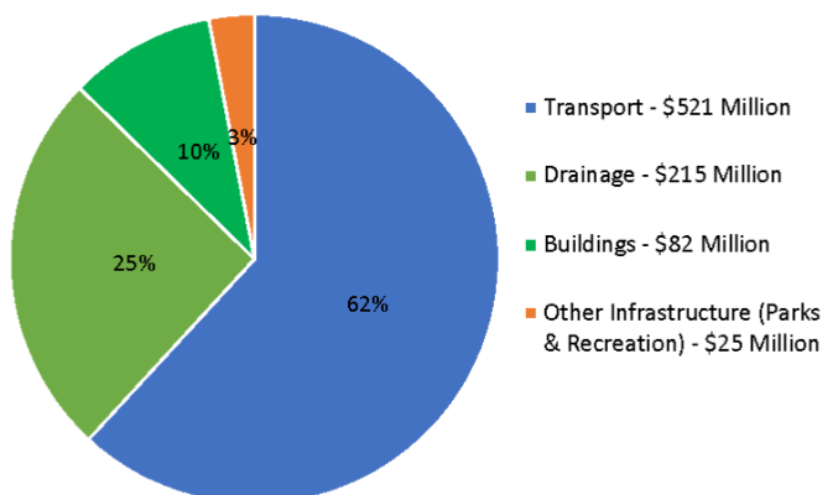
Executive Summary

Background

City of Glenorchy is in the Greater Hobart metropolitan area in Southern Tasmania. Glenorchy municipality grew rapidly after World War II with most of the infrastructure built between the 1960s and 1970s. As of 2017, Glenorchy has a population of 47,214 people distributed over an area of 121 km².

Glenorchy City Council (GCC) is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of infrastructure assets, such as road, footpath, drainage networks, bridges, public buildings, parks and recreation facilities, with an estimated replacement value of approximately **\$843 Million** as of 30 June 2018, to provide essential services to the Glenorchy community.

Asset Replacement Values



Council also have other assets which do not form part of the Infrastructure assets, including land, indoor equipment, furniture, fleet and plant, with a replacement value of **\$223 Million** as of 30 June 2018.

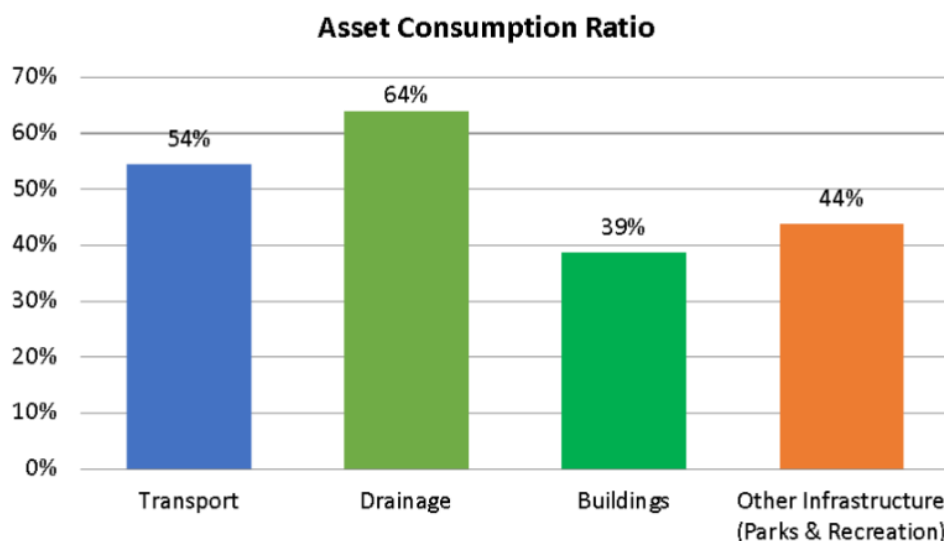
This Asset Management Strategy is mainly focused on infrastructure assets and is not intended for these non-infrastructure assets.

The Asset Consumption Ratios (ACRs) of Council's assets is an indicator of the average proportion of 'as new' condition left in assets. The ACRs for each major asset class shown in the figure below, calculated by using the written down value divided by the current replacement cost, are showing that most of Council's infrastructure assets are half-consumed and moving into the second half of their life

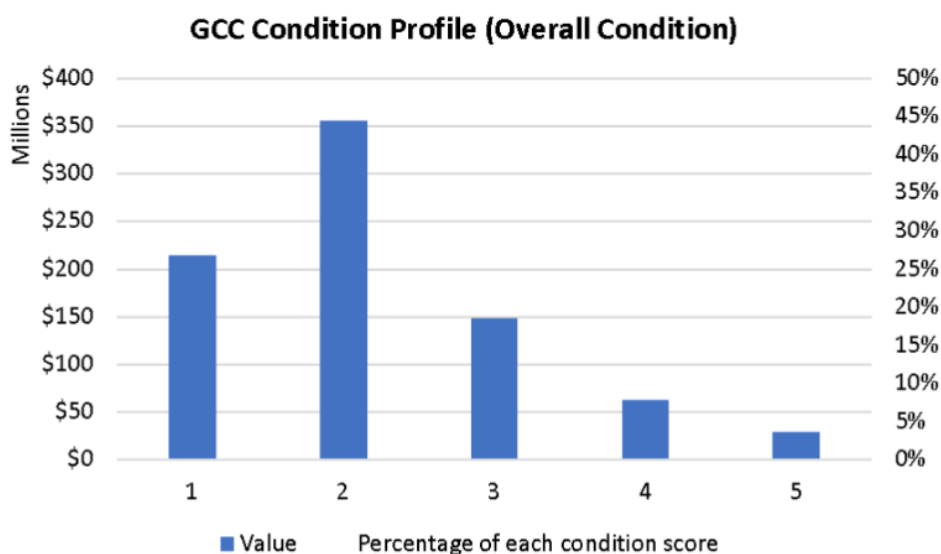
Asset Management Strategy 2019-2023

Glenorchy City Council

cycle (asset consumption ratio < 50%). This means the requirement for asset renewal expenditure will start to grow.



In terms of asset physical condition, Council's infrastructure assets are in an overall good condition. Despite each asset class having a slightly different consumption and condition profile, over 70% of the assets are in 'Very Good' and 'Good' condition (Condition 1 & 2).



The Asset Sustainability Ratio (ASR) is a figure which measures capital expenditure on renewal or replacement of assets, relative to depreciation expense. It indicates whether a local government is replacing or renewing existing infrastructure assets at the same rate that its overall asset stock is wearing out.

Asset Management Strategy 2019-2023

Glenorchy City Council

The average Life Cycle Indicator (LCI) is used to represent the expected life cycle cost and the current life cycle expenditure forecast has been identified. Normally it is the same figure as the ASR when we assume that the maintenance and operational costs remain unchanged for this calculation.

In FY17/18, an ASR or LCI of 75% was calculated, which suggested a 'funding gap' of approximate \$3.6 Million across all asset classes between the capital expenditure on renewal or replacement of assets and the depreciation expense. The table below demonstrates the LCI gap in the major asset classes. Note that the Tasmanian Audit Office (TAO) would normally recommend an 'ASR' of 100% when there is no other benchmark or strategy in place.

Service	Life Cycle Cost (\$000/yr.)	Life Cycle Exp. (\$000/yr.)	Life Cycle Gap* (\$000/yr.)	Life Cycle Indicator
Transport	\$10,295	\$9,263	-\$1,032	0.90
Drainage	\$3,595	\$1,933	-\$1,662	0.54
Buildings	\$2,721	\$2,388	-\$333	0.88
Other Infrastructure (Park and Recreation)	\$2,028	\$1,421	-\$607	0.70
All Services	\$18,639 (Total)	\$15,005 (Total)	-\$3,634 (Total)	0.75 (Average)

* A life cycle gap is reported as a negative value.

Historically, Council was not funding 100% of its annual depreciation due to various justifiable reasons (e.g. asset management practice, financial constraints, etc.). Council's asset management team is still in the view that it is not necessary to fund 100% of the annual depreciation and thereby to accept a so-called "funding gap". It is considered that the asset sustainability ratio overstates the required renewal expenditure when the actual condition and service potential of the Council's assets is properly taken into account, and that there are other indicators (e.g. physical condition) which better reflect and forecast the renewal demand. For instance, the physical condition assessment found our long-life assets such as drainage pipe and pits have a long remaining life and their renewal demands are significantly lower than the annual depreciation using a crude straight-line approach.

Instead of using indicators (e.g. ASR, LCI) derived from financial figures, Council would be better served understanding its assets. It is expected that, for the foreseeable future, Council's renewal expenditure will be determined by the actual renewal demand generated from the physical condition of its assets and their service demand. Therefore, there would be benefit in further exploring methods of calculation of annual depreciation that better reflect the consumption of Council's assets.

Asset Management Maturity (AMM) is the best indicator of the quality of asset management practice within an organisation.

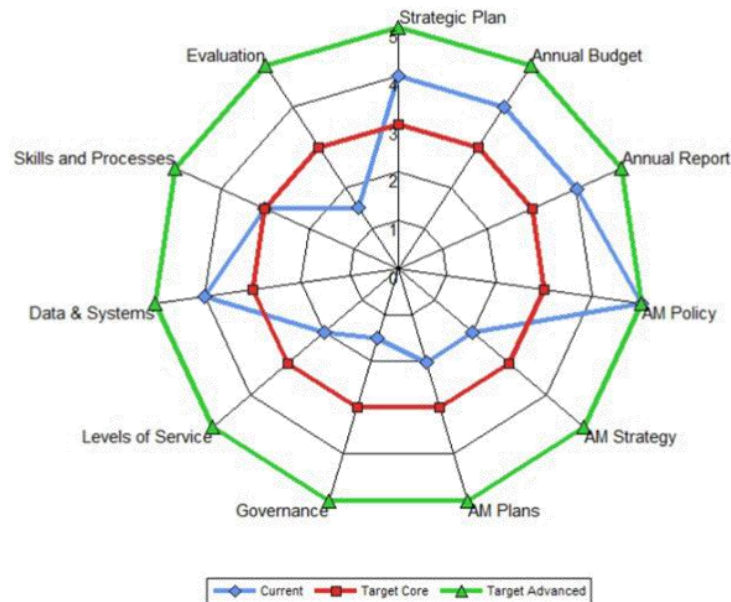
The web chart (below) shows the result of a maturity assessment of Council's Asset Management Practice. It shows that Council's asset management, in several respects, under the core level. The gaps between current asset management practice and the 'core' maturity set by the Local Government Financial and Asset Management Reform Project have been identified. These particularly lie within the areas of 'Evaluation', 'Governance', 'Asset Management Plans' and 'Levels of service'. Understanding these gaps will help Council to determine its strategy to achieve asset management best practice and to prioritise any improvement actions proposed.

Asset Management Strategy 2019-2023

Glenorchy City Council

The Maturity Score Spider Graph shows the Current maturity for each maturity element as assessed by the organisation compared to the 'core' competencies (Level 3) required under the Australian National Assessment Framework (NAF) and the Target maturity competency desired and set by the organisation.

Glenorchy CC - Maturity Assessment ID 588



Purpose of the Asset Management Strategy

In line with Council's Asset Management Policy, this Asset Management Strategy has been prepared to enable Council to:

- demonstrate how its asset portfolio will meet the service delivery needs of its community into the future;
- enable Council's asset management policies to be achieved; and
- ensure the integration of Council's asset management with its Long-Term Strategic Plan.

Adopting this Asset Management Strategy will assist Council in meeting the requirements of Section 70D of the *Local Government Act 1993*, the requirement of *The Local Government (Content of Plans and Strategies) Order 2014*, Clause 9 (2), the national sustainability frameworks, and will provide services needed by the community in a financially sustainable manner.

Council's Strategic Plan sets goals and objectives to be achieved in the planning period. The goals set out where the organisation wants to be. The objectives are the steps needed to get there. Goals and objectives relating to the delivery of services from infrastructure assets are shown in the table below.

Asset Management Strategy 2019-2023

Glenorchy City Council

Goals and Objectives relating to Infrastructure Assets

Community Visions	Strategic Plan Objectives	AM Strategy Objectives
Making Lives Better	1.3 Facilitate and/or deliver services to our communities	Ensure resources and operational capabilities are identified and responsibility for asset management is allocated
Valuing our Environment	3.1 Create a liveable and desirable City	Ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability
Valuing our Environment	3.2 Manage our natural environments now and for the future	
Leading our Community	4.1 Govern in the best interests of our community	- Meet legislative requirements for all Council's operations, - Provide high-level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to council on development and implementation of Asset Management Strategy, Asset Management Plan and Long-Term Financial Management Plan. - Adopt the Long-Term Financial Management Plan as the basis for all service and budget funding decisions

This Asset Management Strategy is prepared following a review of the Council's service delivery practices, financial sustainability indicators, asset management maturity and its fit within Council's vision for the future as outlined in the City of Glenorchy Community Plan 2015-2040 and Glenorchy City Council Strategic Plan 2016-25. The Asset Management Strategy is to be reviewed at least every 4 years.

Guiding Principles for Asset Management Strategy

The following guiding principles were developed to provide clear objectives for Council's asset management, focus of the asset management strategy and establish priorities to guide future practice.

Council will:

- invest in high use areas**
 develop a differentiated approach to service delivery by recognising that greater investment is required in high use areas (e.g. wider footpaths in CBD areas).
- engage with the community**
 continue to understand the needs of the community through engagement e.g. Local Government Association Tasmania (LGAT) community satisfaction survey, customer service requests and project consultation.

- **provide services to an affordable standard**
focus on asset renewals and alternative methods of providing affordable levels of service to meet the needs of the community e.g. relining of stormwater pipes, use of recycled asphalt, increase spending on bituminous resurfacing.
- **cater for future demand**
assess the requirement of new services to cater for future demand of our city. In assessing new service, Council will consider the whole of life cycle costs and the ability to fund. e.g. access external funding to build new destination playgrounds, upgrade of toilets, business case development for the upgrade of sports grounds and facilities and building new footpath that focus on high traffic areas.
- **best practice asset management**
continue to invest in asset management to achieve a 'core level' of maturity e.g. ensure alignment of asset management plans with the Long-Term Management Financial plan, training and investment in our people and benchmark our performance.
- **dispose of surplus assets**
dispose of surplus assets to achieve long term sustainability e.g. repurposing of underutilised land, closure of Derwent Park Reuse Scheme and consolidation of playgrounds.
- **shared facilities and services**
explore the opportunities to work together with other service providers for non-asset methods of providing sustainable service delivery. e.g. delivery of road works on the border with adjoining Councils, working with the Education Department to access sports grounds, developing shared facilities for sport and community users.

Strategies, Improvement Programs and Capital Work Programs

Eleven (11) asset management strategies are proposed below to enable the objectives of Council's Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved. The strategies are derived from NAMS.PLUS – the most widely used asset management template in Australia aligned with the International Infrastructure Management Manual (IIMM) 2015 and International Asset Management Standard ISO 550011.

Asset Management Strategy 2019-2023

Glenorchy City Council

Asset Management Strategies

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning	The long-term implications of Council services are considered in annual budget deliberations.
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
3	Develop a Long-Term Financial Management Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
4	Incorporate Year 1 of Long-Term Financial Management Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.
5	Review and update asset management plans and Long-Term Financial Management Plans after the adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within Council.
11	Report six monthly to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Plans.	Oversight of resource allocation and performance.

Twenty-four (24) improvement actions have also been developed in line with the strategies above for the next four years.

The four-year detailed capital work programs have also been developed to ensure the funding commitment for the next four financial years meets the benchmark defined under the current Level of Service.

1. Introduction

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as road, footpath, drainage networks, bridges, buildings and parks and recreation facilities present challenges. Their condition and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing such assets. The demand for new and improved services adds to the planning and financing complexity.

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a long-term approach to service delivery and funding including:

- A strategic long-term plan covering, as a minimum, the term of office of the councillors and:
 - bringing together asset management and long-term financial plans,
 - demonstrating how Council intends to resource the plan, and
 - consulting with communities on the plan
- Annual budget showing the connection to the strategic objectives, and
- Annual report with:
 - explanation to the community on variations between the budget and actual results,
 - any impact of such variances on the strategic longer-term plan,
 - report of operations with reviews on the performance of the council against strategic objectives.¹

Framework 2 - Asset Planning and Management has seven elements to assist in highlighting key management issues, promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges.

- Asset management policy,
- Strategy and planning,
 - asset management strategy,
 - asset management plan,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,
- Skills and processes, and
- Evaluation.²

¹ LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 4-5.

² LGPMC, 2009, Framework 2 Asset Planning and Management, p 4.

Asset Management Strategy 2019-2023

Glenorchy City Council

The goal of asset management is to ensure that services are provided:

- in the most cost-effective manner,
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets,
- for present and future consumers.

The Asset Management Strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future;
- how Council's asset management policies are to be achieved; and
- the integration of Council's asset management with its long-term strategic plan.³

The objective of the Asset Management Strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for Council to provide services to the community.

1.1 Legislative Reform

This Asset Management Strategy has been prepared in line with Section 70D of the *Tasmanian Local Government Act 1993*. The Asset Management Strategy to be reviewed at least every 4 years and the General Manager is to notify the Director as soon as practicable after the council adopts an Asset Management Strategy (Section 70E)

The Local Government (Content of Plans and Strategies) Order 2014, Clause 9 (2) requires the Asset Management Strategy to include the following matters:

- a) an outline of all existing assets, and the services provided using those assets
- b) an outline of the condition of each existing asset, including financial status and the estimated costs related to the acquisition and use of the asset during its lifecycle
- c) details of the goals and objectives of the council relating to the delivery of services provided using its assets
- d) details of the asset management strategies of the council to be implemented to enable the objectives of the Strategic Plan of the council and the Asset Management Policy of the council to be achieved
- e) a plan for the improvement of asset management, detailing the program of tasks to be completed and the resources required to achieve the relevant minimum core level of asset maturity and competence required in respect of the asset as defined in the local Government Financial Sustainability Nationally Consistent Frameworks.

³ LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

1.2 Asset Management Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial plan with a funding plan.⁴

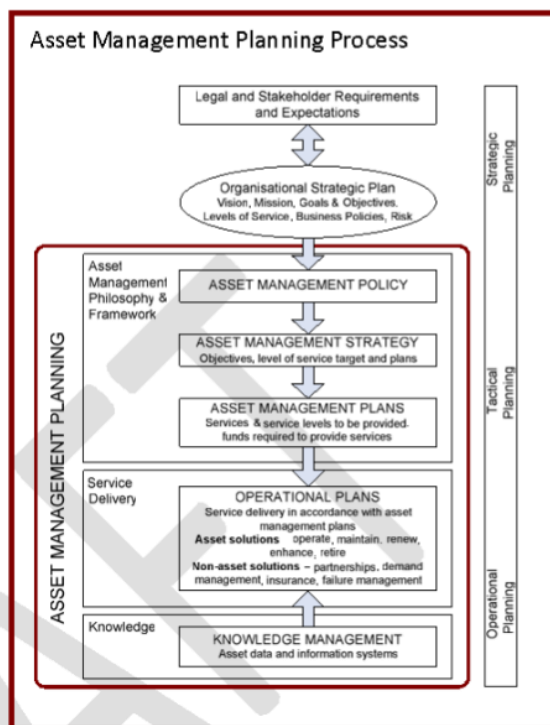


Figure 1. 1: Asset Management Planning Process

⁴ IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

2. What Assets Do We Have?

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided by these assets is shown in Table 2.1.

Table 2. 1: Assets used for providing services

Infrastructure Asset Class	Description	Services Provided
Transport	Public roads, footpaths & bridges	Transportation access into and throughout the community
Drainage	Underground pipe network, culverts & channels, retention basins	Collection of stormwater and discharge into the Derwent River
Buildings	Buildings	Support the delivery of a range of services and infrastructure to the community.
Other Infrastructure (Park and Recreation)	Recreational facilities and parks infrastructure	Provide the recreational, leisure and sporting opportunities for the community

The Infrastructure assets mentioned in the table above, such as road, footpath, drainage networks, bridges, buildings and parks and recreation facilities, have a total replacement value of **\$843 Million** (as of 30, June 2018)

Note that Council also have other assets which do not form part of the Infrastructure assets, including land, indoor equipment, furniture, fleet and plant, with a replacement value of **\$223 Million** as at 30 June 2018.

This Asset Management Strategy is mainly focused on infrastructure assets and is not intended for these non-infrastructure assets.

3. Organisation's Assets and Their Management

3.1 State of the Assets

The financial status of the organisation's assets is shown in Table 3.1.

Table 3. 1: Financial Status of Assets

Asset Class	Replacement Cost (\$000)	Residual Value (\$000)	Depreciable Amount (\$000)	Depreciated Replacement Cost (\$000)	Depreciation Expense (\$000)
Transport	\$521	\$0	\$521	\$277	\$7,561
Stormwater & Drainage	\$215	\$0	\$215	\$142	\$2,275
Buildings	\$82	\$0	\$82	\$33	\$1,361
Other Infrastructure (Park and Recreation)	\$25		\$25	\$11	668
Total	\$843	\$0	\$843	\$463	\$11,865

With an estimated asset replacement cost of \$843 million, the total annual depreciation of these infrastructure assets is around \$12 million per year. The relatively low annual depreciation amount was mainly due to the long life of infrastructure assets. For example, the useful life the stormwater pipe is up to 135 years.

Figure 3.1 shows the replacement value breakdown of Council's assets. It is found that transport assets formed the largest asset portfolio, taking up to 62% of the asset replacement value, with drainage assets following it as the second (25%).

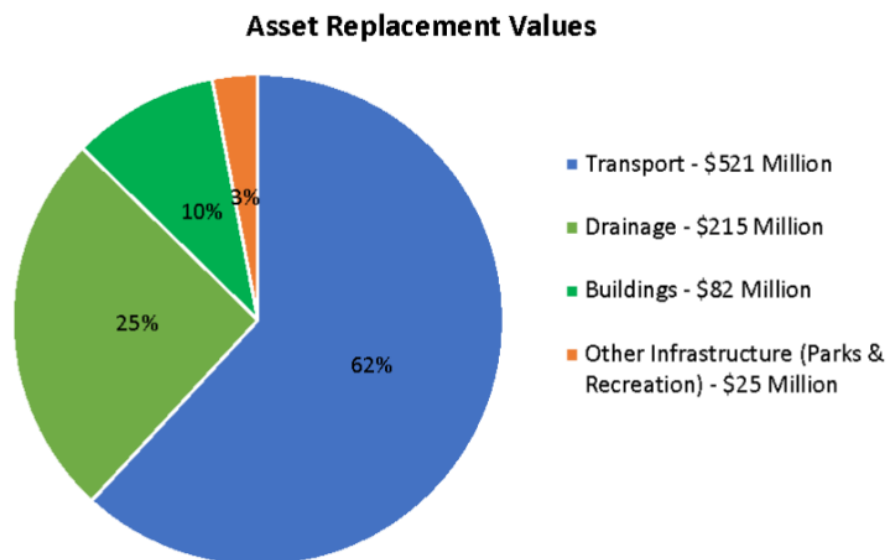


Figure 3. 1: Asset Replacement Values

The Asset Consumption Ratios (ACRs) of Council's assets is an indicator of the average proportion of 'as new' condition left in assets.

The ACRs for each major asset class shown in Figure 3.2, calculated by using the written down value divided by the current replacement cost, are showing that most of Council's infrastructure assets are half-consumed and moving into the second half of their life cycle (asset consumption ratio < 50%). This means the requirement for asset renewal expenditure will start to grow.

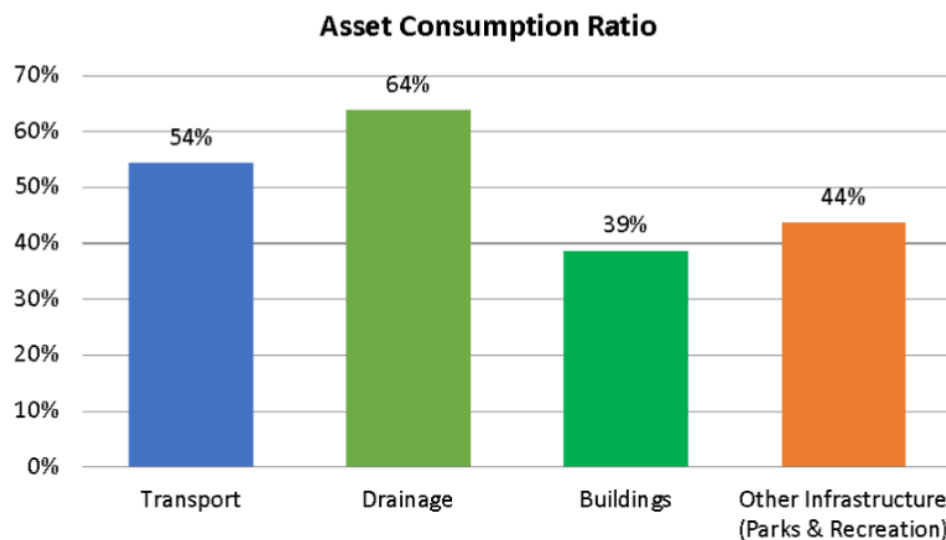


Figure 3. 2: Asset Consumption Ratio

It is noticed that drainage assets have the highest consumption ratio (64%), comparing to transport assets (54%), Buildings (39%) and Other Infrastructure assets (44%). This means, in general, the drainage assets are less consumed and having a higher remaining service life than other assets.

The Asset Consumption Ratios (ACRs) shown above suggest that Council's asset stocks are half-consumed and are moving into the second half of its life cycle (ACR < 50%) and that the requirement for asset renewal expenditure will start to grow.

Despite each asset class has a slightly different consumption and condition profile, over 70% of the assets are sitting in 'Very Good' and 'Good' conditions (Condition 1 & 2). There are only a very small portion of assets sitting in 'Very Poor' (2.5% in Condition 5) and 'Poor' Condition (6% in Condition 4).

Asset Management Strategy 2019-2023

Glenorchy City Council

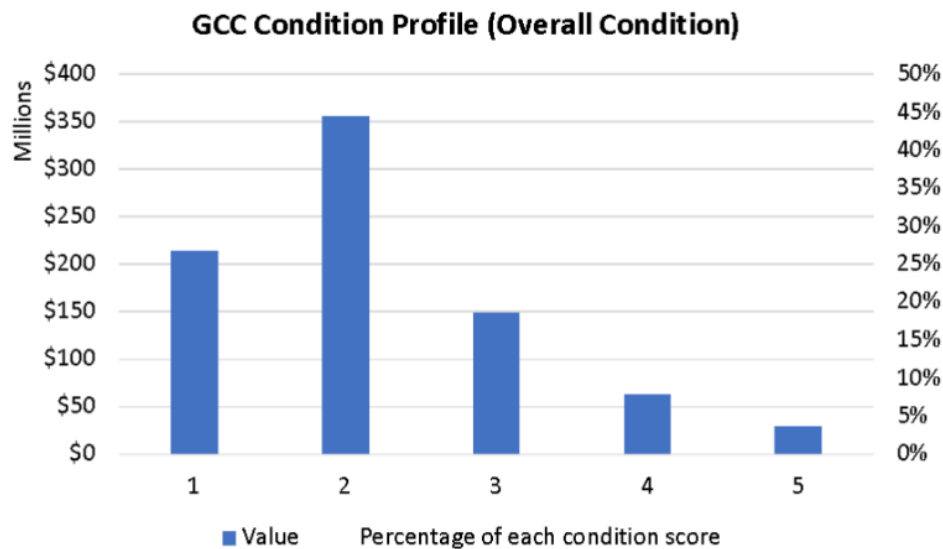


Figure 3. 3: Asset Condition Profile (Overall Condition)

The diagrams below show the condition profile of each major asset portfolio (Transport, Drainage, Building and other assets)

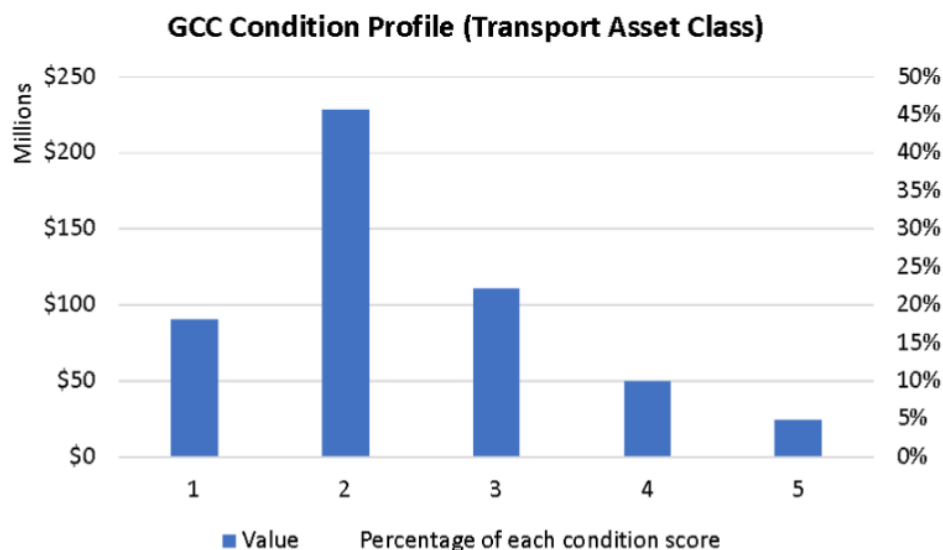


Figure 3. 4: Asset Condition Profile (Transport Asset Class)

Asset Management Strategy 2019-2023

Glenorchy City Council

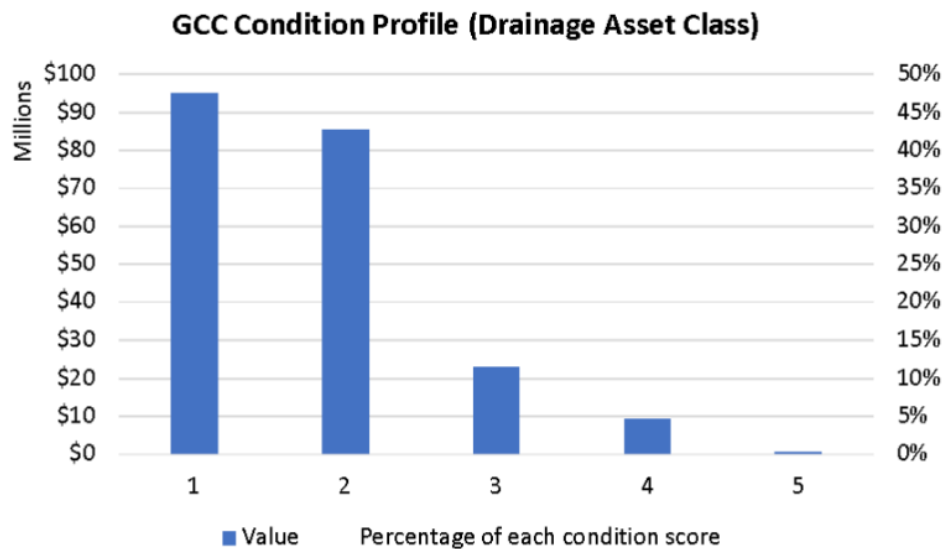


Figure 3. 5: Asset Condition Profile (Drainage Asset Class)

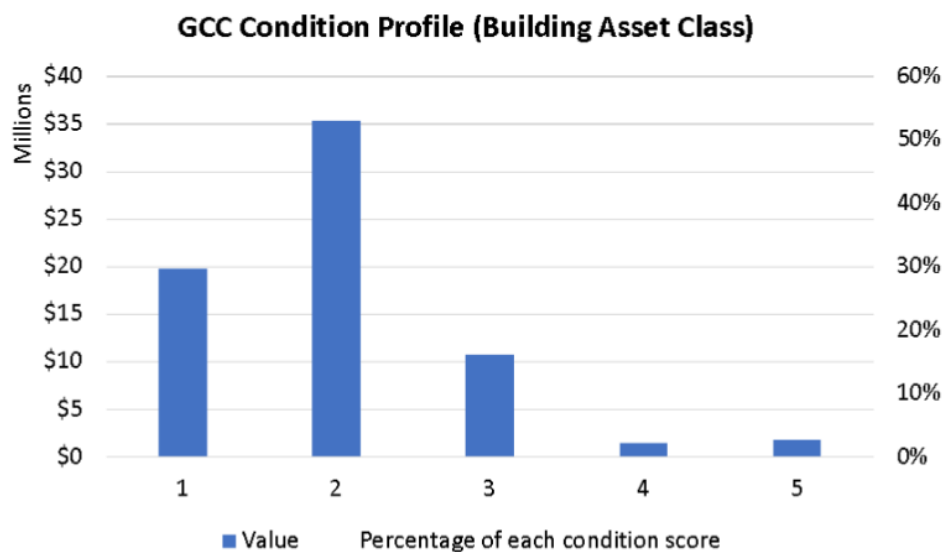


Figure 3. 6: Asset Condition Profile (Building Asset Class)

Asset Management Strategy 2019-2023

Glenorchy City Council

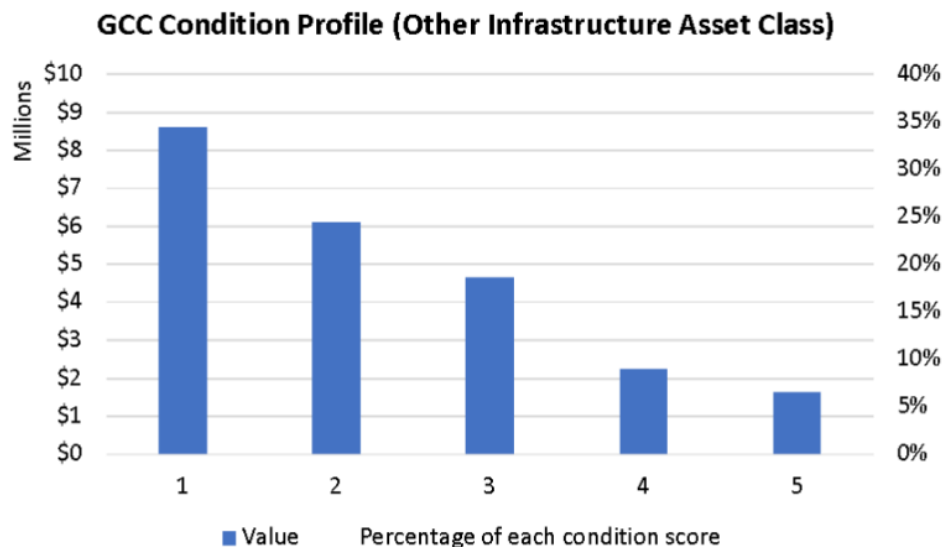


Figure 3. 7: Asset Condition Profile (Other Infrastructure Asset Class)

The above condition profile diagrams showed a reasonable distribution of assets for a municipality of the age and development of Glenorchy.

Under the current asset renewal strategy, while assets in 'Very Poor' condition (Score 5) urge immediate renewal actions to bring them back to service, the assets in 'Poor' condition (Score 4) should also be included as part of the renewal programs of works depending on the nature of the services that the assets provide and their priority.

3.2 Life Cycle Cost and Asset Sustainability Ratio

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is shown in Table 3.2.

Table 3. 2: Life Cycle Cost of Council Services

Service	FY2017/18 Exp.		FY17/18 Depreciation Exp. (\$000/yr.)	Life Cycle Cost (\$000/yr.)
	Operations (\$000/yr.)	Maintenance (\$000/yr.)		
Transport	\$800	\$1,934	\$7,561	\$10,295
Drainage	\$320	\$1,000	\$2,275	\$3,595
Buildings	\$360	\$1,000	\$1,361	\$2,721
Other Infrastructure (Park and Recreation)	\$360	\$1,000	\$668	\$2,028
TOTAL	\$1,840	\$4,934	\$11,865	\$18,639

Asset Management Strategy 2019-2023

Glenorchy City Council

Life cycle costs can be compared to the life-cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operating, maintenance and capital renewal expenditure in the previous year or preferably averaged over the past 3 years. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is shown in Table 3.3.

Table 3. 3: Life Cycle Expenditure for Council Services

Service	FY2017/18 Exp.		Cap Renewal Exp. (\$000/yr.)	Life Cycle Exp. (\$000/yr.)
	Operations (\$000/yr.)	Maintenance (\$000/yr.)		
Transport	\$800	\$1,934	\$6,529	\$9,263
Drainage	\$320	\$1,000	\$613	\$1,933
Buildings	\$360	\$1,000	\$1,028	\$2,388
Other Infrastructure (Park and Recreation)	\$360	\$1,000	\$61	\$1,421
All Services	\$1,840	\$4,934	\$8,231	\$15,005

The life cycle costs and life cycle expenditure comparison highlight any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than the life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing service to their communities in a financially sustainable manner. This is the purpose of the AM Plans and long-term financial plan.

A shortfall between life-cycle cost and life cycle expenditure gives an indication of the life cycle gap to be addressed in the asset management and long-term financial plan.

In FY17/18, an ASR or LCI of 75% was calculated, which suggested a 'funding gap' of approximate \$3.6 Million across all asset classes between the capital expenditure on renewal or replacement of assets and the depreciation expense. The table below demonstrates the LCI gap in the major asset classes. Note that the Tasmanian Audit Office (TAO) would normally recommend an 'ASR' of 100% when there is no other benchmark or strategy in place.

The life cycle gap and life cycle indicator for services covered by this asset management plan are summarised in Table 3.4.

Table 3. 4: Life Cycle Indicators

Service	Life Cycle Cost (\$000/yr.)	Life Cycle Exp. (\$000/yr.)	Life Cycle Gap* (\$000/yr.)	Life Cycle Indicator
Transport	\$10,295	\$9,263	-\$1,032	0.90
Drainage	\$3,595	\$1,933	-\$1,662	0.54
Buildings	\$2,721	\$2,388	-\$333	0.88
Other Infrastructure (Park and Recreation)	\$2,028	\$1,421	-\$607	0.70
All Services	\$18,639 (Total)	\$15,005 (Total)	-\$3,634 (Total)	0.75 (Average)

* A life cycle gap is reported as a negative value.

Historically, Council was not funding 100% of its annual depreciation due to various justifiable reasons (e.g. asset management practice, financial constraints, etc.). Council's asset management team is still in the view that it is not necessary to fund 100% of the annual depreciation and thereby to accept a so-called "funding gap". It is considered that the asset sustainability ratio overstates the required renewal expenditure when the actual condition and service potential of the Council's assets is properly taken into account, and that there are other indicators (e.g. physical condition) which better reflect and forecast the renewal demand. For instance, the physical condition assessment found our long-life assets such as drainage pipe and pits have a long remaining life and their renewal demands are significantly lower than the annual depreciation using a crude straight-line approach.

Drainage asset class appears to include the highest funding gap, with over \$1.5Million difference showing between its annual expenditure and depreciation. Given most drainage assets in Glenorchy were built between the 1950s and 1970s, they are still early in their lifecycle and don't generate a renewal demand equivalent to their annual depreciation. It is also worth noting that, due to lack of capacity data historically, the drainage renewal forecast currently was mainly based on assets' physical condition. It is expected that the understanding of the relationship between depreciation and annual budget demand would be improved by the flooding and network capacity modelling and the development of the stormwater system management plan. GCC is currently working with the Tasmanian Audit Office to review the depreciation method of these assets and this will assist with managing the gap.

For transport assets, a road and footpath 10-year long-term predictor model has been developed based on the asset condition, location and criticality. It integrates with Optimised Decision Making (ODM) tool to define the optimised capital renewal budget with the current Council's Level of Serve rather than following the annual depreciation. Council is in a reasonable position in terms of adequately funding its renewal of transport assets over the next 10 years.

The useful life of the Buildings and Other Infrastructure assets has a significant influence on the Asset Sustainability Ratio. With the lack of the knowledge of the useful lives of these assets and building assets being a complex mix of short and long-life components, it is hard to judge if the Life Cycle Indicator is acceptable currently.

Instead of using indicators (e.g. ASR, LCI) derived from financial figures, Council would be better served understanding its assets. It is expected that, for the foreseeable future, Council's renewal expenditure will be determined by the actual renewal demand generated from the physical condition of its assets

and their service demand. Therefore, there would be benefit in further exploring methods of calculation of annual depreciation that better reflect the consumption of Council's assets.

To achieve this, Council need to continue to fund the renewal demand of the assets and provide additional funding to address backlog to ensure that the various assets meet with the expectation of the community in the long term.

3.3 Asset Management Governance Structure

A 'whole of organisation' approach to asset management can be developed with a corporate asset management team. The benefits of a corporate asset management team include:

- demonstrate corporate support for sustainable asset management,
- encourage corporate buy-in and responsibility,
- coordinate strategic planning, information technology and asset management activities,
- promote uniform asset management practices across the organisation,
- information sharing across IT hardware and software,
- pooling of corporate expertise
- championing of asset management process,
- wider accountability for achieving and reviewing sustainable asset management practices.

The role of the asset management team will evolve as the organisation maturity increases over several phases.

Phase 1

- strategy development and implementation of asset management improvement program,

Phase 2

- asset management plan development and implementation,
- reviews of data accuracy, levels of service and systems plan development,

Phase 3

- asset management plan operation
- evaluation and monitoring of asset management plan outputs
- ongoing asset management plans review and continuous improvement.

Table 3. 5: Asset Management Governance Role

Position	Role
Aldermen	Ensure Council's asset management policy and principles are applied to relevant decisions making. Provide appropriate resources to maintain and renew infrastructure assets. Ensure the Financial Management Strategy is implemented annually.
General Manager	To ensure the Council infrastructure is maintained and operated in accordance with Council's adopted policies and procedures and in accordance with relevant legislation.
Director Infrastructure & Works Manager Infrastructure, Engineering & Design Manager Works	Overall control of AM and operational objectives.

Asset Management Strategy 2019-2023

Glenorchy City Council

Position	Role
Manager Property, Environment and Waste	
Manager Finance & ICT	Responsible for development, implementation and review of the Financial Management Strategy and Financial Services input into the AM process.
Asset Management Coordinator	Managing staff in the asset management section and oversee the implementation of the Strategy and monitor the Improvement Action plan.

Council have an Asset Management Section led by the Asset Management Coordinator who is responsible for managing Council's asset register, the development/renew of asset management policy, the implementation of the Asset Management strategy, the works also include developing asset management plans and 10-year capital work programs with asset managers and obtaining condition information on assets where available, including pavement testing.

Council's Infrastructure section and Property, Environment and Waste department are responsible for the preparation of 10-year capital work programs for drainage, building and recreation assets, they also contribute to the development of related asset management plans.

Works department is responsible for the operations and maintenance of assets.

Council also has an Infrastructure Management Group (IMG) that reviews and considers the overall capital budget each year based on the information supplied by the Asset owners which is then presented to Council for overall approval.

3.4 Financial & Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements.

11 core competencies have been developed from these elements⁵ to assess 'core' competency under the National Frameworks. These core competencies are:

- Financial Planning and Reporting
 - ✓ Strategic Longer-Term Plan
 - ✓ Annual Budget
 - ✓ Annual report
- Asset Planning and Management
 - ✓ Asset Management Policy
 - ✓ Asset Management Strategy
 - ✓ Asset Management Plan
 - ✓ Governance & Management
 - ✓ Levels of Service

⁵ Asset Planning and Management Element 2 *Asset Management Strategy and Plans* divided into Asset Management Strategy and Asset Management Plans competencies.

Asset Management Strategy 2019-2023

Glenorchy City Council

- ✓ Data & Systems
- ✓ Skills & processes
- ✓ Evaluation

In terms of undertaking asset management and implement it within the organisation, Asset Management Maturity (AMM) is the indicator in determining how good the asset management practice is within an organisation.

The web chart in Figure 3.8 shows the result of a maturity assessment of Council's Asset Management Practice. The current maturity level is shown by the blue bars, with the targeted core maturity level in red.

The maturity gap needs to be overcome for Council to achieve the goals and objectives set in this Asset Management Strategy and to maintain its core financial and asset management competency.

The Maturity Score Spider Graph shows the Current maturity for each maturity element as assessed by the organisation compared to the 'core' competencies (Level 3) required under the Australian National Assessment Framework (NAF) and the Target maturity competency desired and set by the organisation.

Glenorchy CC - Maturity Assessment ID 588

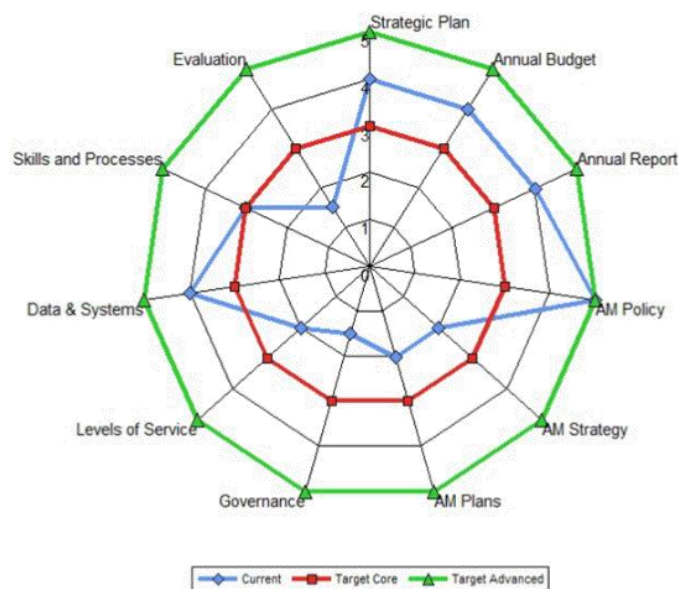


Figure 3. 8: Core Asset Management Maturity

It shows that Council's asset management is, in several respects, under the core level. The gaps between current asset management practice and the 'core' maturity set by the Local Government Financial and Asset Management Reform Project have been identified. These particularly lie within the areas of 'Evaluation', 'Governance', 'Asset Management Plans' and 'Levels of service'. Understanding these gaps will help Council to determine its strategy to achieve asset management best practice and to prioritise any improvement actions proposed (Figure 3.9).

Asset Management Strategy 2019-2023

Glenorchy City Council

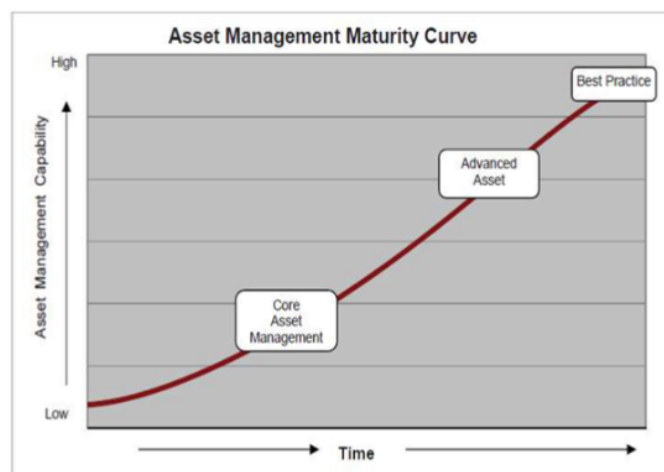


Figure 3. 9: Asset Management Maturity Curve

Understanding the gaps will help Council to determine its strategy in achieving asset management best practice and to prioritise any improvement actions proposed.

4. Level of Service

Level of Service (LoS) in the asset management context describes the outputs or objectives a government, organisation or activity intends to deliver to customers. As a Local Government, it defines the service (e.g. type, frequency etc.) that Council provides to its community.

It is recognised that understanding the LoS that the community is willing to accept and can afford is critical from an asset management perspective.

The expectations and requirements of various stakeholders need to be considered in the preparation of Asset Management Plans.

4.1 Council Service Satisfaction Survey

To understand these expectations and requirements, GCC will be the LGAT State-Wide Council Service Satisfaction Survey result with additional Glenorchy-specific questions to evaluate Council's performance in providing the service to our community.

The Council Service Satisfaction Survey is ongoing tracking research conducted by LGAT to measure the satisfaction residents have with local Councils across Tasmania, and to produce a state-wide benchmark against which Councils may wish to measure the satisfaction of their residents with respect to the services they each provide.

In 2015, GCC participated the LGAT state-wide satisfaction survey and didn't ask any specific questions other than the generic ones included in the survey. The results indicate that the average score GCC was getting were generally below the state average levels. This means that there is a need to review our current practice and LoS, particularly around our footpath and the appearance of public areas, to improve the satisfactory of the performance for Council services.

Table 4.1 shows the available average state-wide satisfaction results for these services, which includes GCC individual results in financial year 2015.

From the financial year 2018-2019, a program will be continuous to conduct an individual survey for Glenorchy specific satisfaction level every four years to gain a better understanding of the level of the community satisfaction of our Council. This will help GCC to develop the performance target of LoS.

Table 4. 1: Summary of Available State-Wide and GCC Satisfaction Results for Council Services

Asset Management Plan	Service	State-Wide Satisfaction Results (Average satisfaction score)							GCC Individual Satisfaction Results (Average satisfaction score) 2015
		2001	2002	2006	2009	2011	2013	2015	
Transport	Safe and well-maintained local roads	60	60	56	60	58	60	60	52
	Safe and well-maintained pedestrian areas such as footpaths and walkways	62	64	60	64	62	64	62	54
	Road side slashing and weed control	n/a	n/a	n/a	n/a	n/a	n/a	62	58
	An efficient local road network including traffic management and flow	68	70	64	64	64	66	64	58
Drainage	Stormwater and flood control	76	76	74	76	66	68	68	68
Buildings	Community and cultural facilities like halls, museums and galleries	68	66	66	66	68	64	70	68
Park & Recreation	Sportsground and recreational facilities in area	72	74	74	76	76	76	78	74
	Parks and playgrounds	74	74	74	74	74	74	76	74
	The appearance of public areas in general	n/a	n/a	n/a	n/a	n/a	n/a	74	62

Source: LGAT - State-wide Community Satisfaction Survey – Research Report 2015

4.2 Level of Service

Council have defined Level of Service (LoS) in two terms: Community Levels of Service and Technical Levels of Service

Community Levels of Service measure how the community receives the service and whether the organisation is providing community value.

Community levels of service measures used in the AMS and individual AMPs are:

- Quality How good is the service?

Asset Management Strategy 2019-2023

Glenorchy City Council

- Function Does it meet users' needs?
- Capacity/Utilisation Is the service usage appropriate to capacity?

Our current and projected community levels of service will be documented in the AMPs developed for major asset class (e.g. Transport, Drainage, Building, etc.).

Technical Levels of Service – Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as availability, cleansing, mowing, etc.;
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs);
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement); and
- Upgrade – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

Service managers plan, implement and control technical service levels to influence the customer service levels.⁶

Together the community and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

⁶ IPWEA, 2011, IIMM, p 2.22

5. Future Demand and Management

Drivers affecting future demand include population change, changes in demographics, seasonal factors, climate change, vehicle ownership rates, consumer preference and expectations, government decisions, technological changes, economic factors, agricultural practices, environmental awareness etc.

Table 5.1 documents:

- The present position and projections for major demand drivers that may impact future service delivery and use of assets in GCC; and
- Proposed plan identified for demand management in GCC.

Table 5. 1: Demand Drivers, Projections and Impact on Service

Demand Driver	Projection	Impact on service	Demand Management Plan
Increased construction Costs	Cost increases are anticipated to continue, and will likely be at a higher rate than CPI. Cost of renewing infrastructure assets is increasing	The need to carefully target and plan infrastructure is increasing in importance as maximising the service that can be delivered within the funding limitations will be under pressure.	Continue to fund high priority projects. Investigate new & cost-efficiency technologies and seek external funding.
Higher community expectation and demand created from urban development	Expectations will continue to increase; Infill development in established urban areas will create a significant load on the existing aged infrastructure, and this trend will drive the demand high. Anticipated to continue to increase albeit slowly		
Climate Change	High-intensity rainfall events & under capacity stormwater network	Reducing the level of service provided by the existing infrastructure due to more frequent extreme weather and damage to the assets.	Identify high-risk areas and develop plans to renew or upgrade
Health and well being	Promotion of community activity Increased sporting activity	Demand for more walkway, park and recreation facilities	Identify needs by conducting track & trail project and developing Open Space Strategy
Changes in technology	There will be changes to asset management technology,	New technology may allow for cost savings and protect the environment,	These technical factors need to be assessed in determining the scoping requirements for capital and maintenance works

6. Where Do We Want to Be?

6.1 Council's Vision, Mission, Goals and Objectives

Council has adopted a Vision for the future in the Council Strategic Plan 2016-2025.

Our Vision: We are a proud city; a city of arts; of opportunity; of partnerships; a city that makes exiting things happen.

Council's purpose or reason for existence is set out in the adopted mission statement,

Our mission is to deliver the community's vision, goals and priorities from the City of Glenorchy Community Plan 2015-2040.

Council's Strategic Plan sets goals and objectives to be achieved in the planning period. The goals set out where the organisation wants to be. The objectives are the steps needed to get there. Goals and objectives relating to the delivery of services from infrastructure assets are shown in Table 6.1.

Table 6. 1: Goals and Objectives relating to Infrastructure Assets

Community Visions	Strategic Plan Objectives	AM Strategy Objectives
Making Lives Better	1.3 Facilitate and/or deliver services to our communities	Ensure resources and operational capabilities are identified and responsibility for asset management is allocated
Valuing our Environment	3.1 Create a liveable and desirable City	Ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability
Valuing our Environment	3.2 Manage our natural environments now and for the future	
Leading our Community	4.1 Govern in the best interests of our community	• Meet legislative requirements for all Council's operations, • Provide high-level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to council on development and implementation of Asset Management Strategy, Asset Management Plan and Long-Term Financial Management Plan. • Adopt the Long-Term Financial Management Plan as the basis for all service and budget funding decisions

6.2 Asset Management Policy

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability, the Strategic Plan and applicable legislation.

The Asset Management Strategy is developed to support the Asset Management Policy and is to enable Council to show:

- ensure its asset portfolio will meet the affordable service delivery needs of the community into the future,
- enable Council's asset management policies to be achieved, and
- ensure the integration of Council's asset management with its long-term strategic plans.

6.3 Asset Management Vision

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, Council aspires to:

Develop and maintain asset management governance, skills, process, systems and data to provide the level of service the community need at present and in the futures, in the most cost-effective and fit for purpose manner.

In line with the vision, the objectives of the asset management strategy are to:

- ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability,
- safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets,
- adopt the Long-Term Financial Management Plan as the basis for all service and budget funding decisions,
- meet legislative requirements for all Council's operations,
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated,
- provide high-level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to council on development and implementation of Asset Management Strategy, Asset Management Plan and Long-Term Financial Management Plan.

Strategies to achieve this position are outlined in Section 7.

7. How Will We Get There?

7.1 Asset Management Strategy Guiding Principles

The following guiding principles were developed to provide clear objectives for Council's asset management, focus of the asset management strategy and establish priorities to guide future practice.

Council will:

- **invest in high use areas**
develop a differentiated approach to service delivery by recognising that greater investment is required in high use areas (e.g. wider footpaths in CBD areas).
- **engage with the community**
continue to understand the needs of the community through engagement e.g. Local Government Association Tasmania (LGAT) community satisfaction survey, customer service requests and project consultation.
- **provide services to an affordable standard**
focus on asset renewals and alternative methods of providing affordable levels of service to meet the needs of the community e.g. relining of stormwater pipes, use of recycled asphalt, increase spending on bituminous resurfacing.
- **cater for future demand**
assess the requirement of new services to cater for future demand of our city. In assessing new service, Council will consider the whole of life cycle costs and the ability to fund. e.g. access external funding to build new destination playgrounds, upgrade of toilets, business case development for the upgrade of sports grounds and facilities and building new footpath that focus on high traffic areas.
- **best practice asset management**
continue to invest in asset management to achieve a 'core level' of maturity e.g. ensure alignment of asset management plans with the long-term financial plan, training and investment in our people and benchmark our performance.
- **dispose of surplus assets**
dispose of surplus assets to achieve long term sustainability e.g. repurposing of underutilised land, closure of Derwent Park Reuse Scheme and consolidation of playgrounds.
- **shared facilities and services**
explore the opportunities to work together with other service providers for non-asset methods of providing sustainable service delivery. e.g. delivery of road works on the border with adjoining Councils, working with the Education Department to access sports grounds, developing shared facilities for sport and community users.

7.2 Strategy

Following the guideline principles above, eleven (11) asset management strategies are proposed below to enable the objectives of Council's Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved. The strategies are derived from NAMS.PLUS – the most widely used asset management template in Australia aligned with the International Infrastructure Management Manual (IIMM) 2015 and International Asset Management Standard ISO 550011.

Table 7. 1: Asset Management Strategies

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning	The long-term implications of Council services are considered in annual budget deliberations.
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
3	Develop Long-Term Financial Management Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
4	Incorporate Year 1 of Long-Term Financial Management Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.
5	Review and update asset management plans and Long-Term Financial Management Plans after the adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within Council.
11	Report six monthly to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Management Plans.	Oversight of resource allocation and performance.

Asset Management Strategy 2019-2023

Glenorchy City Council

7.3 Improvement Plan

Linked to the Asset Management Strategies mentioned in Table 7, a total of twenty-four (24) tasks are programmed in priority order through the life of this Asset Management Strategy to achieve a 'core' financial and asset management maturity showing in Table 7.2.

Table 7. 2: Asset Management Improvement Plan

No.	Strategy	ID	Task	Responsibility	Target Date	Status	Last Reviewed
1	Move from Annual Budgeting to Long Term Financial Planning	1-01	Develop Asset Management Strategy 2019-2023 and have it adopted by Council	Manager Infrastructure, Engineering & Design / Asset Management Coordinator	2018-2019		
		1-02	Establish an Asset Management Working Group and develop Terms and Reference	Members will include Director Infrastructure & Works / Manager Infrastructure, Engineering & Design/Manager Works / Manager Property, Environment and Waste / Manager Finance & ICT / Manager City Strategy & Economic Development / Asset Management Coordinator	2019-2020		
		1-03	Continue to improve Road/Pathway MyPredictor software model to contribute to the 10 Years capital works program, the methodology/approach used will be included in the 2019-2020 Asset Management Plan (e.g. review pathway asset hierarchy and connectivity, differentiate the level of Service based on the updated hierarchy)	Asset Management Coordinator / Asset Engineering Officer/Senior Civil Engineer / Traffic Engineer	2019-2020, Ongoing review		

Asset Management Strategy 2019-2023

Glenorchy City Council

No.	Strategy	ID	Task	Responsibility	Target Date	Status	Last Reviewed
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	1-04	Continue to develop Stormwater System Management Plans / flood studies and include a capacity score for all the pipes in the same year	Senior Civil Engineer / Graduate Engineer	2019/2020		
		1-05	Map council received flooding and soakage complaints	Senior Civil Engineer / Graduate Engineer	Ongoing		
		1-06	Include the result of Criticality Analysis and Risk Assessment for stormwater assets in the Asset Register and use the information for decision making	Senior Civil Engineer / Graduate Engineer / Asset Management Coordinator	Ongoing		
		1-07	Undertake pro-active CCTV Condition Assessment of stormwater and include condition scores from CCTVs in Asset Register to reflect the physical condition of the assets	Senior Civil Engineer / Graduate Engineer / Asset Management Coordinator	Ongoing		
		1-08	Develop a revised version of 10-year Buildings / Park & Recreation asset capital programs to reflect the works and outcomes defined in the relevant strategies	Manager Property, Environment and Waste / Facilities Coordinator/Operations & Maintenance Supervisor	2019/2020		
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	2-01	Develop and annually review Asset Management Plans for Transport / Drainage asset classes	Manager Infrastructure, Engineering & Design / Asset Management Coordinator / Asset Engineering Officer / Senior Civil Engineer / Graduate Engineer / Traffic Engineer / Operations & Maintenance Supervisor	2019-2020, Ongoing review		

Asset Management Strategy 2019-2023

Glenorchy City Council

No.	Strategy	ID	Task	Responsibility	Target Date	Status	Last Reviewed
		2-02	Develop and annually review Asset Management Plans for Buildings / Park & Recreation asset classes	Manager Property, Environment and Waste / Asset Management Coordinator / Facilities Coordinator / Operations & Maintenance Supervisor	2019-2020, Ongoing review		
3	Develop Long-Term Financial Management Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	3-01	Asset Section to provide revised 10 Year forecast to Finance each year before finalising the Long-Term Financial Management Plan	Asset Management Coordinator / Accounting Coordinator	Ongoing		
		3-02	Develop a process and timeline for incorporating AMP figures into the Long-Term Financial Management Plan	Accounting Coordinator/ Asset Management Coordinator	2019-2020		
4	Incorporate Year 1 of Long-Term Financial Management Plan revenue and expenditure projections into annual budgets.	4-01	Continuous to incorporate Year 1 of Long-Term Financial Management Plan revenue and expenditure projections into annual budgets	Accounting Coordinator	Ongoing		
5	Review and update asset management plans and Long-Term Financial Management Plan after the adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	5-01	Review and update asset management plans and Long-Term Financial Management Plan after the adoption of annual budgets in August/September	Asset Management Coordinator / Accounting Coordinator	Ongoing		
6	Report Council's financial position at Fair Value in	6-01	Develop and confirm current and desired customer/community and	Manager Infrastructure, Engineering & Design / Manager Property,	Ongoing		

Asset Management Strategy 2019-2023

Glenorchy City Council

No.	Strategy	ID	Task	Responsibility	Target Date	Status	Last Reviewed
	accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports.		technical levels of service to understand and report on a sustainable service delivery model.	Environment and Waste / Asset Management Coordinator / Asset Engineering Officer / Senior Civil Engineer / Operations & Maintenance Supervisor			
		6-02	Revalue major asset classes following the three to four year's cycle.	Asset Management Coordinator / Asset Engineering Officer / Asset Technical Officer / Senior Civil Engineer / Accounting Coordinator / Capital Work Supervisor	Ongoing		
		6-03	Develop the capital project handover process to ensure asset information are fully captured	Asset Management Coordinator / Asset Engineering Officer / Asset Technical Officer / Senior Civil Engineer / Capital Work Supervisor / Manager Property, Environment and Waste / Operations & Maintenance Supervisor / Finance Reporting Officer	2018-2019		
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	7-01	Improve asset data quality (attribute, condition, useful life, and unit costs etc.)	Asset Management Coordinator / Asset Engineering Officer / Asset Technical Officer / Asset Survey Officer	Ongoing		
		7-02	Update the current Asset Management System to cloud-based version	Depot & Systems Supervisor / Asset Management Coordinator / Development Operations Coordinator	2020-2021		
8	Report on Council's resources and operational capability to	8-01	Review and endorse maintenance service levels manual	Operation & Maintenance Supervisor / Depot & Systems Supervisor	2019-2020		

Asset Management Strategy 2019-2023

Glenorchy City Council

No.	Strategy	ID	Task	Responsibility	Target Date	Status	Last Reviewed
	deliver the services needed by the community in the Annual Report.	8-02	Consult the community in terms of the Technical/Community level of service (obtain results from LGAT community satisfactory survey)	Manager Infrastructure, Engineering & Design / Asset Management Coordinator	2019/2020		
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	9-01	Develop a GCC Asset Management Skill Matrix for AM related positions	Manager Infrastructure, Engineering & Design / Asset Management Coordinator	2021-2022		
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 4 years.	10-01	Develop and implement an Improvement Plan in line with the AM Strategy and understand the financial and human resource implication of the plan before its adoption	Director Infrastructure & Works / Manager Infrastructure, Engineering & Design / Manager Works / Manager Property, Environment and Waste / Manager Finance & ICT / Asset Management Coordinator	2022-2023		
11	Report six monthly to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Management Plans.	11-01	Present the information in a report format to Council	Director Infrastructure & Works	Ongoing		

*Note: It is worth noting that there are consequences for the Council if the improvement actions are not completed. These include:

- Inability to achieve strategic and organisational objectives
- Inability to achieve financial sustainability for the organisation's operations
- Current risks to infrastructure service delivery are likely to eventuate and response actions may not be appropriately managed
- We may not be able to accommodate and/or manage changes in demand for infrastructure services.

7.4 Four-year Capital Work Programs

The four-year detailed capital work programs have also been developed to ensure the funding commitment for the next four financial years meets the benchmark defined under the current Level of Service (Table 7.3).

It is expected that, in the foreseeable future, Council's renewal expenditure will be determined by the actual renewal demand generated from the physical condition of our assets and their service demand. This will improve our decision-making process and move away from benchmarking against the calculated annual depreciation.

Table 7. 3: 4-year Detailed Capital Work Programs

10 Year Capital Works Program	Benchmark	2019/20	2020/21	2021/22	2022/23
Transport Asset Class Program (Asset Owner: Manager Infrastructure, Engineering & Design)					
Road Resurfacing	3,750,000	1,500,000	2,800,000	2,800,000	3,000,000
Footpath Renewal	1,500,000	1,200,000	1,500,000	1,500,000	1,500,000
Pavement Rehabilitation	3,000,000	1,500,000	2,200,000	2,800,000	2,800,000
Bridge and Street Lighting Renewal	250,000	175,000	300,000	250,000	250,000
New footpath and cycleway construction	500,000	500,000	500,000	500,000	500,000
Heavy Patching	350,000	370,000	350,000	350,000	350,000
Road User Safety Improvements	\$250,000	350,000	250,000	250,000	250,000
CBD Revitalisation	1,00,000	1,800,000	2,000,000	1,000,000	1,00,000
Road Flood Repair					
Total Transport Asset Class – Upgrade/New	900,000	1,260,000	1,250,000	1,200,000	1,200,000
Total Transport Asset Class - Renewal	9,700,000	6,635,000	8,650,000	8,250,000	8,450,000
Total Transport Asset Class	10,600,000	7,895,000	9,900,000	9,450,000	9,650,000
Drainage Asset Class Program (Asset Owner: Manager Infrastructure, Engineering & Design)					
Flood Mitigation and System Upgrade	700,000	500,000	700,000	700,000	700,000
Stormwater Asset Renewal	\$500,000	400,000	500,000	500,000	500,000
Service Extension	\$300,000	300,000	300,000	300,000	300,000
Stormwater Flood Repair					
Total Drainage Asset Class – Upgrade/New	520,000	790,000	980,000	980,000	980,000
Total Drainage Asset Class - Renewal	980,000	410,000	520,000	520,000	520,000
Total Drainage Asset Class	1,500,000	1,200,000	1,500,000	1,500,000	1,500,000

Asset Management Strategy 2019-2023

Glenorchy City Council

10 Year Capital Works Program	Benchmark	2019/20	2020/21	2021/22	2022/23
Building & Other Infrastructure Asset Class Program (Property, Environment & Waste) (Asset Owner: Manager Property, Environment and Waste)					
Public Toilet Upgrades	200,000	50,000	200,000	200,000	200,000
Parks and Reserves	250,000	250,000	250,000	250,000	250,000
Tracks and trails	250,000	300,000	250,000	250,000	250,000
Community, Sport and Recreation Facilities	300,000	600,000	300,000	300,000	300,000
Sports Grounds	100,000	100,000	100,000	100,000	100,000
Commercial Buildings	300,000	300,000	300,000	300,000	300,000
District Playground	500,000	300,000	500,000	500,000	500,000
Tolosa and Wellington Park	200,000	75,000	75,000	200,000	200,000
Montrose Bay Seawall	200,000	50,000	200,000	200,000	200,000
Jackson Street Landfill Extension	200,000	50,000	3,215,000	31,000	31,000
Total Building & Other Infrastructure Asset Class – Upgrade/New	1,377,500	885,00	4,292,500	1,208,500	1,208,500
Total Building & Other Infrastructure Asset Class - Renewal	1,122,500	1,190,000	1,097,500	1,122,500	1,122,500
Total Building & Other Infrastructure Asset Class	2,500,000	2,075,000	5,390,000	2,331,000	2,331,000
*Note: The budgets of FY19/20, 20/21, 21/22 not include the \$15.8 million potential grant money for following business cases: \$12.8 million for northern suburbs sport and community hub, \$1 million for Eady Street clubrooms and minor works, 2.1 million Montrose Foreshore Community new playground and 0.9 million for Giblin Reserve new playground					



Policy Title	Asset Management Policy
Council Resolution	Item 15 (30 July 2018) as per Council Minutes
Responsible Directorate	City Services and Infrastructure
Due for Review	Four (4) years from Council Resolution Date
Strategic Plan Reference	<u>Making Lives Better</u> 1.3 Facilitate and/or Deliver Services to our communities. 1.3.1 Directly deliver defined service levels to our communities <u>Valuing our environment</u> 3.1 Create a liveable and desirable city. 3.1.4 Deliver new and existing services to improve the City's liveability. <u>Leading our community</u> 4.1 Govern in the best interests of our community 4.1.2 Manage the City's assets soundly for the long term benefit of the Community
ECM	Council Policy

PURPOSE

This policy sets out the guidelines for implementing consistent asset management processes throughout the Glenorchy City Council. Its aim is to ensure that adequate provision is made for the long-term replacement of major assets by:

- ensuring that Council's services and infrastructure are provided in a sustainable manner with the appropriate levels of service to residents, visitors and the environment
- safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and committing appropriate financial resources for those assets
- creating an environment where all Council employees play an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the organisation by way of training and development
- meeting legislative requirements for asset management
- ensuring resources and operational capabilities are identified and responsibility for asset management is allocated, and
- demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

SCOPE

This policy applies to all Council Assets which are owned and or managed by Council, and to all activities in any way connected with the management of Council's Assets.



STATUTORY REQUIREMENTS

Section 70C of the *Local Government Act 1993* requires that Council must prepare an asset management policy for its municipal area, which is to:

- (a) be consistent with the strategic plan for the municipal area; and
- (b) guide the development of the long-term strategic asset management plan for the municipal area; and
- (c) guide the development of the long-term financial management plan for the municipal area; and
- (d) contain at least the matters that are specified in an order made under section 70F as required to be included in an asset management policy.

Acts	<i>Local Government Act 1993</i>
-------------	----------------------------------

DEFINITIONS

Asset	A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.
Asset Class	A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.
Asset Management	The combination of management, financial, economic, and engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management Policy	An asset management policy sets out the principles by which the Council intends applying asset management to achieve its organisational objectives.
Asset Management Strategy	An asset management strategy should support and implement the organisation's asset management policy. The development of an asset management strategy will enable councils to show how their asset portfolio will meet the service delivery needs of their communities into the future.
Asset Management Plan	An asset management plan defines the activities, resources and timescales required for an individual asset or grouping of assets to achieve the organisation's asset management (service) objectives. An asset management plan is derived from the asset management strategy.
Long Term Financial Plan	A long-term financial management plan is a plan for generating, spending and investing future income and raising and repaying borrowings. It should highlight the financial implications of a council's proposed activities and anticipated events.
Level of service	The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.
Life Cycle Cost	The total cost of an asset throughout its life, including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.
Asset Renewal	Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset to that which it had originally.



Asset Upgrade	Expenditure on an existing asset which increases the capacity or functionality of the asset
Asset New	Expenditure to create a new asset

POLICY STATEMENT

Principles

1. A consistent Asset Management Strategy must exist for implementing systematic and appropriate asset management throughout Council.
2. All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
3. Asset management principles will be integrated within existing planning and operational processes.
4. Asset Management Plans will be developed for major service/asset categories. The plans will be informed by financial planning and reporting.
5. An inspection regime will be used as part of asset management to ensure service levels are maintained and to identify the priorities of asset renewals, upgrades and new assets.
6. Asset renewals, upgrades and new assets required to meet service levels and identified in adopted Asset Management Plans and Long Term Financial Plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset projects and budget resources documented in budget documentation.
7. Plans of asset renewals, upgrades and new assets will be prioritised and implemented progressively based on service levels and the effectiveness of the assets to provide that level of service.
8. Systematic and cyclic reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards and in accordance with Council's Asset Management Annual Review Guideline.
9. Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
10. Training in asset and financial management will be provided for Aldermen and relevant staff.

Related Documents

This Policy is to be read with the following:

- Asset Management Strategy
- Asset Management Plans, and
- Asset Management Annual Review Guideline.

Roles and Responsibilities

Council is responsible for providing high level oversight of the delivery of the organisation's asset management strategy and plans.

The General Manager has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council. The General Manager is responsible for the allocation of resources and maintaining accountability mechanisms to ensure that organisational resources are appropriately assigned to meet the organisation's strategic plans and priorities.



BACKGROUND

Council is committed to implementing systematic asset management methods in order to apply appropriate asset management practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

Council owns and uses approximately 1 billion dollars' worth of non-current assets to support its core business of delivery of service to the community. Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.

Adopting asset management principles will assist Council in achieving its Strategic Plan and Long Term Financial Plan objectives. A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:

- members of the public and staff
- Council's financial position
- the ability of Council to deliver the expected level of service and infrastructure
- the political environment in which Council operates, and
- the legal liabilities of Council.

Glenorchy City Council

Financial Management Strategy

2019 - 2028

Introduction	3
Integrated planning and reporting framework.....	4
Community Plan.....	5
Strategic Plan	5
Asset Management Strategy.....	5
Annual Plan and Budget.....	6
Management and review.....	6
Financial management principles	6
Financial management strategies	7
Rating strategy	8
Fees and charges strategy.....	8
Other revenue strategy.....	9
Expenditure and service delivery strategies	9
Debt strategy.....	10
Asset management	11
<i>Asset management strategy</i>	11
<i>Asset management policy</i>	12
<i>Asset management plans</i>	12
LTFMP assumptions and methodology.....	12
Measuring financial sustainability	14
Indicator 1 – Underlying surplus or (deficit)	14
Indicator 2 – Underlying surplus or (deficit) ratio	15
Indicator 3 – Net financial liabilities	16
Indicator 4 – Net financial liabilities ratio	16
Indicator 5 – Asset consumption ratio.....	16
Indicator 6 – Asset renewal funding ratio.....	17
Indicator 7 – Asset sustainability ratio.....	17
Summary	19

Introduction

The Financial Management Strategy (FMS) provides the Glenorchy City Council (Council) with a strategic framework to guide the development of annual budgets and preparation of long-term financial planning. The FMS has been prepared in accordance with section 70A of the *Local Government Act 1993* which states that a long-term financial management plan is to:

- be consistent with the strategic plan;
- refer to the long-term strategic asset management plan; and
- contain at least the matters required by Ministerial Order under section 70F.

Section 70F of the *Local Government Act 1993* has been reviewed and no additional requirements have been identified that need to be included in Council's FMS.

The key objective of the FMS is to ensure that Council can sustainably fund the ongoing delivery of services whilst implementing the objectives identified in the Strategic Plan. The Local Government and Planning Ministers' Council "Criteria for Assessing Financial Sustainability" defines financial sustainability as follows:

'a Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards as prioritised through community engagement and consultation are met without unplanned increases in rates and charges or disruptive cuts to services.'

Financial sustainability at Council means that:

'Glenorchy City Council plans and makes decisions so that appropriate services and infrastructure, as determined through community engagement and consultation, are provided at acceptable service levels – to current and future generations – without a need to unexpectedly increase rates and charges or reduce services.'

In committing to a financially sustainable future, no policy or other decisions will be made without considering the long-term financial impact of those decisions. The FMS provides the framework from which Council will achieve the aims set out in its Long-Term Financial Management Plan (LTFMP). The key objective of the LTFMP is the achievement of financial sustainability in the medium to long term whilst achieving Council's strategic objectives and meeting community expectations.

The LTFMP provides a tool for Council to consider the financial impact of its decisions on Council's future financial sustainability. It includes consideration of cost increases: employee related costs,

materials and services and other operating costs; and revenue increases: rates, user fees and charges, operating grants and other fees and charges.

The LTFMP is aimed at:

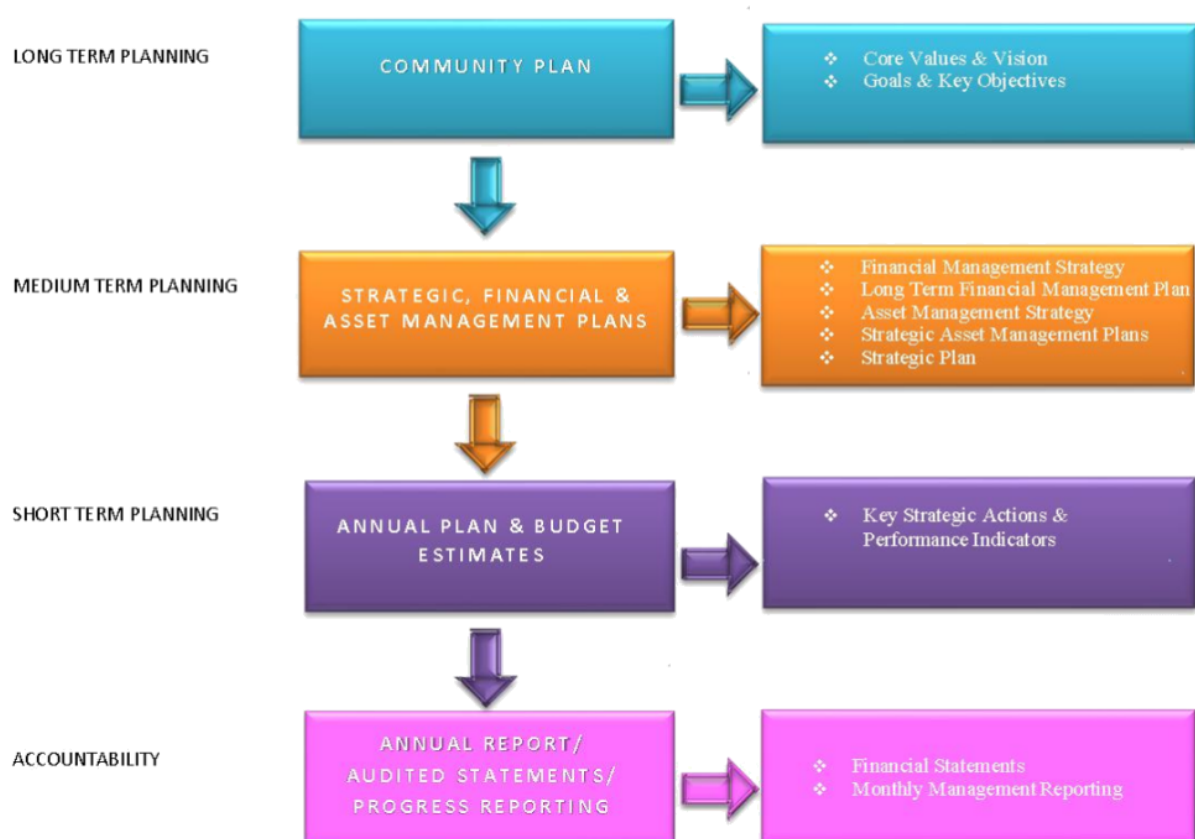
- moving away from an annual budget focus, towards a long-term financial planning process (and budgetary framework) where the future cost or lost opportunity that may arise from short-term decisions can be identified;
- adopting a 'whole of council' perspective to enable continuous improvement of our asset management and financial management practices, and to set targets for future longer term improvement;
- maintaining stable and predictable rates increases;
- maintaining effective financial governance through the setting of appropriate long-term financial targets that enable the assessment of emerging challenges or opportunities that impact the Council's long-term financial sustainability; and
- establishing accountability through the setting of long-term financial sustainability indicators, and the monitoring of their achievement.

The LTFMP includes a Statement of Profit or Loss and Other Comprehensive Income, a Statement of Financial Position and a Statement of Cash Flows for each year of the plan. Council refers to this model when considering financial decisions, for example new capital expenditure and borrowings.

Integrated planning and reporting framework

Long term financial planning is a key element of the integrated planning and reporting framework. The LTFMP demonstrates Council's long term financial sustainability, allows early identification of financial issues, shows the linkages between specific plans and strategies and enhances the transparency and accountability of the Council to the community.

The figure on the following page illustrates how the LTFMP integrates with Council's reporting framework.



Community Plan

The City of Glenorchy Community Plan 2015-2040 was based on extensive consultation with the community and reflects the community's long term vision for the municipality. The Community Plan guides all other plans in the City, and drives the specific actions, details and measures contained within the plans to ensure the community vision is achieved.

Strategic Plan

Council's ten year Strategic Plan contains the objectives and strategies that Council will follow to achieve the community's vision and goals as expressed in the Community Plan. This is a key document for Council to track and report on progress to the community.

Asset Management Strategy

The objective of the Strategic Asset Management Plan is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for Council to provide services to the community.

The Strategic Asset Management Plan enables Council to:

- show how its asset portfolio will meet the service delivery needs of its community into the future;
- demonstrate how Council's asset management policies will be achieved; and
- ensure the integration of Council's asset management with its long-term strategic plan.

Annual Plan and Budget

The strategies identified in the Strategic Plan shape the actions that Council undertakes each year through the Annual Plan. The Annual Plan is used to frame the budget over a four year period so that Council resources are allocated to community priorities.

The annual budget includes the objectives and intent of the projected costings of the Annual Plan actions. This information is input to the LTFMP and projected at a summary level over out-years using a range of assumptions. The data generated through this process is then utilised to update the LTFMP.

Management and review

The FMS is a guiding document to consider when developing budget estimates, rather than a document that is dictating future decisions of Council. The long-term financial estimates generated by the FMS will be revisited and updated regularly to reflect any strategies that arise from the Council planning process.

Council will manage the FMS through the annual planning process, updating and maintaining the ten year LTFMP and indicators, and the budgeting process. This will ensure that planned long-term service and infrastructure levels and standards are met without a need to unexpectedly increase rates and charges or reduce services.

Financial management principles

These principles serve to guide Council in setting the financial management strategies.

Principle 1: The Community's finances will be managed responsibly to enhance the wellbeing of residents

Council will endeavour to only raise needed revenue and will do so in an efficient and equitable manner. Council will manage community funds according to best practice standards and ensure information regarding its financial management decisions is accessible to the community.

Principle 2: Council will maintain a vision of ongoing sustainability so that the wealth enjoyed today may also be enjoyed by future generations

Council will endeavour to achieve equity across generations by recognising each generation must pay its way. Council will invest sustainably in community assets to maintain service levels.

Principle 3: Council's financial position will be robust enough to recover from unanticipated events and absorb the volatility inherent in revenues and expenses.

Council will ensure it accumulates and maintains sufficient financial resource and has the borrowing capacity to deal with volatility and unexpected events. Council's operational budget will be flexible enough to ensure that volatility in revenues and expenses as a result of the changing economic environment can be absorbed.

Principle 4: Resources will be allocated in a transparent and equitable manner.

Council will ensure that robust and transparent processes are in place for the allocation and prioritisation of resources through budgetary decision-making, as well as for choosing the most effective methods for delivering specific services and projects. Strategies will include a vigorous cost-benefit analysis in preparing and assessing proposals.

Financial management strategies

The FMS is an important part of the overall financial management activities of Council. The following table demonstrates the context within how this document fits into the overall financial management framework of Council.



The following financial strategies portray the strategic direction in which Council's financial decisions are based including borrowing, infrastructure, and service delivery. Specific financial strategies which should be noted include:

Rating strategy

Rates revenue represents the largest share of total income that Council generates each year and therefore is an important component of the financial planning process.

Rates represent a general tax levied on the basis of the Assessed Annual Value (AAV) as set by the Valuer-General. A general rate for commercial and industrial properties, the option of a discounted general rate for residential and other community properties, and a minimum rate, will be applied as a means of raising taxation revenue within the community. In addition to using the AAV, Council has adopted an option that allows a variation to the cents-in-the dollar charge based on certain factors. The variation in the rates is known as Differential Rating. Differential Rating allows Council to set a cents-in-the-dollar charge (General Rate) that can be discounted for the residential and community sectors.

The Council will process concessions to eligible ratepayers who hold either a Pension Concession Card, a Veteran's Affairs T.P.I endorsed card, War Widows, or Health Care Card.

Each year Council will take into account the following factors when setting the level of rates and charges:

- level of State and Commonwealth government funding;
- current economic climate;
- level of services to be delivered; and
- the capacity of the community to pay for those services.

At a Glance

- ❖ Tax levied on basis of AAV
- ❖ A general rate and minimum rate to be applied
- ❖ Option available to adopt more differential rating categories
- ❖ Concessions will be granted to eligible ratepayers

Fees and charges strategy

Council maintains a register of fees and charges in accordance with section 206 of the *Local Government Act 1993*. The fees and charges contained in the register are reviewed each year as part of the annual budget deliberations. Fees and charges will be increased annually by a minimum of the Consumer Price Index (CPI) except those categorised as Legislated, Agency or Council which are set independent of this strategy.

When determining the level of fees and charges, Council will have regard to the user pays principle and where possible recover the full cost of operating or providing the goods and services in accordance with National Competition Policy guidelines.

At a Glance

- ❖ Minimum increase of CPI for fees and charges
- ❖ Exception for fees categorised as Legislated, Agency or Council which are subject to independent approval
- ❖ Full cost recovery to be adopted where possible

Other revenue strategy

Other significant revenue streams include investment income from dividends and grant revenue. Council holds a 10.41% equity investment in Tasmanian Water Corporation (TasWater). As part owner of TasWater, Council aims to ensure that future entitlements are maintained.

Grant revenue represents a small percentage of overall operating revenue. The main source of grant revenue is from the State Grants Commission (SGC) in the form of the Financial Assistance Grant (FAG). The FAG is distributed as Base and Road components with the methodology being reviewed every 3 years. Although Council has little control over how the FAG funding is distributed across Local Government, Council will continue to review all operational and capital funding opportunities and identify and apply for appropriate grant funding.

At a Glance

- ❖ Ensure TasWater future entitlements are maintained
- ❖ All operational and capital funding opportunities to be explored

Expenditure and service delivery strategies

Council will consistently review service levels and delivery to ensure they are delivered as efficiently as possible and continue to meet the needs of the community. Council is focussed on developing a cost management culture across the organisation, encouraging all managers to be involved in minimising costs by accountability through the budget process and involvement with ongoing monitoring, reporting and forecasting processes.

At each budget cycle Council will consider the feedback received from the community through the various engagement opportunities to assess any potential changes to services. New strategies developed though the year and the corresponding additional expenditure required, will be considered through the budget process.

Council will comply with its Code for Tenders and Contracts to ensure that expenditure is subject to the appropriate controls and represents the best value available.

At a Glance

- ❖ Service levels to be delivered as efficiently as possible
- ❖ Costs to be minimised through accountability, reporting and monitoring
- ❖ Expenditure subject to Council's Code for Tenders and Contracts

Investment strategy

Cash reserves will be managed to achieve optimum investment returns and to ensure that cash is available when needed for planned expenditures. Council will utilise the cash flow projections contained in the LTFMP to assist in the management of cash and investments.

Investment management is undertaken in a manner that seeks to ensure the security of the investment portfolio. The General Manager has the authority to undertake investments up to a limit of 360 days maturity in an authorised investment. Prior Council approval is required for any investments in excess of 360 days maturity. Funds will only be placed with institutions which have a Standard and Poors short term rating of 'A1' or above, or a long term rating of 'A-' or above.

Not less than three quotations shall be obtained from authorised deposit-taking institutions whenever an investment is proposed.

At a Glance

- ❖ LTFMP cash flow projections to be used to manage cash
- ❖ General Manager authorises investments less than 360 days maturity
- ❖ Council approves investments greater than 360 days maturity
- ❖ Funds to be placed with institutions which have a Standard and Poors rating A1 or A-
- ❖ Three quotations required from institutions for investment

Debt strategy

Council is dependent on a large investment in infrastructure assets to deliver its service objectives and is mindful of intergenerational equity in generating revenue to offset service costs.

Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes).

Council aims to achieve an operating break even position. This means that on average over time it will generate sufficient funds to offset consumption of existing assets (through its depreciation expense). On average over time it will have sufficient capacity to accommodate asset renewal requirements without the need to raise additional borrowings.

Council will consider the use of debt facilities to fund major new capital expenditure which provides benefits to ratepayers into the future. Where possible, Council will assess the term of

the debt in relation to the life of the asset. The use of debt in this manner attempts to address the issue of inter-generational equity.

When considering new debt, Council will evaluate the impact of borrowing costs on the sustainability of current and future budgets and its capacity to repay the debt. Thought will be given to the structure of the funding arrangement with the overall aim of minimising interest rate exposure and borrowing and administrative costs. When borrowing, Council will raise all external debt at the most competitive rates and from authorised borrowing institutions with a minimum long term Standard and Poors credit rating of 'A'.

Council will utilise the cash flow projections contained in the LTFMP to assist in the management of debt and cash reserves. When surplus funds exist over and above the finances required to cover Council's normal operations, working capital needs, and cash funded reserves, the General Manager may make a recommendation to Council to redeem borrowings. The decision to redeem borrowings will be made based on the facts available at the time the surplus funds are available, giving due regard to minimising the overall cost to the Council.

No additional borrowings have been included in the Plan. Scheduled principal repayments have been funded over the life of the Plan.

At a Glance

- ❖ Debt to be considered to fund major new capital expenditure
- ❖ Term of debt to be assessed against the life of the asset
- ❖ Borrowing costs to be evaluated and the impact on LTFMP to be considered
- ❖ Debt to be sourced from borrowing institutions with a minimum long term Standard and Poors credit rating of A
- ❖ General Manager may make a recommendation to Council to redeem funds where surplus funds exist

Asset management

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, Council aspires to develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and into the future, in the most cost-effective and fit for purpose manner.

Broadly, asset management involves the development and delivery of an:

- Asset management strategy;
- Asset management policy; and
- Asset management plans.

Asset management strategy

The strategy outlines an asset management improvement plan detailing a program of tasks to be

completed and resources required so that Council has a minimum 'core' level of asset maturity and competence. The objectives of the asset management strategy are to:

- demonstrate how its asset portfolio will meet the service delivery needs of its community into the future;
- enable Council's asset management policies to be achieved; and
- ensure the integration of Council's asset management with its Long-Term Strategic Plan.

Asset management policy

The purpose of Council's Asset Management Policy is to define the Council's vision and service delivery objectives for asset management in accordance with the Strategic Plan and applicable legislation. The Infrastructure Assets Policy was adopted by Council in March 2006 and is currently under review. The revised policy will enable Council to show:

- how its asset portfolio will meet the affordable service delivery needs of the community into the future;
- how Council's asset management policies will be achieved; and
- ensure the integration of Council's asset management with the strategic plan.

Asset management plans

The asset management plans demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service.

Individual Asset Management Plans have been created for each asset class. Information from the individual asset management plans are integrated into the LTFMP.

To ensure compliance with relevant legislative requirements and contemporary asset management practices, the Asset Management Strategy along with the Asset Management Policy and Plans, will be reviewed regularly.

LTFMP assumptions and methodology

The LTFMP reflects the projected financial position of the Council over the next ten years through the following financial statements:

- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position; and
- Statement of Cash Flows.

The LTFMP takes the current budget as a base and utilises various assumptions to forecast the following years of the plan.

The LTFMP reflects all current assumptions and decision making. The LTFMP does not include

things that might change, but have not yet been decided at the time of its formulation. The assumptions and variables used to underpin Council's LTFMP are reviewed annually. LTFMP assumptions are made in relation to:

- Consumer price index; and
- Interest rates

Assumptions are applied to the following major revenue segments:

- Rates Revenue
- Rates Growth
- Statutory Charges
- User Charges
- Grant Revenue
- Water Distribution

Assumptions are applied to the following major expenditure segments:

- Employee Benefits
- Salary Review
- Contractors & Services
- Materials

The LTFMP is a tool to ensure that the Council achieves financial sustainability while delivering services to its ratepayers.

The plan provides projections of:

- Operating results over the forecast period. It is important that Council generates sufficient revenue to cover all of its cash and non-cash costs, with a small buffer.
- Cash balances over the projection period. It is important to ensure liquidity so that Council is able to meet its debt obligations as and when they fall due.
- Forecast asset renewal funding requirements which is a key financial sustainability indicator. Renewal forecasts are continually being refined and the funding level continually monitored.

These key outcomes ensure the financial sustainability of Council, thus ensuring the ability to deliver services, at their current levels, into the future.

Measuring financial sustainability

Council's ability to remain financially sustainable and to satisfy the purposes of Section 84(2A) of the Act, can be measured using the Key Performance Indicators as outlined in the *Local Government (Management Indicators) Order 2014*.

The primary financial sustainability indicators are the long-term financial rules which guide Council in making financial decisions and the target and acceptable ranges may be varied by Council over time.

The seven measures adopted for the purposes of the LTFMP are:

- Underlying surplus or deficit
- Underlying surplus ratio
- Net financial liabilities
- Net financial liabilities ratio
- Asset consumption ratio
- Asset renewal funding ratio
- Asset sustainability ratio

The first two are measures of profitability, the next two are measures of indebtedness, and the last three are measures of asset management.

The ranges established for the primary financial sustainability indicators allow for some impact of future uncertainties and contingencies so that ongoing financial sustainability can be maintained. In addition, Council will prudently set aside reserves to fund future expenditure requirements. However, it is impossible to plan for every eventuality (e.g. natural disasters or major legislative changes impacting on local government), and Council may be required to undertake short-term corrective actions in the future to respond to unexpected events and immediate challenges to financial sustainability.

Indicator 1 – Underlying surplus or (deficit)

The difference between day-to-day income and expenses for the period (excluding contributed assets, asset revaluations and capital grants). This indicator is seen as a better indicator of sustainable or recurring operations as it excludes capital grants which can be project specific and thus non-recurring, and other amounts which are recorded as income due to accounting standard requirements.

An operating surplus arises when operating revenue exceeds operating expenses for the period. An operating deficit arises when operating expenses exceed operating revenue for the period. Council's long term financial sustainability is dependent upon ensuring that on average, over time, its expenses are less than associated revenues. This ensures equality between generations of ratepayers in that each generation is responsible for the cost of resources they consume.

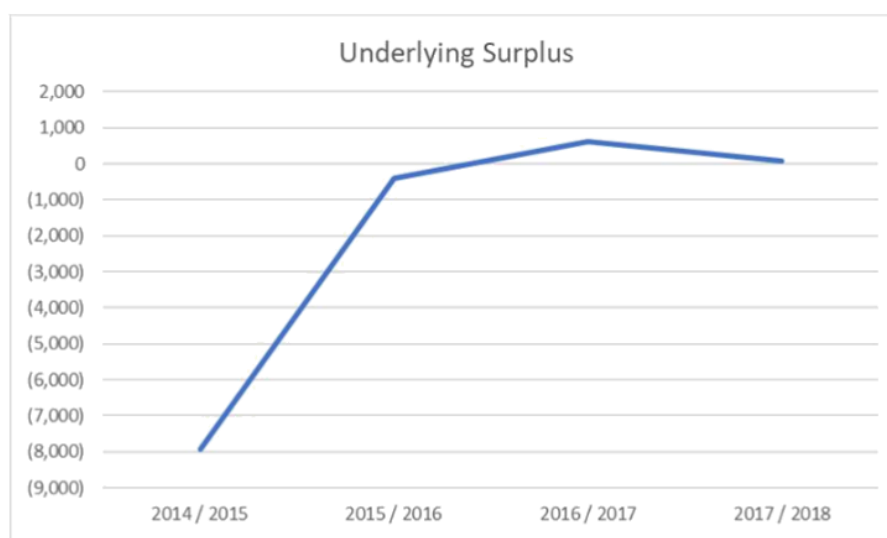
Research indicates that there is no clear agreement on what an appropriate target should be. For example, the Victorian Auditor-General recommends generating surpluses consistently, the Tasmanian report "Framework for Long Term Financial and Asset management Planning for all Tasmanian Councils" September 2009 recommends breakeven, or better, on average over medium term, and some state studies recommend sizeable surpluses.

Indicator 2 – Underlying surplus or (deficit) ratio

The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total revenue (adjusted by excluding capital grants, contributed property, plant and equipment and asset revaluation increments/decrements). It is a better indicator than the underlying operating result because it expresses that result relative to annual revenue.

Research indicates a wide range of views on appropriate targets. Reviews indicate targets of 0% to 15%, 2.5% to 7.5%, and greater than 0%. A target of greater than 0% has been selected which is in keeping with the Underlying surplus "Framework for Long Term Financial and Asset management Planning for all Tasmanian Councils" September 2009 recommendation.

Financial Management Indicators	Target
Underlying Surplus or Deficit	Greater than \$0
Underlying Surplus Ratio	Greater than 0%



Indicator 3 – Net financial liabilities

What is owed to others less cash held/invested and receivables and is thus a measure of net indebtedness. It is broader than just loan debt, as it includes amounts owed to creditors, employee provisions, amounts held in trust and all other liabilities.

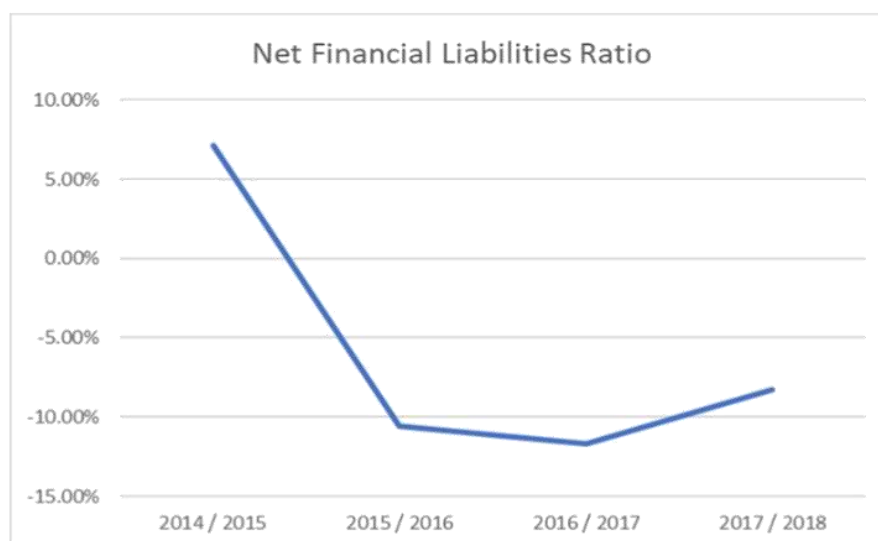
The Tasmanian Auditor-General suggests a benchmark of greater than zero for this measure.

Indicator 4 – Net financial liabilities ratio

This ratio is net financial liabilities expressed as a percentage of income. It indicates the extent to which net financial liabilities can be met by the Council's income. Where the ratio is increasing it indicates the Council's capacity to meet its financial obligations from income is strengthening.

The Tasmanian Auditor-General suggests a ratio of 0% to -50% represents low risk, -50% to -100% moderate risk, and greater than -100% high risk.

Financial Management Indicators	Target
Net Financial Liabilities	Greater than \$0
Net Financial Liabilities Ratio	At least 0%



Indicator 5 – Asset consumption ratio

This indicator expresses asset written down value as a percentage of replacement cost and therefore seeks to measure the proportion of life remaining in assets. A lower measure indicates an older, on average, portfolio of assets and could indicate the potential for large renewal expenditure. However, a low or declining ratio is not a concern provided assets are being

maintained/replaced in accordance with well-prepared asset management plans and the organisation is operating sustainably. The cash generated by operating sustainably funds the renewal of assets when required.

An appropriate target is difficult to define and one source suggests a ratio between 40% and 80%. The Tasmanian Auditor-General considers the road asset class in isolation and suggests a ratio of >60% to represent low risk, 40 to 60% moderate risk and less than 40% high risk.

Indicator 6 – Asset renewal funding ratio

This indicator is the ratio of future asset replacement expenditure as per the LTFMP relative to the future asset replacement expenditure requirement sourced from asset management plans. It therefore measures the capacity to fund asset replacement requirements. An inability to fund future requirements will result in revenue or expense or debt consequences, or a reduction in service levels.

To maintain operating capacity, the Tasmanian Auditor-General expects a council to fund 90% of its planned asset requirements.

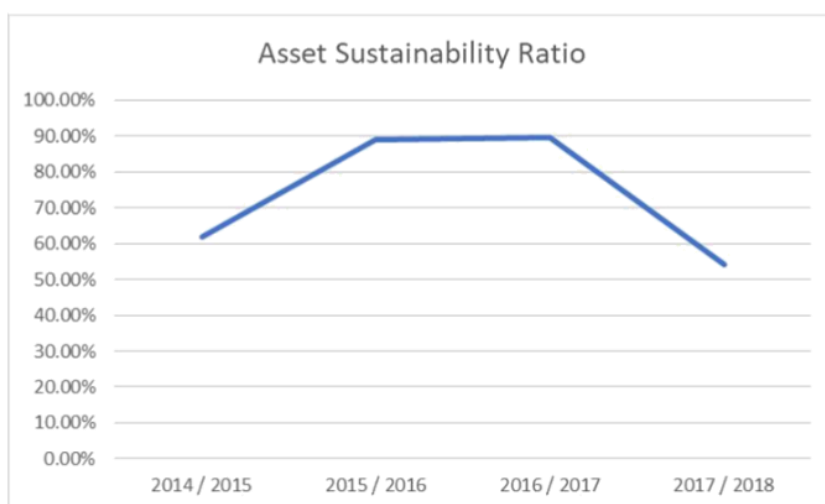
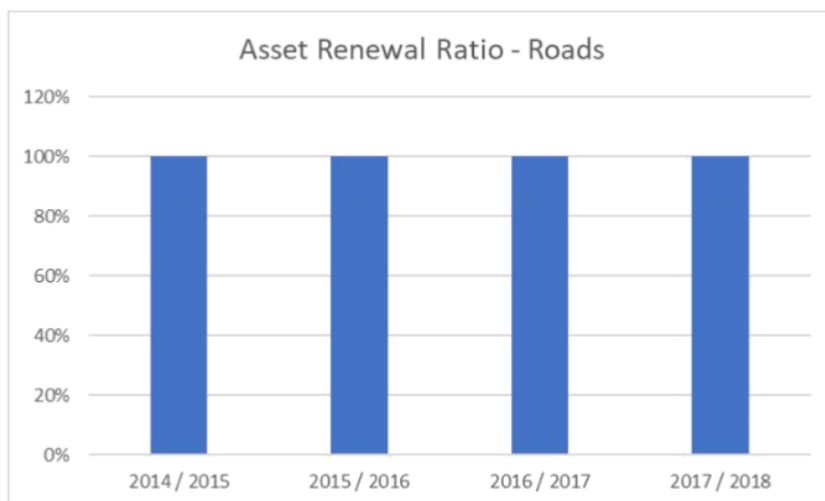
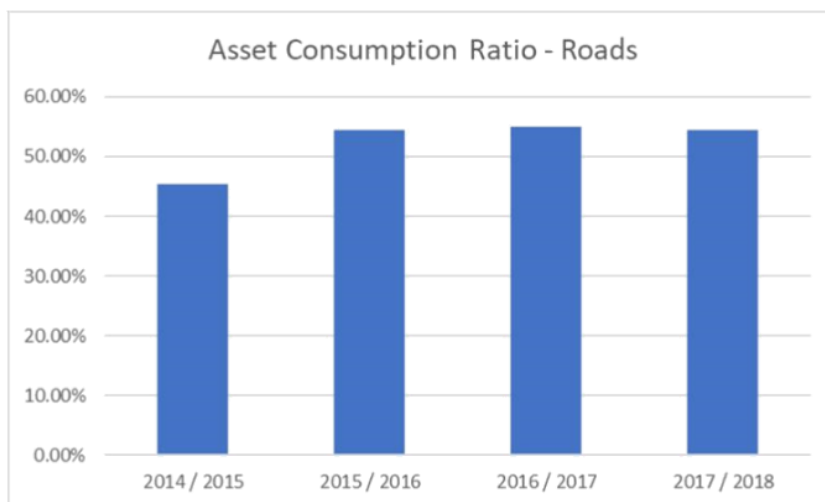
Indicator 7 – Asset sustainability ratio

This ratio is asset replacement capital expenditure expressed as a percentage of depreciation expense. It measures whether assets are being replaced at the rate at which they are wearing out. With a young asset portfolio, the target may be quite low. If old, it may be > 100%. Over time, if it averages at or near 100% the service of the asset portfolio is being maintained.

The Tasmanian Auditor-General suggests a benchmark of 100% for this measure.

The indicators are scrutinised by the Tasmanian Audit Office and are subject to commentary in the Report of the Auditor-General presented each year to State Parliament.

Asset Management Indicators	Target
Asset Consumption Ratio	At least 60%
Asset Renewal Funding Ratio	At least 90%
Asset Sustainability Ratio	Average of 100%



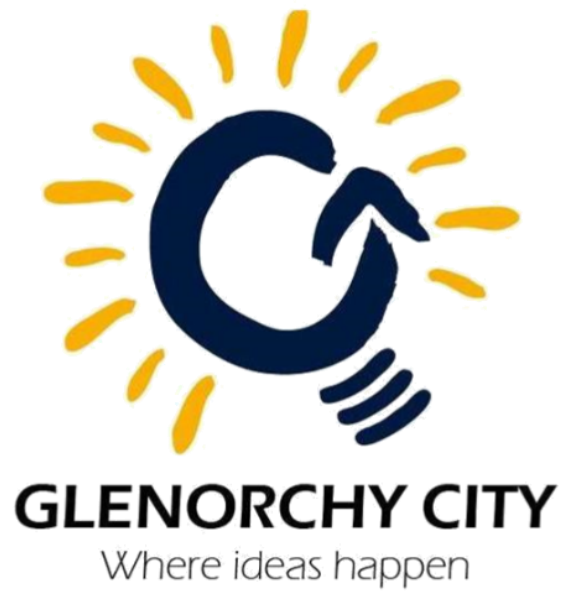
Summary

Long-term financial planning provides for the optimum allocation of available resources to deliver Council's strategic and corporate objectives. Long-term financial planning supports the delivery of Council's community vision.

Long term financial sustainability can only be achieved when Council is providing expected services at defined levels to its community that is adequately funded, not only on an annual basis, but in the long term. This includes infrastructure asset renewal funding requirements.

The achievement of the outcomes in the FMS will ensure Council's financial sustainability, thus providing the ability to deliver services, at their current levels, into the future while sharing the cost between current and future generations of ratepayers.

Attachment 1



Monthly Financial Performance Report

For the year-to-date ending 31 May 2019

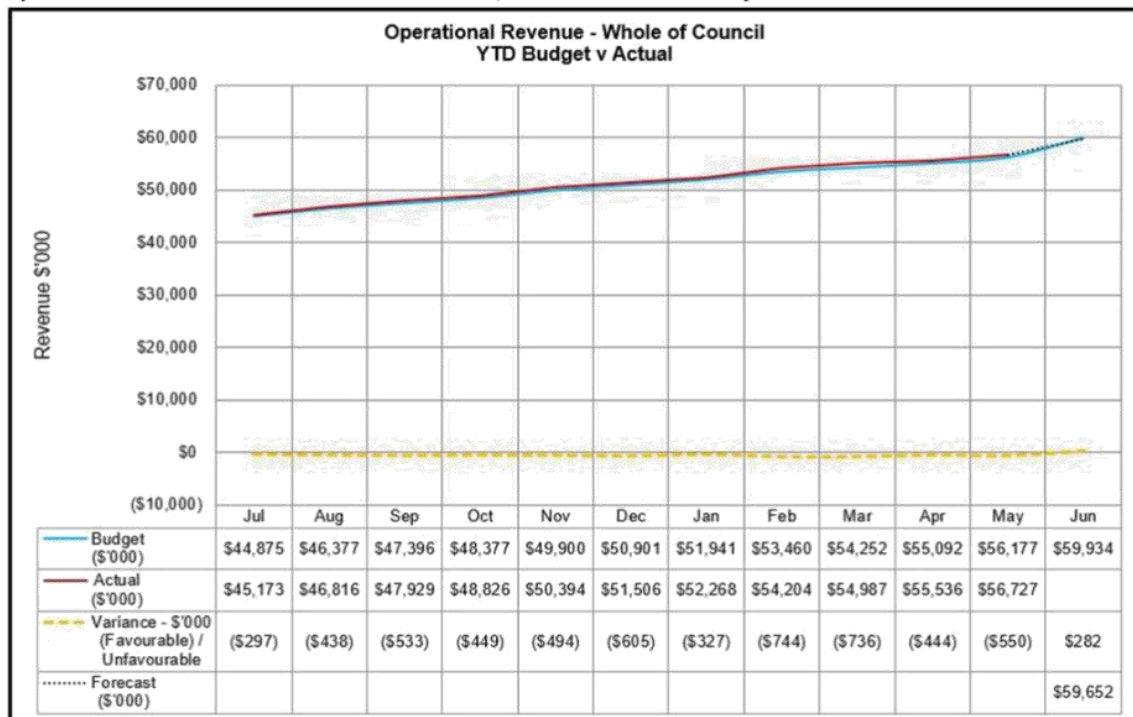
Statement of Comprehensive Income

Glenorchy City Council Financial Report Statement of Comprehensive Income to 31 May 2019					
Year-to-Date (YTD)	Note	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000	2019 Variance Actual to Budget
Income					
Recurrent Income					
Rates		39,838	39,926	35,527	↑ 0.2%
User charges and licences	1	11,630	11,478	10,992	↓ -1.3%
Interest		352	456	356	↑ 29.4%
Grants	2	1,802	2,310	2,046	↑ 28.1%
Contributions - cash		112	41	292	↓ -63.2%
Investment income from TasWater	3	1,487	938	1,859	↓ -36.9%
Other income	6	516	753	893	↑ 46.0%
		55,738	55,902	51,964	↑ 0.3%
Capital Income					
Contributions – non-monetary assets		-	-	-	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		10	(8)	38	↓ >100%
Capital grants received specifically for new or upgraded assets	4	429	833	1,005	↑ 94.3%
Fair value recognition of land under roads		-	-	-	
		439	825	1,043	↑ 87.7%
Total Income					
		56,177	56,727	53,007	↑ 0.9%
Expenses					
Employment costs		19,978	19,731	19,372	↓ -1.2%
Materials and services	5	13,397	13,718	12,556	↑ 2.3%
Depreciation and amortisation		12,666	12,554	12,633	↓ -0.9%
State Fire Commission contribution		4,231	4,231	5,332	↔ 0.0%
Finance costs		143	146	209	↑ 1.8%
Assets written off		-	30	-	↑ >100%
Bad and doubtful debts	2	2	6	1	↑ >100%
Other expenses		613	589	495	↓ -3.7%
Total expenses		51,031	51,007	50,598	↓ -0.1%
Surplus/(deficit)					
		5,146	5,720	2,409	↑ 11.1%
Other Comprehensive income					
Items that will not be reclassified to surplus or deficit					
Net gain/(loss) on revaluation of property, plant and equipment		-	-	74	
				74	
Items that may be reclassified subsequently to surplus or deficit					
Financial assets available for sale reserve					
-Fair value adjustment on available for sale assets		-	-	-	
Total other comprehensive income					
		-	-	74	
Total comprehensive result					
		5,146	5,720	2,483	↑ 11.1%

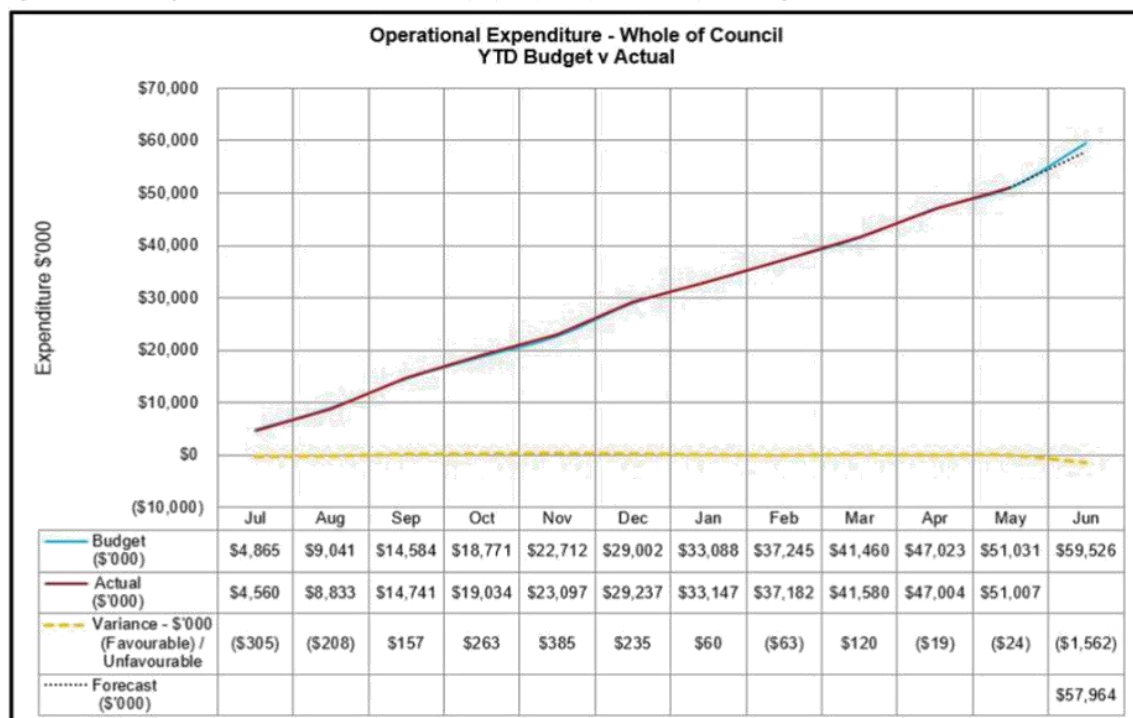
Nb: Rounding may be reflected in some subtotals

Attachment 1

Operational Revenue – Whole of Council – \$ YTD Accumulative by Month

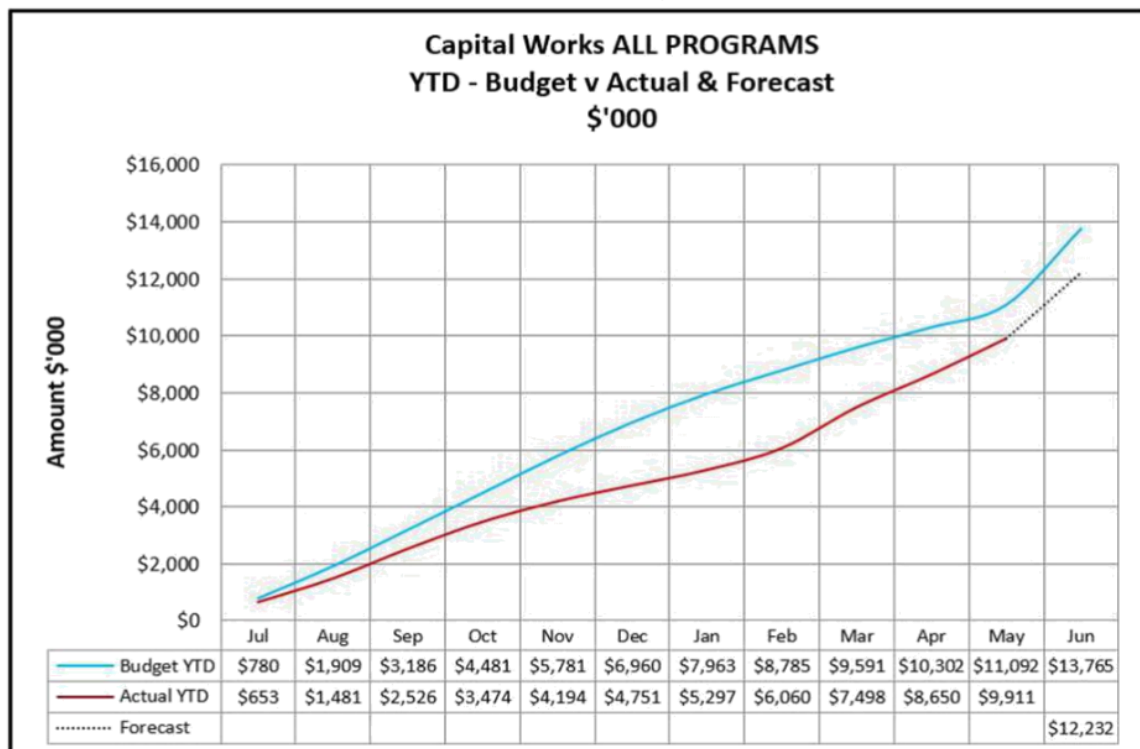


Operational Expenditure – Whole of Council – \$ YTD Accumulative by Month



Attachment 1

Capital Works - Budget v Actual v Forecast - \$ YTD All Programs



Attachment 1

Explanatory Notes

These notes are provided where a single or collective variance within the Statement of Comprehensive Income requires explanation because (a) it has materially affected the financial position across multiple prior reporting periods or (b) it will continue to materially affect the financial position in future reporting periods or (c) is of particular relevance to require further explanation. To enable \$ variances to be contextualised, they are also expressed as a % variance (rounded to a whole number).

Notes:

1. The threshold for variance reporting only details those areas deemed to be significant.
2. Arrow indicators represent:

Revenue higher than budget	↑	Revenue lower than budget	↓
Expense higher than budget	↑	Expense lower than budget	↓

Note	Revenue / Expenditure Item			
1	User charges and licences:			
			Variance \$'000	Variance %
	Landfill -Tip Fees	↓	389	14%
	Food Licence Fees	↑	128	100%
	Development Application Fees	↑	94	42%
	Changes to landfill operations have been implemented following the decisions made by Council at the December 2018 Council Meeting.			
	Food Licence renewal accounts have been issued for 2019/20 and at 30 June this revenue will be accrued into next year.			
	Revenue for Development Applications continue to trend above budget as it has done for most of the year.			
2	Grants:			
			Variance \$'000	Variance %
	Berriedale Child Care Centre – Fed Govt Subsidy	↑	217	71%
	Benjafield Child Care Centre – Fed Govt Subsidy	↑	212	>100%
	On 1 July 2018, the Federal Government introduced the “New Child Care Package”. The subsidy budget was based on conservative assumptions thus resulting in a favourable variance to date. Conversely, the parent contributions recorded in User Fees & Charges may be lower than budgeted due to the assumed effects of the new package.			

Attachment 1

3	Investment in TasWater:			
			Variance \$'000	Variance %
	Dividend	↓	185	78%
	Tax Equivalent	↓	367	33%
	From 1 January 2019, TasWater no longer makes interim payments, however the Council budget makes provision for these to be received. A cumulative negative variance will be reported until TasWater makes its final payments closer to 30 June.			
4	Capital Grants:			
			Variance \$,000	Variance %
	Granton Cycleway	↑	200	100%
	Eady Street	↑	77	100%
	Early Flood Warning System	↑	75	100%
	Peltro Street	↑	52	100%
	Applications for new grant funding have been successful.			
5	Materials & Services:			
			Variance \$'000	Variance %
	Flood Response Repairs (operational expenditure)	↓	485	100%
	Unbudgeted expenditure relating to the May 2018 floods has been incurred.			
6	Other Income			
			Variance \$'000	Variance %
	Insurance Claims	↑	180	100%
	Unbudgeted revenue from insurance claims has been received.			

Adjustments to amounts previously reported

There have been no material adjustments to previously reported amounts.

Procurement Exemption Register 19 June 2019

Date	Supplier	Amount (ex GST)	Exemption Clause	Reason for granting exemption	Goods/Services Supplied	Requested by:	Decision by:	Title	Date Reported to Council
18 February 2019	Anittel Pty Ltd	\$6,385.47	(d)	Additional requirement DEC within scope but original order was closed		P Forck	J Self	DCS	25-Mar-19
7 March 2019	Total Office Design	\$2,223.00	(f)	Office equipment		B Hannan	J Self	DCS	25-Mar-19
13 March 2019	KPMG	\$15,000.00	(c)	Property sales advice.		^D Ronaldson	^T McMullen	GM	25-Mar-19
13 March 2019	Bulletproof	\$9,820.98	(d)	Hosting website		A Bacchus	J Self	DCS	25-Mar-19
21 March 2019	Moreton Group Solutions	\$3,910.00	(f)	Training First Aid and CPR		C Anderson	J Self	DCS	29-Apr-19
2 April 2019	Tiifreno Builders Pty Ltd	\$4,545.45	(g)	Insurance Repair		S Cooper	J Self	DCS	29-Apr-19
10 April 2019	Safety Circle	\$3,000.00	(b)	Training		J Plunkett	J Self	DCS	29-Apr-19
11 April 2019	KP Asphaltting	\$15,454.54	(b)	Crack sealing		B Chandler	T Ross	DIW	27-May-19
25 March 2019	Inspiring Place	\$16,800.00	(c)	CBD Revitalisation - Urban Design for Stage 3B		G Fox	T Ross	DIW	27-May-19
28 February 2019	Entura	\$177,353.00	(b)	Regional Flood Warning and Alert System		M Burgess	T Ross	DIW	27-May-19
10 January 2019	Webb Bros. Paving	\$92,800.00	(b) (c) (f)	CBD Revitalisation - Paving contractor		H Gutwein	T Ross	DIW	27-May-19
18 March 2019	Clark Rubber	\$11,680.00	(e) (f)	Install new pool heaters		^A Woodward	T Ross	DIW	27-May-19
25 April 2019	Timmins Ray	\$22,000.00	(c) (f)	Media and public relations services		B Hannan	J Self	DCS	27-May-19
4 May 2019	Ian Harrington Group	\$16,692.93	(b) (c)	Line marking for changes to toll bridge operations		R Blair	T Ross	DIW	27-May-19

Date	Supplier	Amount (ex GST)	Exemption Clause	Reason for granting exemption	Goods/Services Supplied	Requested by:	Decision by:	Title	Date Reported to Council
30 April 2019	Tas Scale System	\$34,564.00	(c)	Iweigh system for toll booth and boom gate and lighting		A Woodward	T Ross	DIW	27-May-19
27 May 2019	Electrical Agencies (local agent for VicPole)	\$23,315.00	(b) and (c)	Supply of three (3) streetlight poles for CBD Revitalisation. The new poles are required to match the existing poles along Main Road. These are manufactured by VicPole. Electrical Agencies is VicPole's local agent.	Supply of 3 streetlight poles.	Engineering Projects Officer	Director Community and Customer Services	DCCS	24-Jun-19
29 May 2019	Southern Lighting	\$19,477.50	(b) and (c)	Supply of we-ef LED street lights for Glenorchy CBD project to match other purchases	We-ef LED streetlights	G Blackwell	T Ross	DIW	24-Jun-19
17 June 2019	Tas Trim	\$18,060.00	(c)	Repair damage to pool screens and umbrellas with historic knowledge	Repairs to pool screens and umbrellas	A Coombe	T Ross	DIW	24-Jun-19
17 June 2019	B and H Industries	\$32,550.00	(c)	Previous work and knowledge of joinery work already completed within building	Joinery works for the KGV building, specifically cupboards, shelves and benches within the Glenorchy Football Club tenancy	A Woodward	T Ross	DIW	24-Jun-19

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
01	1 – Governance	1(a)	Developing a Statement of Expectations between the General Manager and Aldermen to establish clear and agreed protocols for the fulfilment of their mutual and respective roles and functions	Statement of Expectations adopted by Council at its meeting held on Monday, 26 March 2018	26 Mar 2018	Completed
02		1(b)	Developing a Statement of Expectations between the General Manager and Mayor to establish clear and agreed protocols for the fulfilment of their mutual and respective roles and functions	(see above)	26 Mar 2018	Completed
03		1(c)	Developing a Statement of Expectations between the Mayor and Aldermen to establish clear and agreed protocols for the fulfilment of their mutual and respective roles and functions	(see above)	26 Mar 2018	Completed
04		1(d)	Developing a Statement of Expectations between Aldermen to establish clear and agreed protocols for the fulfilment of their mutual obligations roles and functions	(see above)	26 Mar 2018	Completed
05		1(e)	Within 2 months, ensuring all Aldermen, the Mayor and General Manager sign the Statement of Expectations they are party to	Statement of Expectations signed by all Aldermen, the Mayor and General Manager on Monday, 16 April 2018	16 Apr 2018	Completed
06		1(f)	Publishing the Statement of Expectations on the Council website within 1 month of signing	Signed Statement of Expectations published on Council website on Wednesday, 18 April 2018	18 Apr 2018	Completed
07		1(g)	Publicly committing to engage in ongoing professional development and abide by the principles of good governance, as established in the <i>Good Governance Guide</i>, within a period of three (3) months	Incorporated within the Statement of Expectations	26 Mar 2018	Completed
08		1(h)	Within a period of 9 months, in consultation with the community, developing a communication and consultation plan for all internal and external communications and consultation processes that is consistent with the eight characteristics of good governance outlined in the <i>Good Governance Guide</i>	A Communications Strategy (incorporating the eight characteristics of good governance outlined in the <i>Good Governance Guide</i>) was adopted by Council (Item 13 – 29 October 2018)	29 Oct 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
09	1 – Governance (cont.)	1(i)(i)	Reviewing, and amending if appropriate, within the 2018-19 budget period: the Strategic Plan	Council considered and reconfirmed its satisfaction with the current Glenorchy City Council Strategic Plan 2016-2025 (with minor changes being updated organisational structure and Aldermanic photos)(Item 13 – 26 November 2018)	26 Nov 2018	Completed
10		1(i)(ii)	Reviewing, and amending if appropriate, within the 2018-19 budget period: the long term financial management plan	Council's ten (10) year long-term financial management plan was adopted by Council (Item 2 – 25 June 2018) as per section 70 of the LG Act	25 Jun 2018	Completed
11		1(i)(iii)	Reviewing, and amending if appropriate, within the 2018-19 budget period: the financial management strategy	- Progressing - Note that Council's Financial Management Strategy was adopted by Council (Item 4 – 15 May 2017) as per section 70A of the LG Act		Actively Progressing
12		1(i)(iv)	Reviewing, and amending if appropriate, within the 2018-19 budget period: long-term strategic asset management plan	- Programmed in Council's Annual Plan for FY 2018-19 (road, stormwater, parks and building assets portfolios) - Note that Council's ten (10) year long-term strategic asset management plan (inclusive of a long-term capital work programme updated annually) was adopted by Council (Item 10 – 1 Sep 2014) as per section 70B of the LG Act		Actively Progressing
13		1(i)(v)	Reviewing, and amending if appropriate, within the 2018-19 budget period: asset management policy	Asset Management Plan was considered and readopted by Council (Item 15 – 30 July 2018) as per section 70C of the LG Act	30 Jul 2018	Completed
14		1(i)(vi)	Reviewing, and amending if appropriate, within the 2018-19 budget period: asset management strategy	- Programmed in Council's Annual Plan for FY 2018-19 - Noting that Council's asset management strategy for infrastructure assets adopted by Council (Item 10 – 1 Sep 2014) as per section 70D of the LG Act		Actively Progressing

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
15	2 – Training	2(a)	Reviewing its induction program for the Mayor and Aldermen within a period of three (3) months of the January 2018 election, to ensure that the induction already undertaken within the three (3) months and planned future induction will provide all Aldermen with the information and knowledge they need to fulfil their roles	- A facilitated workshop for the Mayor and all Aldermen was conducted on Saturday, 3 February 2018. - The workshop covered a range of relevant topics and included presentations from the Director of Local Government, Tasmanian Audit Office, Local Government Association Tasmania, the Mayor, General Manager and Acting Director Corporate Governance	3 Feb 2018	Completed
16		2(b)(i)	Facilitating training within three (3) months for all Aldermen on, though not limited to: their roles and responsibilities under the Act, with specific reference to the Model Code of Conduct, and the <i>Good Governance Guide</i>	A workshop co-facilitated by the Integrity Commission and the Director of Local Government was held on Monday, 7 May 2018	7 May 2018	Completed
17		2(b)(ii)	Facilitating training within three (3) months for all Aldermen on, though not limited to: ethical decision making	A workshop co-facilitated by the Integrity Commission and the Director of Local Government was held on Monday, 7 May 2018	7 May 2018	Completed
18		2(b)(iii)	Facilitating training within three (3) months for all Aldermen on, though not limited to: financial fundamentals, including understanding of financial statements and budget preparation	- A facilitated workshop for all Aldermen was held on Monday, 9 April 2018 - The workshop covered a range of relevant topics and was facilitated by the Mr Ross Byrne	9 Apr 2018	Completed
19		2(b)(iv)	Facilitating training within three (3) months for all Aldermen on, though not limited to: decision-making in reference to the <i>Land Use Planning and Approvals Act 1993</i>	- A facilitated workshop for all Aldermen was held on Thursday, 8 February 2018 - The workshop covered a range of relevant topics and was facilitated by the Registrar of the Resource Management and Planning Appeal Tribunal and Simmons Wohlgagen	8 Feb 2018	Completed
20		2(b)(v)	Facilitating training within three (3) months for all Aldermen on, though not limited to: meeting procedures as per the Act and the <i>Local Government (Meeting Procedures) Regulations 2015</i>	A workshop facilitated by the Director of Local Government was held on Monday, 21 May 2018	21 May 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
21	2 – Training (cont.)	2(c)	Implementing a professional development program for all Aldermen as a result of the first annual review as specified in Direction 5(a)	Several Aldermen have taken the opportunity to attend the Elected Members Professional Development Weekend (scheduled to be held 23-24 March 2019 in Launceston)	19 March 2019	Completed and Ongoing
22		2(d)	Development and facilitating, a program of training for all relevant staff in relation to the Act, Regulations, ethics in the work place, and good governance, including in meeting procedure and the proper recording of minutes, within a period of six (6) months	- Relevant staff attended a meeting procedures training workshop was facilitated by the Director of Local Government on Monday, 21 May 2018 - Most Directors and Managers participated in an Ethical Decision Making workshop conducted by the Integrity Committee on Friday, 24 November 2017 - Integrity Commission and Council staff have scoped an ethics in the workplace training module for roll-out through the organisation in early 2019. Council has liaised with the Integrity Commission and this training is expected to roll out in late June 2019. - All staff were trained 27 to 29 May 2019 in fraud awareness and cyber threats.		Actively Progressing
23	3 – Policies and Procedures	3(a)	Ensuring, within four (4) months, there is an appropriate Grievance Policy for Council staff, including referral procedures to an independent party for addressing complaints against the General Manager and senior staff	- Council adopted a new 'Grievances Involving the General Manager Policy' (item 15 – 26 February 2018) that included referral procedures to an independent party for addressing complaints against the General Manager - The General Manager has issued a Grievance Directive which requires independent investigation of grievances involving Directors or the Manager People and Safety (February 2018)	26 Feb 2018	Completed
24		3(b)	Ensuring, within six (6) months, there is an appropriate policy on the appointment of staff within the Council based on merit	Council approved a Human Resources policy (item 11 – 20 March 2017) which stated in part: <i>Council recognises that human resource directives provide workplace structure and support equal employment opportunity in giving fair treatment</i>	1 Jun 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
25	3 – Policies and Procedures (cont.)	3(c)(i)	Developing, within two (2) months, an appropriate policy and protocols for Council workshops, to ensure a clear separation between matters considered at Council meetings and workshops that specifically include a policy on the attendance of staff at Council workshops (and meetings) to ensure the efficient use of staff time is balanced with assisting Council to make decisions	- In addition, the General Manager approved an internal Recruitment Directive (6 February 2018) which also contains commitments to recruitment and selection decisions being based on merit-based principles. - The General Manager approved an internal Council Meetings and Workshops Directive (14 June 2018) which covers access to agendas and workshop materials, staff attendance, catering and security. - The Directive complements material within the Statement of Expectations	14 Jun 2018	Completed
26		3(c)(ii)	Developing, within two (2) months, an appropriate policy and protocols for Council workshops, to ensure a clear separation between matters considered at Council meetings and workshops that specifically include a policy on the provision of information to Aldermen and attendees including timeframes to ensure Aldermen are sufficiently prepared	- The General Manager approved an internal Council Meetings and Workshops Directive (14 June 2018) which covers access to agendas and workshop materials, staff attendance, catering and security. - The Directive complements material within the Statement of Expectations	14 Jun 2018	Completed
27		3(d)	Developing a calendar of Council meetings and workshops, including adequate provision for workshops on setting the annual budget and determining the capital works and spending program	Calendar of Council meetings and scheduled workshop dates has been published on the Council website	23 Mar 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
28		3(e)	Publishing the calendar of Council meetings and workshops on the Council website within two (2) months	(see above)	23 Mar 2018	Completed
29	3 – Policies and Procedures (cont.)	3(f)	Ensuring the General Manager provides sufficient budget and financial reporting to Council consistent with BOI recommendation 50	- General Manager has provided to Aldermen three (3) budget workshops (April, May and June 2018) in the lead-up to the FY 2018/19 Council Budget adoption (June 2018) - Aldermen are also provided comprehensive monthly and quarterly financial performance reports - Council received and noted the Mid-Year Financial Performance Report for the period ended 31 December 2018 and forecast for the year ended 30 June 2019 (Item 14 – 25 February 2019)	25 Feb 2019	Completed
30		3(g)	Developing within three (3) months, an appropriate policy in relation to media statements that is consistent with section 27(1)(e) of the Act and the Model Code of Conduct	Council adopted a new Media Policy (Item 13 – 28 May 2018) that is consistent with section 27(1)(e) of the Act and the Model Code of Conduct	28 May 2018	Completed
31		3(h)	Reviewing, within three (3) months, Council's credit card procedures and policies to ensure consistency, in the use and reporting of credit cards, with the recommendations of the Auditor-General's Report	A revised General Manager's Corporate Credit Card Directive was approved on 10 January 2018. It was drafted taking into account the recent findings and recommendations by the Tasmanian Audit Office and the Glenorchy City Council Board of Inquiry and for consistency with the Code for Contracts and Tendering adopted by Council on 10 July 2017	10 Jan 2018	Completed
32		3(i)(i-iii)	Ensuring, there is a policy, within four (4) months, to address the use of external legal advisers to include guidance on the circumstances in which the General Manager may seek external legal advice, direction on the maximum expense to be incurred before the matter needs to be brought to Council for approval, and clear and transparent reporting of legal expenses to Council	- Council adopted a Legal Services Policy (Item 4 – 12 December 2017) which addressed the use of external legal advisers and reporting of legal expenses - The adoption of a Legal Services Panel via a competitive public procurement process has been completed	13 Feb 2019	Completed

Ministerial Directions Implementation Progress Report – June 2019



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
33	4 – Committees and Membership	4(a)	Reviewing existing Council committees, including special committees, within 6 months, to determine appropriateness and, where required, the establishment of new committees with appropriate terms of reference	- An internal directive and line of authority for the approval of requests for external legal advice was signed by the General Manager - Council adopted a new Council Committees Framework which included updated Committees Policy, Committees Guide and Procedure and Committee Nominations and Appointments Policy (Item 16 – 30 July 2018) - Council has also directed that all committees and external bodies covered under the Committees Policy adopt updated Terms of Reference in the form required by the Policy and Committees Guide and Procedure by 31 December 2018, and that the first annual committees report to Council is required to be presented to Council in July or August 2019 after the end of the current financial year	30 July 2018	Completed
34		4(b)	Reviewing, within three (3) months, representation procedures for all committees, including elections and nominations and external representatives on special committees, with specific consideration on the suitability and aptitude of Aldermen seeking appointment	- Council adopted a revised Nominations and Appointments to Committees and Other Bodies Policy (Item 4 – 15 January 2018) with specific amendments to reiterate Council's position that where it is intended that the Mayor or Deputy Mayor is a member of a particular committee by virtue of their office, it is inappropriate that that protocol be abandoned and that any Aldermen other than the Mayor or Deputy Mayor (as applicable) be nominated for or appointed to that position - Over the past four (4) months, a number of ballots have been held for Council Committees and the results are available on Council's website - At each committee vote, where there were multiple candidates for limited positions, the	1 Jun 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
35	4 – Committees and Membership (cont.)	4(c)	Ensuring that all Council representatives on special committees and external bodies report, at a minimum, annually to Council	- candidates provided a statement why they should be the preferred candidate, in effect providing specific consideration on the suitability and aptitude of Aldermen seeking appointment - Council adopted a Committees Procedure policy (Item 13 – 21 November 2016) which allows for regular reporting of special committees, Council bodies and external bodies on at least an annual basis. - As these committees meet under the new Council, a mechanism will be established to ensure that Responsible Officers under the policy understand their reporting obligations.	1 Jul 2018	Completed
36		4(d)	Developing, if the Council chooses to establish one, appropriate terms of reference for a General Manager's Performance Review Committee, that includes: the right for any alderman who is not a member of the committee, to attend any meetings of the committee as an observer, and that the committee is empowered only to make recommendations to be provided to the full Council for decisions	Council endorsed a revised terms of reference for a General Manager's Performance Review Committee (Item 7 – 26 February 2018) that included the right for any alderman who is not a member of the committee, to attend any meetings of the committee as an observer, and that the committee is empowered only to make recommendations to be provided to the full Council for decisions	26 Feb 2018	Completed
37		4(e)	Ensuring that any committee established to review the General Manager's performance, is established as a Council committee as per section 23 of the Act, and not as a special committee as per section 24 of the Act	Council endorsed a revised terms of reference for a General Manager's Performance Review Committee (Item 7 – 26 February 2018) that established the committee as a Council committee as per section 23 of the Act	26 Feb 2018	Completed
38		4(f)	Reviewing, within six (6) months, the membership of the Council's Audit Panel including considering the merits of all members being independent (non-Aldermen). Where aldermanic appointments are made to the Audit Panel, the Council is to ensure that the appointed Aldermen have	Council considered and resolved that the current composition of the Audit Panel remains as being constituted of three (3) independent members (of which one (1) is appointed the Chairperson) and two (2) Aldermanic members (Item 15 – 26 November 2018)	26 Nov 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
39	5 – Compliance	5(a)(i)	Developing an annual review program, within six (6) months, to ensure a program of future compliance with, though not limited to: the Act and associated relevant regulations	At its 28 May 2018 Council Meeting (Item 15), Council	28 May 2018	Completed
				- noted the proposed approach by the Audit Panel to accommodate the requirements under Direction 5(b) of the Ministerial Directions, as reported - directed the Audit Panel to undertake an annual review of Council's compliance with the following, in accordance with Direction 5(b) of the Ministerial Directions: - Local Government Act 1993 - Local Government (General) Regulations 2015 - Local Government (Meeting Procedures) Regulations 2015 - Code for Tenders and Contracts - Corporate Credit Card Directive (January 2018) - Statement of Expectations (April 2018) - Council Policies and Procedures, and - Employment policies and merit based selection/appointment, and - noted that the Audit Panel will report back to Council in February 2019 (and annually thereafter to the term of the current Council) as to Council's compliance under Direction 5(b) of the Ministerial Directions.		
40		5(a)(ii)	Developing an annual review program, within six (6) months, to ensure a program of future	(see above)	28 May 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
			compliance with, though not limited to: the Code for Tenders and Contracts			
41	5 – Compliance (cont.)	5(a)(iii)	Developing an annual review program, within six (6) months, to ensure a program of future compliance with, though not limited to: credit card usage in line with the Auditor-General's Report	(see above)	28 May 2018	Completed
42		5(a)(iv)	Developing an annual review program, within six (6) months, to ensure a program of future compliance with, though not limited to: the Code of Conduct	(see above)	28 May 2018	Completed
43		5(a)(v)	Developing an annual review program, within six (6) months, to ensure a program of future compliance with, though not limited to: the Statements of Expectations	(see above)	28 May 2018	Completed
44		5(a)(vi)	Developing an annual review program, within six (6) months, to ensure a program of future compliance with, though not limited to: Council policies and procedures	(see above)	28 May 2018	Completed
45		5(b)(i)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: the Act and the <i>Local Government (General) Regulations 2015</i>	(see above)	28 May 2018	Completed
46		5(b)(ii)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: the <i>Local Government (Meeting Procedures) Regulations 2015</i> including the appropriate use of closed meetings and accuracy of relevant minutes	(see above)	28 May 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
47		5(b)(iii)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: the Code of Tenders and Contracts	(see above)	28 May 2018	Completed
48		5(b)(iv)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: the Credit Card Policy	(see above)	28 May 2018	Completed
49	5 – Compliance (cont.)	5(b)(v)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: the Code of Conduct	(see above)	28 May 2018	Completed
50		5(b)(vi)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: the Statements of Expectations	(see above)	28 May 2018	Completed
51		5(b)(vii)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: Council's policies and procedures	(see above)	28 May 2018	Completed
52		5(b)(viii)	Directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to: Council's employment policies, to ensure the principles of merit-based appointments is upheld	(see above)	28 May 2018	Completed
53	6 – Employment Contracts	6(a)	Council undertake a review of the approach to managing performance under the General Manager's contract of employment, including: the setting of performance indicators, in conjunction with the scheduled time in the General Manager's contract	In closed Council under Regulation 15(2)(a) and (b) of the <i>Local Government (Meeting Procedures) Regulations 2015</i>, Council considered and approved a process for the development of the General Manager's Key Performance Indicators in accordance with the General Manager's Contract of Employment and with the Glenorchy City Council Ministerial Directives (Item 26 – 26 February 2018)	26 Feb 2018	Completed
54		6(b)	Council undertake a review of the approach to managing performance under the General Manager's contract of employment, including: providing all Aldermen with an opportunity to	In closed Council under Regulation 15(2)(a) and (b) of the <i>Local Government (Meeting Procedures) Regulations 2015</i>, Council considered and approved a process for the development of the	26 Feb 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
55	6 – Employment Contracts (cont.)	6(c)	Council undertake a review of the approach to managing performance under the General Manager's contract of employment, including: considering the merits of including a provision in the General Manager's contract to clarify who approves any leave (annual or personal), noting the usual practice would be the Mayor on behalf of Council	- The General Manager's contract provides for Annual Leave to be taken in agreement between the Mayor and the General Manager, or in the absence of agreement, when the General Manager is directed by Council on at least one (1) months' notice - In addition, the Statement of Expectations provides 'The General Manager will, wherever practicable, ensure that the Mayor is given sufficient notice of this intention to be absent from duty for any reason or that they are otherwise unavailable or unable to perform the functions of the office of General Manager' - Notwithstanding, section 61B of the LG Act provides due process if the General Manager is absent from duty for any reason	26 Mar 2018	Completed
56		6(d)	Council undertake a review of the approach to managing performance under the General Manager's contract of employment, including: ensuring the review of the General Manager's performance under his or her contract is conducted using best practice, objective processes, including the use of a professional service provider to facilitate the review process	In closed Council under Regulation 15(2)(a) and (8) of the <i>Local Government (Meeting Procedures) Regulations 2015</i>, Council considered and approved a process for the development of the General Manager's Key Performance Indicators in accordance with the General Manager's Contract of Employment and with the Glenorchy City Council Ministerial Directives (Item 26 – 26 February 2018)	26 Feb 2018	Completed

Ministerial Directions Implementation Progress Report – June 2019



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
57	6 – Employment Contracts (cont.)	6(e)	Council undertake a review of the approach to managing performance under the General Manager's contract of employment, including: obtaining independent legal advice to assist in matters pertaining to the General Manager's contract of employment	- It is noted that the current General Manager's contract of employment was prepared by an independent legal advisor briefed by the then Commissioner - Furthermore, under Council's Legal Service Policy (adopted by Council Item 11 – 12 December 2017), Council recognises that the engagement of external law firms is appropriate in a number of circumstances including (but not limited to) matters pertaining to the General Manager's contract of employment This is also recognised within that Council policy that to 'protect the integrity of Council's legal advice from conflicts of interest, loss of privilege and by ensuring the confidentiality of legal advice ... Council directs that any advice required to assist Council in matters pertaining to the General Manager's contract of employment be obtained from independent external lawyers' - To this end, Council expects that when undertaking a review of the General Manager's performance under the General Manager's contract of employment, Council will obtain independent legal advice to assist in matters pertaining to the same	18 Apr 2018	Completed
58	7 – Reporting to the Minister	7	Report quarterly for the term of the current Council to the Minister on the progress of actions taken to comply with these Directions, and make	Fourth quarterly report acknowledged and approved by Council (Item 16 – 29 January 2019)	Ongoing	Actively Progressing

Ministerial Directions Implementation Progress Report – June 2019

Glenorchy City Council



No	Direction	Item	Ministerial Direction	Progress Comment	Date Completed	Indicator
			the report publicly available on the Council's website	- and on-sent by the Mayor to the Minister and the Department of Local Government - The report has been made publicly available on Council's website		