COUNCIL AGENDA
MONDAY, 25 JUNE 2018

GLENORCHY CITY COUNCIL

QUALIFIED PERSON CERTIFICATION

The General Manager certifies that, in accordance with section 65 of the *Local Government Act 1993*, any advice, information and recommendations contained in the reports related to this agenda have been prepared by persons who have the qualifications or experience necessary to give such advice, information and recommendations.

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Tony McMullen
General Manager

20 June 2018

Hour: 6.00 p.m.

Present:

In attendance:

Leave of Absence:

Workshops held since last Council Meeting

Date: Monday, 4 June 2018

Purpose: To discuss:

- Budget and Annual Plan

Date: Monday, 18 June 2018

Purpose: To discuss:

- Waste Management

TABLE OF CONTENTS:

1. APOLOGIES

2. CONFIRMATION OF MINUTES (OPEN MEETING)

That the minutes of the Council Meeting held on 28 May 2018 be confirmed.

3. ANNOUNCEMENTS BY THE CHAIR

4. PECUNIARY INTEREST NOTIFICATION

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Mrs. Kaye Smith – Glenorchy

Q: To Alderman King: May I refer you to point 388 on page 85 of the Integrity Commission Report, tabled in Parliament last Tuesday, 22 May 2018, where on 12 December 2016 you sent an email to Mr. Brooks and Ms. Iskandarli where you said:

> *"Peter and Seva,*
>
> *It would appear to me that the Mayor and Matt [Ald Stevenson] are hellbent on saying that the both of you are corrupt!*
>
> *I am prepared to offer to the Mayor in open Council, if you are found to have done the wrong thing that I will offer my resignation as long as they are prepared to do the same if you are found in the right.*
>
> *This is not a stunt as I have total confidence in the both of you.*
>
> *I doubt she would take the offer up.*

It seems to me that she is suggesting that the auditor general is corrupt or a fool also and he should be let know.

We must not give up!

Hope you are ok Pete.*"*

My question to you, Mr King, is are you a man of your word, and if so when shall we see your resignation in the light of the Integrity Commission Report which shows clearly that the three (3) people in question have often done the wrong thing? If you do not intend to stand by your written word, when can we expect a public apology to the Mayor and Deputy Mayor?

A: An answer to this question will be provided at the Council meeting.

Mr. George Burrows - Granton

Q: In relation to the report to council in relation to waste fees and charges [Item 10], Mr Burrows asked whether the charges for kerbside waste collection are optional? The question was asked in the context there was no waste collection service provided in Mr Burrows' neighbourhood until approximately 20 years ago, and that residents who did not receive a kerbside collection service received a discount on their rates. Mr Burrows' view was that the way the report to Council was framed made it appear that it was possible opt out of the kerbside collection service and not pay the charge.

A: There is no ability to opt out of paying the kerbside waste collection service charge. The same waste charge is applied to all residential properties within the municipality, irrespective of the value of the property or its location.

This system has been in place since 1 July 1996, when wheelie bins and crates were first introduced. From that date, a flat fee for the standard fortnightly collection service was applied to all residential tenements regardless of whether a resident uses the service or not.

The current arrangement is common practice among Tasmanian councils and is authorised under section 93 of the *Local Government Act 1993*.

Q: Also in relation to the waste fees and charges report, Mr Burrows noted that the report referred to the arrangement for multiple dwellings in which residents share multiple bins for kerbside collection. Mr Burrows expressed indignation about this arrangement and asked whether the Council has considered any alternatives to this?

A: The practice of supplying shared rubbish and recycling bins to multiple unit developments is standard and accepted practice in across Australia, and is the most efficient and effective way of delivering waste and recycling services to complexes with multiple dwellings.

Accordingly, Council has not considered any alternatives to this arrangement.

Council's Waste Services Policy provides that multiple dwelling units/flats may receive a shared service where there are three or more tenancies in the complex.

Council's waste services department assesses new unit developments for implementation of shared bins as part of the development assessment process, using specific criteria, including the location of the property, the amount of kerbside space and the implications for the surrounding environment.

Mr. Geoff Corrigan - Glenorchy

Mr. Corrigan presented a number of photographs to Aldermen of damage caused by the flooding of Humphreys Rivulet near a unit complex at 55 Grove Road (adjacent to the Grove Road bridge) during the storm event of 11 and 12 May 2018. Mr Corrigan noted that there was still a large amount of debris under the bridge which would need to be cleared in case of a similar event.

Mr Corrigan outlined some of the history of flooding in that area and mitigation action taken by Council, and referred to a previous Council By-law which provided that dwellings could not be constructed within five (5) metres of the banks of the rivulet, and that floor levels of those dwellings were required to be half a metre above the survey level of the Grove Road bridge.

Q: Mr Corrigan asked, in view of his comments, how the unit complex at 55 Grove Road, which was constructed in or about 2009, passed Council inspections given that it appeared to be constructed below the level specified in the By-law he referred to, and was closer than 5 metres to the watercourse.

A: The By-law you are referring to was the Water, Sewers and Drains By-Law (By-law No. 3 of 1998). The By-law came into force on 31 March 1999 and expired after a period of 10 years on 31 March 2009.

Clauses 40.1 and 40.2 of the By-law contained the requirements that you referred to regarding construction within 5 metres of the Rivulet. Those clauses provided as follows:

"***Development in Riparian zones set back from water courses***

40.1 A person must not erect a structure within the riparian zone of a water course bank without the written authorisation from the General Manager.

Penalty: 10 penalty units

40.2 The minimum width of the riparian zone is 5 metres from the top of a watercourse embankment."

I have not been able to identify any provision in the By-law relating to the requirement to construct the floor level above the survey level of the Grove Road Bridge.

Council issued the Planning Permit for units at 55 Grove Road (**the Units**) on 4 April 2011. The Planning Permit was therefore issued after the By-law had expired, meaning that the requirements in the by-law did not apply to the approval of the Units.

The development application for the Units was lodged and assessed under the *Glenorchy Planning Scheme 1992* and was required to comply with the requirements of that Planning Scheme.

Clause 9.2 of the Planning Scheme is entitled 'Flood Prone Areas'. Clause 9.2.1 sets out the requirements for buildings constructed in areas close to watercourses, and provides as follows:

9.2. FLOOD PRONE AREAS

9.2.1. The Council must not grant a permit (including a permit for a plan of Subdivision) if in its opinion the subject land to which the application relates is prone to flooding more than once in every one hundred years, unless it is satisfied that:

(a) the use or development (or likely subsequent use or Development of land shown on a plan of Subdivision) will not unduly restrict the free flow of a Watercourse in flood;

(b) a Dwelling Unit will not be subject to inundation above the floor level of the lowest floor; and

(c) the use or Development (or likely subsequent use or Development of land shown on a plan of Subdivision) will not cause any undue risk to the occupants or users of the Site or to property."

In consideration of the requirements of the Planning Scheme, the Planning Permit for the Units contained the following conditions:

"*17. The minimum floor level of any habitable room of Units 2 & 3 must be a minimum at 0.3m above the 1 in 100 year flood level or RL 4.5m AHD (Australian Height Datum). Prior to the Issue of a Building Permit engineering plans indicating finished floor levels of Units 2 & 3 relative to a PSM (Permanent Survey Mark) must be submitted for approval by Council's Development Engineer.*"

Council was ultimately satisfied that the plans, as presented, addressed that criteria and issued a building permit for the Units in July 2011.

6. PUBLIC QUESTION TIME (15 MINUTES)

7. PETITIONS/DEPUTATIONS

COMMUNITY

8. ANNOUNCEMENTS BY THE MAYOR

Author: Mayor (Ald. Kristie Johnston)

Qualified Person: General Manager (Tony McMullen)

ECM File Reference: Mayoral Announcements

Community Plan Reference:

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

Strategic or Annual Plan Reference:

Objective 4.1 Govern in the best interests of the community.

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

Reporting Brief:

To receive the announcement of events by the Mayor.

Proposal in Detail:

The following is a list of events and meetings the Mayor has attended during the period Tuesday 22 May 2018 and Monday 18 June 2018.

Tuesday 22 May 2018

- Participated in Triple M's "Angry Birds" Segment
- Attended an interview with The Mercury regarding the Integrity Commission Report
- Attended a meeting with the Treasurer and Minister for Local Government
- Attended an interview with ABC Drive radio program regarding the Integrity Commission Report

Wednesday 23 May 2018

- Attended and read at the Glenorchy LINC National Simultaneous Storytime event
- Attended a meeting with the Treasurer and Minister for Local Government
- Attended and read at the Benjafield Childcare Centre National Simultaneous Storytime event
- Attended and read at the Berriedale Childcare Centre National Simultaneous Storytime event
- Hosted the Glenorchy Volunteer Awards Ceremony at the Derwent Entertainment Centre

Friday 25 May 2018

- Hosted the 2nd Taste of the World Thank You event for volunteers
- Attended the Trade Stall Expo at the Claremont Girl Guides Hall

Saturday 26 May 2018

- Volunteered for the Red Shield Appeal at Big W
- Attended the Southern Tasmanian Dancing Eisteddfod's 40th Anniversary celebration

Monday 28 May 2018

- Attended the Hobart National Reconciliation Week Breakfast
- Chaired the Council Meeting

Tuesday 29 May 2018

- Volunteered for the Red Shield Appeal at Northgate
- Attended a meeting with Alderman Anna Reynolds
- Attended a meeting with Minister Gutwein and Minister Rockliff on behalf of the Glenorchy and Hobart Rail Corridor Working Group
- Attended a meeting with Minister Gutwein

Wednesday 30 May 2018

- Attended a photo shoot for Tas Weekend Magazine

Thursday 31 May 2018

- Attended a meeting with a local business representative
- Attended the OneCare AGM
- Attended as guest speaker a lunch at Karadi Aboriginal Corporation
- Attended a meeting of the Berriedale Belligerents

Friday 1 June 2018

- Volunteered for the Red Shield Appeal at Moonah Woolworths

Saturday 2 June 2018

- Volunteered for the Red Shield Appeal at Claremont Plaza
- Attended the Glenorchy District Football Club Ladies Day event

Monday 4 June 2018

- Chaired a Council Workshop

Tuesday 5 June 2018

- Attended the Glenorchy Youth Taskforce meeting
- Attended the Collinsvale Community Association meeting

Wednesday 6 June 2018
- Visited the Hobart Vintage Machinery Society
- Hosted and presided over the Glenorchy City Citizenship Ceremony at KGV

Thursday 7 June 2018
- Attended a meeting with a resident
- Attended the Elizabeth Hope Baby Clinic

Friday 8 June 2018
- Attended a meeting with the Division of Local Government

Tuesday 12 June 2018
- Participated in Triple M's "Angry Birds" Segment
- Attended the Council of United Commonwealth Societies Luncheon to mark her Majesty, the Queen's birthday
- Chaired the Glenorchy Planning Authority meeting

Wednesday 13 June 2018
- Attended the Claremont Rotary Club's 50th Anniversary Dinner

Thursday 14 June 2018
- Participated in the Give Me 5 for Kids Wheelie Bin walk from Austins Ferry to Glenorchy
- Attended and spoke at the Tourism Industry Council of Tasmania's Operators Training Day
- Attended the Moonah Glenorchy Business Association State Budget Dinner Forum

Friday 15 June 2018
- Attended an interview at Princes St Primary for Grade 6 Girls National History Challenge
- Participated in an Aldermanic tour of Council's Capital Works facilities

Sunday 17 June 2018
- Attended the Women's Glenorchy v Clarence game at KGV

Monday 23 April 2018
- Chaired the Council Workshop

Numerous internal Council meetings and administrative duties were also undertaken.

Consultations:

Nil.

Human Resource / Financial and Risk Management Implications:

Nil.

Community Consultation and Public Relations Implications:

Nil.

Recommendation:

That Council:

> RECEIVE the announcements about the activities of the Mayor’s office during the period from Tuesday 22 May 2018 to Monday 18 June 2018.

Attachments/Annexures

9. 2018/19 BUDGET ESTIMATES

Author:	General Manager (Tony McMullen) Acting Manager, Business and Finance / Chief Financial Officer (Bill Richardson)
Qualified Person:	General Manager (Tony McMullen)
ECM File Reference:	Annual Budget 2018/2019

Community Plan Reference:

Leading Our Community

We will be a progressive, positive community with strong council leadership, striving to make Our Community's Vision a reality.

The communities of Glenorchy will be confident that the Council manages the community's assets soundly for the long term benefit of the community.

Strategic or Annual Plan Reference:

Leading our community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.1	Manage Council for maximum efficiency, accountability and transparency
Strategy 4.1.2	Manage the City's assets soundly for the long term benefit of the community
Objective 4.2	Prioritise resources to achieve our communities' goals
Strategy 4.2.1	Deploy the Council's resources effectively to deliver value

Reporting Brief:

To recommend the 2018/19 Budget estimates, the Long Term Financial Management Plan 2018/19 to 2027/28 and the 2018/19 Schedule of Fees and Charges for Council's adoption.

Proposal in Detail:

Executive Summary

The purpose of this report is to present to Council for adoption the 2018/19 Budget estimates, the Long Term Financial Management Plan 2018/19 to 2027/28 and the 2018/19 Schedule of Fees and Charges.

After a period of dysfunction and poor management marked by a Board of Inquiry process and dismissal of former Aldermen by an Act of Parliament, a new Council was elected in January 2018.

The depth of financial challenges facing the incoming Council soon became apparent with a range of legacy challenges from the previous administration needing to be addressed.

These include:

- annual operating deficits: Averaging around 7% of total revenue over the decade to 2016/17 based on Tasmanian Audit Office figures
- Board of Inquiry costs: $887k
- overspend on the KGV Sports and Community Hub project: In excess of $1M
- Derwent Park Stormwater Harvesting Project : Annual operating losses of $0.6M

Council also faces a number of looming future challenges:

- waste management - landfill life, waste transfer, future contract for end disposal of waste
- KGV project – the need to remedy building defects, finalise leases and resolve construction-related disputes
- Derwent Park Stormwater Harvesting Scheme closure and possible Federal grant repayment
- reduced income distribution from TasWater of $1.1M starting in 2018/19
- a new enterprise agreement due in May 2020 and a revised job classification system, which is a commitment in the current enterprise agreement
- repairs to infrastructure following the 10 and 11 May 2018 flood event (approximately $3M in damage to Council assets), and
- uncertainties around civil litigation matters involving Council.

In order to be financially sustainable, Council needs to achieve three things:

1. a strong cash balance ($15M is sufficient to fund about three months' operations)
2. a 'break even' or surplus operating position, and
3. the ability to fully fund the renewal and replacement of assets.

Once the first draft of the budget was prepared in March 2018, it was clear that additional measures would be required to put Council's finances onto a sustainable footing. First cut modelling on the 2018/19 Budget suggested that Council would run a $1.87M deficit and be in a negative cash position by July 2021.

If business as usual had been maintained, a rate revenue increase in the high teens would have been warranted to ensure Council's ongoing financial viability.

Council instructed officers to investigate a range of revenue and savings measures to address its financial challenges.

The following key measures are factored into the 2018/19 Budget for adoption by Council:

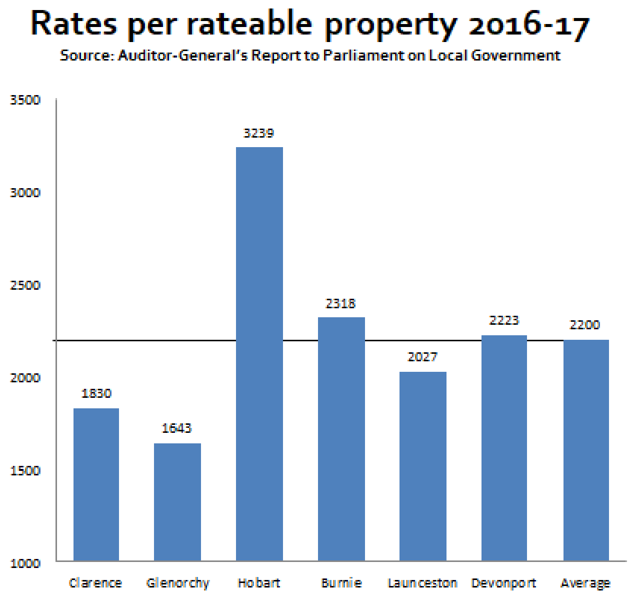
- additional waste management fees (with modest increases for residents and market-based increases for commercial entities)
- vacancy management by Council to reduce the Council's staffing levels by 8 positions over the financial year
- deletion of a manager position from the approved organisational structure, and
- shutting down the water treatment plant component of the Derwent Park Stormwater Harvesting Scheme (while retaining its flood mitigation capacity).

Concurrently, the Mayor and General Manager were invited to participate in discussions with the State Government to investigate additional budget assistance measures. These were:

- spreading remaining Board of Inquiry repayments over 5 years from 2018/19
- restructuring Council's loan portfolio
- intercession with the Federal Government to avoid repayment of grant funding, and
- a deferred repayment, interest-free loan and Co-ordinator-General support to pursue marketing of development opportunities at Wilkinsons Point.

Despite all of these measures, there remained a need to consider the appropriate level of rate revenue increase for 2018/19 to make Council's finances sustainable. In deciding this level, Council is keenly aware of the need to reduce the impact of any required increase upon the City's ratepayers.

Council looked at how its rating levels compared to other city councils. Council notes that its rates per rateable property, based on the most up-to-date local government sector information extracted from the independent Auditor-General's report to Parliament for the 2016/17 year, are the lowest of any City in the State, some $557 per rateable property below the Tasmanian average for cities and $187 per rateable property below the nearest City (Clarence).



Following extensive investigations on savings and revenue measures, the 2018/19 budget incorporates a rate revenue increase of 12.5%. This yields $3.982M in additional revenue to ensure Council's ongoing financial sustainability.

Based on an indicative sample of 14 of the City's residential properties, the approximate impact on rates for a residential ratepayer ranges from $1.94 - $4.35 per week or $100.69 - $226.40 per year. There may be outliers either side of these indicative estimates.

Council has investigated the introduction of a four (4) rate instalment model to reduce the impact of the rate revenue increase. However it was not feasible to achieve this in 2018/19 because of the lead time required to adjust Council's financial management systems and make arrangements for printing. Council is aiming to implement this in 2019/20.

An alternative solution to reduce the impact of the increased rates is the use of monthly, fortnightly or weekly direct debit arrangements. A flyer will go out with the annual rate notices alerting ratepayers to this option.

The key features of the 2018/19 Budget estimates are:

- total estimated operating revenue of $59.737M
- total estimated operating expenditure of $59.688M
- total estimated depreciation and asset write off of $13.988M
- estimated Net Operating Surplus of $49,447 in contrast to the budgeted Deficit of $1.710M in 2017/18
- total estimated capital expenditure of $13.765M
- total estimated capital grant funding of $429k, and
- an increase in general rate income of $3.982M.

Key operational initiatives funded in the 2018/19 budget include:

- responding to the Ministerial Directions issued following the Board of Inquiry process
- ongoing funding of core urban services such as waste management, child care, parks and recreation, communications, community development, animal management, asset maintenance, public health, planning, building and plumbing; and the operation of the Moonah Arts Centre and Derwent Entertainment Centre
- partnering with the Federal and State Governments and inner urban councils in the development of the Hobart City Deal
- development of an Economic Development Strategy
- waste education and promotion, and
- delivering major events such as Moonah Taste of the World Festival and Carols by Candlelight, Australia Day and Anzac Day celebrations and the annual Glenorchy Volunteer Awards.

Key capital works projects for the 2018/19 year include:

- continuation of the CBD Revitalisation project commenced in 2017/18 after a number of years of planning to renew and replace worn out CBD assets
- repair of Council assets affected by the 10 and 11 May storm event, including road and bridge repairs and stream erosion repairs
- Prince of Wales Bay Sports Ground upgrade
- public toilet upgrades including at Montrose Bay Foreshore, and
- stormwater capacity upgrades to reduce the risk of flash flooding in storm events.

2018/19 Budget

Section 82 of the Act requires the General Manager to prepare estimates of the Council's revenue and expenditure for each financial year.

Section 82 (2) and (3) read as follows:

(2) Estimates are to contain details of the following:

(a) the estimated revenue of the council;
(b) the estimated expenditure of the council;
(c) the estimated borrowings by the council;
(d) the estimated capital works of the council;
(e) any other detail required by the Minister.

(3) Estimates for a financial year must –

> *(a) be adopted by the council, with or without alteration, by absolute majority; and*
> *(b) be adopted before 31 August in that financial year; and*
> *(c) not be adopted more than one month before the start of that financial year*."

Attachment 1 is the 2018/19 Budget Summary and includes the estimates required under the Act. Any variations in values between the 2018/19 Budget Summary and this report are solely due to rounding adjustments.

Attachment 2 is the Long Term Financial Management Plan 2018/19 to 2027/28.

Attachment 3 is the Schedule of Fees and Charges for 2018/19.

Key Assumptions

The assumptions underpinning the 2018/19 Budget were originally approved as part of the 10 Year Long Term Financial Management Plan (**LTFMP**) adopted by Council in June 2016. These assumptions are consistent with the approach in Council's Financial Management Strategy 2017 (**FMS**).

Six elements of the 2018/19 Budget are analysed below:

1. budgeted Operating Income and Expenditure
2. budgeted Balance Sheet including Assets and Liabilities
3. budgeted Capital Expenditure
4. budgeted Cash Flow and Funding, and
5. key Risks for the Budget.

1. Budgeted Operating Income and Expenditure 2018/19

Table 1.1 (below) shows the budgeted Income Statement for 2018/19.

A net operating surplus of $49,447 exclusive of capital grant funding and net revenue from property sales is budgeted for 2018/19. This compares favourably to a $1.710M budgeted operating deficit for 2017/18.

Table 1.1 – 2018/19 Budgeted Income Statement

	2017/18 Budget ($'000)	2018/19 Budget ($'000)	Change ($'000)
Revenue (Excluding Capital Grants and Property Sales)			
Rates	$30,222	$34,204	$3,982
State Fire Levy	$5,359	$5,670	$311
User Charges & Licences	$12,151	$12,595	$444
Operating Grant Income	$1,695	$4,126	$2,431
Investment Income	$3,653	$2,547	($1,106)
Other Income	$872	$595	($277)
TOTAL REVENUE	**$53,952**	**$59,737**	**$5,785**
Expenditure			
Employee Expenses	($21,428)	($22,450)	($1,022)
Materials, Contractors & Other	($14,049)	($17,366)	($3,317)
State Fire Levy	($5,332)	($5,642)	($310)
TOTAL EXPENDITURE	**($40,809)**	**($45,458)**	**($4,649)**
Surplus/(Deficit) Before Interest, Depreciation & Amortisation	**$13,143**	**$14,279**	**$1,136**
Depreciation Expense	($14,369)	($13,818)	$551
Assets Written Off	($170)	($170)	$0
Surplus/(Deficit) Before Interest	**($1,396)**	**$291**	**$1,687**
Finance Charges	($314)	($242)	$72
Operating Surplus/(Deficit)	**($1,710)**	**$49**	**$1,759**
Add Capital Grant Funding	$865	$430	($435)
Add/(Less) Net Property Sales	($71)	($71)	$0
Surplus/(Deficit)	**($916)**	**$408**	**$1,324**

Revenue

Rating Policy

The rates revenue budget has been increased by 12.5%, in accordance with Council's proposed Long Term Financial Management Plan, generating an additional $3.982M to maintain services across the municipality.

The overall increase in budgeted rate revenue is based on the proposed LTFMP percentage increase over the 2017/18 total actual rate revenue for the whole City. This amount is divided by the City's total assessed annual value (**AAV**) for all rateable properties to determine the 'cents in the dollar' amount to be applied to individual properties.

When the 'cents in the dollar' rate is multiplied by the AAV to work out the rates bill for an individual property, there may be differences in the change in rates payable from property to property.

Table 1.2 below shows the average change to the Assessed Annual Value and General Rate for each property type between 2017/18 and 2018/19.

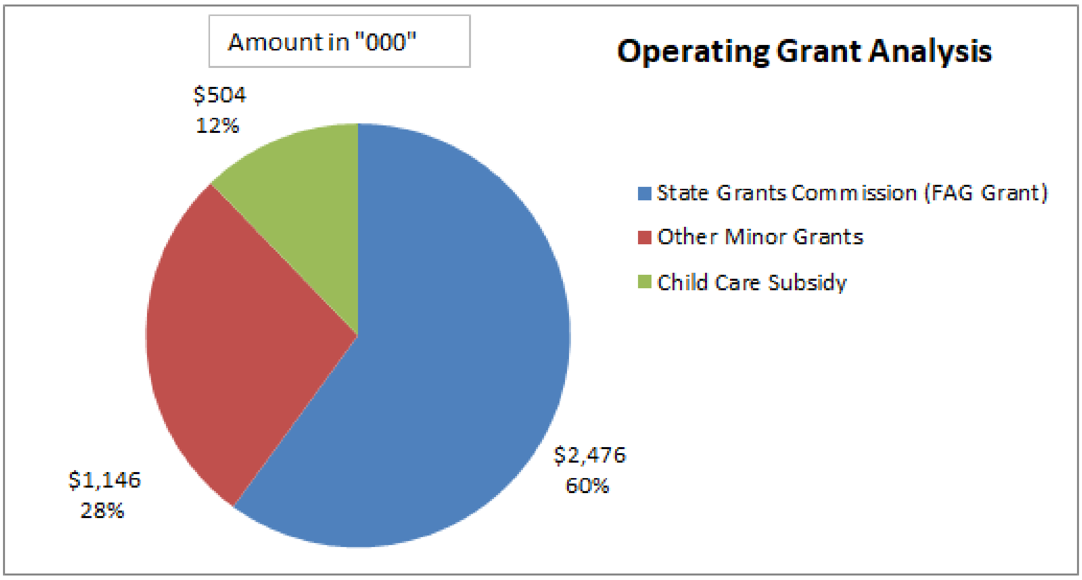
Table 1.2: Change in Assessed Annual Valuation and General Rate 2017/18 to 2018/19

Property Type	Number of Properties 2017/18	Number of Properties 2018/19	Average AAV 2017/18	Average AAV 2018/19	Average General Rate 2017/18	Average General Rate 2018/19	Change in Average General Rate
Commercial	534	556	$104,352	$102,089	$8,290	$9,124	$834
Industrial	476	481	$85,591	$85,975	$6,799	$7,684	$884
Quarry	1	1	$12,400	$12,400	$985	$1,108	$123
Primary Production	24	26	$11,722	$10,443	$931	$933	$2
Public Benefit	137	141	$83,708	$84,558	$6,650	$7,557	$907
Residential	19237	19438	$13,429	$13,433	$1,067	$1,201	$134
Sport & Recreation	26	67	$46,300	$30,032	$3,678	$2,684	-$994
Vacant	532	516	$7,678	$6,330	$610	$566	-$44

Operating Grant Subsidies (Excluding Capital Grants)

Budgeted Operating Grant Income at $4.126M for 2018/19 is higher than the $1.695M budgeted for 2017/18 primarily due to the early part payment (paid June 2017) of the 2018/19 Financial Assistance Grant. Chart 1.3 below provides a breakup of the budgeted funding sources for 2018/19:

Chart 1.3 – Operating Grant Funding ($'000)



Investment Income

Budgeted investment income includes TasWater distributions and interest revenue on deposit and investment funds. Investment income is budgeted to decrease by $20k due to reduced interest rates. Distributions from TasWater are also budgeted to decrease by $1.086M to $2.172M for the 2018/19 financial year.

Other Income

Other income is budgeted to decrease by $277k primarily due to the cessation of maintenance funding by TasWater for Tolosa Park maintenance.

Expenditure

Employee Expenses

Employee Expenses are budgeted to increase by $1.022M primarily attributable to salary increases flowing from the 2016 Enterprise Agreement, with a 3.5% increase payable from May 2019.

Materials, Contractors and Other Expenses

The budgeted amount of $17.366M represents an increase of $3.317M above the 2017/18 budgeted amount primarily due to provision for potential costs arising from the closure of the Derwent Park Stormwater Reuse Scheme and provision for potential litigation matters.

Maintenance Expenditure Summary

The level of maintenance spend is commensurate with the 2017/18 Budget with a $91k increase projected for 2018/19. Table 1.4 below provides a comparison to last year's Budget:

Table 1.4 – Summary of Maintenance Spend

Maintenance Spend	Budget 2017/18 $'000	Budget 2018/19 $'000	Increase/ (Decrease) $'000
5000 - Parks and Recreation	$2,914	$1,794	(1,120)
5100 - Roads & Stormwater Maintenance	$1,799	$1,768	(31)
5200 - Urban Services	$0	$1,294	1,294
5500 - Stormwater Maintenance	$991	$810	(181)
5700 - Facilities Maintenance	$1,116	$1,245	129
Total	**$6,820**	**$6,911**	**$91**

Depreciation Expense

The decrease in the net depreciation expense of $551k reflects in part anticipated savings arising from the shutting down of the water treatment plant component of the Derwent Park Stormwater Harvesting Scheme and better estimates for the completion and capitalisation of Council works from new assets which are offset by the decreased depreciation of existing assets.

Finance Charges

The budgeted amount for Finance Charges has decreased primarily due to loan reduction payments made during the 2017/18 and 2018/19 financial years.

Capital Grant Funding

Council has budgeted to receive a ‘Roads to Recovery’ Grant of $429k in 2018/19 which represents a decrease of $436k over the amount budgeted to be received in 2017/18. Black Spot funding is not budgeted in the 2018/19 budget.

Profit/ (Loss) on Disposal of Land

The decision to buy and sell properties is taken from a strategic perspective. Properties surplus to Council requirements are disposed of at market value which may be different to the book value in the Asset Register. A small cost of $71k is budgeted in 2018/19.

2. Budgeted Balance Sheet 2018/19

As outlined in Table 2.1 below, the budgeted Net Asset position of Council will be a strong $851.778M representing a stable position carried forward from the 2017/18 Forecast.

Table 2.1– Projected Balance Sheet

	2017/18 Budget ($’000)	**2018/19 Budget ($’000)**	**Change ($’000)**
Assets			
Current Assets			
Cash	$12,494	$13,805	$1,311
Other Current Assets	$2,289	$1,835	($454)
Total Current Assets	**$14,783**	**$15,640**	**$857**
Non-Current Assets			
Property, Plant & Equipment	$700,202	$655,476	($44,726)
Investment In Water Corporation	$168,878	$166,653	($2,225)
Other Non-Current Assets	$32,879	$32,879	$0
Total Non-Current Assets	**$901,959**	**$855,008**	**($46,951)**

	2017/18 Budget ($'000)	2018/19 Budget ($'000)	Change ($'000)
Total Assets	**$916,742**	**$870,648**	**($46,094)**
Liabilities			
Current Liabilities			
Borrowings	$929	$929	$0
Other Current Liabilities	$6,547	$9,825	$3,278
Total Current Liabilities	**$7,476**	**$10,754**	**$3,278**
Non-Current Liabilities			
Borrowings	$3,343	$2,359	($984)
Other Non-Current Liabilities	$5,533	$5,755	$222
Total Non-Current Liabilities	**$8,876**	**$8,114**	**($762)**
Total Liabilities	**$16,352**	**$18,868**	**$2,516**
Net Assets	**$900,390**	**$851,780**	**($48,610)**
Equity			
Community Equity	$534,925	$533,532	($1,393)
Reserves	$365,465	$318,248	($47,217)
Total Equity	**$900,390**	**$851,780**	**($48,610)**

Assets

The current assets balance is expected to increase during the 2018/19 financial year as a result of a reduced capital works program and the move to an Operating Surplus.

Total budgeted Assets have decreased primarily as a result of devaluations of Property, Plant and Equipment brought to account as at the end of the 2016/17 financial year. Revaluations of specific asset classes are conducted annually on a three-year rotational basis however, as the results of each revaluation exercise are unpredictable. Revaluation increases/decreases are not budgeted.

Liabilities

Council liabilities continue to trend down, primarily due to the retirement of debt as it becomes due.

Equity

Council equity and net assets have decreased primarily as a result of the devaluations of Property, Plant and Equipment brought to account as at the end of the 2016/17 financial year.

Borrowings

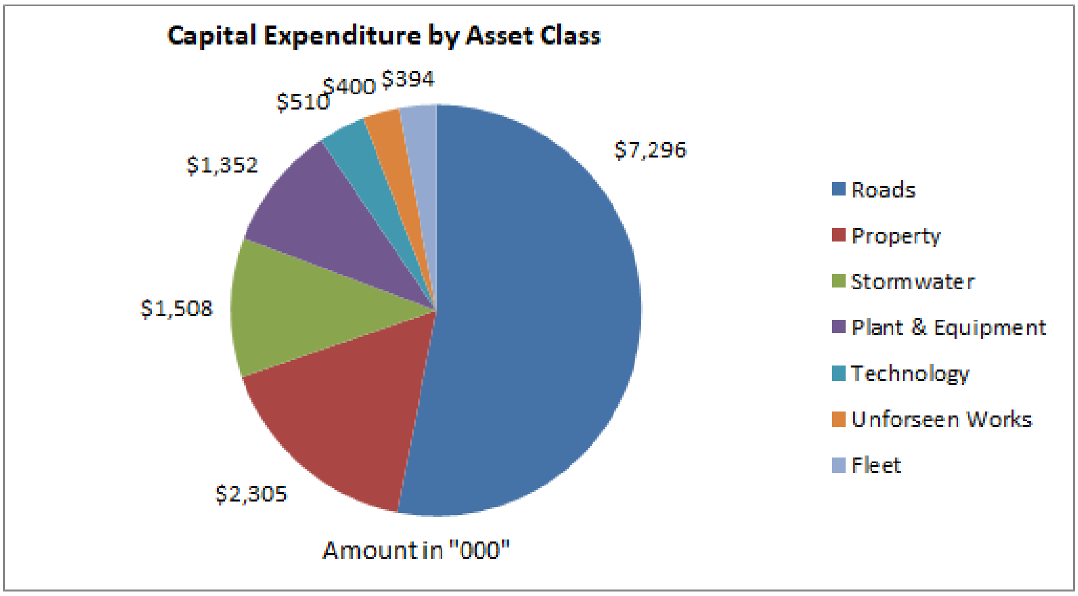
No new borrowings are proposed in the 2018/19 Budget.

3. Budgeted Capital Expenditure 2017/18

Chart 3.1 (below) shows the 2018/19 Capital Expenditure Program.

Capital investment of $13.765M is budgeted across the six asset classes of Council. The chart below summarises the Budget for each asset class. Expenditure is across all suburbs of the municipality.

Chart 3.1 – 2018/19 Capital Expenditure Program



Council's budgeted capital expenditure for 2018/19 compared to the renewal target expense for each category is:

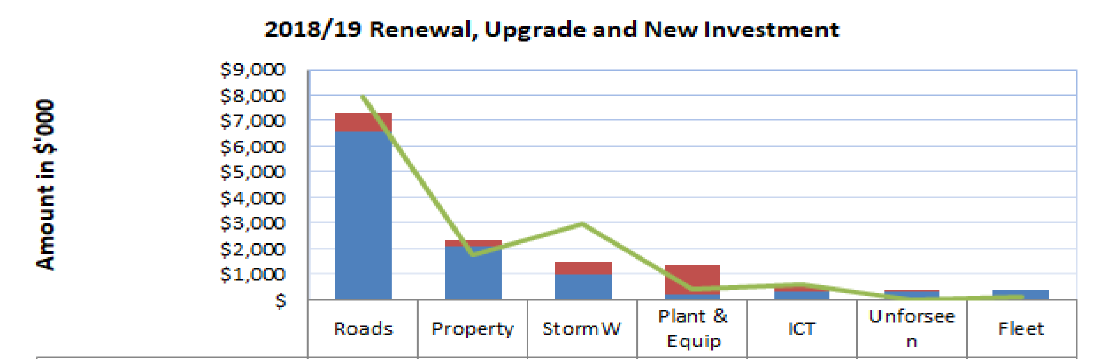
Table 3.2 – 2018/19 Capital Expenditure Program

Asset Class	Renewal ($'000)	Upgrade/New ($'000)	2018/19 Budget ($'000)	%100 Renewal Target ($'000)
Roads	$6,585	$711	$7,296	$7,942
Property	$2,075	$230	$2,305	$1,739
Storm Water	$1,026	$482	$1,508	$2,980
Plant & Equip	$202	$1,150	$1,352	$397
ICT	$310	$200	$510	$632
Unforseen	$300	$100	$400	$0
Fleet	$394	$0	$394	$129
Total	**$10,892**	**$2,873**	**$13,765**	**$13,818**

Renewal, Upgrade and New Investment

Council is committed to maintaining and renewing its existing infrastructure assets. In Chart 3.3, below, the green line indicates the level of investment required to meet renewal at 100% for each asset class based on depreciation levels.

Chart 3.3 – 2018/19 Renewal, Upgrade and New Investment

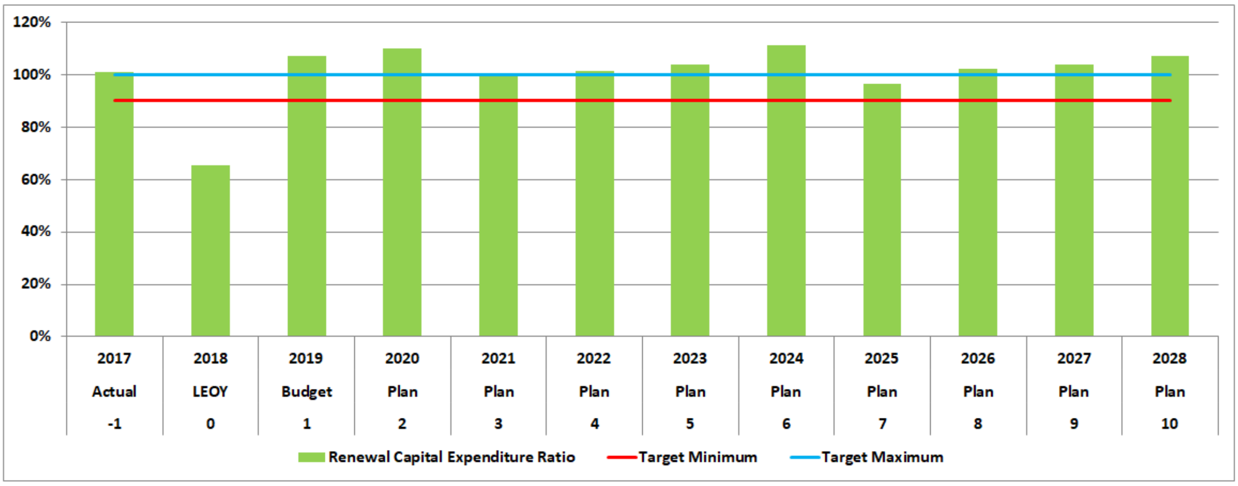


	Roads	Property	Storm W	Plant & Equip	ICT	Unforseen	Fleet
Upgrade/New ($'000)	$711	$230	$482	$1,150	$200	$100	$0
Renewal ($'000)	$6,585	$2,075	$1,026	$202	$310	$300	$394
%100 Renewal Target ($'000)	$7,942	$1,739	$2,980	$397	$632	$0	$129

Council acknowledges that depreciation is not the best gauge for infrastructure renewal demand and that detailed knowledge of actual asset condition is a better indicator. To this end, Council has developed and implemented an Asset Management Strategy.

As indicated in Chart 3.4, below, capital expenditure is budgeted in the range of 90% - 100% of that required under asset class plan projections in the Long Term Financial Management Plan.

Chart 3.4 – Asset Renewal Funding Ratio*



** Capital Expenditure as a percentage of asset spend required by Council's Strategic Asset Management Strategy*

Investment by Asset Class

Roads

The Road capital works Budget for 2018/19 is $7.296M which funds 83% of the depreciation expense of $7.942M. Two of the biggest areas of focus are the deterioration of footpaths and road re-seals. The proposed Budget continues to concentrate upon progressively addressing these areas with a 90:10 ratio between renewal and new plus upgrade expenditure.

Major capital projects budgeted for in the Roads Program includes:

- Main Road Revitalisation Project - $1.179M
- Molesworth Road – Landslip rehabilitation - $1M
- Arnold Street (from McGough Street to Grove Road) - $640k
- Moss Park Drive Bridge and Retaining Wall Replacement - $400k
- Design Office - Roads Design Costs - $372k
- Sunderland Street (Derwent Park Road To Lampton Avenue) - $290k
- Centenary Crescent- $220k, and
- Lutana Woodlands Improvements - $175k.

Stormwater

Stormwater renewal based on the depreciation expense is approximately $2.980 million. However, expenditure on stormwater works in the 2018/19 capital works program is $1.508M. Due to the long-life nature of Council’s stormwater assets, which are approximately half way through their useful lives, depreciation is not currently reflective of renewal demand as the assets do not deteriorate at a uniform rate.

Major capital projects budgeted for in the Stormwater Program include:

- Grove Rd Bridge Retaining Wall Replacement - $200k
- Kenbrae Ave 1-23 SW Upgrade - $163k
- O'Brien Bridge Retaining Wall Replacement - $150k
- O'Grady Avenue 11-23, Lutana SW Extension - $139k, and
- Kenbrae Ave 59-79 SW Upgrade - $114k.

Property

Council has a diverse portfolio of property and land across the municipality including the Council offices, the Derwent Entertainment Centre, the Works Centre, public toilet facilities, sports grounds facilities and other recreation facilities.

Based on the depreciation expense, $1.739M of renewal expenditure is required for 2018/19. The capital works program provides for $2.305M of Property expenditure.

Major property projects for 2018/19 are:

- Prince of Wales Bay Sports Ground Extensions - $440k
- Montrose Bay Public Toilets completion - $232k
- Glenorchy Skate Park Relocation – Grant - $215k
- Montrose Bay Jetty Pontoon - $200k
- KGV Sports & Community Precinct Project - Community Hub-$200k, and
- Public Toilet Upgrade- $182k.

Fleet

The 2018/19 Fleet Budget of $394k reflects the changeover of 12 Fleet vehicles.

Plant and Equipment

The five largest items for 2018/19 are the Food Organics Garden Organics (FOGO) bin rollout $430k, Landfill Tarpamatic $300k, Landfill tollbooth weighbridge $250k, GPS vehicle tracking system $150k and Excavator 20-25t $134k. The remainder of the Plant and Equipment expenditure in 2018/19 is minor plant renewal as part of Council's replacement schedule.

Information, Communication and Technology (ICT)

Council's investment in technology for 2018/19 is supported by the ICT Strategy. From the $510k budgeted in 2018/19, $150k will be invested in WORKS-My Data, $160k on software and Wifi rollout and the balance of $200k on renewing desktop PC units, monitors and projectors.

Unforeseen Works

Council establishes an Unforeseen Works Budget in the Capital Expenditure Program to provide flexibility for the management of the Infrastructure Budget. The Unforeseen Works Budget is used for funding unplanned/emergency projects that cannot be funded in any other way.

In the 2018/19 Budget there is a provision of $400k that will be used for all capital projects that arise during 2018/19 that are not identified in the Budget. The unforeseen works Budget is managed by Council's Infrastructure Management Group based on business case proposals to access the funds.

Reserves

Reserves Policy

A net total of $289k is budgeted to be transferred either in and/or out of reserve accounts including:

- Land Sales decrease - ($71k)
- Landfill Close Out increase - $260k
- City Revaluation increase - $50k, and
- Election Expense increase - $50k.

Land Sales

Council policy is that net proceeds from the sale of Council property and land are placed in a reserve to fund future land and building purchases. The Land Sales reserve is budgeted to decrease by $71k due to costs associated with the sale of Council land.

Landfill Close Out

The Jackson Street Waste Management Site has a limited life as the municipal landfill and will require rehabilitation after its closure. The cost is likely to be significant and therefore Council has a policy of annually making further provision for the funding to meet the expenditure now currently expected in 2020. The Landfill Close Out reserve is budgeted to increase by $260k.

City Revaluation

Council contributes to the City Revaluation Reserve annually to meet the significant cost of revaluing the city’s assets every six years. The valuation information is necessary for Council to determine the level of rates applied to each property. As the Valuer-General provided new valuations in 2017/18, this is year one of the cycle and $50k has been allocated.

Election Expenses

The next scheduled Local Government elections are due in 2022. To even out the election expenditure, a quarter of the forecast election expenses are set aside annually in a reserve. The Election Expense allocated for 2018/19 is $50k.

4. 2018/19 Budget Cash Flow and Funding

The 2018/19 Budget closing cash balance is estimated to be $13.805M, subject to realising the forecast 2017/18 cash balance of $13.606M and achieving the cash movements detailed in Table 4.1.

The projected net movement in cash for 2018/19 is an increase of $199k which compares favourably to the 2017/18 Forecast of a $2.015M decrease. The improvement is primarily the result of increased revenue from rates, waste management fees and increased grant income.

Table 4.1 – Budgeted Cash Flow Statement

	2017/18 Budget ($'000)	2018/19 Budget ($'000)	Change ($'000)
Operating Cash Flows			
Rates & State Fire Levy Revenue	$35,581	$39,795	$4,214
Other Revenue	$16,534	$17,086	$552
Employee Expenses	($21,428)	($22,450)	($1,022)
Materials and Contracted Services	($19,500)	($23,238)	($3,738)
Finance Charges	($251)	($242)	$9
Net Movement in Operating Cash Flows	**$10,936**	**$10,951**	**$15**
Investing Cash Flows			
Proceeds from Sale of Non-Current Assets	$152	$200	$48
Distribution from TasWater	$3,067	$2,172	($895)
Government Capital Grants	$865	$429	($436)
Payments for Property, Plant and Equipment	($13,295)	($12,603)	$692
Net Movement in Investing Cash Flows	**($9,211)**	**($9,802)**	**($591)**
Financing Cash Flows			
Repayment of Interest Bearing Loans and Borrowings	($896)	($950)	($54)
Net Movement in Financing Cash Flows	**($896)**	**($950)**	**($54)**
Projected Net Movement in Cash Flows	**$829**	**$199**	**$630**
Projected Opening Cash Balance	**$11,665**	**$13,606**	**$1,941**
Projected Closing Cash Balance	**$12,494**	**$13,805**	**$1,311**

Operating Cash Flows

The net result of a $10.951M positive Operating cash flow is largely in line with the 2017/18 budget of $10.936M.

Investing Cash Flows

The investment in Property, Plant and Equipment assets is projected to decrease slightly in 2018/19.

The distribution from the TasWater at $2.172M is reflected in the cash flows and, as previously noted, has reduced from 2017/18.

Funding Cash Flows

The net movement in the Financing Cash Flows for 2018/19 reflects the scheduled debt repayment of $950k in accordance with Councils policy of repaying debt on review or maturity.

5. Key Budget Risks

Waste Management

Waste management revenue is a significant contributor to Council's income stream.

The life of Council's Jackson Street landfill has recently been foreshortened from 2023 to 2020 by the Environmental Protection Authority.

If the landfill closes, Council will need to construct a new waste transfer station, negotiate a contract for the disposal of waste at the Copping regional landfill and manage the closeout and environmental monitoring of the decommissioned landfill. These will entail significant commercial negotiations and capital expenditure.

There is also potential to explore opening a new landfill cell to extend landfill life. However, this would need regulatory approval and would require significant capital expenditure to construct to contemporary standards.

This risk is addressed in the 2018-19 Budget by the funding of a consultancy to inform Council's future decision options. However, our long term financial management plan needs to factor in these significant future expenditure items.

Derwent Park Stormwater Harvesting Project

Council undertook the Derwent Park Stormwater Harvesting Project with the objective of mitigating flooding risk in the Derwent Park area. The project was federally funded ($9.2M) with a majority $12M contribution from Council. The grant is fully acquitted.

Among other components, the project involved the development of two water treatment plants intended to supply treated water to a third party.

With the ongoing operation of the Plant, it was found that the price charged to the recipient was insufficient to cover the operating cost of the facility. Furthermore, there was insufficient feedwater to enable the full utilisation and optimisation of the available treatment capacity.

Council recently made a decision to close the water treatment component of the project to minimise the operating losses. The flood mitigation component of the project is unaffected by this decision and is functioning well.

There is provision in the funding agreement with the Federal Government to require repayment of grant funding if the facility is not operated by Council for 10 years. Council is working with the Federal Government, with the support of the State Government, to put a business case demonstrating that Council acted in the community interest in making the decision to close the plant.

KGV Sports and Community Hub

The KGV Sports and Community Hub is a project that involved as a component, the redevelopment of the Glenorchy District Football Club clubrooms, housing new facilities for the football club, an allied health provider and a not-for-profit provider.

Council subsequently separately funded a hydrotherapy pool as an addition to the facility.

While the expenditure of grant funds has been independently audited, the grant is yet to be fully acquitted with remaining milestones being finalisation of a lease with the football club and issue of a certificate of completion for the development.

There are a range of outstanding issues associated with the project, including:

- rectification of building defects and acceptance of responsibility for rectification
- finalisation of leases with tenants including lease payments and degree of responsibility for ongoing building operating costs, and
- resolution of issues around project prolongation.

As it stands, the terms negotiated under the previous administration suggest there may be a significant ongoing community subsidy of the facility.

TasWater Distribution

The State Government has announced a proposal to take on a 10% equity holding in TasWater. This proposal relies upon the agreement of the local government owners and legislative changes. Under the proposal, TasWater distributions to local government owners would be guaranteed for ten years. If the proposal fails to win the support of local government owners or the Parliament, then there is an increased risk of variability in this revenue source, which comprises 6% of Council's total income.

Legal Matters

There are significant, unresolved legal matters arising during the term of the previous administration which may present a budget risk to Council.

Enterprise Agreement Matters

The Enterprise Agreement negotiated in 2016 involves a 3.5% pay increase from May 2019.

A Classification Project is underway. Also a commitment made under the 2016 Enterprise Agreement, this Project involves a new methodology for grading of Council positions.

There is a risk, as yet unquantified, of increased employee costs flowing from this Classification Project. This is contingent upon a range of factors which are, as yet, also unquantified.

Economic Conditions

User charges by their nature are variable revenue items and dependent on services provided by Council generating the projected revenue. Approximately 21% of Council revenue is from user charges, including building and planning application fees.

Over the past three (3) years, Council has experienced increased economic activity as revenue from user charges trends up in a number of areas including Planning, Building and Plumbing, Jackson Street Waste Management Centre, and Derwent Entertainment Centre. Council has taken this trend into account in developing the 2018/19 Budget and considers the anticipated revenue is conservatively stated, with expenses matched to the conservative revenue projections.

Interest Rate on Investment Funds

Council's cash reserves are invested to supplement operating revenue and are dependent on maximising returns on investment, while also weighing the risk/ return trade-off. Reserve Bank of Australia recent decisions on the cash rate have interest rates continuing at record low levels which will require prudent management of funds to maximise returns during current economic conditions.

Payment for Materials, Contractors and Other Expenses

Over the past three years, this expense has remained steady at 38% of total operating expenditure as Council seeks value for money through its purchasing processes. We rely on our suppliers to be competitive and viable with their services in order to keep costs down.

Any change in their ability to remain competitive and viable may impact on the cost to Council.

Infrastructure Damage

The risk of damage to Council infrastructure including road, stormwater and property from events such as extreme weather, earthquake, or acts of terrorism is not insured due to the prohibitive cost. Council is exposed to significant costs to repair or replace these infrastructure assets should such events occur.

Council accepts this risk because the cost of mitigating it through insuring these assets is too high. There are, however, potential sources of relief or partial relief available to Council in the event of major damage through the State Government Emergency and Disaster Relief Fund.

A recent example of this is the storm event which took place on 10 and 11 May 2018, which resulted in approximately $3M damage to Council's infrastructure and for which partial recompense will be sought through disaster relief funding.

6. Long Term Financial Management Plan and Financial Management Strategy

Due to the long life nature of Council's assets, which support many services, it is essential the Budget reflects the long term provision of services that meet community expectations. Council has developed a Long Term Financial Management Plan (**LTFMP**) and adopted a Financial Management Strategy (**FMS**) to provide a longer term context and to support decision making around the Budget development process.

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, such as new capital expenditure and borrowings. The LTFMP also:

- demonstrates Council's long- term financial sustainability
- allows early identification of financial issues, and
- shows linkages between strategies and plans.

The FMS provides Council with a strategic framework to guide the development of annual budgets and preparation of longer term financial planning. The FMS is required to:

- be consistent with Council's strategic plan
- refer to Council's long-term strategic asset management plan
- contain at least the items specified by ministerial order made under section 70F of the Act that are required to be included in a long-term financial management plan, and
- be reviewed at least every four years.

To measure the performance of the FMS against its key objectives, a number of Key Performance Indicators (**KPIs**) have been adopted. The KPIs measure sustainability as outlined in the *Local Government (Management Indicators) Order 2014*. The seven KPI's adopted are detailed in Table 6.1:

Table 6.1 Key Financial Indicators

Key Financial Indicator	**Target Ranges**	**2018/19 Budget**
Underlying surplus or deficit	>$0	$49K
Underlying surplus ratio	2.5% to 5.0%	0.08%
Net financial liabilities	>$0	($3,384K)
Net financial liabilities ratio	> (25%)	(6%)
Asset consumption ratio	40% to 60%	58%
Asset renewal funding ratio	90% to 100%	100%
Asset sustainability ratio	100%	79%

7. Fees and Charges Register

The Schedule of Fees and Charges 2018/19 in Attachment 3 provides details on the actual fees charged in 2017/18 and the proposed fees for 2018/19. A number of Fees and Charges are set outside of the Budget including:

- fees and charges set by Regulation
- relevant amounts in the rates and charges declaration for 2018/19, and
- waste management fees and charges approved at the 28 May 2018 Council meeting.

Development Assessment Fees

At its 30 April 2018 meeting, Council resolved that "*the schedule of planning fees be reviewed to make provision for large development projects in the future*". Council also resolved to approve a reduction in the development application fees associated with the construction of a proposed MONA Hotel based on the use of a median cost of development application fees for a range of similar Tasmanian planning authorities and applying a 50% community benefit discount.

Prior to the request from MONA, there had been no other formal request for a reduction in fees. This in itself would indicate there is either general acceptance of the fee rates or the request from MONA demonstrates that there are few applicants present with estimated costs of development in this very high range. Notwithstanding this, without a full review of planning fees, or the ability to quantify every task undertaken to fully attribute cost to assessment processes, it is considered appropriate that any other development in this very high range for estimated cost also have the benefit of a more appropriate fee.

The actual figure arrived at in relation to the request from MONA was the median of a representative sample of the 'market' in Tasmania which was approximately $118K. The eventual figure of $59k reflected a 50% discount for community/social benefit. It is proposed to keep the current fee of $1.20/$1,000 up to $50M to be consistent with the fees already charged for proponents of other large developments (and the original proposal for the MONA Hotel). Rather than introducing a blanket cap, for developments costing more than $50M, it is proposed to charge a reduced rate of $0.20/$1000 cost of development~~s~~ which is more equitable. By way of example, a $50M development would attract a fee of $61,040; a $100M development would attract a fee of $71,000, and a $350M development (like the MONA Hotel) would attract a fee of 121k. Any further reduction in these fees would be merit based and subject to a Council resolution.

If accepted, the relevant section of the table in relation to planning assessment fees would be amended to be as set out in Table 7.1:

Table 7.1 – Proposed planning fees

(Updated 21 June 2018)

	Category	Rate	Comments
Development application fee	Estimated Development Cost < \$500,000	\$3.40 per \$1,000 of construction cost	minimum \$235.00
	Estimated Development Cost > \$500,000 ≤ \$50M	\$1,681.00 plus	base fee
		\$1.30 per \$1,000 >\$500,000	
	Estimated Development Cost > \$50M	\$61,000 plus	base fee
		\$0.20 per \$1,000 > \$50M	
	Estimated Development Cost < \$10,000 (Residential Only)	\$121.00	flat rate
Advertising fee		\$245.30	flat rate
Heritage assessment fee		\$220.00	flat rate

Consultations:

Aldermen
State Government
Executive Leadership Team
Managers and Coordinators
Senior Finance staff

Human Resource / Financial and Risk Management Implications:

Human resource, financial and risk management implications relating to the approval of the 2018/19 Budget are set out in the body of this report and the attachments.

Key risks for the 2018/19 Budget are set out under ‘Key Budget Risks’ (above).

Community Consultation and Public Relations Implications:

On 19 June 2018, a community forum on the draft capital budget was held at Moonah Arts Centre. The session aimed to inform the community on the draft budget outcomes, how decisions were made, the proposed rate revenue increase and give an overview of challenges the new Council has faced since being elected in January 2018.

In preparing the budget, Council has balanced the need to ensure financial sustainability with a range of savings measures to minimise as much as possible the impact on ratepayers, while continuing to deliver essential services to the Glenorchy community.

The approved budget will appear in selected media and be available on the Council's website.

Recommendation:

That Council:

1. APPROVE the Glenorchy City Council 2018/19 Budget Estimates (Attachment 1)
2. APPROVE the Glenorchy City Council Long Term Financial Management Plan 2018/19 to 2027/2028 (Attachment 2)
3. APPROVE the Glenorchy City Council - Schedule of Fees and Charges 2018/19 as updated 21 June 2018, subject to incorporating amendments to the Planning Services Fee section to reflect the proposed planning fees set out in Table 7.1 as updated 21 June 2018
4. RESOLVE that pursuant to section 89A of the *Local Government Act 1993* (**the Act**), values under the *Valuation of Land Act 2001* be used as a basis of rates
5. RESOLVE that pursuant to Section 90(1) of the Act, for the period of 12 months commencing on 1 July 2018 and ending on 30 June 2019 inclusive (**financial year**), the Council make a general rate of 8.937 cents in the dollar based on the assessed annual value (**AAV**) of all rateable land in the municipal area of Glenorchy
6. RESOLVE that pursuant to Section 90(4) of the Act, for the financial year the Council set the minimum amount payable in respect of the general rate at $186.80
7. RESOLVE that pursuant to Section 93A of the Act, Council make for the financial year the following service rate in respect of fire protection based on the assessed value of all rateable land shown on the valuation roll or assessment roll prepared under the *Valuation of Land Act 2001* as follows:
    a. 1.509 cents in the dollar for the Council's contribution to the State Fire Commission for land that is situated within the urban fire district subject to a minimum contribution for each parcel of land of $40.00, and
    b. 0.1831 cents in the dollar for the Council's contribution to the State Fire Commission for land that is situated outside the urban fire district subject to a minimum contribution for each parcel of land of $40.00
8. RESOLVE that pursuant to Section 94(1) of the Act, Council make a waste management service charge for services provided by Council upon rateable land within the municipal area of Glenorchy for the financial year:

a. a service charge for *waste management* based on capacity provided and frequency of collection in relation to each property to which the Council provides a *mobile recycling bin* service as detailed below:

$172.60	140 litre weekly collection
$172.60	240 litre weekly collection
$86.30	140 litre fortnightly collection, and
$86.30	240 litre fortnightly collection.

Pursuant to Goods and Services Tax Act 1999, a Goods and Service Tax does not apply on any of the above services.

and

b. a service charge for waste management based on capacity provided and frequency of collection in relation to each property to which the Council provides a *mobile garbage bin* service as detailed below:

$172.10	140 litre weekly collection
$294.90	240 litre weekly collection
$86.20	140 litre fortnightly collection, and
$147.60	240 litre fortnightly collection.

Pursuant to Goods and Services Tax Act 1999, a Goods and Service Tax does not apply on any of the above services.

and

c. for multiple dwellings within one property:

a service charge for waste management based on capacity provided and frequency of collection in relation to each dwelling located within a property to which the Council provides a *mobile bin* service as detailed below:

$86.30	shared recycling service, and
$86.20	shared garbage service

Pursuant to Goods and Services Tax Act 1999, a Goods and Service Tax does not apply on any of the above services.

9. RESOLVE that pursuant to Section 94(3) of the Act, Council make a service charge for the financial year for any or all the services specified in section 93 of the Act of $243.49 for land used exclusively as a place of religion or worship

10. RESOLVE that a one-off penalty of 10% is to apply to unpaid instalments plus daily interest at the maximum prescribed percentage under Section 128 of the Act

11. RESOLVE that as permitted by section 129(4) of the Act*,* no penalty or interest is to apply during the period 1 August 2018 to 30 April 2019 where payment is made by Direct Debit and there are no arrears owing, and

12. RESOLVE that rates levied in accordance with this resolution are payable to the Council by two (2) equal instalments:

    (a) the first by 15 August 2018, and

    (b) the second by 1 February 2019.

Variations to Service Charges

13. RESOLVE that pursuant to Section 94(3) of the Act, Council make variations to the waste management service charge for the period of 12 months commencing on 1 July 2018 and ending on 30 June 2019 inclusive (**financial year**), within the municipal area of Glenorchy or within different parts of the municipal area of Glenorchy according to the use of land as follows:

    a. in respect to land used for commercial purposes or land used for industrial purposes (which means land used wholly or predominantly for commercial purposes or industrial purposes, and includes all land coded 'C' or 'I' in the valuation list), where a *mobile recycling bin* service has been provided by Council, the waste management service charge is varied to:

$172.60	140 litre weekly collection
$172.60	240 litre weekly collection
$86.30	140 litre fortnightly collection, and
$86.30	240 litre fortnightly collection.

Pursuant to Goods and Services Tax Act 1999, a Goods and Service Tax does not apply on any of the above services.

and

    b. in respect to land used for commercial purposes or land used for industrial purposes, (which means land used wholly or predominantly for commercial purposes or industrial purposes, and includes all land coded 'C' or 'I' in the valuation list), where a *mobile garbage bin* service has been provided by Council, the waste management service charge is varied to:

$260.90	140 litre weekly collection;
$446.90	240 litre weekly collection;
$149.60	140 litre fortnightly collection; and
$256.80	240 litre fortnightly collection.

Pursuant to Goods and Services Tax Act 1999, a Goods and Service Tax does not apply on any of the above services.

(i) This service is not compulsory, and is assessed by Waste Management Section staff.

(ii) That the charges listed under 13.a. and 13.b. do not attract a Goods and Services Tax (GST) in 2018/19.

Attachments/Annexures

1 2018/19 Budget Estimates

2 Long Term Financial Management Plan 2018/19 - 2027/28

3 Schedule of Fees and Charges (Updated 21 June 2018)

10. GLENORCHY CBD STEERING COMMITTEE - PUBLIC SPACE ENHANCEMENT GRANT

Author:	Director Infrastructure and Works (Ted Ross) Acting Manager, City Strategy and Economic Development (Erin McGoldrick)
Qualified Person:	Director Infrastructire and Works (Ted Ross)
ECM File Reference:	Public Space Enhancement Grant

Community Plan Reference:

Valuing our Environment

We will work actively to revitalise our CBD areas – making them places that are distinctive, vibrant, walkable and well-connected. We will improve the amenity of our public spaces through public art and quality landscaping, promote walking and bike access and encourage high standard contemporary design for new buildings alongside creative reuse of our heritage buildings.

Strategic or Annual Plan Reference:

Valuing our Environment

Objective 3.1	Create a liveable and desirable City
Strategy 3.1.1	Revitalise our CBD areas through infrastructure improvements
Action 3.1.1.01	Implement the Glenorchy CBD Strategic Framework
Action 3.1.1.02	Implement the Public Space Enhancement Grant Project for a Children's Playground in the Glenorchy CBD.

Reporting Brief:

To recommend that funds allocated from a Public Space Enhancement Grant from the State Government be used to assist with funding the CBD Revitalisation (Stage 3) Project instead of the originally proposed Playground and Café/Kiosk project for the Council forecourt.

Proposal in Detail:

Background

As part of its campaign for the 2015 State elections, the Tasmanian Liberal Party promised $1 million for public space enhancements in the Glenorchy and Hobart CBDs. It was agreed between the Councils and State Government to split the $1 million equally between Hobart City Council and Glenorchy City Council ($500,000 each).

Council signed a grant deed and received the first $250,000 in grant funding in November 2014. The grant deed provided that the first $250,000 was to be allocated by Council to a project before the second instalment was payable. The grant deed stated that the funding must be for an 'approved purpose'. 'Approved purpose' is defined as "*enhancing the streetscapes and improving than amenity of public spaces through urban design; and improving public access through pavement enhancements*".

At the Council meeting on 3 August 2015, Council considered a range of options for allocating the grant funds, including a business case. Council ultimately resolved that:

> "*Council allocate the entirety of funding under the State Government's Public Space Enhancement Grant to a children's playground and café in front of the Council Chambers.*"

Subsequent Steps

Following adoption of the recommendation, a number of internal projects (Council's Accommodation Strategy and application to the Building Better Regions Fund) delayed implementation of the project.

A community engagement plan was approved by Council with consultation occurring from August to October 2016. The results were reported to Council in October 2017, and indicated that there was generally a positive response to the proposed concept. Further, more specific, consultation was undertaken in November 2017. This included consultation with the community, local schools and childcare centres. While the feedback from the further consultation was also generally positive, a number of concerns regarding vandalism, graffiti, personal safety and security of the proposal were raised.

Council officers gave further consideration to the project, which was placed on hold while a further analysis was undertaken in relation to a number of specific concerns, including:

- Council's current financial situation and the need to prioritise existing renewal projects over new infrastructure
- the suitability of the site in terms of size, requirement for fencing, interaction with adjoining businesses
- due diligence and business case work completed on the kiosk portion of the project, which established that the original August 2015 assumptions for demand and revenue were incorrect (subsequent analysis indicated limited potential for the operation of a viable business), and
- community feedback indicating concerns with regards to vandalism, graffiti, personal safety and security of a playground.

Council's CBD Revitalisation Project Steering Committee (**the Committee**) subsequently reviewed the grant and identified three (3) potential alternative projects which would potentially result in better use of the grant funds and better outcomes for the Community:

- Glenorchy skate facilities
- CBD toilet upgrades, and
- Assisting with the CBD Revitalisation Project (Stage 3)

The alternative projects were assessed against the following criteria:

- the project has already been consulted upon and Council is confident that there is strong support in the community
- the project has already been identified and funded as a priority in our renewals programme
- the project is deliverable within DPAC timeframes, and
- the project is a public space enhancement.

The Committee ultimately determined that the using the grant funds to partially fund Council's CBD Revitalisation Project (Stage 3) met all the criteria. Most importantly, the amount of funding $500,000 could be offset against the entire project cost.

Other projects on the list remain funded and will be delivered regardless that they won't utilise the grant funds.

Accordingly, the Committee resolved at its 4 June 2018 meeting to:

> *"…recommend to Council that the Playground and Café/Kiosk project be placed on hold and that the Public Enhancement Grant of $500,000 be used to fund the Barry Street to Terry Street upgrade (Stage 3)."*

It is considered that the use of the grant funds to partially fund the CBD revitalisation project consistent with the approved purpose in the grant deed, namely enhancing the streetscapes and improving than amenity of public spaces through urban design and improving public access through pavement enhancements. Nevertheless, it is also recommended that the Department of Premier and Cabinet should be advised of any decision that Council makes in respect of the funds, as a matter of courtesy.

Consultations:

Mayor
General Manager
Director of Local Government
Department of Premier and Cabinet
Glenorchy CBD Steering Committee

Human Resource / Financial and Risk Management Implications:

Financial

In transferring the grant to the CBD Revitalisation Project, Council will make a capital saving of $500,000, plus ongoing maintenance and depreciation expenses that would be associated with the playground project.

Risk management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation There may be some community concern in regards to the change in direction from the original intention, and lack of play facilities in the CBD	Minor (C2)	Possible (L3)	Moderate (6)	Provide feedback to the community and engage with community in respect to a review of the Glenorchy CBD Strategic Framework
Do not adopt the recommendation Grant funds utilised to construct the kiosk/playground despite noted disadvantages, leading to ongoing maintenance and depreciation costs	Moderate (C3)	Likely (L4)	Notable (12)	Aldermen to clearly express why they support any decision to proceed with the kiosk/playground project.

Community Consultation and Public Relations Implications:

Community consultation

As noted above, consultation in relation to the proposed playground occurred from August to October 2016, and again in November 2017. Overall feedback was positive, but a number of concerns were also raised.

There has not been any consultation in respect of the proposed re-allocation of the grand funds to the CBD project.

Next financial year it proposed to engage with the community on the Glenorchy CBD Strategic Framework. This will provide an opportunity for the community to have input into and projects within the CBD including toilet facilities, skate facilities, and other activation projects.

Public relations

There may be a slight negative public relations impact, given that the community consultation in relation to the proposed playground project may have created expectations in relation to that project. However, this is expected to be justified by the positive impacts of abandoning the playground project, which, for the above reasons, is no longer considered to be the best use of the grant funds.

Recommendation:

That Council:

1. APPROVE the reallocation of Public Space Enhancement Grant funds from the Children’s Café and Playground to the Glenorchy CBD Revitalisation Project (Stage 3), and
2. DIRECT the General Manager to write to the Department of Premier and Cabinet on behalf of Council advising of the decision to reallocate the Public Space Enhancement Grant funds.

Attachments/Annexures

Nil.

ECONOMIC

11. SPONSORSHIP OF CITY OF GLENORCHY EXCELLENCE AWARDS

Author:	Acting Manager, City Strategy and Economic Development (Erin McGoldrick)
Qualified Person:	Acting Director, Community, Economic Development and Business (David Ronaldson)
ECM File Reference:	Joint Ventures (Economic Development)

Community Plan Reference:

Open for Business

We will create a strong economy and jobs for the future. We will encourage business diversity, innovation and new technologies to stimulate jobs, creativity and collaboration. We will be a place where business can establish, continue and flourish.

Strategic or Annual Plan Reference:

Open for Business

Objective 2.1	Stimulate a prosperous economy
Strategy 2.1.1	Foster an environment that encourages investment and jobs
Strategy 2.1.2	Build relationships with government and the private sector that create job opportunities for our communities

Reporting Brief:

To recommend that Council endorse sponsorship of the 2018 City of Glenorchy Business Excellence Awards.

Proposal in Detail:

The Moonah Glenorchy Business Association (**MGBA**) is an independent, non-government membership organisation that offers support, information and advice to businesses of all sizes across a range of areas, including accounting, business consultancy, real estate, retail, education, travel and tourism. The MGBA has a current membership of approximately 300 businesses within the municipality.

The MGBA runs the annual City of Glenorchy Business Excellence Awards (**the Awards**). The Awards recognise leadership, innovation and service excellence in Glenorchy. The Awards are an opportunity to show appreciation for the individuals and companies that give their all in pursuit of the City of Glenorchy vision provided by the *City of Glenorchy Community Plan 2015 – 2040*.

The 2018 awards are scheduled to be held in October 2018.

Council has sponsored the event in previous years (2015, 2016 and 2017). The MGBA has approached Council to provide sponsorship for the 2018 Awards.

The MGBA has requested that Council provides sponsorship of $6,000. This is the same amount that has been provided in previous years.

Requirements under Council's Sponsorship Policy

Council's Sponsorship Policy (**the Policy**) provides direction as to the processes to be followed by Council prior to entering any binding sponsorship arrangements, (either as a recipient or provider), and as to the principles that determine whether any proposed sponsorship arrangements are appropriate. A copy of the Policy is Attachment 1 to this report.

Under the policy, Council is required to approve any sponsorship arrangement above $5,000.

In determining whether to endorse the proposed arrangement, Council is required to have regard to the following guiding principles:

1. alignment with council priorities
2. transparency
3. value for money
4. ethical standards and fair dealing
5. appropriate association
6. appropriate sponsorship benefits
7. appropriate authorisation, and
8. due probity

Those criteria are addressed below:

1. Alignment with Council Priorities

As noted above, the provision of sponsorship for the Awards is consistent with Council's priorities as outlined in the Strategic Plan, namely:

Objective 2.1 Stimulate a prosperous economy.

Strategy 2.1.1 Foster an environment that encourages investment and jobs.

Strategy 2.1.2 Build relationships with government and the private sector that create job opportunities for our communities.

Sponsorship of the awards demonstrates Council's commitment to supporting business excellence, provides encouragement to our risk-takers to continue working to help our economy flourish, to enable our services to compete on the world stage and ultimately, provide job opportunities for our current and future generations.

2. Transparency

It is considered that bringing this report before the open Council meeting appropriately satisfies the requirement for transparency.

3. Value for Money

The Sponsorship package being proposed would entitle Council to category naming rights for one category of the Awards.

All marketing material will feature Council's name and logo alongside Council's sponsored category or area of support. A representative from Council will be invited to sit on the judging panel along with the representatives from the other category sponsors and sponsors of the Awards and community leaders for each category.

Additionally, Council will be invited to present the finalists with framed certificates and then present the winner with a trophy. Eight complimentary tickets to the event will available to Council as part of the sponsorship.

Details of the total value of the sponsorship package and how it is comprised have been provided, but contain commercial in confidence information. Those details are able to be presented in closed Council, if requested.

4. Ethical Standards and Fair Dealing

In making the recommendation to sponsor the Awards, there is no known conflict of interest between private interests and public duties of the recommending officers.

5. Appropriate Association

The sponsorship of the Awards is considered an appropriate role for Council to undertake as part of the delivery of economic development facilitation services.

The association with the Awards will contribute positively to the reputation of Council and the business community in the municipality.

6. Appropriate Sponsorship Benefits

For the reasons outlined in the 'Value for Money' section, above, it is considered that Council will receive appropriate benefits from the sponsorship.

7. Appropriate Authorisation

Because the proposed sponsorship is above $5,000 it has been brought to Council for approval in accordance with the requirements of the Policy.

8. Due Probity

Council has previously collaborated with the MGBA on three successful City of Glenorchy Business Excellence Awards, as a sponsor and judge. The MGBA has contributed positively to Council activities through memberships on advisory committees and working groups and is currently providing representation on the Glenorchy CBD Revitalisation Steering Committee.

Sponsorship of the Awards is not a general endorsement of the MGBA or its products.

Consultations:

General Manager
Acting Director, Community Economic Development and Business
MGBA

Human Resource / Financial and Risk Management Implications:

<u>Financial</u>

Sponsorship of the awards would cost Council $6,000.

<u>Human resources</u>

Aldermen and/or Council officers may be required to participate as a representative for the judging panel.

<u>Risk management</u>

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Endorse the recommendations The provision of sponsorship funds may set a precedent for sponsorship of other groups, organisations, events and/or awards.	Minor (C2)	Possible (L3)	Moderate (6)	Council will assess incoming and outgoing sponsorship proposals in accordance with the requirements of the Policy.
Do not endorse the recommendations Lack of sponsorship funds may require considerable delay or possible cancellation of the Awards, damaging the reputation of both Council and the Moonah Glenorchy Business Association	Moderate (C3)	Possible (L3)	Moderate (9)	Some mitigation may be effective through use of communications and public relations activities.

Community Consultation and Public Relations Implications:

<u>Public relations</u>

Endorsement of the recommendation may lead to positive public relations implications for Council through positive association with the success of businesses in the municipality.

Conversely, there may be a slight negative public relations impact, given Council's current financial circumstances (which are well publicised).

Recommendation:

That Council:

ENDORSE Council's sponsorship of the 2018 City of Glenorchy Business Excellence Awards for the amount of $6,000.

Attachments/Annexures

1 ⇨Sponsorship Policy (March 2017)

ENVIRONMENT

12. TOLOSA PARK DAM REDEVELOPMENT COMMUNITY FEEDBACK

Author:	Director Infrastructure and Works (Ted Ross) Manager Property Assets (Steven Spinks)
Qualified Person:	Director, Infrastructure and Works (Ted Ross)
ECM File Reference:	Tolosa Park

Community Plan Reference:

Making Lives Better

Our lives will be enhanced by using good design to create safer, more welcoming public spaces. Community facilities and services are important to us; especially meeting place, parks and playgrounds.

Valuing our Environment

The active involvement of the community means we will maintain and enjoy our natural treasures like Wellington Park, Tolosa Park, Montrose Bay, Goulds Lagoon and Myrtle Forest.

Strategic or Annual Plan Reference:

Making Lives Better

Objective 1.1	Know our communities and what they value
Strategy 1.1.2	Guide decision making through continued community engagement based on our community plan

Leading our Community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.2	Manage the City's assets soundly for the long term benefit of the community
Objective 4.2	Prioritise resources to achieve our communities' goals
Strategy 4.2.1	Deploy the Council's resources effectively to deliver value

Reporting Brief:

To present the 'Tolosa Park Dam Redevelopment Community Feedback Report' to Council for approval and to recommend a series of actions flowing from it.

Proposal in Detail:

In 2014 Council signed a Memorandum of Understanding with TasWater to decommission the dam at Tolosa Park by September 2019. As part of the process, Council consulted with the community to help decide how the dam area would be remediated.

Council received 747 submissions. The feedback received went beyond the reservoir area and it is clear that the community was voicing the need for Council to consider the future of Tolosa Park and the broader open space network.

The 'Tolosa Park Dam Redevelopment Community Feedback Report' (**the Report**) is Attachment 1**.**

The Report summarised the feedback from the community in a number of themes:

Shade Areas	Access
Children's Play Facilities	Dog Walking and Facilities
Family Friendly	Skate Facilities
Water Features and Activity	Affordability and Sustainability
Cycling, MTB, and BMX Facilities	Tolosa Park Masterplan

For each theme, the Report summarises the issues raised by the community, statistics on the number of respondents, and representative samples of comments that help to phrase the community's is feelings, in their words.

Based on the feedback, Council's officers have then framed a series of recommendations. The recommendations fall into three categories:

- future planning for Tolosa Park
- a business plan for the decommissioning of the Tolosa Dam, and
- open space planning in the broader Glenorchy area.

Council officers originally considered the development of a master plan for the area. While a master plan is still required, in considering the feedback from the community, it is now considered that a higher priority should be to focus on delivering immediate and sustainable infrastructure improvements.

This change in focus is illustrated by a number of examples:

1. the feedback in regards to the poor condition of the playground has led officers to recommend that the replacement of this playground is brought forward in the capital works program as a priority over spending money on the development of a master plan
2. the ability for Council to afford significant improvements to Tolosa Park and the high cost to remediate the dam site has led Council officers to recommend that a business case be developed to look at an alternative and lower cost solution, namely filling the decommissioned dam space with clean fill, and

3. Tolosa Park is a dog free area. The significant feedback by dog owners in the survey has led to recommendations that Council look to improve facilities at nearby Chapel Street Park and consider a review of dog off/on lead areas within the municipality.

The recommendations in the Report attempt to find the balance between progressing improvements to open space while maintaining levels of affordability.

Consultations:

Tolosa Park Steering Committee
TasWater
Department of Primary Industries, Parks, Water and the Environment
Executive Leadership Team
Community Planning and Engagement Unit
Operations and Maintenance Supervisor

Financial

Prior to Council making a decision to proceed with the decommissioning of the Tolosa Reservoir or undertaking significant works at Tolosa Park, the full impact on upfront capital and ongoing operating and maintenance costs needs to be known.

Developing a business case to review costs prior to any decisions will ensure that the full implications on Council's Long Term Financial Plan are understood.

Human resources

Council has resources in place to continue to manage the Tolosa Park Dam redevelopment, the community engagement process, and the delivery of projects that are recommended in the Report.

Risk management

The community engagement process highlighted a range of opinion in relation to the future vision of Tolosa Park that covered the decommissioning of the dam, improvements to existing infrastructure at Tolosa Park, and improvements to the broader open space within Glenorchy area.

Managing the community's expectations within levels of affordability is the key risk that needs to be managed.

This report recommends that Council considers opportunities as part of the decommissioning of the dam to reduce costs while also moving forward with capital works to improve open space throughout Glenorchy.

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation Undertaking a business case and working up an alternative solution could delay the decommissioning of the dam.	Minor (C2)	Unlikely (L2)	Low (4)	Continue to liaise closely with TasWater to ensure that Council meet timelines for decommissioning the dam.
Community concerns or high expectation in regards to the delivery of improvements to open space including Tolosa Park	Moderate (C3)	Possible (L3)	Moderate (9)	Council is planning to deliver a number of improvements to open space areas as part of the 2019/20 capital works program.
Do not adopt the recommendation A focus on development of a master plan and setting aside funding to deliver improvements to Tolosa Park could present a material increase in Council's budget that is not sustainable	Moderate (C3)	Likely (L4)	Notable (L4)	Review costs and ensure that there is sufficient funding within the Long Term Financial Plan.
Community concern or high expectation in regards to the delivery of improvements to open space including Tolosa Park	Moderate (C3)	Possible (L3)	Moderate (9)	Council is planning to deliver a number of improvements to open space areas as part of the 2019/20 capital works program.

Community Consultation and Public Relations Implications:

Community consultation

The high response rate to the survey demonstrates a high degree of interest in Tolosa Park and the value placed by the community in open space. Ongoing engagement with the community is required as part of developing projects, future planning for Tolosa Park, business plan development, and broader strategic work in Council's open space areas.

Public relations

It is recommended that Council place the report on Council's website, publish the findings in the Glenorchy Gazette, and distribute copies to stakeholders who were provided with the survey.

Recommendation:

That Council:

1. RECEIVE and NOTE the attached report on Tolosa Park Dam Redevelopment Community Feedback

2. RESOLVE that:

   a) future planning of capital expenditure within Tolosa Park is to consider the recommendations in the Tolosa Park Dam Redevelopment Community Feedback Report (**Report**), and

   b) Future open space planning within the wider Glenorchy municipality is to consider and prioritise the recommendations made in the Report, and

3. DIRECT the General Manager to:

   a) instruct Council officers to prepare a business case, to include further public consultation on the decommissioning of the Tolosa Park Dam considering levelling the site using clean fill versus pushing in the dam wall and reshaping of the site, and

   b) publish the Report on Council's website, publish the findings in the Glenorchy Gazette, and distribute copies to stakeholders who were provided with the survey.

Attachments/Annexures

1 Tolosa Dam Redeveopment Community Feedback Report

GOVERNANCE

13. GLENORCHY CITY COUNCIL ANNUAL PLAN 2018/19 TO 2021/22

Author:	Acting Manager, City Strategy and Economic Development (Erin McGoldrick)
Qualified Person:	Acting Director, Community, Economic Development and Business (David Ronaldson)
ECM File Reference:	Annual Plan 2018/19 to 2021/22

Community Plan Reference:

Leading Our Community

The Community looks to Council to advocate for its needs and lead it into a preferred future.

Strategic or Annual Plan Reference:

Leading Our Community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.1	Manage Council for maximum efficiency, accountability and transparency
Objective 4.2	Prioritise resources to achieve our communities' goals
Strategy 4.2.1	Deploy the Council's resources effectively to deliver value

Reporting Brief:

To seek Council's adoption of the *Glenorchy City Council Annual Plan 2018/19 to 2021/22*.

Proposal in Detail:

Annual Plan 2016/17 to 2019/20.

The draft *Glenorchy City Council Annual Plan 2018/19 to 2021/22* (**Annual Plan**) is Attachment 1 to this report.

Statutory requirements

The requirement for Council to adopt an annual plan is set out in section 71 of the *Local Government Act 1993* (**the Act**), which provides:

> *(1) A council is to prepare an annual plan for the municipal area for each financial year.*

(2) An annual plan is to –

(a) be consistent with the strategic plan; and

(b) include a statement of the manner in which the council is to meet the goals and objectives of the strategic plan; and

(c) include a summary of the estimates adopted under section 82; and

(d) include a summary of the major strategies to be used in relation to the council's public health goals and objectives.

Characteristics of the Annual Plan 2018/19 to 2021/22

The *Glenorchy Community Plan 2015-2040* identifies the following Community Goals:

- Making Lives Better
- Open for Business
- Valuing Our Environment
- Leading Our Community, and
- Building Image and Pride.

The *Glenorchy City Council Strategic Plan 2016-2025* (**Strategic Plan**) was endorsed by Council on 19 December 2016. The Strategic Plan aims to deliver on the Goals in the Community Plan through ten objectives and twenty one strategies.

The Annual Plan aligns to those strategies and identifies actions to be undertaken by Council over the next four years to deliver on the Community's Goals and Vision.

The Annual Plan is coupled to the budget development process, in recognition that Council's forward planning drives the budget. The Annual Plan has 87 actions planned to be actioned during the 2018/19 year. Each action is mapped to the relevant Council strategy, objective and goal.

Once the Annual Plan is adopted by Council, individual actions are translated down to more detailed operational planning at departmental level, work unit level and individual position level.

Annual Plan Priorities

Prioritised actions in the Annual Plan are based on the community priorities in the Community Plan and the Strategic and Key Operational Risk Register.

Council's high priority actions include:

- develop an economic development strategy
- participate in the development of the Hobart City Deal
- undertake a community satisfaction survey
- development and implementation of a communications strategy
- fostering and supporting Moonah Taste of the World Festival and community events
- reviewing and implementing Council's Waste Management Strategy, and

- review the draft Glenorchy CBD Strategic Framework and develop an action plan for the Glenorchy CBD.

Development of the Annual Plan 2017/18 to 2020/21

The process for preparing this year's Annual Plan involved the following steps:

Draft	Process
Draft Annual Plan Version 1	Acting Manager City Strategy and Economic Development (**A/MCSED**) prepares first draft Annual Plan; remapped to Community Plan Goals and new Strategic Plan Objectives and Strategies
	High level review of each Action, Measure, Target, Responsibility and Action out-year for each Directorate with Coordinators, Managers, Directors and General Manager (**GM**)
Draft Annual Plan Version 2	GM and Directors consider budget business cases
	Coordinator City Strategy and Economic Development **(CCSED)** incorporates draft edits into version 2 and checks for overlooked actions.
	A/MCSED meets with individual Managers and Departments to review action detail consistency across Directorates.
	CCSED liaison with A/Coordinator Environmental Health Services and assists to draft Public Health Statement
Draft Annual Plan Version 3	A/MCSED updates Headline Risk and Community Plan priority rating applied as a priority score for each Action for review by GM and Directors.
	GM and Directors review each action priority, measure, target, out year and final removal of completed actions.
Draft Annual Plan Version 3.1	Annual Plan and Budget briefing submitted to Council for comment and review at workshop.
	Successful and unsuccessful Budget Business Case bids incorporated into Action statuses.
	Acting Manager City Strategy facilitates General Manager and Director's review of draft APv3.1 to incorporate Council and GM feedback
	CCSED updates all numbering and referencing of draft document and amends the draft Annual Plan incorporating Council and GM feedback
	Annual Plan circulated to GM and Directors; each action/target/measure finalised.
Final Annual Plan	Finalised Actions, 2018/19 Budget summaries, Capital Works summary and Public Health Goals drafted into final Annual Plan document.
25 June 2018	Council meeting to consider adoption of the Annual Plan 2018/19 to 2021/22.
Operational Target Finalised	Senior Managers, Directors and GM finalise operational target dates and measures based on Quarter 4 Annual Plan progress report statuses.

Reporting Annual Plan Progress

The progress of Annual Plan actions is monitored during the year through a quarterly report provided to Council from the management team. The status of each Annual Plan action is reported to the Council and community as a key part of the suite of reports that constitute the Council's Corporate Reporting Framework.

Draft performance measures and targets have been identified for each action for the purposes of internal performance monitoring by management. These targets will be finalised concurrently with the adoption of budget carry-forwards in late August 2018.

Consultations:

Aldermen
Executive Leadership Team
Departmental Managers

Human Resource / Financial and Risk Management Implications:

The Annual Plan actions identified are based on the capacity to deliver against Council's 2018/19 budget.

The Annual Plan adopts a four year time horizon to help Council's financial forward planning.

Community Consultation and Public Relations Implications:

Under section 71(3) of the Act, the following steps must be taken to publicly notify an annual plan:

> *As soon as practicable after a council adopts an annual plan, the general manager is to:*
>
> *(a) make a copy of the annual plan available for public inspection at the public office during ordinary business hours; and*
>
> *(b) provide the Director* (of Local Government) *and the Director of Public Health with a copy of the annual plan.*

Once adopted, the Annual Plan will be publicly notified in accordance with these statutory requirements and will be posted to Council's website.

Recommendation:

That Council:

ADOPT the *Glenorchy City Council Annual Plan 2018/19 to 2021/22* as set out in Attachment 1.

Attachments/Annexures

1 Annual Plan 2018-19 to 2021-2022 for adoption

14. MINISTERIAL DIRECTIONS - MONTHLY REPORT

Author:	Acting Director, Corporate Governance (Simon Scott)
Qualified Person:	Acting Director, Corporate Governance (Simon Scott)
ECM File Reference:	Ministerial Directions

Community Plan Reference:

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

Strategic or Annual Plan Reference:

Leading our Community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.1	Manage Council for maximum efficiency, accountability and transparency
Strategy 4.1.3	Maximise regulatory compliance in Council and the community through our systems and processes.

Reporting Brief:

To inform Council of the progress towards completing the action items out of the Ministerial Directions Implementation plan for the period ending 15 June 2018.

Proposal in Detail:

At its meeting of 28 May 2018, Council was informed of the progress of satisfying the Ministerial Directions (as at 18 May 2018).

As per Attachment 1, there are 58 Ministerial Direction actions that are required to be undertaken by Council.

As at the date of this Report, Council had completed an additional 19 actions, bringing the total of completed actions to date to 43. The 19 additional actions completed this month are as follows:

- ensuring within six (6) months there is an appropriate policy on the appointment of staff within Council based on merit
- 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

- 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
- developing within three (3) months an appropriate policy in relation to media statements that is consistent with section 27(1)(e) of the *Local Government Act 1993* (the Act) and the Model Code of Conduct
- 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
- 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
    - the Code for Tenders and Contracts
    - credit card usage in line with the Auditor-General's Report
    - the Code of Conduct
    - the Statement of Expectations,
    - Council policies and procedures, and
- directing the Audit Panel to undertake an annual review of Council's compliance with, though not limited to:
    - the Act and the *Local Government (General) Regulations 2015*
    - the *Local Government (Meeting Procedures) Regulations 2015* including the appropriate use of closed meetings and accuracy of relevant minutes
    - the Code of Tenders and Contracts
    - the Credit Card Policy
    - the Code of Conduct
    - the Statement of Expectations
    - Council's policies and procedures, and
    - Council's employment policies, to ensure the principles of merit based appointment is upheld.

It is noted that with respect to Direction 5 (Compliance), at its 28 May 2018 meeting (Item 15), Council:

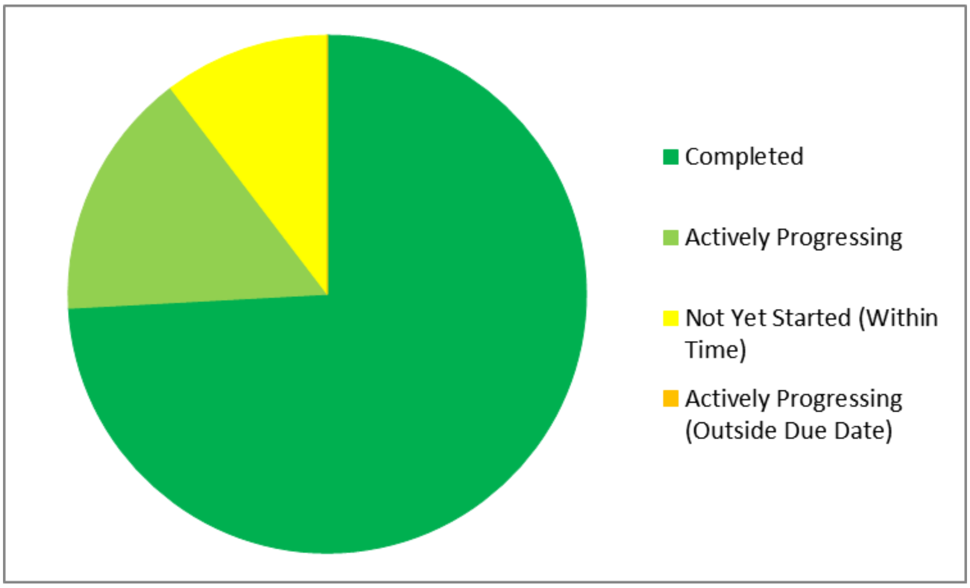
- noted the proposed approach by the Audit Panel to accommodate the requirements under Direction 5(b) of the Ministerial Directions, as reported

- 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.

It is intended that the Audit Panel compliance progress reports will be forwarded to the Minister as part of the quarterly reporting requirements under Direction 7, as appropriate.

Council's progress of actions required to comply with the Directions is summarised below:

•	Actions completed	43
•	Actions being actively progressed	9
•	Actions not yet started but within time	6, and
•	Actions not yet started and/or outside due date	0
		58



Consultations:

Mayor
General Manager

Human Resource / Financial and Risk Management Implications:

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Do not adopt the recommendation If Council does not comply with the Ministerial Directions as provided under section 225(2) of the *Local Government Act 1993* then there is potential for a complaint to be lodged for non-compliance under section 339E and further scrutiny and sanction by the Director of Local Government	Moderate (C4)	Likely (L4)	Significant	Council continues to progress actions required to comply with these Directions

There are not considered to be any material financial or human resources implications.

Community Consultation and Public Relations Implications:

There has been no community consultation due to the nature of the document.

Recommendation:

That Council:

1. NOTE the progress satisfying the Ministerial Directions in the form of Attachment 1 as at 15 June 2018.

Attachments/Annexures

1 Ministerial Directions Implementation Progress Report (June 2018)

15. FINANCIAL PERFORMANCE REPORT TO 30 APRIL 2018

Author:	Finance Reporting Officer (Allan Wise)
Qualified Person:	Acting Director, Community, Economic Development and Business (David Ronaldson)
ECM File Reference:	Corporate and Financial Reporting

Community Plan Reference:

Leading Our Community

We will be a progressive, positive community with strong council leadership, striving to make Our Community's Vision a reality.

Strategic or Annual Plan Reference:

Leading Our Community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.1	Manage Council for maximum efficiency, accountability and transparency
Action 4.1.1.04	Implement the performance reporting system for corporate strategic planning
Objective 4.2	Prioritise resources to achieve our communities' goals
Strategy 4.2.1	Deploy the Council's resources effectively to deliver value
Action 4.2.1.07	Develop the annual budget estimates in line with the Financial Management Strategy and provide regular reporting of actuals to budget

Reporting Brief:

To provide the Financial Performance Report to Council for the year-to-date, ending 30 April 2018.

Proposal in Detail:

The Financial Performance Report (**Report**) for the period 1 July 2017 to 30 April 2018 is Attachment 1.

In summary, the Report highlights that as at 30 April 2018:

- operating revenue is $30k above budget representing a variance of 0.00%
- operating expenditure is $797k under budget representing a variance of 1.73%, and
- capital works are $5.408m underspent, with a forecast underspend of $4.010m at 30 June 2018.

Council should note the report format has been revised to consistently refer to all variances as “$ (Favourable)/Unfavourable”, regardless of whether the amount is revenue or expenditure related.

Consultations:

General Manager
Director
Acting Directors
Acting Chief Financial Officer
Capital and Operational Budget Responsibility Officers

Human Resource / Financial and Risk Management Implications:

Any relevant financial risk implications are detailed in the attachment to this report. There are no material risk management or human resources implications.

Community Consultation and Public Relations Implications:

No public relations implications have been identified, and no community consultation has been undertaken.

Recommendation:

That Council:

RECEIVE and NOTE the Financial Performance Report for the year-to-date, ending 30 April 2018.

Attachments/Annexures

1 ⇨Attachment 1 - Financial Performance Report - Apr 2018

16. PROCUREMENT EXEMPTIONS - MONTHLY REPORT

Author:	Acting Manager, Governance and Risk (Bryn Hannan)
Qualified Person:	Acting Director, Corporate Governance (Simon Scott)
ECM File Reference:	Procurement

Community Plan Reference:

Leading our Community

The communities of Glenorchy will be confident that Council manages the community's assets soundly for the long term benefit of the community.

Strategic or Annual Plan Reference:

Leading our Community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.1	Manage Council for maximum efficiency, accountability and transparency
Strategy 4.1.2	Manage the City's assets soundly for the long term benefit of the community
Strategy 4.1.3	Maximise regulatory compliance in Council and the community through our systems and processes

Reporting Brief:

To inform Council of exemptions that have been applied to the procurement requirements under Council's Code for Tenders and Contracts for the period 18 May to 14 June 2018.

Proposal in Detail:

Council's Code for Tenders and Contracts (**Code**) has been made and adopted by Council as required under section 333B of the *Local Government Act 1993*.

Under clause 10.2 of the Code, the General Manager is required to provide a regular report to Council on exemptions that have been authorised to the procurement requirements under the Code. Clause 10.2 relevantly provides:

*In accordance with Regulation 28(j), the General Manager will establish and maintain procedures for reporting to Council **at the first ordinary meeting of Council after the event** in relation to the procurement of goods and/or services **in circumstances where a public tender or quotation process is not used**. Such report will include the following details of each procurement:*

a) a brief description of the reason for not inviting public tenders or quotations (as applicable);

b) a brief description of the goods or services acquired;

c) the approximate value of the goods or services acquired; and

d) the name of the supplier.

A copy of an extract from Council's Purchasing Exemption Register (**Exemption Report**), which is delivered to Council as required under clause 10.2 is Attachment 1 to this report.

The Exemption Report covers the period from 18 May to 14 June 2018.

Consultations:

Executive Leadership Team

Human Resource / Financial and Risk Management Implications:

Nil.

Community Consultation and Public Relations Implications:

Nil.

Recommendation:

That Council:

RECEIVE and NOTE the monthly Procurement Exemptions Report for the period from 18 May to 14 June 2018.

Attachments/Annexures

1 Procurement Exemption Register

17. ACTIONS LIST (OPEN COUNCIL MEETING): UPDATE REPORT

Author:	Acting Manager, Governance and Risk (Bryn Hannan)
Qualified Person:	Acting Director, Corporate Governance (Simon Scott)
ECM File Reference:	Actions List - Council Meetings

Community Plan Reference:

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

Strategic or Annual Plan Reference:

Leading our Community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.1	Manage Council for maximum efficiency, accountability and transparency
Objective 4.2	Prioritise resources to achieve our communities' goals
Strategy 4.2.1	Deploy Council's resources effectively to deliver value

Reporting Brief:

To provide Council with the Actions List (Open Council Meeting), updated following the Council meeting on 28 May 2018.

Proposal in Detail:

Key actions arising out of Council resolutions and/or throughout the general business of Council meetings are captured and distributed throughout Council for completion and update by departmental staff on a monthly basis.

The Actions List (Open Council Meeting) reports on the progress of the items on the list following the 28 May 2018 Council meeting.

The Actions List, updated following the Council meeting on 28 May 2018 is Attachment 1 to this report.

Consultations:

Relevant Council officers

Human Resource / Financial and Risk Management Implications:

Nil

Community Consultation and Public Relations Implications:

Nil

Recommendation:

That Council:

> NOTE the progress of the items on the Actions List (Open Council Meeting) as updated, following the 28 May 2018 Council meeting.

Attachments/Annexures

1 ⇨Action List - Open

18. NOTICES OF MOTIONS – QUESTIONS ON NOTICE / WITHOUT NOTICE

CLOSED TO MEMBERS OF THE PUBLIC

19. CONFIRMATION OF MINUTES (CLOSED MEETING)

20. APPLICATIONS FOR LEAVE OF ABSENCE

GOVERNANCE

21. KGV - UPDATE ON DISPUTE WITH MACQUARIE BUILDERS

This item is to be considered at a closed meeting of the Council by authority of the Local Government (Meeting Procedures) Regulations 2015 Section 15(2)(c) (Commercial information of a confidential nature that, if disclosed, is likely to: prejudice the commercial position of the person who supplied it; confer a commercial advantage on a competitor of the Council; or reveal a trade secret). 15(2)(g) Information of a personal and confidential nature or information provided to the Council on the condition it is kept confidential and 15(2)(i) Matters relating to actual or possible litigation taken, or to be taken, by or involving the Council or an employee of the Council.

22. ACTIONS LIST (CLOSED COUNCIL MEETING): UPDATE REPORT

This item is to be considered at a closed meeting of the Council by authority of the Local Government (Meeting Procedures) Regulations 2015 Regulation 15(2)(g) (Information of a personal and confidential nature or information provided to the Council on the condition it is kept confidential).

23. NOTICES OF MOTIONS – QUESTIONS ON NOTICE / WITHOUT NOTICE (CLOSED)