



*The City with Spirit*

## NOTICE OF MEETING

Notice is hereby given that an **Ordinary Council** meeting of the Devonport City Council will be held at the **East Devonport Recreation Centre**, on Monday 27 August 2018, commencing at 5:30pm.

**The meeting will be open to the public at 5:30pm.**

## QUALIFIED PERSONS

In accordance with Section 65 of the *Local Government Act 1993*, I confirm that the reports in this agenda contain advice, information and recommendations given by a person who has the qualifications or experience necessary to give such advice, information or recommendation.

Paul West  
GENERAL MANAGER

**22 August 2018**

### September 2018

Meeting	Date	Commencement Time
Governance, Finance & Community Services Committee	17 September 2018 <b>(paranaple centre)</b>	5:30pm
Council	24 September <b>(paranaple centre)</b>	5:30pm

**AGENDA FOR AN ORDINARY MEETING OF DEVONPORT CITY COUNCIL  
HELD ON MONDAY 27 AUGUST 2018 AT THE EAST DEVONPORT RECREATION CENTRE  
AT 5:30PM**

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Agenda of an ordinary meeting of the Devonport City Council to be held at the East Devonport Recreation Centre on Monday, 27 August 2018 commencing at 5:30pm.

**PRESENT**

		<b>Present</b>	<b>Apology</b>
Chair	Ald A L Rockliff (Acting Mayor)		
	Ald L M Perry (Acting Deputy Mayor)		
	Ald C D Emmerton		
	Ald G F Goodwin		
	Ald A J Jarman		
	Ald L M Laycock		
	Ald J F Matthews		✓
	Ald T M Milne		

**ACKNOWLEDGEMENT OF COUNTRY**

Council acknowledges and pays respect to the Tasmanian Aboriginal community as the traditional and original owners and continuing custodians of this land.

**IN ATTENDANCE**

All persons in attendance are advised that it is Council policy to record Council Meetings, in accordance with Council's Audio Recording Policy. The audio recording of this meeting will be made available to the public on Council's website for a minimum period of six months. Members of the public in attendance at the meeting who do not wish for their words to be recorded and/or published on the website, should contact a relevant Council Officer and advise of their wishes prior to the start of the meeting.

**1.0 APOLOGIES**

The following apology was received for the meeting.

Ald J F Matthews	Leave of Absence
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**2.0 DECLARATIONS OF INTEREST**

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**3.0 PROCEDURAL**

**3.1 CONFIRMATION OF MINUTES**

**3.1.1 COUNCIL MEETING - 23 JULY 2018**

**RECOMMENDATION**

That the minutes of the Council meeting held on 23 July 2018 as circulated be confirmed.

### 3.2 PUBLIC QUESTION TIME

Members of the public are invited to ask questions in accordance with Council's Public Question Time Policy (Min No 159/17 refers):

1. Public participation shall take place at Council meetings in accordance with Regulation 31 of the *Local Government (meeting Procedures) Regulations 2015*.
  2. Public participation will be the first agenda item following the formal motions: Apologies, Minutes and Declarations of Interest.
  3. Questions without notice will be dependent on available time at the meeting (with a period of 30 minutes set aside at each meeting).
  4. A member of the public who wishes to ask a question at the meeting is to state their name and address prior to asking their question.
  5. A maximum of 2 questions per person are permitted.
  6. A maximum period of 3 minutes will be allowed per person.
  7. If time permits, a third question may be asked once all community members who wish to ask questions have done so. A time limit of 2 minutes will apply.
  8. Questions are to be succinct and not contain lengthy preamble.
  9. Questions do not have to be lodged prior to the meeting, however they will preferably be provided in writing.
  10. A question by any member of the public and an answer to that question are not to be debated.
  11. Questions without notice and their answers will be recorded in the minutes.
  12. The Chairperson may take a question on notice in cases where the questions raised at the meeting require further research or clarification, or where a written response is specifically requested.
  13. Protection of parliamentary privilege does not apply to local government and any statements or discussion in the Council Chambers, or any document produced, are subject to the laws of defamation.
  14. The Chairperson may refuse to accept a question. If the Chairperson refuses to accept a question, the Chairperson is to give reason for doing so in accordance with the Public Question Time Policy.
-

### 3.2.1 RESPONSES TO QUESTIONS RAISED AT PRIOR MEETINGS

File: 27452 D508415

Responses to questions raised at prior meetings are attached.

#### ATTACHMENTS

- 1. [Public Question 23 July 2018 - Response to Malcolm Gardam - Living City](#)
- 2. [Public Question 23 July 2018 - Response to Douglas Janney - Contract CT0220 Southern Rooke Street Renewal - Tenders](#)

#### RECOMMENDATION

That the responses to questions from Mr Malcolm Gardam and Mr Douglas Janney at the 23 July 2018 Council meeting be noted.

Author:	Paul West
Position:	General Manager



31 July 2018

*In reply please quote:*  
File 32161

Mr Malcolm Gardam  
4 Beaumont Drive  
MIANDETTA TAS 7310

Email: [mgardam@outlook.com.au](mailto:mgardam@outlook.com.au)

Dear Mr Gardam,

**QUESTION WITHOUT NOTICE – 23 JULY 2018**

I refer to your questions raised at the Council meeting on 23 July 2018 and provide the following response:

**Question 1**

For the record, will Council please confirm that all of the Development Manager's (P+i) costs, being in excess of \$3.2 million dollars as at 30/06/17 plus the 2017-2018 FY costs yet to be announced, are accounted for in the declared \$70.1 million cost of Living City Stage 1?

**Question 2**

If all costs are not accounted for as part of Stage 1 will Council please advise specifically where those costs, or part there of those overall costs, are specifically accounted for?

**Response**

Prior to Stage 1, Council engaged P+i to assist in the development of the LIVING CITY Master Plan. This work was an operational expense and charged to materials and services within the economic development cost centre in the relevant financial year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Atkins'.

Matthew Atkins  
ACTING GENERAL MANAGER





1 August 2018

*In reply please quote:*  
File 31740

Mr Douglas Janney  
23 Walkinson Street  
DEVONPORT TAS 7310

Dear Mr Janney,

**QUESTION WITHOUT NOTICE – 23 JULY 2018**

I refer to your question raised at the Council meeting on 23 July 2018 and provide the following response:

**Question**

P 15 Table 1 has 5 conforming tenders. The paragraph under the table lists a number of selection criteria. How many tenders have been:

Considered in this financial year? And how many of those successful tenders have been other than the lowest price?

**Response**

Council has so far considered 2 tenders this financial year and both have been awarded to the tenderer with the lowest price.

When reviewing tenders, Council generally places a high weighting on the cost component of the selection criteria, and therefore, tenders in the majority of cases are awarded to the submission with the lowest price.

However, there are occasions when a higher rating on considerations such as lifecycle costs, local content, contractor expertise or product performance result in the cheapest tender not being selected. A recent example of this was the tender for audio visual equipment for the paranapple convention centre, which was considered at the June 2018 Council meeting.

Yours sincerely

Matthew Atkins  
ACTING GENERAL MANAGER





### 3.2.2 QUESTIONS ON NOTICE FROM THE PUBLIC

File: 27452 D501465

#### **MR MALCOLM GARDAM – 4 BEAUMONT DRIVE, MIANDETTA**

Questions on notice received from Mr Malcolm Gardam on 17 August 2018 are reproduced as attachment 1.

#### **DISCUSSION**

In relation to the questions received 17 August 2018, it is proposed Mr Gardam be advised of the following:

In response to your Questions on Notice for the Council meeting 27 August 2018 it is noted that there were 7 questions with multiple parts for which you requested that each aspect of each question be responded to separately.

At the outset although your request is acknowledged, it has not been actioned on the basis it is considered unreasonable.

- Q1.** In relation to the loan requested from TasCorp will council please confirm the following:
- a) Approximately when did council first enter into discussions with TasCorp regarding a loan for Stage 1?
  - b) What was the date of the formal application submitted for a TasCorp loan for Stage 1?
  - c) What was the loan amount requested within the application?
  - d) When were the first indications received that the application would not be successful?
  - e) What was the date that council was formally advised of an unsuccessful application?
  - f) What were the reasons given for not providing the loan?

#### **Response**

All information relating to Council's discussions with TasCorp which is publicly available has previously been disclosed. Council believes that your request serves no genuine purpose and therefore will not be committing the resources to research and provide further answers.

- Q2.** In relation to the applications for a bank loan will council please confirm the following:
- a) Assuming council approached more than one bank approximately when did council first enter into discussions with major banks regarding procuring a loan for Stage 1?
  - b) Who undertook the negotiations/discussions with the banks?
  - c) How many banks did council, or anyone else acting on behalf of council, approach seeking a loan?
  - d) Which banks specifically were approached?
  - e) What was the date of the formal loan application submitted to each bank?

- f) What was the loan amount requested within the applications?
- g) Did all banks approached agree to provide the funding level requested?
- h) If not, what were the reasons given for not doing so?
- i) When were the first indications received that the application would be successful?
- j) What was the date that Council was first advised of a successful application and the approved loan amount?

**Response**

All information relating to Council's borrowings which is publicly available has previously been disclosed. Council believes that your request serves no genuine purpose and therefore will not be committing the resources to research and provide further answers.

**Q3.** In relation to council's negotiated acquisition of the existing LINC/Service Tasmania site, from State Government, as a prerequisite to approval of Stage 1 of Living City for a purported "new northern retail precinct"; will council please advise as to each of the following:

- a) Has State Government provided funding for the demolition of the existing LINC/Service Tasmania premises?
- b) If so what is the value of the funding provided?
- c) In what form is the funding provided?
- d) Has council received this funding to date?
- e) Does the funding form part of the State Government funding announced for Stage 1?
- f) If received where has the funding been accounted for?
- g) Where will the expenditure for the demolition be accounted for once expended?
- h) If funding has not been provided what is the estimated cost allowed for demolition?

**Response**

The agreement with the State Government will see the property previously occupied by LINC and Service Tasmania transfer to the Council for \$1. Once the transfer has been completed it will be Council's responsibility to manage the property, including any proposed demolition, as it sees fit. As Council is yet to acquire ownership of the property, no decision has been made in relation to the future of the building. There will be no State Government funding provided for any future demolition of the building.

**Q4.** Council has stated that *"There was no funding model as such produced prior to adopting the LIVING CITY Master Plan"* (DCC Ref. 31/05/18) and accordingly will council please advise as to each of the following:

- a) During which month and year did council first establish an estimated budget specifically for Stage 1?
- b) Did council utilise a builder or quantity surveyor to assist with developing the budget?

- c) Who were involved in compiling a budget for Stage 1?

**Response**

As previously advised, the funding model for Stage 1 was publicly released in February 2016 and following a period of public consultation adopted by Council on 15 March 2016. Council did engage the services of a Quantity Surveyor when preparing the budget for Stage 1. Council's Development Managers, staff and the Quantity Surveyor were involved in compiling the budget.

**Q5.** Will council please confirm the following regarding the Expression of Interest (EOI) process and ultimately the design and construct contract for Living City - Stage 1 insofar as:

- a) What was the date that council called for EOI's for Stage 1?  
b) What was the closing date for EOI's for Stage 1?  
c) What was the date the "early works package" was awarded to Fairbrother?  
d) What was the date that the Design & Construct Contract was awarded to Fairbrother?

**Response**

The tender for Stage 1 was first advertised on 15 September 2015. This was a 2-stage process with Council appointing Fairbrother as the preferred tenderer on 15 March 2016. Following a period of value management, Council authorised the execution of a design and construct contract with Fairbrother Pty Ltd based on a guaranteed maximum price contract sum of no more than \$59,440,000 (ex GST) on 25 July 2016. The early works package was approved by Council at the 15 March 2016 meeting.

**Q6.** In responding to my various questions as to when did Aldermen and/or senior staff first become aware as to the \$50 million of ratepayer cash and borrowings, being necessary to fund Stage 1 construction of Living City, council has offered various statements, including,

- *"The State Government funding for LIVING CITY Stage 1 was not the result of a specific grant process, but rather originated from an election commitment that was made by each of the major parties during the 2014 State election campaign. Following the election, **negotiations regarding the State contribution progressed over the following 18 months.** A formal Grant Deed, providing a cash contribution of \$13M was executed in December 2016."*
- When commenting on the Living City Project in The Advocate on the **17th March 2018**, the General Manager stated - **"Stage 1 was always going to be predominantly achieved with public money."**

Accordingly, will council please clarify the following:

- a) Will council please provide its definition of **"public money"**?  
b) Considering it was reported in the Mercury on the **10th December 2015** that *"The State Government today announced it would give the Devonport City Council's Living City project \$13 million in a package which includes cash and land."* are ratepayers to believe that this was council's "light bulb moment" as to the likely quantum of ratepayer cash and borrowings essential to Stage 1 proceeding to construction?

- c) In April 2014, council had advised it anticipated funding for the whole of Living City to be \$25 million from the Federal Government and \$10 million from State Government; accordingly, was the \$15 million allocated at that time as council funding ever realistic?
- d) If council was anticipating \$25 million from the Federal Government why did it only apply for \$9,999,000 in grant money?
- e) Did council submit another application for the \$10 million currently being provided by the Federal Government for the Waterfront Precinct or was that just an election promise grant?
- f) Is council expecting/pursuing a State Government cash contribution to the Stage 3 - Waterfront Precinct and if so how much?

### Response

Council has previously responded to numerous questions from you relating to these matters. There is nothing further to add than what has previously been provided apart from the commitment recently made by the Federal Government is a confirmed contribution through the Community Development Grants program administered by the Department of Infrastructure and Regional Development. This grant was secured through the efforts of Tasmanian Senator Steve Martin.

**Q7.** Accepting that council were fully aware as to the Federal Government grant of \$10 million no later than May 2015 and considering that council has repeatedly avoided confirming when it first became aware of the likely level of State Government grant money (since converted to a monetary contribution to build and own under strata title the LINC/Service Tasmania premises) I resubmit the following questions:

- a) **At what point in time** (month and year will suffice) **did the former Mayor, Deputy General Manager and the appointed Development Manager first become aware of the likely quantum of ratepayer cash and borrowings** (ultimately announced as \$50m on the 29/02/16) **necessary to support Stage 1 of Living City proceeding to construction?**
- b) **At what point in time** (month and year will suffice) **were ALL Aldermen first made aware of the likely quantum of ratepayer cash and borrowings** (ultimately announced as \$50m on the 29/02/16) **necessary to support Stage 1 of Living City proceeding to construction?**

### Response

Council has previously responded to these questions and has nothing further to add.

### **MR BOB VELLACOTT – 11 COCKER PLACE, DEVONPORT**

Questions on notice received from Mr Bob Vellacott on 17 August 2018 are reproduced as attachments 2 and 3.

### **DISCUSSION**

In relation to the questions received 17 August 2018, it is proposed Mr Vellacott be advised of the following:

#### **First Letter**

**Q1.** Would DGM Atkins clarify exactly which budget he was referring to?

#### **Response**

The overall budget.

- Q2.** On Page 4 of the Stage 1 Funding Implications document dated 22nd February 2016 the overall budget is \$70.5 million but council has corrected this when referenced in correspondence as being \$70.1 million. Can council please advise what this \$400,000 downward adjustment resulted from?

**Response**

The adopted budget as accepted by Council at its meeting on 15 March 2016 was \$70.5M. In March 2017 it was reported in the LIVING CITY update report that the Stage 1 development had reduced from \$70.5M to \$69.6M. Following the finalisation of the agreement with the State Government and the payment of an additional \$1.5M by them for fit-out expenses (previously not included) the total budget was updated to \$71.1M. There has been no change to the budget since this time.

- Q3.** What was the original budget figure for Stage 1 that the Mayor and Aldermen based their decision on before deciding to progress the project and call for tenders for all the work necessary to construct Stage 1?

**Response**

As previously advised the funding model for Stage 1 was publicly released in February 2016 and following a period of public consultation adopted by Council on 15 March 2016.

- Q4.** Before employing and so as to give the architects some basis on which to design and plan what was the maximum/specified cost that Council indicated to them they would be prepared to pay for Stage 1 construction?

**Response**

The current design was developed based on the Master Plan adopted by Council and earlier concepts prepared for initial community and government engagement. There were no specific cost parameters, but rather Council worked with the design team to develop a design and scope of works that aligned with the project objectives and Council's funding capacity.

**Second Letter**

- Q1.** It is understood that the contract with Fairbrother for construction of the food pavilion provided for a "base build" with any further tenancy-specific works to be paid for out of a \$850,000 contingency sum. Will council please list the type of work to be covered by this provision as against what a tenant should bear the cost of?

**Response**

No

- Q2a)** Why was it necessary for the structural reinforced concrete floor, in the section where I understand Southern Wild Distillery will be situated, to be cut out to a width of approx. 500mm and trenched to a length of approx. 12 metres?

**Response**

Works necessary as part of the fit-out of the tenancy to ensure it is fit for purpose.

- b) Will ratepayers be responsible for this cost? And is the cost of this rework of otherwise completed works to be borne under the contract (ratepayer funded) or by the tenant?
- c) If so what is the amount? If to be paid under the contract (ratepayer funded) what is the cost of the additional work?
-

**Response**

The total fit-out budget to be funded by the project remains as previously advised at \$850,000.

**Q3.** Did the commercial kitchen in the paranapple centre after it was structurally completed have floors cutout, wall sheeting and ceilings stripped and then replaced to install services as what has been required in the various tenancies of Providore Place?

**Response**

No. The food pavilion project will need modifications to suit the nature and requirements of the tenancies and to cater for previously unknown requirements whereas in contrast the paranapple convention centre kitchen is relatively straight forward.

**Q4.** Specifically what is the actual amount in dollars that ratepayers will have to pay for the work that was necessary to strengthen the mezzanine floor in Providore Place?

**Response**

Council has no intention of providing itemised costing information to you or anyone else not directly associated with the project. Council believes that your enquiry serves no genuine purpose other than reinforcing your total antagonism of the overall LIVING CITY project.

Please note that any further questions from you relating to the food pavilion will not be responded to.

**ATTACHMENTS**

- [1.](#) Letter - Questions on Notice - Council Meeting - 27 August 2018 - Living City - Funding & LINC-Service Tas - Malcolm Gardam
- [2.](#) Letter - Questions on Notice - Council Meeting - 27 August 2018 - Budget for stage I construction - Bob Vellacott
- [3.](#) Letter - Questions on Notice - Council Meeting - 27 August 2018 - Providore Place Structural Alterations - Bob Vellacott

**RECOMMENDATION**

That Council in relation to the correspondence received from Mr Malcolm Gardam and Mr Bob Vellacott endorse the responses proposed and authorise their release.

w

Author:	Paul West	Endorsed By:	Paul West
Position:	General Manager	Position:	General Manager

17<sup>th</sup> August 2018

Devonport City Council  
17 Fenton Way  
DEVONPORT TAS 7310

Malcolm Gardam  
4 Beaumont Drive  
MIANDETTA TAS 7310  
(Mobile No: 0417 355 813)

**ATTENTION: MR. PAUL WEST – GENERAL MANAGER (ACTING MAYOR & ALDERMEN)**

**RE: LIVING CITY – FUNDING AND LINC/SERVICE TAS QUESTIONS ON NOTICE (Ref. File 32161)**

Dear Sir,

The following questions Q1 and Q2 relate to Council's seeking of loans from both TasCorp and major banking institutions for Living City Stage 1, with each aspect of each question requiring a separate response.

**Q1.** In relation to the loan requested from TasCorp will council please confirm the following:

- a) Approximately when did council first enter into discussions with TasCorp regarding a loan for Stage 1?
- b) What was the date of the formal application submitted for a TasCorp loan for Stage 1?
- c) What was the loan amount requested within the application?
- d) When were the first indications received that the application would not be successful?
- e) What was the date that council was formally advised of an unsuccessful application?
- f) What were the reasons given for not providing the loan?

**Q2.** In relation to the applications for a bank loan will council please confirm the following:

- a) Assuming council approached more than one bank approximately when did council first enter into discussions with major banks regarding procuring a loan for Stage 1?
- b) Who undertook the negotiations/discussions with the banks?
- c) How many banks did council, or anyone else acting on behalf of council, approach seeking a loan?
- d) Which banks specifically were approached?
- e) What was the date of the formal loan application submitted to each bank?
- f) What was the loan amount requested within the applications?
- g) Did all banks approached agree to provide the funding level requested?
- h) If not, what were the reasons given for not doing so?
- i) When were the first indications received that the application would be successful?
- j) What was the date that Council was first advised of a successful application and the approved loan amount?

The following question Q3 relates to Council's acquisition of the existing LINC/Service Tasmania site specifically for Stage 2 of Living City, with each aspect of the question requiring a separate response.

- Q3.** In relation to council's negotiated acquisition of the existing LINC/Service Tasmania site, from State Government, as a prerequisite to approval of Stage 1 of Living City for a purported "new northern retail precinct"; will council please advise as to each of the following;
- a) Has State Government provided funding for the demolition of the existing LINC/Service Tasmania premises?
  - b) If so what is the value of the funding provided?
  - c) In what form is the funding provided?
  - d) Has council received this funding to date?
  - e) Does the funding form part of the State Government funding announced for Stage 1?
  - f) If received where has the funding been accounted for?
  - g) Where will the expenditure for the demolition be accounted for once expended?
  - h) If funding has not been provided what is the estimated cost allowed for demolition?
- Q4.** Council has stated that *"There was no funding model as such produced prior to adopting the LIVING CITY Master Plan"* (DCC Ref. 31/05/18) and accordingly will council please advise as to each of the following;
- a) During which month and year did council first establish an estimated budget specifically for Stage 1?
  - b) Did council utilise a builder or quantity surveyor to assist with developing the budget?
  - c) Who were involved in compiling a budget for Stage 1?
- Q5.** Will council please confirm the following regarding the Expression of Interest (EOI) process and ultimately the design and construct contract for Living City – Stage 1 insofar as;
- a) What was the date that council called for EOI's for Stage 1?
  - b) What was the closing date for EOI's for Stage 1?
  - c) What was the date the "early works package" was awarded to Fairbrother?
  - d) What was the date that the Design & Construct Contract was awarded to Fairbrother?
- Q6.** In responding to my various questions as to when did Aldermen and/or senior staff first become aware as to the \$50 million of ratepayer cash and borrowings, being necessary to fund Stage 1 construction of Living City, council has offered various statements, including,
- *"The State Government funding for LIVING CITY Stage 1 was not the result of a specific grant process, but rather originated from an election commitment that was made by each of the major parties during the 2014 State election campaign. Following the election, negotiations regarding the State contribution progressed over the following 18 months. A formal Grant Deed, providing a cash contribution of \$13M was executed in December 2016."*
  - When commenting on the Living City Project in The Advocate on the 17<sup>th</sup> March 2018, the General Manager stated – *"Stage 1 was always going to be predominantly achieved with public money."*



Accordingly, will council please clarify the following:

- a) Will council please provide its definition of "**public money**"?
- b) Considering it was reported in the Mercury on the 10<sup>th</sup> December 2015 that "*The State Government today announced it would give the Devonport City Council's Living City project \$13 million in a package which includes cash and land.*" are ratepayers to believe that this was council's "light bulb moment" as to the likely quantum of ratepayer cash and borrowings essential to Stage 1 proceeding to construction?
- a) In April 2014, council had advised it anticipated funding for the whole of Living City to be \$25 million from the Federal Government and \$10 million from State Government; accordingly, was the \$15 million allocated at that time as council funding ever realistic?
- b) If council was anticipating \$25 million from the Federal Government why did it only apply for \$9,999,000 in grant money?
- c) Did council submit another application for the \$10 million currently being provided by the Federal Government for the Waterfront Precinct or was that just an election promise grant?
- d) Is council expecting/pursuing a State Government cash contribution to the Stage 3 - Waterfront Precinct and if so how much?

**Q7.** Accepting that council were fully aware as to the Federal Government grant of \$10 million no later than May 2015 and considering that council has repeatedly avoided confirming when it first became aware of the likely level of State Government grant money (since converted to a monetary contribution to build and own under strata title the LINC/Service Tasmania premises) I resubmit the following questions;

- a) **At what point in time (month and year will suffice) did the former Mayor, Deputy General Manager and the appointed Development Manager first become aware of the likely quantum of ratepayer cash and borrowings (ultimately announced as \$50m on the 29/02/16) necessary to support Stage 1 of Living City proceeding to construction?**
- b) **At what point in time (month and year will suffice) were ALL Aldermen first made aware of the likely quantum of ratepayer cash and borrowings (ultimately announced as \$50m on the 29/02/16) necessary to support Stage 1 of Living City proceeding to construction?**

The above are questions on notice for the next Ordinary Meeting scheduled for Monday 27<sup>th</sup> August 2018. Please acknowledge receipt and provide responses in writing and ensure inclusion in full in the next meeting Agenda.

Yours sincerely,



Malcolm Gardam

CC: Acting Mayor & Aldermen

(A LC RBV QoN Budget for stage 1 construction Aug 27 2018) Final to send OK.

ROBERT B. VELLACOTT Ratepayer  
11 COCKER PLACE DEVONPORT 7310

MAYOR AND ALDERMEN  
DEVONPORT CITY COUNCIL  
PO BOX 604 DEVONPORT 7310

QUESTIONS ON NOTICE FOR DCC MEETING 27 AUGUST 2018

I ref to the statement attributed to the Deputy General Manger Mr Mathew Atkins in the Advocate 16<sup>th</sup> August 2018.

In reference to the cost of construction for Living City stage 1 budget, among other things, the DGM Atkins said it's likely to come in several hundred thousand dollars under budget.

Question1 - Would DGM Atkins clarify exactly which budget he was referring to?

Q2 – On Page 4 of the Stage 1 Funding Implications document dated 22<sup>nd</sup> February 2016 the overall budget is \$70.5 million but council has corrected this when referenced in correspondence as being \$70.1 million. Can council please advise what this \$400,000 downward adjustment resulted from?

Question 3- What was the original budget figure for Stage 1 that the Mayor and Aldermen based their decision on before deciding to progress the project and call for tenders for all the work necessary to construct Stage 1?

Question 4 - Before employing and so as to give the architects some basis on which to design and plan what was the maximum/specified cost that Council indicated to them they would be prepared to pay for Stage 1 construction?

Please include all of the above in the agenda and minutes for the DCC meeting for 27<sup>th</sup> August 2018 meeting.

**R.B. Vellacott**

A LC RBV QsoN Providore Place Structural Alterations 27 Aug 2018 FINAL to send ok

Robert B. VELLACOTT – RATEPAYER  
11 COCKER PLACE  
DEVONPORT 7310

THE ACTING MAYOR AND ALDERMEN  
DEVONPORT CITY COUNCIL  
PO BOX 604

QUESTIONS ON NOTICE FOR THE DCC MEETING 27 AUGUST 2018

**Question 1** – It is understood that the contract with Fairbrother for construction of the food pavilion provided for a “base build” with any further tenancy-specific works to be paid for out of a \$850,000 contingency sum. Will council please list the type of work to be covered by this provision as against what a tenant should bear the cost of?

**Question 2** –

- (a) Why was it necessary for the structural reinforced concrete floor, in the section where I understand Southern Wild Distillery will be situated, to be cut out to a width of approx. 500mm and trenched to a length of approx. 12 metres?
- (b) Will ratepayers be responsible for this cost? And is the cost of this rework of otherwise completed works to be borne under the contract (ratepayer funded) or by the tenant?
- (c) If so what is the amount? If to be paid under the contract (ratepayer funded) what is the cost of the additional work?

**Question3** –

Did the commercial kitchen in the paranapple centre after it was structurally completed have floors cutout, wall sheeting and ceilings stripped and then replaced to install services as what has been required in the various tenancies of Providore Place ?

**Question 4** –

I refer to my question without notice at the council meeting 23<sup>rd</sup> July 2018 when I asked –“Specifically what is the amount that ratepayers will have to pay for the work that was necessary to strengthen the mezzanine floor in Providore Place? ”

Part of the Acting General Manager’s response was as per the Minutes “that council had answered that question a couple of times.”

With the greatest of respect the Acting General Manager’s response was **incorrect** to say that question has been answered several times.

I can find no record in any previous Agenda, Minutes or other correspondence from council to me that states the actual amount that was paid.

I therefore, with respect though slightly reworded, again ask the same question –

**Specifically what is the actual amount in dollars that ratepayers will have to pay for the work that was necessary to strengthen the mezzanine floor in Providore Place?**

Please Include all of the above and responses in the Agenda for the DCC meeting of 27<sup>th</sup> August 2018 and minutes of that meeting.

R. B. Vellacott 17<sup>th</sup> August 2018

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**3.2.3 Question without notice from the public**

**3.3 QUESTIONS ON NOTICE FROM ALDERMEN**

At the time of compilation of the agenda, no questions had been received from Aldermen.

### **3.4 NOTICES OF MOTION**

#### **3.4.1 PAINTING OF MURALS ON SILOS - NOTICE OF MOTION - ALD L M PERRY**

File: 30357 D540400

In accordance with Regulation 16(5) of the *Local Government (Meeting Procedures) Regulations 2015*, a notice of motion has been received from Alderman L M Perry.

#### **ATTACHMENTS**

Nil

#### **MOTION**

"That this Council supports in principle the painting of tasteful murals or similar artwork on the two plain concrete silos on the western side of the Devonport wharf on the following basis:

- as Council is not the property owner or the tenant, it has no jurisdiction over the site (aside from potential planning considerations) and therefore is unable to adopt the project as its own;
- Council can assist the initiators and drivers of the project with artistic advice should it be sought;
- Council will not be expected to contribute financially to the project."

#### **SUPPORT**

There has been significant public interest in beautifying the concrete silos. Similar projects across Australia have drawn considerable support and applause, and in some cases have become a tourist attraction for rural and regional towns.

While the silos clearly perform a highly valuable function on a working port, enhancing their appearance would add scenic value to the drive into Devonport along Formby Road. Additionally, if the eastern side of the silos were painted, the view travelling up the Mersey River for Spirit of Tasmania passengers would also be enhanced and could entice passengers to the western shore that may not have had plans to do so.

#### **OFFICER'S COMMENTS**

As indicated in the motion, Council is not the owner of the silos and its ability to influence an outcome may be limited.

## 4.0 PLANNING AUTHORITY MATTERS

**The Mayor will now announce that Council intends to act as a Planning Authority under the *Land Use Planning and Approvals Act 1993* for the consideration of Agenda Item 4.1.**

Council is required by Regulation 8(3) of the *Local Government (Meeting Procedures) Regulations 2015* to deal with items as a Planning Authority under the LUPA 1993 in a sequential manner.

The following item is to be dealt with at the meeting of Council in its capacity as a Planning Authority.

- 4.1 PA2018.0117 Demolition of Existing Dwelling and Construction of New Dwelling - Assessment against Performance Criteria of Local Heritage Code - 90 Stewart Street Devonport (D540015)

## 4.1 PA2018.0117 DEMOLITION OF EXISTING DWELLING AND CONSTRUCTION OF NEW DWELLING - ASSESSMENT AGAINST PERFORMANCE CRITERIA OF LOCAL HERITAGE CODE - 90 STEWART STREET DEVONPORT

File: 35450 D540015

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

- Strategy 2.1.1 Apply and review the Devonport Interim Planning Scheme as required, to ensure it delivers local community character and appropriate land use
- Strategy 2.1.2 Provide high quality, consistent and responsive development assessment and compliance processes

### PURPOSE

The purpose of this report is to enable Council acting as a Planning Authority to make a decision regarding planning application PA2018.0117.

### BACKGROUND

Planning Instrument:	<i>Devonport Interim Planning Scheme 2013</i>
Applicant:	6TY <sup>o</sup>
Owner:	Roman Catholic Church Trust Corporation of the Archdiocese of Hobart
Proposal:	Demolition of existing dwelling and construction of new dwelling - assessment against performance criteria of Local Heritage Code
Existing Use:	Residential
Zoning:	General Residential
Decision Due:	27/08/2018

### SITE DESCRIPTION

The site is located on the northern side of Stewart Street, approximately 183m east of the Gunn Street intersection and 250m west of the Fenton Street intersection. The property is bound by residential development to the east and west, commercial development to the north and Our Lady of Lourdes Catholic School to the south. The lot was created in May 2017 through the adhesion of two titles, 88 and 90 Stewart Street. The site has an area of 5,357m<sup>2</sup> and a 47.84m frontage and contains nine dwellings. Figure 1 shows the title plan for the property.



Figure 1 - Title plan - CT173284/1





Figure 2 - Aerial view of subject site with building proposed for demolition circled in red

#### APPLICATION DETAILS

The applicant is seeking approval to demolish the existing building located in the south east corner of the lot and replace it with a two bedroom unit. Figure 3 shows the existing building, Figure 4 a partial site plan, Figure 5 the proposed unit floor plan and Figure 6 the proposed unit elevations. Full application details have been included as **Attachment 1**.



Figure 3 - Photo of existing building taken from Stewart Street (courtesy of Heritage Impact Statement by Tasmanian Consulting Service Pty Ltd 30/9/2016)

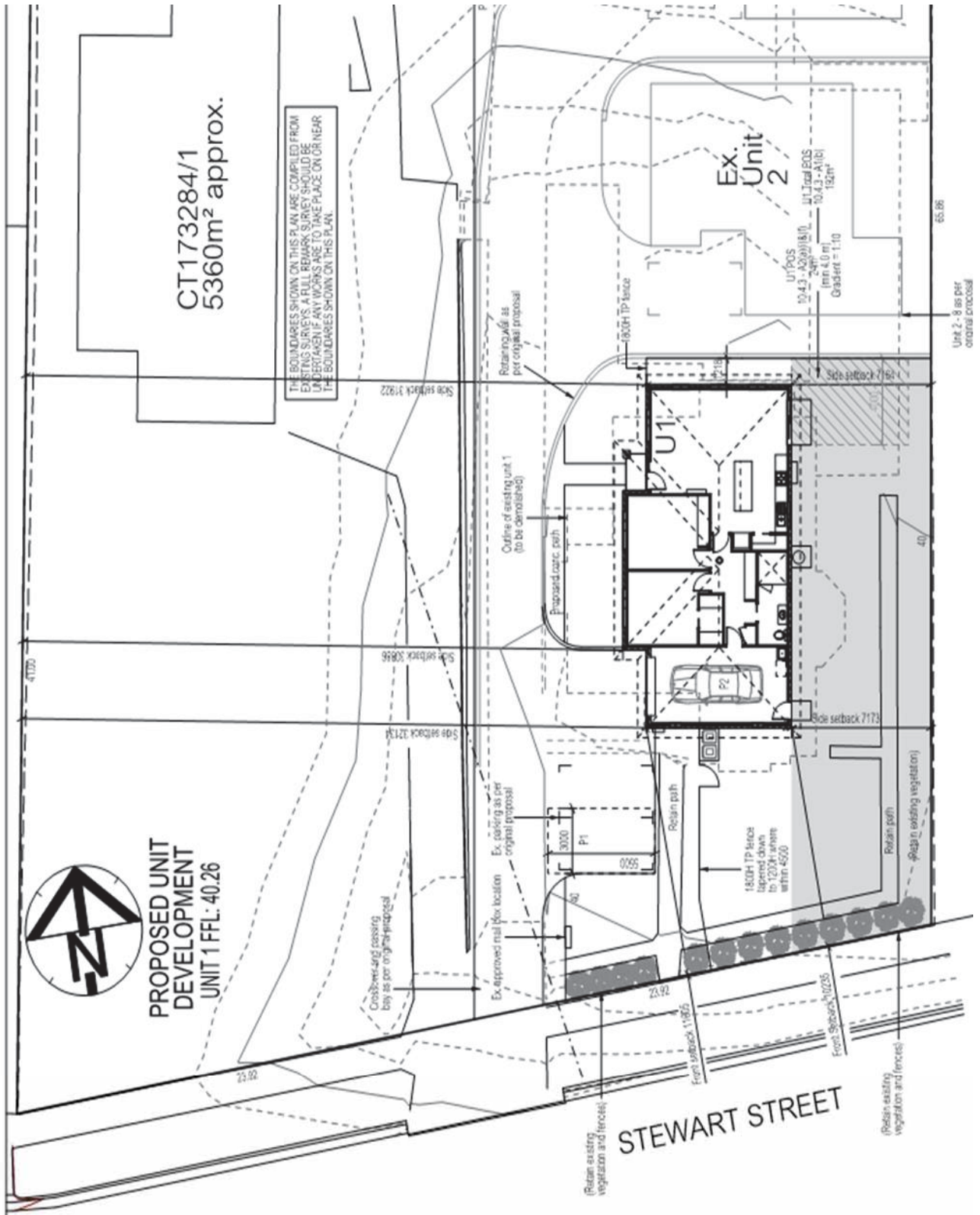


Figure 4 - Partial site plan showing outline of existing building overlaid by proposed unit

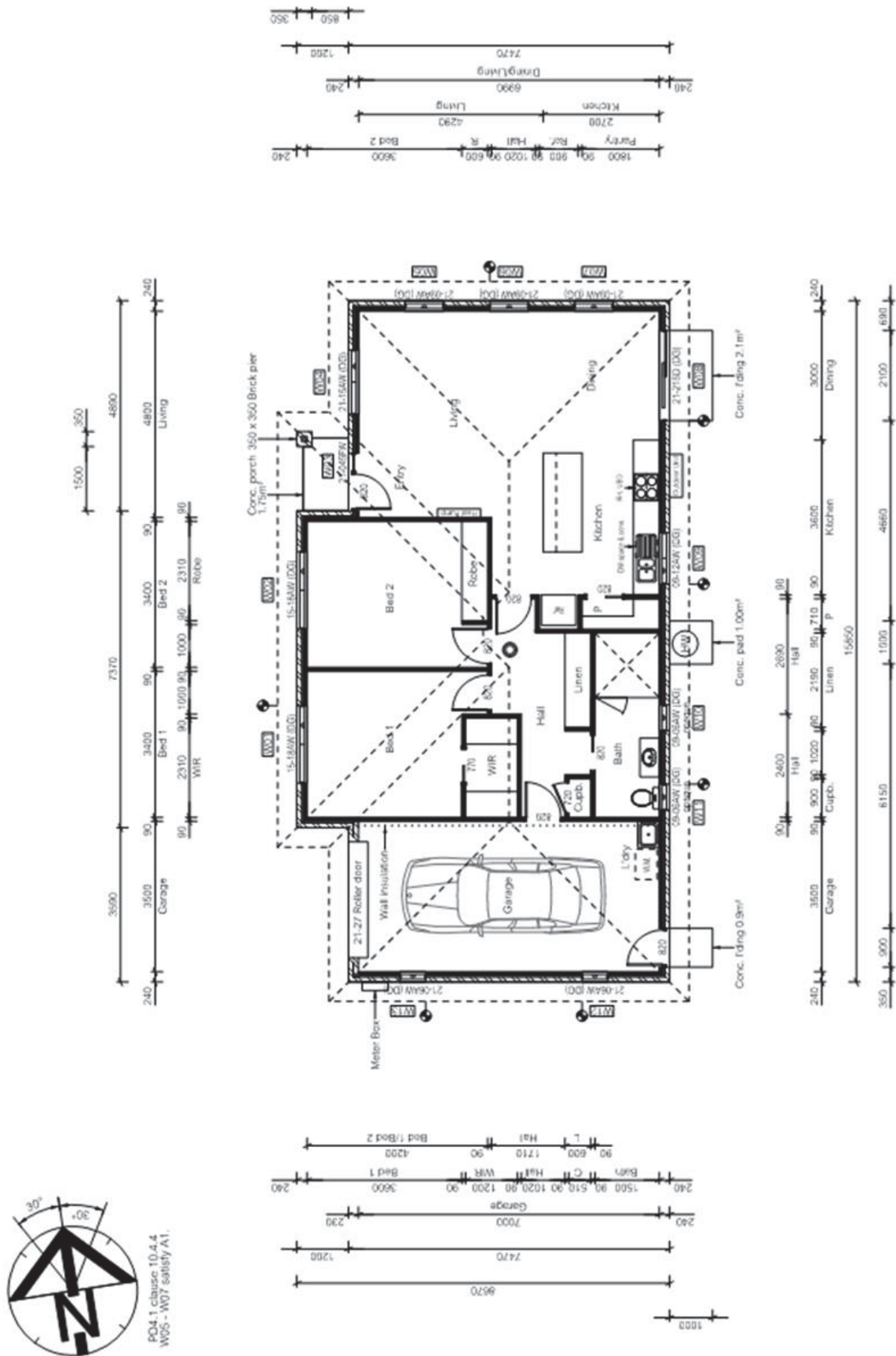


Figure 5 - Unit floor plan

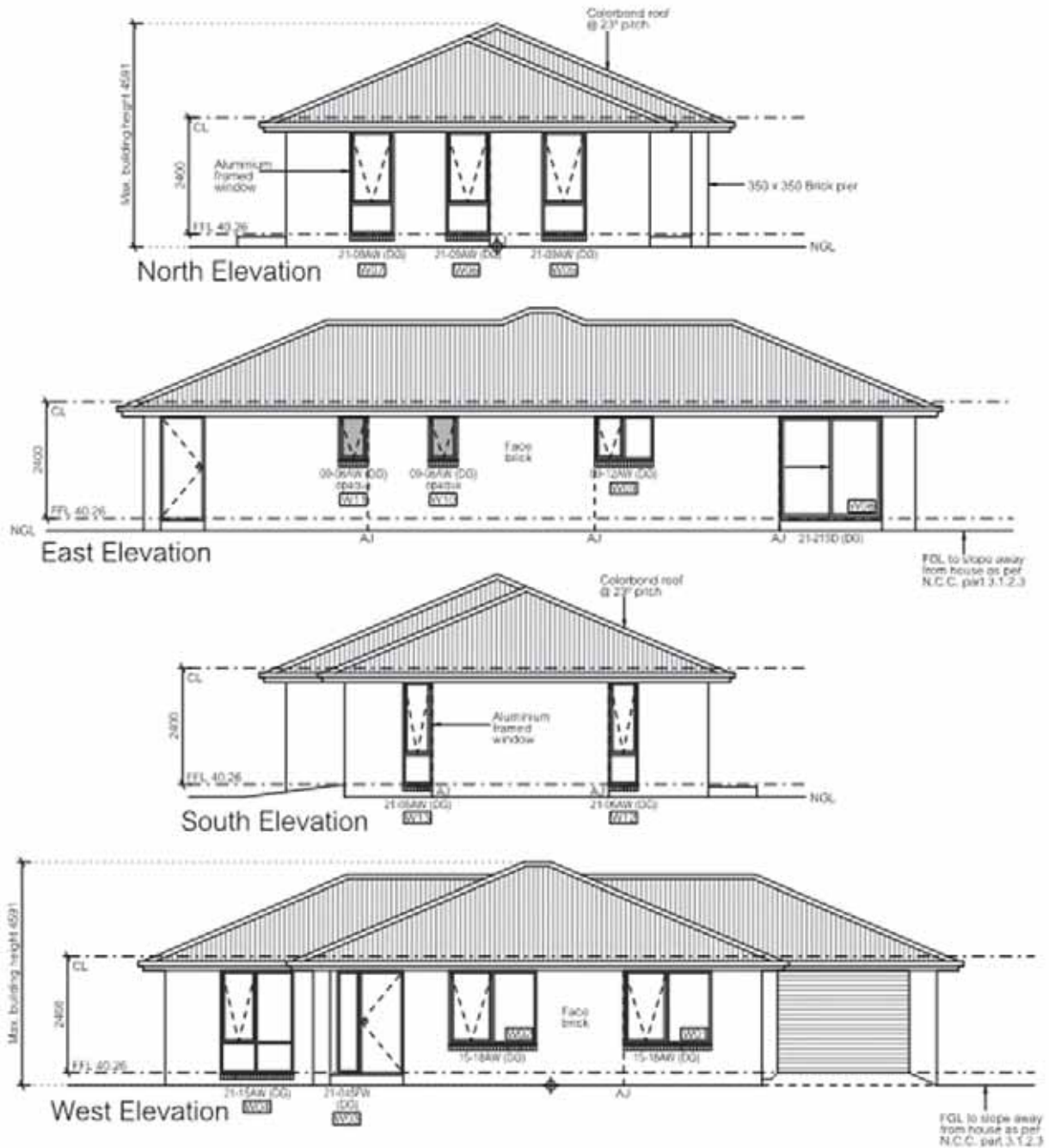


Figure 6 - Unit elevations

**PLANNING ISSUES**

The land is zoned General Residential under the *Devonport Interim Planning Scheme 2013*. The intent of the zone is to provide for residential use or development that accommodates a range of dwelling types at suburban densities, where full infrastructure services are available or can be provided and to provide for compatible non-residential uses that primarily serve the local community.

Residential use is permitted in the zone provided it complies with all applicable acceptable solutions within the relevant zones and codes contained within the planning scheme. Where the acceptable solutions cannot be met the relevant performance criteria must be considered and an application becomes discretionary.

The subject site is located within the Stewart Street Conservation Area under the Local Heritage Code.

Clause E.5.6.2 of the scheme deals with demolition, however, the relevant acceptable solution cannot be satisfied and therefore the corresponding performance criteria must be addressed. Likewise, the proposed unit cannot satisfy the acceptable solution for Clause E5.6.4 in regard to design and location of development and these performance criteria must also be met. In light of this the proposal is discretionary and may be either approved or refused by the Planning Authority.

The relevant sections of the planning scheme are reproduced below, followed by comments. All other requirements of the planning scheme are satisfied and therefore not discussed.

**E5.6.2 Demolition**

<b>Objective:</b>	
Demolition of a building, area or other place is to occur only if there is no feasible and prudent alternative	
<b>Acceptable Solutions</b>	<b>Performance Criteria</b>
<b>A1</b> Demolition achieves the conservation outcomes for a building, place or conservation area shown in Column 4 of the table to this Code	<b>P1</b> Demolition in whole or in part of a building or place may be permitted, having regard to -  (a) the heritage significance of the affected parts of the building or place;  (b) the likely benefits of renovating, rehabilitating, reconstructing or modifying the building for an approved use; and  (c) the impracticability and cost of retaining and conserving the building or place; or  (d) overriding environmental, public health or economic considerations.

The acceptable solution above cannot be satisfied as there is no detail contained within Column 4 of the table to this Code, therefore compliance with the performance criteria must be demonstrated.

The objective of the clause states that, 'demolition of a building...is to occur only if there is no feasible and prudent alternative.'

The performance criteria require consideration of the heritage significance of the place, the likely benefits of renovating, rehabilitating, reconstructing or modifying the building and the impracticality and cost of retaining and conserving the building. Alternatively, the proposal may be assessed against overriding environmental, public health or economic considerations.

It cannot be said that there are any overriding environmental, public health or economic considerations and therefore subclause (d) can be disregarded.

The heritage aspects of the building are significant. In 2016, an application was lodged for partial demolition of the building and construction of seven units to the north. A Heritage Impact Statement (HIS) was lodged as part of the application, prepared by Simon Angilley of Tasmanian Consulting Service Pty Ltd who is a member of the Works Committee of the Tasmanian Heritage Council. The HIS states that the dwelling, known as Emmaus House, was formerly used as a convent for the Sisters of St Joseph who taught at Our Lady of Lourdes School. It was constructed in 1918 and extended in 1954 (or possibly 1959), 1960 and 1974. The 2016 application for partial demolition of the building was for the removal of

the extensions. These were not in keeping with the original building and were demolished as part of the unit development.

The HIS goes on to say that although, 'there is no known formal statement of heritage significance specific to the site ... the place might be considered to have potential heritage significance as follows':

**THR Listing Criterion (d)**

*The place is important in demonstrating the principal characteristics of a class of place in Tasmania's history.*

**88 Stewart Street demonstrates many of the principal characteristics of a single storey weatherboard Federation domestic building.**

**THR Listing Criterion (f)**

*The place has a strong or special association with a particular community or cultural group for social or spiritual reasons.*

**88 Stewart Street has townscape associations which are regarded as important to the community's sense of place.**

**88 Stewart Street has strong association with the Mersey Leven Parish of the Catholic church, and particularly with Our Lady of Lourdes School, as a convent for the Sisters of St Joseph, who established and ran the school for more than 100 years.**

The HIS also states that the building is consistent with the Stewart Street Conservation Area values which are:

*The buildings demonstrate the earliest development of the city. The extensive use of timber in residential development is a key theme that provides part of Devonport's character and reflects the importance of timber in the early development of the area. The area is the major surviving heritage housing area of Devonport and is of very high heritage significance.*

In regard to subclause E5.6.2 (b), the benefits of renovating/modifying the building as originally proposed in 2016 are that the streetscape remains intact and the conservation area is not negatively impacted. In addition, the benefit to the owners is that they would gain a 3 bedroom, 2 bathroom dwelling, as shown in Figure 7, rather than the 2 bedroom, 1 bathroom dwelling proposed (see Figure 5 above).



Figure 7 - Floor plan for renovated house proposed in 2016

Subclause E5.6.2 (c) takes into account the impracticability and cost of retaining and conserving the building. To address this, the applicant has submitted costing for both the renovation of the existing dwelling and the construction of a unit. The application states that the exterior is, *'in reasonably well maintained condition although there is some subsidence of the bluestone foundation wall, particularly in the southwest corner.'* The condition of the interior of the building is not as good as the exterior, however, the owners originally proposed to completely renovate the interior as part of the unit development recently undertaken.

The Heritage Impact Statements confirms that the internal alterations will not negatively impact the area given the following:

**The internal layout and features of the main building are non-contributory to the identified Conservation Area values.**

***HIS Assessment:*** Internal renovation, including reconfiguration of internal rooms and circulation spaces, has no impact upon the identified Conservation Area heritage values of the place.

**This assessment notes that the proposed changes to the three main rooms at the front (south) of the original residence impose a circulation and hierarchy which is considerably more compatible with, and consistent with, the residential use that the building originally provided, than the current layout does.**

The difference in costs between the two projects is reported to be \$87,307.00, however, these costs do not include the demolition of the existing house in preparation of construction of the unit and also do not take into consideration the outcomes, being a 3 bedroom, 2 bathroom house on one hand or a 2 bedroom, 1 bathroom unit, on the other.

In addition, a \$15,000 contingency is included in the renovation of the house, which may or may not be required.

Based on price per square metre, the total renovation of the house (including reconfiguration and new plasterboard to all walls) will cost \$1475/m<sup>2</sup> whereas the construction of the unit will cost \$1482/m<sup>2</sup>. Inclusion of the demolition costs will increase the cost per square metre of the unit's construction.

The application states that the renovation would not produce long-term benefits that can be offered by a new building such as energy efficiency and reduced maintenance and repair.

While it is agreed that maintenance requirements for a weatherboard house would be greater than for a brick dwelling, the renovations costed would increase the energy efficiency of the house through construction of new plasterboard walls with insulation and placement of the living areas to the north.

**E5.6.4 Design and location of development**

<b>Objective:</b>	
Design and location of new development is to be consistent with the attributes and features specified for conservation	
<b>Acceptable Solutions</b>	<b>Performance Criteria</b>
<b>A1</b>  Development must comply with the conservation outcomes specified in Column 4 of the Table to this Code for the building, area, or other place	<b>P1</b>  The design and location of buildings and development areas must maintain the architectural or historic interest or special cultural value specified in the Table to this Code for a building, area or other place having regard for -  (a) integrity of the fabric and structure of the building, area, or other place;  (b) setback, scale, and height of building elements relative to existing development on the site;  (c) vegetation and other improvement on the site or on adjacent land;  (d) separation of buildings and activity areas from a frontage;  (e) separation of buildings and activity areas across a boundary; and  (f) architectural style and features of the building, area, or other place including -  (i) roof form and pitch;  (ii) fenestration;  (iii) methods and techniques of construction;  (iv) external fabric, materials and finish;  (v) colour scheme;  (vi) alteration and addition;  (vii) outbuildings;  (viii) garden design, planting and structures;  (ix) fencing; and  (x) signage

As with the previous clause regarding demolition, it is not possible to achieve compliance with the above acceptable solutions and therefore the performance criteria must be satisfied. E.5.6.4 P1 states that the design and location of buildings and development areas must maintain the architectural or historic interest or special cultural value specified in the Table to this Code for an area. The values for the Stewart Street Conservation Area mentioned previously include early architecture and the extensive use of timber. The proposed unit is not in keeping with either of these values.

While the proposed unit maintains the current situation in regard to separation of buildings, and while it is possible to ensure the landscaping is appropriate, the scale, architectural style and features of the building proposed are inconsistent with the area.



The side of a garage will be the elevation visible from the street and although it contains windows it has no 'street appeal' (see Figure 8).

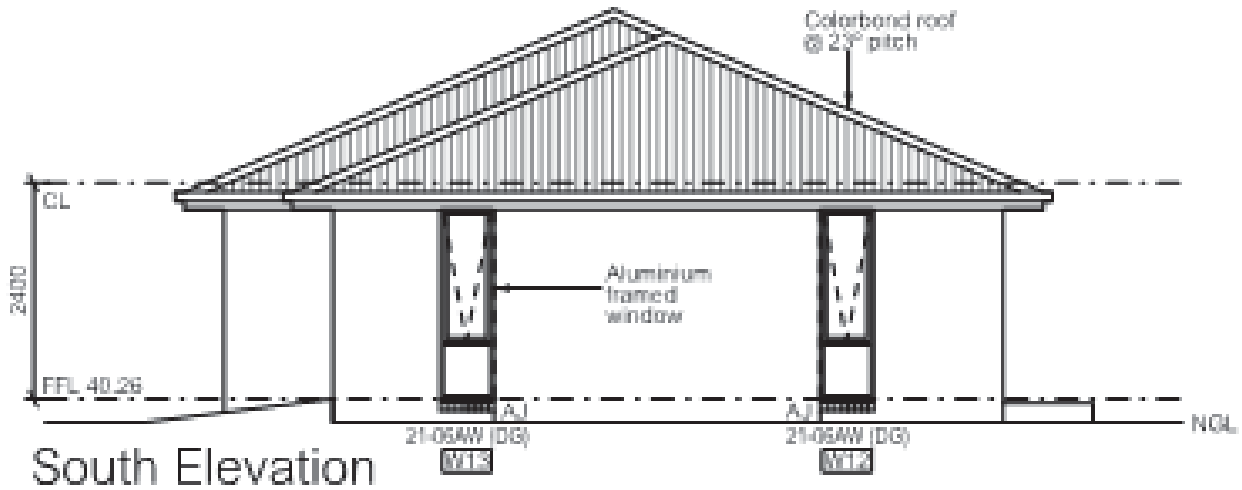


Figure 8 - Elevation of proposed unit visible from Stewart Street

Figure 9 below shows the elevation of the existing house visible from Stewart Street.

It is difficult to support the construction of the proposed unit given the design is not in keeping with the heritage values of the area and the architectural style of the building lacks appeal. It has not been demonstrated that the proposal satisfies the requirements of the planning scheme.

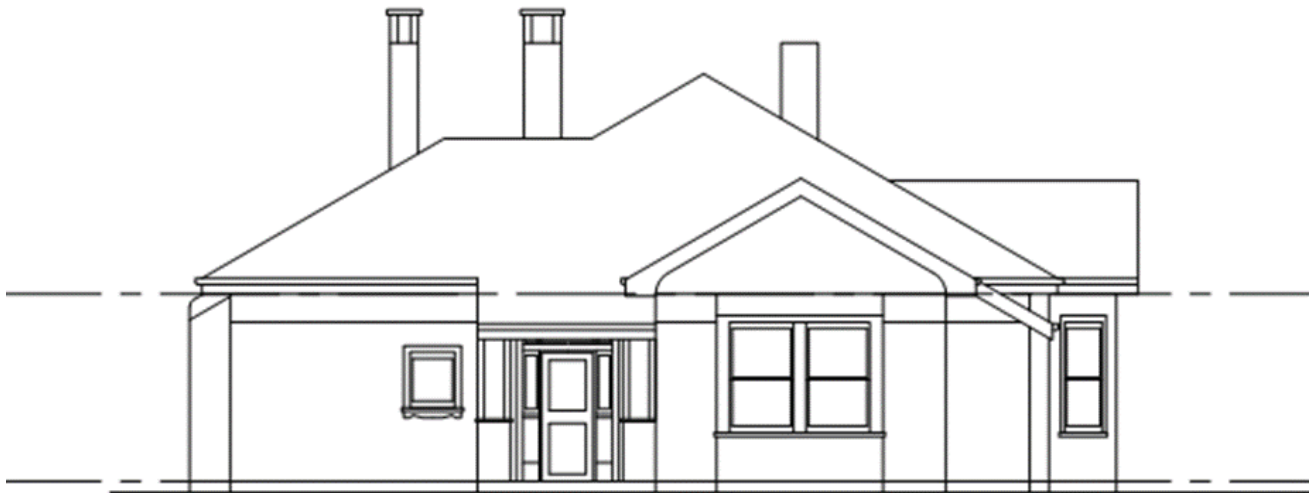


Figure 9 - Elevation of existing house visible from Stewart Street

**COMMUNITY ENGAGEMENT**

On 16/07/2018, Council received an application for the above development. Under Section 57(3) of the *Land Use Planning and Approvals Act 1993*, the Planning Authority must give notice of an application for a permit. As prescribed at Section 9(1) of the *Land Use Planning and Approvals Regulations 2014*, the Planning Authority fulfilled this notification requirement by:

- (a) Advertising the application in *The Advocate* newspaper on 28/07/2018;
- (b) Making a copy of the proposal available in Council Offices from the 28/07/2018;

- (c) Notifying adjoining property owners by mail on 26/07/2018; and
- (d) Erecting a Site Notice for display from the 27/07/2018.

The period for representations to be received by Council closed on 13/08/2018.

#### REPRESENTATIONS

Two representations were received within the prescribed 14 day public scrutiny period required by the *Land Use Planning and Approvals Act 1993*. The first representor submits that the demolition of the existing building should not be approved as it is in a heritage zone and is of sufficient age, construction and interest to be preserved. He is also aware of the cultural significance of the building.

This representation is reproduced below. The photos referred to are included in **Attachment 2**.

The second representation shares similar concerns and emphasises the fact that the residence was to be retained and preserved as part of the affordable homes project being developed by Wilson Homes. This representation is reproduced below following the first received.

Interest from members of the public demonstrate that the building is significant and strengthens the argument that it be retained.

**P. A. 2018.0117**  
**90 Stewart Street**  
**Devonport.**  
**30 July 2018.**

I wish to make a submission regarding this planning application to demolish a house in a heritage zone in Devonport.

I remember that the house in question was used as the sacristy for the Catholic Church for a number of years, although I don't know the exact dates. I remember Father Griffin who used to live there along with the other parish priests.

The house itself was built in the Federation/Edwardian style and has weatherboard cladding with bluestone foundations. Because it is painted all white and not in heritage colours it does not look as striking as other houses nearby, but it could. It is typical of the area and has similarly aged houses on either side, so removing this house would badly affect the continuity of the heritage presentation for the area.

It is interesting to note that several of the walls of the house have had their external weatherboard cladding removed and a section of the bluestone foundations on the north west corner has been damaged since the units/houses to the north were constructed. It appears that a partial demolition of the house has commenced, with or without approval. I have included several photos of the damage and one of a religious statue inside one of the rooms.

The developer may say that it is cheaper to demolish the old house and then build a new modern one, that may be the case but it is not the point. That house is in a heritage zone and is of sufficient age, construction and interest to be preserved. Devonport has lost too many heritage houses/buildings to development, particularly those of weatherboard construction. The developer needs to be reminded that by Council granting subdivision approval to build the units/houses north of the house, the value of the land instantly rose manyfold. To me this indicates that the developer should be prepared and can afford to spend the required amount on renovating the existing house and should not be allowed to do otherwise.

I will now list some examples of properties in Devonport where subdivision has been approved in the past and the existing heritage houses have been retained/renovated.

20 Victoria Parade. There are two old weatherboard houses that have been retained amid the units that have been built, one close to Victoria Parade and the other set well back. There may have been two or more properties involved in this development.

122 North Fenton Street. There is a renovated older rendered brick house of a striking design that is situated closer to Fenton Street with units built to the east.

93 North Fenton Street. The existing red brick Federation house has been renovated, again near Fenton Street with units built behind or to the east.

The main reasons I have used these examples is that they are all in a heritage zone, could have been demolished if permitted and their presence enhances the heritage values of their particular areas.

Please consider my objection to permitting the demolition of 90 Stewart Street.

*"To Devonport City Council*

*I am currently in Queensland on holiday but my daughter is checking mail at my dwelling, 84 Stewart St.*

*She informed me this week that there has been a change in plans with the Wilson Homes project happening at 88/90 Stewart St.*

*The lovely old residence, known as the Nunnery, home of the St Joseph Order of Nuns, was to be retained, restored and prepared as a residence as part of the affordable homes project.*

*I applauded Council decision to keep to this plan and retain the viability and beauty this home brings to Stewart St and to early Devonport history.*

*How sad and awful it is to know Council has now bowed to pressure and conceded to just let it go to the wreckers. Council, for many years, has had a sad and terrible trend of demolishing, tearing down or chopping down notable homes, trees and buildings of interest and historical importance, only to be deeply regretted in the ensuing years.*

*I must point out that the majority of the neglected and damaged condition of the home in question was inflicted by the method of removing the back sections of the dwelling.*

*I watched in horror as the huge excavator tore and crushed with total disregard to any possibility of salvage of the home or timbers.*

*It was in Wilson Homes' best interests to damage the property, thus rendering it unable to be restored.*

*If this proposed demolition comes to pass, will any of the boards, timber, windows, bricks or internal features of value be salvaged? I suspect not. Off to landfill it will most likely go. Such wastage is wilfull.*

*I return to Stewart in October and will be delighted if those three white chimneys I so love to pick out from many vantage points in our city are intact and the Nunnery is being restored to make a strong, safe family home for someone.*

*A plaque could be attached reminding those who walk past of the past history of the home. Those nuns were wonderful women, able to help so many, including my family.*

*My vote is ...keep this building for Stewart Street.*

*Don't buckle to pressure and allow an ugly, ill fitting, garage wall frontage to scar the street scape.*

*Sincerely"*

## **DISCUSSION**

The proposed demolition of the existing dwelling and construction of a new unit has not been demonstrated to satisfy the relevant performance criteria. Although it may be more expensive to renovate the existing house, not all costs have been included for the unit making it difficult to compare costs effectively. In addition, the cost per square metre is less for the renovation than for the construction of a new building and would also result in a residence of greater value, both to the owners and visually and culturally to the community. As mentioned previously, the objectives for demolition state that, 'demolition of a building...is to occur only if there is no feasible and prudent alternative. It has not been demonstrated that this is the case.

## **FINANCIAL IMPLICATIONS**

No financial implications are predicted unless legal costs are incurred due to an Appeal to the Resource Management and Planning Appeal Tribunal.

## **RISK IMPLICATIONS**

Due diligence has been exercised in the preparation of this report and no associated risks are predicted.

## **CONCLUSION**

The applicants have not sufficiently demonstrated that the proposed demolition of the existing house and construction of a replacement unit satisfies the requirements of the planning scheme. Council believes that the approval of the proposal would be detrimental to the heritage and cultural values of Devonport and therefore refusal must be recommended.

It is further submitted that the representations provide sufficient merit for retaining the residence and renovating it as initially proposed.

## **ATTACHMENTS**

1. Application - PA2018.0117 - 90 Stewart Street Devonport
2. Representation photos - Phil Murray - PA2018.0117 - 90 Stewart Street Devonport

**RECOMMENDATION**

That Council, pursuant to the provisions of the *Devonport Interim Planning Scheme 2013* and Section 57 of the *Land Use Planning and Approvals Act 1993*, refuse application PA2018.0117 for demolition of existing dwelling and construction of new dwelling at 90 Stewart Street, Devonport as the performance criteria in relation to E5.6.2 demolition and E5.6.4 design and location of development have not been satisfactorily demonstrated.

Author:	Carolyn Milnes	Endorsed By:	Brian May
Position:	Senior Town Planner	Position:	Development Manager

Office use
Application no. _____
Date received: _____
Fee: _____
Permitted/Discretionary

### Devonport City Council

*Land Use Planning and Approvals Act 1993  
Devonport Interim Planning Scheme 2013*

## Application for Planning Permit

#### Use or Development Site

Street Address: 90 Stewart Street, Devonport

Certificate of Title Reference No.: 173284/1

#### Applicant's Details

Full Name/Company Name: 6ty<sup>o</sup> Pty Ltd

Postal Address: PO Box 63 Riverside TAS 7250

Telephone: (03) 6332 3300

Email: gwalker@6ty.com.au

#### Owner's Details (if more than one owner, all names must be provided)

Full Name/Company Name: Roman Catholic Church Trust Corporation of the  
Archdiocese of Hobart

Postal Address: GPO Box 62 Hobart TAS 7001

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_



ABN: 47 611 446 018  
 PO Box 604  
 17 Fenton Way  
 Devonport TAS 7310  
 Telephone 03 6424 0511  
 Email  
 council@devonport.tas.gov.au  
 Web  
 www.devonport.tas.gov.au

Sufficient information must be provided with an application to demonstrate compliance with all applicable standards, purpose statements in applicable zones, codes and specific area plans, any relevant local area objectives or desired future character statements.

Please provide one copy of all plans with your application.

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**Assessment of an application for a Use or Development**

What is proposed?: Demolition of existing dwelling and construction of a new dwelling

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Description of how the use will operate: Residential - multiple dwelling

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Use Class (Office use only):

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Applications may be lodged by email to Council - [council@devonport.tas.gov.au](mailto:council@devonport.tas.gov.au) The following information and plans must be provided as part of an application unless the planning authority is satisfied that the information or plan is not relevant to the assessment of the application:

<b>Application fee</b>	
<b>Completed Council application form</b>	
<b>Copy of certificate of title, including title plan and schedule of easements</b>	
<b>Demonstration of compliance with performance criteria and relevant codes</b>	
<b>A site analysis and site plan at an acceptable scale on A3 or A4 paper (1 copy) showing:</b>	
<ul style="list-style-type: none"> <li>• The existing and proposed use(s) on the site</li> </ul>	
<ul style="list-style-type: none"> <li>• The boundaries and dimensions of the site</li> </ul>	
<ul style="list-style-type: none"> <li>• Topography including contours showing AHD levels and major site features</li> </ul>	
<ul style="list-style-type: none"> <li>• Natural drainage lines, watercourses and wetlands on or adjacent to the site</li> </ul>	
<ul style="list-style-type: none"> <li>• Soil type</li> </ul>	
<ul style="list-style-type: none"> <li>• Vegetation types and distribution, and trees and vegetation to be removed</li> </ul>	
<ul style="list-style-type: none"> <li>• The location and capacity of any existing services or easements on the site or connected to the site</li> </ul>	
<ul style="list-style-type: none"> <li>• Existing pedestrian and vehicle access to the site</li> </ul>	
<ul style="list-style-type: none"> <li>• The location of existing adjoining properties, adjacent buildings and their uses</li> </ul>	
<ul style="list-style-type: none"> <li>• Any natural hazards that may affect use or development on the site</li> </ul>	
<ul style="list-style-type: none"> <li>• Proposed roads, driveways, car parking areas and footpaths within the site</li> </ul>	
<ul style="list-style-type: none"> <li>• Any proposed open space, communal space, or facilities on the site</li> </ul>	
<ul style="list-style-type: none"> <li>• Main utility service connection points and easements</li> </ul>	
<ul style="list-style-type: none"> <li>• Proposed subdivision lot boundaries, where applicable</li> </ul>	
<ul style="list-style-type: none"> <li>• Details of any proposed fencing</li> </ul>	
<b>Where it is proposed to erect buildings, a detailed layout plan of the proposed buildings with dimensions at a scale of 1:100 or 1:200 on A3 or A4 paper (1 copy) showing:</b>	
<ul style="list-style-type: none"> <li>• The internal layout of each building on the site</li> </ul>	
<ul style="list-style-type: none"> <li>• The private open space for each dwelling</li> </ul>	
<ul style="list-style-type: none"> <li>• External storage spaces</li> </ul>	
<ul style="list-style-type: none"> <li>• Car parking space location and layout</li> </ul>	
<ul style="list-style-type: none"> <li>• Major elevations of every building to be erected</li> </ul>	
<ul style="list-style-type: none"> <li>• The relationship of the elevations to natural ground level, showing any proposed cut or fill</li> </ul>	
<ul style="list-style-type: none"> <li>• Shadow diagrams of the proposed buildings and adjacent structures demonstrating the extent of shading of adjacent private open spaces and external windows of buildings on adjacent sites</li> </ul>	
<ul style="list-style-type: none"> <li>• Materials and colours to be used on roofs and external walls</li> </ul>	
<b>A plan of the proposed landscaping including:</b>	
<ul style="list-style-type: none"> <li>• Planting concept</li> </ul>	
<ul style="list-style-type: none"> <li>• Paving materials and drainage treatments and lighting for vehicle areas and footpaths</li> </ul>	
<ul style="list-style-type: none"> <li>• Plantings proposed for screening from adjacent sites or public spaces</li> </ul>	
<b>Details of any signage proposed</b>	

If all of the above information is not provided to Council at the time of lodgement the application will not be accepted.



---

**Value of use and/or development**

\$ 188,000.00

---

**Notification of Landowner/s (s.52 Land Use Planning and Approvals Act, 1993)**

If land is not in applicant's ownership

I, George Walker declare that the owner /each of the owners of the land has been notified/will be notified within 7 days from date of making this permit application.

Applicant's signature: George Walker Date: 4 July 2018

If the application involves land owned or administered by the Devonport City Council

Devonport City Council consents to the making this permit application.

General Manager's signature: N/A Date: \_\_\_\_\_

If the application involves land owned or administered by the Crown

Consent must be included with the application.

---

**Signature**

I apply for consent to carry out the development described in this application. I declare that all the information given is true and correct. I also understand that:

- if incomplete, the application may be delayed or rejected;
- more information may be requested within 21 days of lodgement; and
- The application may take 42 days to determine.

**PUBLIC ACCESS TO PLANNING DOCUMENTS**

I, the undersigned understand that all documentation included with this application will be made available for inspection by the public. Copies of submitted documentation, with the exception of plans which will be made available for display only, may be provided to members of the public, if requested.

Applicant's signature: George Walker Date: 4 July 2018

**PRIVACY ACT**

The personal information requested on this form is being collected by Council for processing applications under the *Land Use and Planning Approvals Act 1993* and will only be used in connection with the requirements of this legislation. Council is to be regarded as the agency that holds the information.

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**Fee & payment options – Please pay fee when lodging your completed application form**

	<b>Payment in Person</b> Customer Service hours are between 8.30am and 5.00pm, Mon-Fri. Payment may be made by cash, credit card, cheque or EFTPOS.
	<b>Payment by Mail</b> Cheques should be made payable to Devonport City Council and posted to The General Manager, Devonport City Council, PO Box 604, Devonport, TAS, 7310.
	<b>Credit Card Payment by Phone</b> Please contact the Devonport City Council offices on 6424 0511. <b>Customer Service hours are between 8.30am and 5.00pm, Monday to Friday.</b>



## Planning Submission

**Demolition of an existing dwelling and  
construction of a new multiple dwelling**

**90 Stewart Street, Devonport**

**Prepared for:**

**Devonport City Council**



Measured form and function



6ty Pty Ltd  
ABN 27 014 809 900

**Postal Address**  
PO Box 63  
Riverside  
Tasmania 7250  
**W 6ty.com.au**  
**E admin@6ty.com.au**

Tamar Suite 103  
The Charles  
267 Charles Street  
Launceston 7250  
**P (03) 6332 3300**

57 Best Street  
PO Box 1202  
Devonport 7310  
**P (03) 6424 7161**

<b>Issue</b>	01
<b>Date</b>	3 July 2018
<b>Project Name</b>	Demolition of existing dwelling and construction of a new dwelling
<b>Project Number</b>	18.107
<b>Author</b>	George Walker
<b>Document</b>	

6ty° Pty Ltd ©



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**Appendix A**

Certificate of Title

**Appendix B**

Development Plans

**Appendix C**

Images of Existing Dwelling

**Appendix D**

Cost Estimates



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## 1.0 Introduction

Planning approval is sought to demolish an existing dwelling and construct a new dwelling on land located at 90 Stewart Street, Devonport (the subject site – refer to Image 1). This planning submission provides relevant details of the application and an assessment against the applicable provisions of the Devonport Interim Planning Scheme Interim Planning Scheme 2013.



Image 1 – Aerial image identifying the subject site

### 1.1 Planning Overview

Element	Overview
Location	90 Stewart Street, Devonport
Title Information	173284/1
Land Area	5,337m <sup>2</sup>
Planning Instrument	<i>Devonport Interim Planning Scheme 2013 (the Scheme)</i>
Proposed Use	Residential - multiple dwellings
Proposed Development	Demolition of existing dwelling and construction of a new dwelling
Zone(s)	General Residential
Applicable Code(s)	E5.0 - Local Heritage Code E9.0 - Traffic Generating Use and Parking Code
Status of Application	Discretionary

Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport

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## 1.2 Proposed Use and Development

The application seeks approval to demolish an existing dwelling and construct a new dwelling. The existing dwelling is a single storey weatherboard building which reflects the Federation architectural period and is setback approximately 8m from the frontage boundary (refer to Image 2). Extensions to the dwelling occurred in 1954, 1960 and 1974 which were located to the rear of the building. The additions have recently been demolished as part of multiple dwelling development for the subject site which was approved under planning permit PA2016.0157.



**Image 2 – Aerial image of the subject site and surrounding area**

The new dwelling will be located within a similar position as the existing dwelling to be demolished where it will be setback approximately 10m from the frontage boundary. The dwelling will be a single storey brick veneer building and will comprise two bedrooms, bathroom, single car garage and an open plan kitchen and living area. Detailed plans of the proposed dwelling are contained within **Appendix B**.

## 2.0 Location

### 2.1 Subject Site

The subject site is located on the northern side of Stewart Street at the approximate halfway point between the intersections of Fenton Street to the East and Gunn Street to the west which have a general north-south alignment. The irregular shaped lot is approximately 5,337m<sup>2</sup> slopes downhill to the north away from the front half of the site.

Two existing buildings are located on the site which include the existing building to be demolished and another building which is located within the western half of the lot. Planning approval (PA2016.0157) has been granted for the use and development of 7 additional dwellings which are located to the rear of the existing building which is proposed to be demolished. Construction of these dwelling is underway and nearing completion.

### 2.2 Description of the Surrounding Area

The subject site is located within an established residential area approximately 500m to the west of the Devonport Central Business District (CBD) (refer to Image 3). The site adjoins a smaller lot to the east that contains a single dwelling. Adjoining sites to the west contain multiple and single dwellings. The northern boundary adjoins the rear of Central Business zoned land and two smaller Residential zoned lots which contain dwellings. The land to the south on the opposite side of Stewart Street is the site of Our Lady of Lourdes School.



Image 3 – Aerial image of the subject site and surrounding area

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### **2.3 Natural Values and Hazards**

The subject site does not contain any known natural values and is unaffected by natural hazards.

### **2.4 Site Servicing**

The subject site is located within an area that is serviced by reticulated water, sewerage, stormwater and other relevant infrastructure.

### **2.5 Site Access**

The existing site access which is located centrally within the frontage will be retained.





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### 3.0 Planning Assessment

The following assessment addresses the applicable zone and code provisions and identifies whether the relevant acceptable solutions are satisfied. The relevant performance criteria are addressed in Section 4.

#### 3.1 General Residential Zone

Multiple dwellings are identified as a permitted use within the General Residential zone. The proposed development meets all acceptable solutions for the development standards within the zone that are relevant, as identified within the following table.

10.4 Development Standards			
Standard	Requirement/s	Assessment	Compliance
10.4.1 Residential density for multiple dwellings			
A1(a)	Site area per dwelling of not less than 325 m <sup>2</sup> .	The proposed site area, inclusive of all dwellings, will be 595 m <sup>2</sup> .	Complies with acceptable solution.
10.4.2 Setbacks and building envelope for all dwellings			
A1(a)	Minimum frontage setback of 4.5 m.	The proposed dwelling will be setback 10 m from the frontage boundary.	Complies with acceptable solution.
A2 (a)	Minimum frontage setback of a garage of 5.5 m.	The attached garage will be setback 10 m from the frontage boundary.	Complies with acceptable solution.
A3	Dwellings must be contained within a building envelope prescribed by Diagram 10.4.2A.	The proposed dwelling will have an overall height of 4.6 m and will be setback 7.1 m from the eastern (side) boundary, 41 m from the western (side) boundary, 69 m from the northern (rear) boundary and 10 m from the southern (frontage) boundary. Accordingly, the dwelling will comfortably fit within the building envelope prescribed by Diagram 10.4.2A.	Complies with acceptable solution.
10.4.3 Site coverage and private open space for all dwellings			
A1	Maximum 50% site coverage and 25% of the site is to be impervious. Minimum of	The proposed site coverage will be 24.6%	Complies with acceptable solution.

Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport



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<b>10.4 Development Standards</b>			
<b>Standard</b>	<b>Requirement/s</b>	<b>Assessment</b>	<b>Compliance</b>
	60 m <sup>2</sup> of private open space for each multiple dwelling.	and 53% of the site will be impervious.  The proposed dwelling will have a minimum of 60 m <sup>2</sup> of private open space which will be located between the dwelling and the western boundary of the lot.	
A2	Private open space for each dwelling with a continuous area of 24 m <sup>2</sup> , minimum dimension of 4 m, directly accessible from a habitable room other than a bedroom, maximum gradient of 1:16, solar access, and not used for vehicle access or parking purposes.	The designated area of private open space for the proposed dwelling will be located on the western side of the dwelling and will be accessed by a sliding door from the open plan living area. The private open space will have a gradient of less than 1:16 and will be of the required dimensions.	Complies with acceptable solution.
<b>10.4.4 Sunlight and overshadowing for all dwellings</b>			
A1	At least one habitable room (other than a bedroom) to face north.	The living and dining room will have three windows that will face north.	Complies with the acceptable solution.
A2(a)	Where a multiple dwelling is to the north of habitable room window (other than a bedroom) of another dwelling on the same site, a light court must be provided between the dwellings as illustrated by Diagram 10.4.4B.	The multiple dwelling to the north is located 3.1m from the dining room window of the proposed dwelling. The wall of the multiple dwelling to the north is 2.4m. A light court illustrated by Diagram 10.4.4B is therefore provided.	Complies with acceptable solution.
A3(a)	Where a multiple dwelling is to the north of the private open space of another dwelling on the same site, a separation area must be provided	The multiple dwelling to the north is located greater than 3m from the northern edge of the private open space area of the proposed dwelling.	Complies with acceptable solution.

Demolition of an existing dwelling and construction of a new multiple dwelling  
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<b>10.4 Development Standards</b>			
<b>Standard</b>	<b>Requirement/s</b>	<b>Assessment</b>	<b>Compliance</b>
	between the dwellings as illustrated by Diagram 10.4.4C.		
<b>10.4.5 Width of openings for garages and carports for all dwellings</b>			
A1	The total width of a garage door or carport opening facing a primary frontage is to be no wider than 6m.	The garage door will be oriented to the west and will not directly face the primary frontage which is to the south.	Not applicable.
<b>10.4.6 Privacy for all dwellings</b>			
A1	Applies where a balcony, roof terrace, deck, parking space or carport has a finished surface or floor level more than 1 m above natural ground level.	The external car parking area which will be located between the proposed dwelling and frontage boundary will have a finished surface level of less than 1m above natural ground level.	Not applicable.
A2	Applies where a window or glazed door to a habitable room of a dwelling has a floor level of more than 1m above natural ground level.	The proposed dwelling will have a floor level of less than 1m above natural ground level.	Not applicable.
A3	A shared driveway or parking space must be separated from a window or glazed door to a habitable room of a multiple dwelling a distance of at least 2.5 m or 1 m where it is separated by a screen of at least 1.7 m in height.	The western facing windows to the bedrooms and living area will be separated from the shared driveway to the west by a distance of 4m.  The northern facing windows to the living area will be separated from the external car parking space of the multiple dwelling to the north a distance of 1m in addition to a solid paling fence to a height of 1.8m.	Complies with the acceptable solution.
<b>10.4.7 Frontage fences for all dwellings</b>			

Demolition of an existing dwelling and construction of a new multiple dwelling  
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<b>10.4 Development Standards</b>			
<b>Standard</b>	<b>Requirement/s</b>	<b>Assessment</b>	<b>Compliance</b>
A1	Front fences are to have a maximum height of 1.2m where solid and 1.8m where they have uniform transparency of not less than 30% above 1.2m in height.	No frontage fences are proposed.	No applicable.
<b>10.4.8 Waste storage for multiple dwellings</b>			
A1	Each multiple dwelling must have a storage area for waste and recycling bins that is at least 1.5 m <sup>2</sup> and located in an area for exclusive use of each dwelling excluding the area in front of the dwelling.	The proposed dwelling will be provided with a dedicated bin storage area which will be 1.6m <sup>2</sup> and located to the side of the dwelling adjacent to the garage.	Complies with acceptable solution.
<b>10.4.9 Suitability of a site or lot for use or development</b>			
A1	Each site must have an area of not less than 330 m <sup>2</sup> and be able to contain a building area of not less than 10 m x 15 m free in accordance with subclauses (b) (i) - (vii).	The site has an area of 5,337 m <sup>2</sup> and can contain a building envelope that meets the requirements of the acceptable solution.	Complies with acceptable solution.
A2	Each site must have separate access from a road across a frontage over which no other land has a right of access and that is not less than 6m in width.	The site has an existing frontage boundary that is approximately 46 m in width. No other land has right of access over the frontage.	Complies with acceptable solution.
A3	Each site must be capable of connecting to a water supply provided in accordance with the <i>Water and Sewerage Industry Act 2008</i> .	The site has an existing connection to a reticulated water supply.	Complies with acceptable solution.
A4	Each site must be capable of draining and disposing of sewage and wastewater to a sewage system	The site has an existing connection to a reticulated sewage system.	Complies with acceptable solution.

Demolition of an existing dwelling and construction of a new multiple dwelling  
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10.4 Development Standards			
Standard	Requirement/s	Assessment	Compliance
	provided in accordance with the <i>Water and Sewerage Industry Act 2008</i> .		

### 3.2 Local Heritage Code

The following assessment only considers the standards of the Local Heritage Code that are relevant to the proposed development.

E5.6 Development Standards			
Standard	Requirement/s	Assessment	Compliance
<b>E5.6.2 Demolition</b>			
A1	Demolition must achieve the conservation outcomes for a building, place or conservation area shown in Column 4 of the table to this Code.	The site is located within the Stewart Street Conservation Area (Area 1) which is prescribed by the Historic Heritage Code overlay mapping. There are no conservation outcomes for the conservation area shown in Column 4 of Table E5.1.	Relies on performance criteria.
<b>E5.6.4 Design and location of development</b>			
A1	Development must comply with the conservation outcomes specified in Column 4 of the Table to this Code for the building, area, or other place.	The site is located within the Stewart Street Conservation Area (Area 1) which is prescribed by the Historic Heritage Code overlay mapping. There are no conservation outcomes for the building, area or other place shown in Column 4 of Table E5.1.	Relies on performance criteria.

### 3.3 Traffic Generating Use and Parking Code

Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport

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The following assessment only considers the standards of the Local Heritage Code that are relevant to the proposed development.

<b>E9.5 Use Standards</b>			
<b>Standard</b>	<b>Requirement/s</b>	<b>Assessment</b>	<b>Compliance</b>
<b>E9.5.1 Provision for parking</b>			
A1	Provision for parking must be in accordance with the minimum number of on-site vehicular parking spaces for the use class as shown in the Table to this Code which is as follows: <ul style="list-style-type: none"> <li>• 2 spaces per dwelling; plus</li> <li>• 1 dedicated visitor parking space per 4 dwellings.</li> </ul>	The proposed dwelling will include two parking spaces in tandem within the garage and internal driveway.  Two visitor parking spaces are located between the proposed dwelling and the frontage boundary with an additional visitor parking space located between existing unit 6 and 7.  The three visitor parking spaces satisfy the parking requirements for the 9 multiple dwellings.	Complies with acceptable solution.

<b>E9.6 Development Standards</b>			
<b>Standard</b>	<b>Requirement/s</b>	<b>Assessment</b>	<b>Compliance</b>
<b>E9.6.1 Design of vehicle parking and loading areas</b>			
A1.1	All development must provide for the collection, drainage and disposal of stormwater.	The new car parking area and internal driveway will be designed and constructed to enable the collection, drainage and disposal of intercepted stormwater.	Complies with acceptable solution.
A1.2	Layout of car parking areas and circulation and manoeuvring areas must be in accordance with the relevant acceptable solutions.	The existing and proposed vehicle parking areas, circulation aisle and manoeuvring area will be constructed in accordance with the relevant AS/NZ Standards, will be separately accessed	Complies with acceptable solution.

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<b>E9.6 Development Standards</b>			
<b>Standard</b>	<b>Requirement/s</b>	<b>Assessment</b>	<b>Compliance</b>
		from the internal shared driveway within the site, enable vehicles to enter and exit the site in a forward direction and will be formed and constructed with a sub-base and an all-weather surface.	

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## 4.0 Performance Criteria Assessment

The proposed development requires a discretionary planning permit due to the development that is proposed within the Conservation Area associated with the Local Heritage Code. The relevant performance criteria are address below.

### 4.1 Clause E5.6.2 Demolition – Performance Criteria P1

E5.6.2 Demolition	
Objective: <b>Demolition of a building, area of other place is to occur only if there is no feasible or prudent alternative.</b>	
Acceptable Solutions	Performance Criteria
<b>A1</b> Demolition achieves the conservation outcomes for a building, place or conservation area shown in Column 4 of the table to this Code.	<b>P1</b> Demolition in whole or in part of a building or place may be permitted, having regard to - <ul style="list-style-type: none"> <li>a) the heritage significance of the affected parts of the building or place;</li> <li>b) the likely benefits of renovating, rehabilitating, reconstructing or modifying the building for an approved use; and</li> <li>c) the impracticability and cost of retaining and conserving the building or place; or</li> <li>d) overriding environmental, public health or economic considerations.</li> </ul>

#### Response

The site is located within the Stewart Street Conservation Area (Area 1) which is prescribed by the Historic Heritage Code overlay mapping. There are no conservation outcomes for the conservation area shown in Column 4 of Table E5.1. Assessment against the corresponding performance criteria is therefore required.

It is recognised that the dwelling is not a listed building or place under Table E5.1 of the Code.

#### Performance Criteria Assessment

The existing dwelling was formally used as a convent for the accommodation of the Sisters of St Joseph nuns teaching at Our Lady of Lourdes School and more recently



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as a space for occasional spiritual and community-based programmes of the Mersey Leven Parish.

Externally the building appeared to be in reasonably well maintained condition although some subsidence of the bluestone foundation walls was evident particularly in the southwest corner.

Internally only the north facing sunroom extension/living room and a toilet in a 1970s red brick extension, now demolished, were actually deemed fit for the occasional use described above. Original southerly orientated high ceilinged rooms were cold, dilapidated and unfit for use as was the entire 1960s weatherboard extension to the northwest. Original timber framed windows were neglected and in need of substantial renovation to repair weather damage and frequent significant air gaps at trims and lead lighting joints.

Excavation for a small carparking space at the front southwest corner of the site adjacent the site access driveway has adversely impacted the previous symmetry created by the straight front path flanked on either side by lawn at the approach to the front portico.

Since commencement of the current works which includes the complete demolition of the 1950s, 60s and 70s extensions it has been revealed that the floor of the large living room space in the northeast has subsided significantly and been roughly propped to the extent that it now requires complete footings rebuild and re-framing.

Demolition of the 1950s and 1960s extensions has left a brick chimney in the northwest corner isolated and in danger of collapse. Large cracks and indeed areas where sizeable sections of lath and plaster wall and ceiling linings have collapsed entirely have progressed post demolition.

Images of the dilapidated state of the existing dwelling are provided within **Appendix C**.

It is considered that demolition of the dwelling could be permitted, having regard to the performance criteria, on the following basis:

- a) The historic interest and value of Stewart Street Conservation Area (the Area) is described as follows:

*"the buildings demonstrate the earliest development of the city. The extensive use of timber in residential development is a key theme that provides part of Devonport's character and reflects the importance of timber in the early development of the area"*

Spatially, the Area covers approximately 11.38ha and is bordered by Steele and Fenton Streets and incorporates parts of Stewart Street, Renison Court and Gunn Street. The Area does not contain any locally or State listed heritage buildings.

The prevailing character of the Area is typified by single and multiple dwelling residential use and development which reflects the underlying General



Residential zone. The only departure from the character is the presence of Our Lady of Lourdes Catholic School and the Devonport Primary School campuses which encompass the majority of the block between Stewart Street and Steele Street.

The architectural styles of dwellings within the Area varies from Federation to Post-War periods interspersed with late twentieth century and contemporary dwellings. Accordingly, the form and materiality of dwellings within the Area is irregular.

The best examples of residential dwellings referred to within the description of the Area are located between 66 and 76 Stewart Street. The row of 5 dwellings represent an intact example of Federation style buildings with weatherboard exteriors and a combination of hipped and gabled roof profiles. These dwellings are located at the interface with the Devonport Central Business zone.

The presence of Federation style buildings diminishes as the Area transitions to the west to Gunn Street. The school campuses contain large often two-storey brick buildings which are located within proximity to their frontages. Dwellings within the north-western section of the precinct are predominately characterised by Post-War detached single dwellings with a mixture of brick and weatherboard exteriors and hipped roof profiles. Clusters of multiple dwellings exist within the Area which are located approximately 35m to the west of the subject site, on the western side of Gunn Street, and on the subject site itself.

There are other examples of Federation style buildings within the Area, however these are largely isolated from the intact fabric of the Area. The dwelling proposed to be demolished is an example.

The dwelling is setback approximately 8 m from the Stewart Street frontage and is positioned between two brick veneer dwellings and is in proximity to more contemporary architectural styles including multiple dwellings to the west. The dwelling is opposite Our Lady of Lourdes campus which contains extensive brick buildings which have a strong presence along the Stewart Street frontage. The dwelling is separated from the intact row of Federation style dwellings and other locally and State listed heritage buildings along Stewart Street to the east. As such, the dwelling has a marginal presence within the Area

It is considered that the Area is not entirely reflective of the description attributed under Table E5.1 due to the diverse mixture of architectural styles and fragmentation of significant buildings. Overall, the heritage significance is considered to be isolated to the easternmost section of the Area along Stewart Street. It is therefore considered that the removal of the dwelling will not unreasonably reduce or diminish from the heritage significance of the Area;

- b) whilst tangible benefits of repairing and refurbishing the existing dwelling are recognised, they are not considered a feasible or prudent option (refer to the discussion against subclause (c) below);
- c) as detailed within the preceding discussion, it has been revealed that the remaining space of the original building considered to be habitable prior to the



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current works commencing is in worse condition than expected or anticipated. The cost to repair, reconfigure and refurbish the existing dwelling to its original condition would substantially exceed the cost to demolish and rebuild. Complete refurbishment of timber windows and internal renovation works to achieve compliance with current energy efficiency requirements under the National Construction Code are considered to be impractical and cost prohibitive.

Cost estimates have been obtained from Wilson Homes which compare the likely costs associated with renovating the existing dwelling and constructing a new dwelling which is as follows:

Option	Estimated Cost
Renovation of existing dwelling	\$275, 918.00
Construction of new dwelling	\$188, 611.00
Difference	\$87, 307.00

A copy of the cost estimates are provided within **Appendix D**. The difference between the two options is considered too prohibitive to justify renovating the existing building.

It is observed that the owners of the dwelling have minimal interest or desire to renovate the building given the significant cost associated with this option and the risk that the renovation will not produce long-term benefits that a new dwelling can offer such as energy efficiency and reduce maintenance and repair.

d) This clause is not relied upon.

**It is therefore submitted that the application complies with the performance criteria.**

**4.2 Clause E5.6.4 Design and location of development – Performance Criteria P1**

E5.6.4 Design and location of development	
Objective: Design and location of new development is to be consistent with the attributes and features specified for conservation.	
Acceptable Solutions	Performance Criteria
<b>A1</b> Development must comply with the conservation outcomes specified in Column 4 of the Table to this Code for the building, area, or other place.	<b>P1</b> The design and location of buildings and development areas must maintain the architectural or historic interest or special cultural value specified in the Table to this

Demolition of an existing dwelling and construction of a new multiple dwelling  
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	<p>Code for a building, area or other place having regard for –</p> <ul style="list-style-type: none"> <li>a) integrity of the fabric and structure of the building, area, or other place;</li> <li>b) setback, scale, and height of building elements relative to existing development on the site;</li> <li>c) vegetation and other improvement on the site or on adjacent land;</li> <li>d) separation of buildings and activity areas from a frontage;</li> <li>e) separation of buildings and activity areas across a boundary; and</li> <li>f) architectural style and features of the building, area, or other place including –             <ul style="list-style-type: none"> <li>i. roof form and pitch;</li> <li>ii. fenestration;</li> <li>iii. methods and techniques of construction;</li> <li>iv. external fabric, materials and finish;</li> <li>v. colour scheme;</li> <li>vi. alteration and addition;</li> <li>vii. outbuildings;</li> <li>viii. garden design, planting and structures;</li> <li>ix. fencing; and</li> <li>x. signage.</li> </ul> </li> </ul>
--	---

**Response**

The site is located within the Stewart Street Conservation Area (Area 1) which is prescribed by the Historic Heritage Code overlay mapping. There are no conservation

Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport

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 Planning Submission

Measured form and function



outcomes for the conservation area shown in Column 4 of Table E5.1. Assessment against the corresponding performance criteria is therefore required.

### Performance Criteria Assessment

It is considered that the design and location of the proposed dwelling will not be inconsistent with the preservation of the Stewart Street Conservation Area, having regard to the performance criteria, on the following basis:

- a) The fabric and structure of the conservation area is characterised by the use of timber in early residential development. The best examples of residential dwellings referred to within the description of the Area are located between 66 and 76 Stewart Street. The row of 5 dwellings represent an intact example of Federation style buildings with weatherboard exteriors and a combination of hipped and gabled roof profiles.

The subject site is detached and largely isolated from the intact fabric of the conservation area and adjoins a brick veneer dwelling to the east and Post-War detached dwellings and contemporary multiple dwellings to the west. The subject site comprises 8 existing multiple dwellings, 7 of which are modern built forms. The proposed dwelling will be in keeping with the built form and materiality of surrounding development. Accordingly, the proposed dwelling is not expected to significantly detract from the fabric and structure of the conservation area.

- b) The proposed dwelling will be in keeping with the scale and height of the existing multiple dwellings that are located on the site. The proposed dwelling will have side and frontage setbacks that are similar to the existing multiple dwellings and the existing building to be demolished. Accordingly, the proposed dwelling will be consistent with the existing development on the site;
- c) The existing hedge that is located along the frontage boundary will be retained which will soften the proposed dwelling when viewed from Stewart Street;
- d) The location of the proposed dwelling will preserve the car parking arrangement and activity area between the dwelling and frontage boundary that was approved by planning permit PA2016.0157;
- e) The side and frontage boundary setbacks will be in keeping with the pattern of development within the surrounding area and will not detract from the streetscape character of the area;
- f) The conservation area does not specifically describe prominent architectural styles or features other than the observation that there are good examples of early residential development that reflects the importance of timber.

The proposed dwelling will be separated from the intact fabric of the conservation area which is located approximately 120m to the east. Notwithstanding this, the proposed dwelling will have a similar built form,

Planning Submission

Measured form and function



materiality and siting as the existing multiple dwellings on the site and with that of similar buildings within the surrounding area.

**It is therefore submitted that the application complies with the performance criteria.**

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Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport

---

Planning Submission

Measured form and function



## 5.0 Conclusion

The proposed development involves the demolition of an existing building and construction of a new dwelling on land located at 90 Stewart Street, Devonport.

It is submitted that the proposed use and development complies with the applicable Scheme standards in the General Residential zone and relevant code provisions, including the following performance criteria:

- **Clause E5.6.2 Demolition – Performance Criteria P1; and**
- **Clause E5.6.4 Design and location of development – Performance Criteria P1**

It is therefore submitted that a discretionary permit can be issued for the use and proposed development in accordance with Section 57 of the *Land Use Planning and Approvals Act 1993*.

Planning Submission

Measured form and function



Certificate of Title

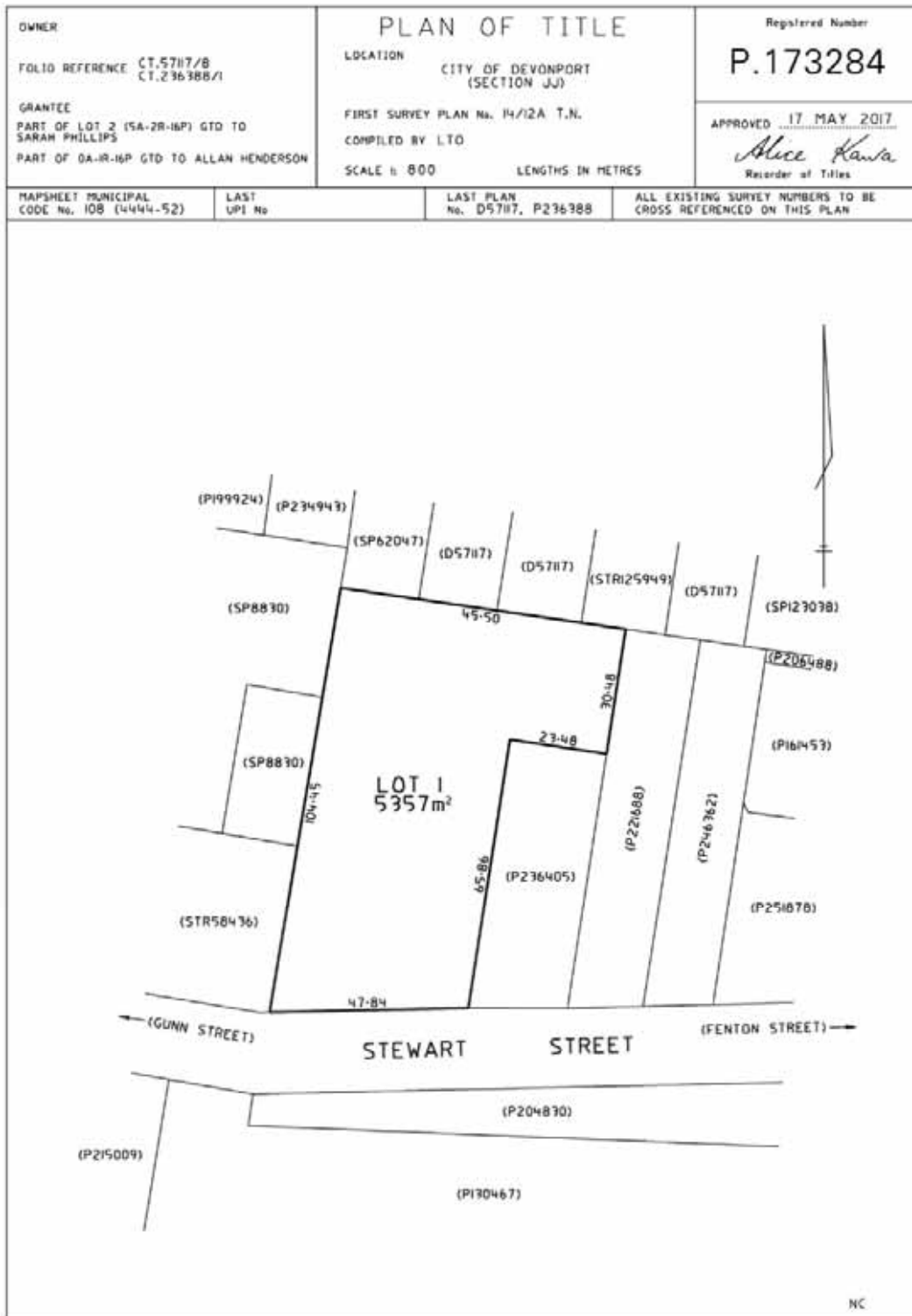
---

Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport





**FOLIO PLAN**  
 RECORDER OF TITLES  
 Issued Pursuant to the Land Titles Act 1980



**RESULT OF SEARCH**

RECORDER OF TITLES

*Issued Pursuant to the Land Titles Act 1980*

## SEARCH OF TORRENS TITLE

VOLUME 173284	FOLIO 1
EDITION 1	DATE OF ISSUE 22-May-2017

SEARCH DATE : 27-Apr-2018

SEARCH TIME : 03.59 PM

DESCRIPTION OF LAND

City of DEVONPORT  
 Lot 1 on Plan 173284  
 Derivation : Part of Lot 2, Sec. JJ, 5A-2R-16P Gtd. to Sarah  
 Phillips & Part of 0A-1R-16P, Sec. JJ Gtd. to Allan Henderson  
 Prior CTs 57117/8 and 236388/1

SCHEDULE 1

C911802 ROMAN CATHOLIC CHURCH TRUST CORPORATION OF THE  
 ARCHDIOCESE OF HOBART Registered 22-Jun-2009 at noon

SCHEDULE 2

Reservations and conditions in the Crown Grant if any  
 57344 BOUNDARY FENCES CONDITION in Transfer  
 E87459 ADHESION ORDER under Section 110 of the Local  
 Government (Building and Miscellaneous Provisions)  
 Act 1993 Registered 22-May-2017 at noon

UNREGISTERED DEALINGS AND NOTATIONS

No unregistered dealings or other notations

Planning Submission

Measured form and function



Development Plans

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Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport



MULTI AWARD WINNING BUILDERS

A Division of Wilson Homes Tasmania Pty Ltd

ABN 76 126 636 897

WH8815 - PROPOSED UNIT DEVELOPMENT (CENTACARE)  
90 Stewart Street,  
DEVONPORT

UNITS 1 - 8 HAVE BEEN APPROVED ON SEPARATE APPLICATION  
(UNIT 1 IS EXISTING).  
THIS PROPOSAL IS FOR DEMOLITION OF EXISTING UNIT 1  
AND PROPOSAL FOR NEW UNIT TO REPLACE IT.

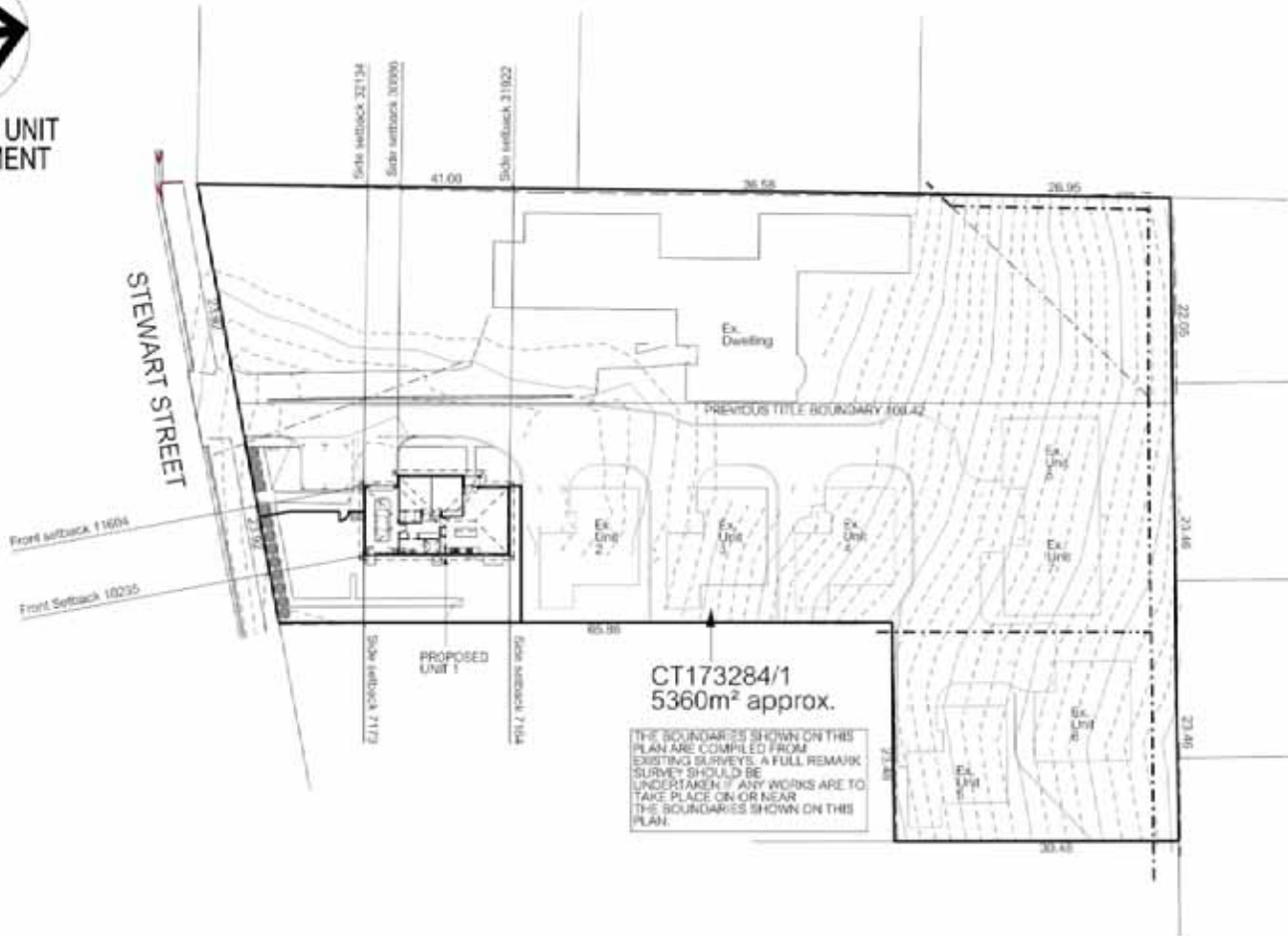
SHEET DRAWING TITLE

- o1: (A) LOCATION PLAN
- o1a: (A) SITE PLAN
- o1b: (A) DRAINAGE PLAN
- o2: (-) UNIT 1 FLOOR PLAN
- o3: (-) UNIT 1 ELEVATIONS

A	Council amendment; relocate unit 1 to retain existing path	01 - 03b	30 June 2018	SS	DK	Designer:	Client / Project info:	TITLE REFERENCE	CT1702841	COVER SHEET			
						ANOTHER PERSPECTIVE PTY LTD PO BOX 21 NEW TOWN VIC. NO. OC2254H (A. Stagnell) Ph: (03) 6231 4132 Fx: (03) 6214 4156 Email: info@anotherperspective.com.au	PROPOSED UNIT DEVELOPMENT 90 Stewart Street, DEVONPORT	FLOOR AREA: 137.25m <sup>2</sup> PORCH/DECK AREA: 5.73m <sup>2</sup> WIND SPEED: 5a SOIL CLASSIFICATION: 5b CLIMATE ZONE: 7 ALPINE AREA: NA CORROSION ENVIRONMENT: moderate CERTIFIED S.A.L.: NA DESIGNED S.A.L.: NA (REFER TO STANDARD NOTES FOR EXPLANATIONS)	7		Drawn	WH8815	
DA	DA Plan Set	01 - 03	21 May 2018	SS	DK				NA	Date	21 May 2018	Sheet	
No.	Amendment	Sheet	Date	Drawn	Check					Scale	N/A		00/03



**PROPOSED UNIT DEVELOPMENT**



- NOTES**
- Builder to verify all dimensions and levels on site prior to commencement of work
  - All work to be carried out in accordance with the current National Construction Code
  - All materials to be installed according to manufacturers specifications.
  - Dimensions to take precedence over scale.
  - Do not scale from these drawings.

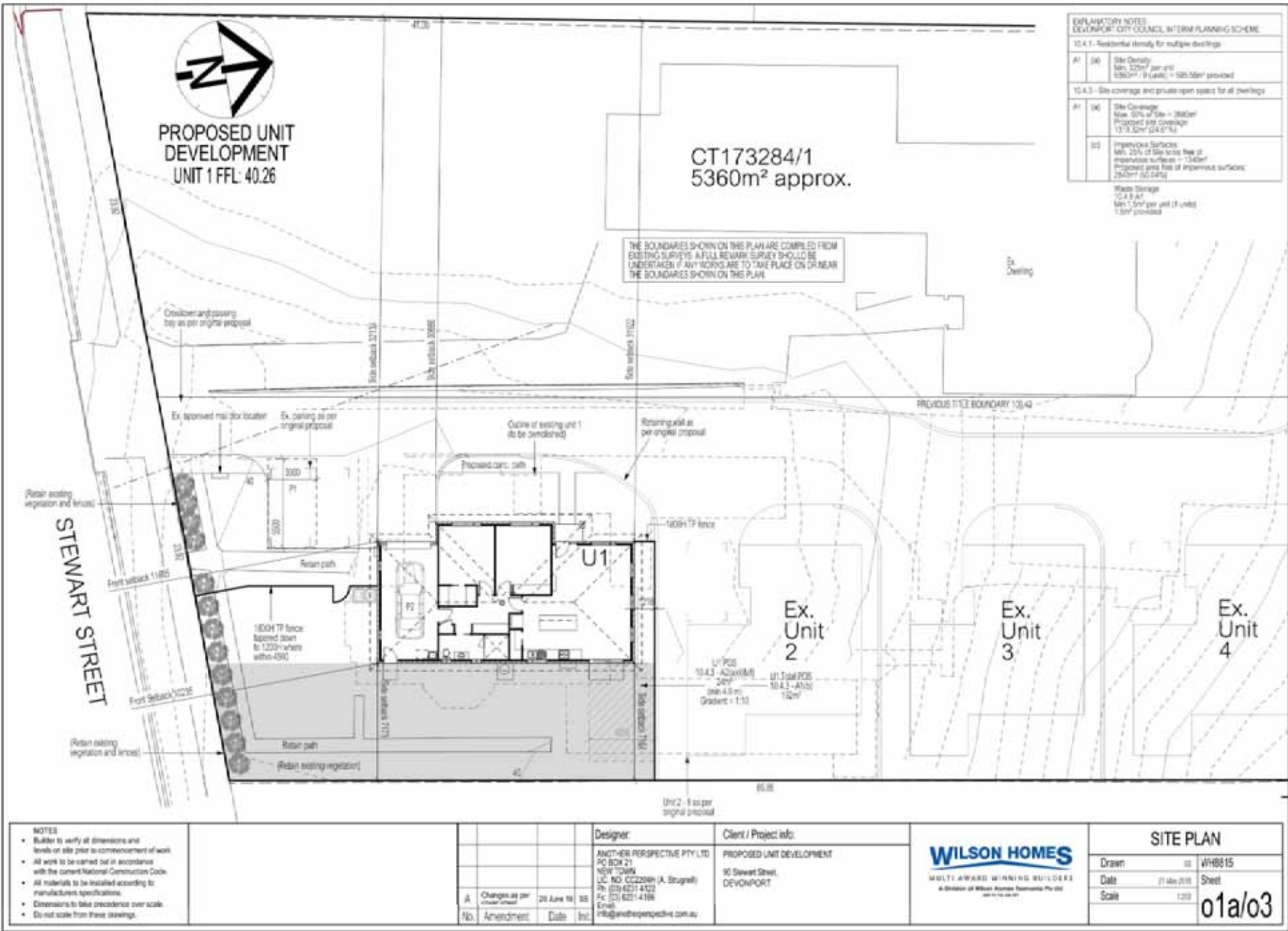
No.	Amendment	Date	By
A	Changes as per council request	28 June 16	BB

**Designer:**  
 ANOTHER PERSPECTIVE PTY LTD  
 PO BOX 21  
 NEW TOWN  
 VIC. RD. CC2258H (A. Strugnell)  
 Ph: (03) 6221 4122  
 Fx: (03) 6221 4186  
 Email: info@anotherperspective.com.au

**Client / Project info:**  
 PROPOSED UNIT DEVELOPMENT  
 90 Stewart Street,  
 DEVONPORT



LOCATION PLAN	
Drawn	BB WHB015
Date	21 May 2016
Scale	1:500
Sheet <b>01/03</b>	



- NOTES**
- Builder to verify all dimensions and levels on site prior to commencement of work
  - All work to be carried out in accordance with the current National Construction Code
  - All materials to be installed according to manufacturers specifications.
  - Dimensions to take precedence over scale.
  - Do not scale from these drawings.

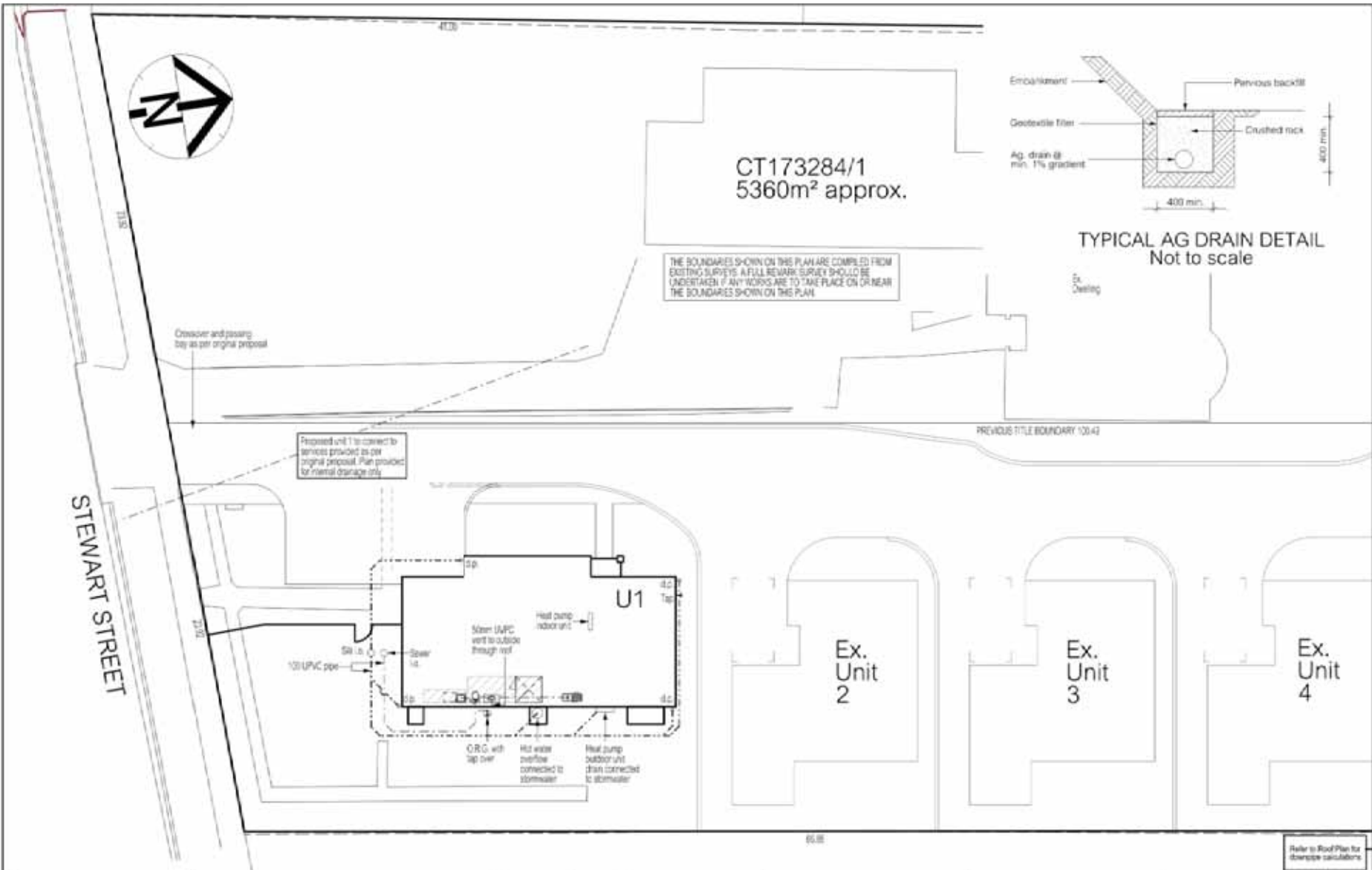
No.	Amendment	Date	By
A	Changes as per council request	28 June 18	BB

**Designer:**  
ANOTHER PERSPECTIVE PTY LTD  
PO BOX 21  
NEW TOWN  
VIC. RD. CC2259H (A. Strugnell)  
Ph: (03) 4231 4122  
F: (03) 6221 4186  
Email: info@anotherperspective.com.au

**Client / Project info:**  
PROPOSED UNIT DEVELOPMENT  
90 Stewart Street,  
DEVONPORT



SITE PLAN	
Drawn	BB WHB015
Date	21 May 2018
Scale	1:200
<b>01a/o3</b>	

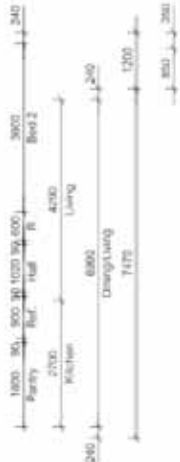
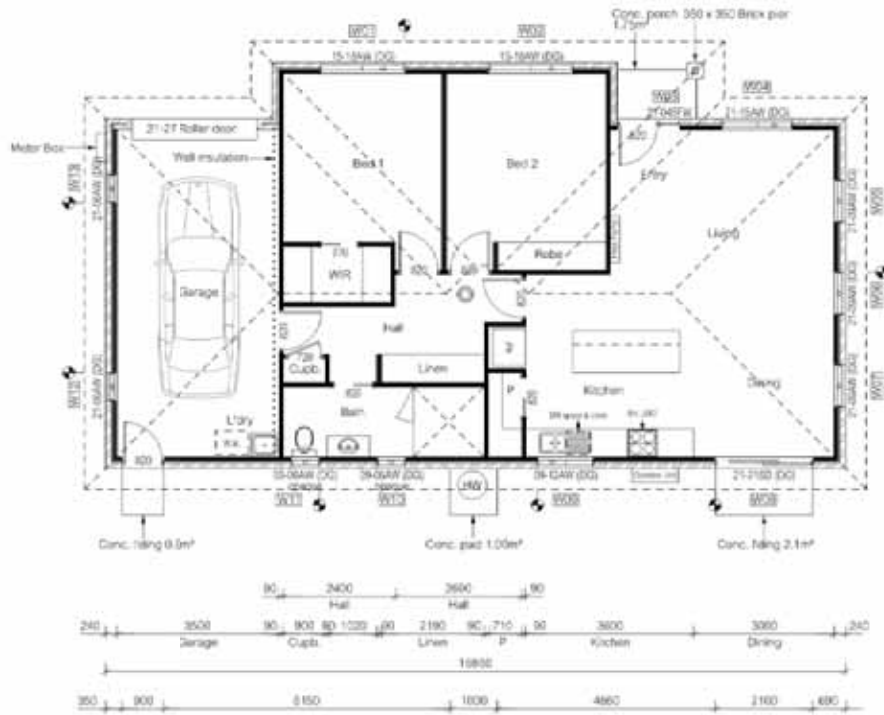
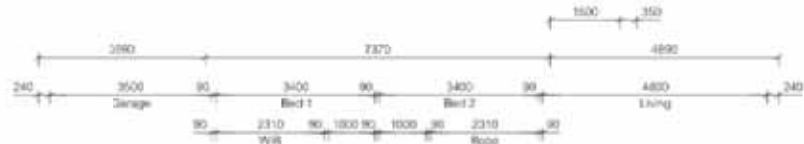


Refer to Roof Plan for floorplate calculations

<p><b>NOTES</b></p> <ul style="list-style-type: none"> <li>• Builder to verify all dimensions and levels on site prior to commencement of work</li> <li>• All work to be carried out in accordance with the current National Construction Code</li> <li>• All materials to be installed according to manufacturers specifications.</li> <li>• Dimensions to take precedence over scale.</li> <li>• Do not scale from these drawings.</li> </ul>	<p>Soil Classification: see Refer to Soil Report for nominated founding depth and description of founding material.</p> <p>All materials and construction to comply with AS/NZS3590, part 2 &amp; 3.</p> <p> - Wet areas to comply with N.C.C. 3.8.1.2 and AS140</p>	<p>No.</p>	<p>Amendment</p>	<p>Date</p>	<p>By</p>	<p>Designer:</p> <p>ANOTHER PERSPECTIVE PTY LTD PO BOX 21 NEW TOWN VIC. RD. CC2259H (A. Struwell) Ph: (03) 6221 4122 F: (03) 6221 4188 Email: info@anotherperspective.com.au</p>	<p>Client / Project info:</p> <p>PROPOSED UNIT DEVELOPMENT 90 Stewart Street, DEVONPORT</p>	<p><b>WILSON HOMES</b></p> <p>MULTI AWARD WINNING BUILDERS</p> <p>A Division of Wilson Homes Resources Pty Ltd</p>	<p><b>DRAINAGE PLAN</b></p>			
		<p>A</p>	<p>Changes as per cover sheet</p>	<p>28 June 18</p>	<p>BB</p>	<p>Scale</p>	<p>1:200</p>		<p>Drawn</p>	<p>08</p>	<p>WHB015</p>	<p>Date</p>



PD4.1 clause 13.4.4  
W05 - W07 satisfy A1.

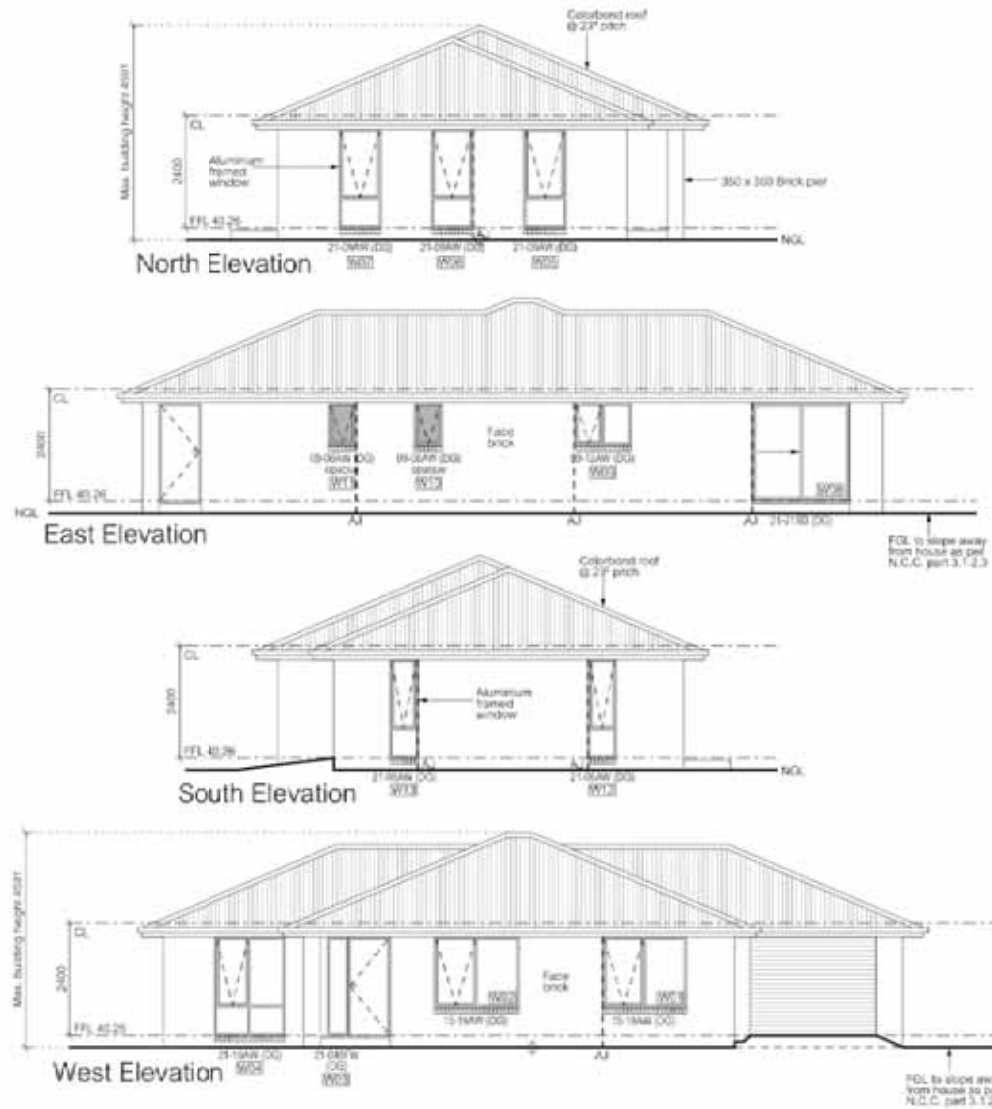


NOTE: For lightweight  
stabling dimensioning is to  
exterior edge of studwork.  
NOT to cladding.

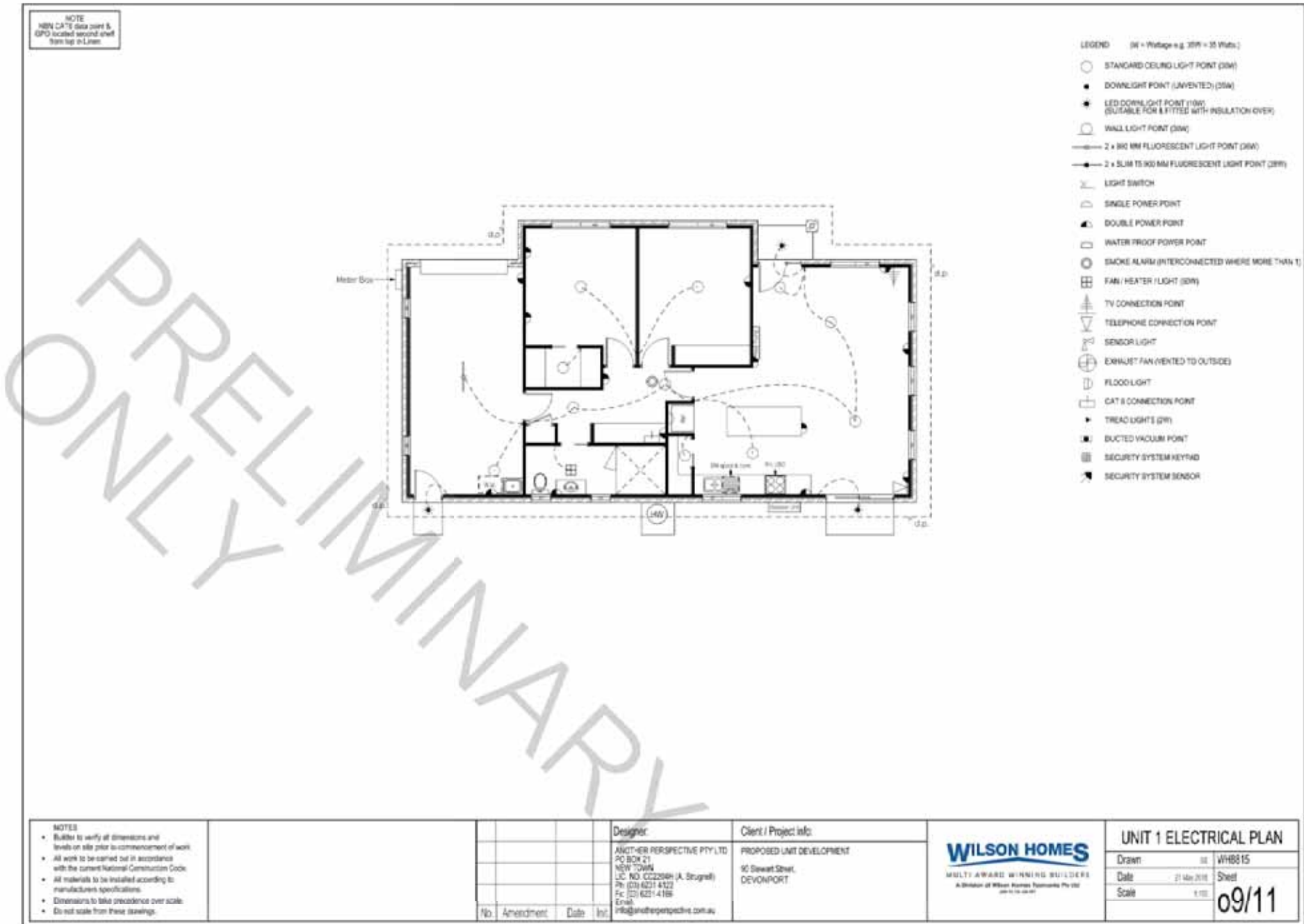
ITEM 4.1

<p><b>NOTES</b></p> <ul style="list-style-type: none"> <li>• Builder to verify all dimensions and levels on site prior to commencement of work</li> <li>• All work to be carried out in accordance with the current National Construction Code</li> <li>• All materials to be installed according to manufacturers specifications.</li> <li>• Dimensions to take precedence over scale.</li> <li>• Do not scale from these drawings.</li> </ul>	<p>FLOOR AREA = 127.25 sqm</p> <p>➔ Accessible path</p> <p>⊙ Info/amen (non-mandatory for bar)</p>	<p>All window sizes to be checked and/or confirmed on site prior to ordering glazing units.</p>	<table border="1"> <thead> <tr> <th>No.</th> <th>Amendment</th> <th>Date</th> <th>Int.</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No.	Amendment	Date	Int.					<p><b>Designer:</b></p> <p>ANOTHER PERSPECTIVE PTY LTD PO BOX 21 NEW TOWN VIC. RD. CC2259H (A. Strugnell) Ph: (03) 6231 4122 F: (03) 6231 4188 Email: info@anotherperspective.com.au</p>	<p><b>Client / Project info:</b></p> <p>PROPOSED UNIT DEVELOPMENT 90 Stewart Street, DEVONPORT</p>	<p><b>WILSON HOMES</b></p> <p>MULTI AWARD WINNING BUILDERS A Division of Wilson Homes Performance Pty Ltd 180 10 10 100</p>	<p><b>UNIT 1 FLOOR PLAN</b></p>	
				No.	Amendment	Date	Int.									
<p>Drawn: 08</p> <p>Date: 21 May 2018</p> <p>Scale: 1:100</p> <p>WILSON HOMES © 2018</p>	<p>Sheet: WHB015</p> <p>02/03</p>															





<p><b>NOTES</b></p> <ul style="list-style-type: none"> <li>• Builder to verify all dimensions and levels on site prior to commencement of work</li> <li>• All work to be carried out in accordance with the current National Construction Code</li> <li>• All materials to be installed according to manufacturers specifications</li> <li>• Dimensions to take precedence over scale</li> <li>• Do not scale from these drawings</li> </ul>	<p>All window sizes to be checked and/or confirmed on site prior to ordering glazing units.</p>	<p>No. Amendment    Date    Int.</p>	<p><b>Designer:</b></p> <p>ANOTHER PERSPECTIVE PTY LTD                  PO BOX 21                  NEW TOWN                  VIC. NO. CC22598 (A. Struett)                  Ph: (03) 6221 4122                  Fx: (03) 6221 4188                  Email: <a href="mailto:info@anotherperspective.com.au">info@anotherperspective.com.au</a></p>	<p><b>Client / Project info:</b></p> <p>PROPOSED UNIT DEVELOPMENT                  90 Stewart Street,                  DEVONPORT</p>	<p><b>WILSON HOMES</b>                  MULTI AWARD WINNING BUILDERS                  A Division of Wilson Homes Resources Pty Ltd  <small>© 2018 WILSON HOMES</small></p>	<p><b>UNIT 1 ELEVATIONS</b></p>	
			<p>Drawn: 08</p> <p>Date: 21 May 2018</p> <p>Scale: 1:100</p> <p>WILSON HOMES © 2018</p>	<p>Sheet: WHB015</p> <p>03/03</p>			



**LIGHTING CALCULATOR FOR USE WITH J6.2(a) VOLUME ONE AND J.12.5 VOLUME TWO (First issued 19/01/2014)**

Building name/description  
 WHB815 Proposed Unit Development - Unit 1

Classification  
 Class 1

Number of rows preferred in table below: 8 (as currently displayed)

Note: The aggregate wattages are calculated for Class 1 or 2 buildings for a residential building or for a Class 1 building. The 'Allowance Limit' values refer to these aggregate wattages.

ID	Description	Type of space	Floor area of the space	Design Lamp or Illumination Power Load	Location	Adjustment Factor One			Adjustment Factor Two for Class 1			OVERALL DESIGN PASSES		
						Adjustment	Dimming Percentage	Design Junction Depreciation Factor	Adjustment	System Allowance	System Design	System Load of % of Aggregate Power Load		
1	Entry/Living/Dining/Kitchen	Living room	41.3 m <sup>2</sup>	120 W	Class 1 building							5.0 W/m <sup>2</sup>	2.3 W/m <sup>2</sup>	8% of 80%
2	Pantry	Kitchen	1.3 m <sup>2</sup>	30 W	Class 1 building							5.0 W/m <sup>2</sup>	1.4 W/m <sup>2</sup>	42% of 80%
3	Bath	Bedroom	5.4 m <sup>2</sup>	30 W	Class 1 building							5.0 W/m <sup>2</sup>	7.8 W/m <sup>2</sup>	18% of 80%
4	Hall	Corridor	9.1 m <sup>2</sup>	30 W	Class 1 building							5.0 W/m <sup>2</sup>	8.6 W/m <sup>2</sup>	12% of 80%
5	Ward	Other	2.9 m <sup>2</sup>	30 W	Class 1 building							5.0 W/m <sup>2</sup>	10.8 W/m <sup>2</sup>	19% of 80%
6	Bed 2	Bedroom	14.3 m <sup>2</sup>	30 W	Class 1 building							5.0 W/m <sup>2</sup>	3.1 W/m <sup>2</sup>	4% of 80%
7	Bed 1	Bedroom	12.9 m <sup>2</sup>	30 W	Class 1 building							5.0 W/m <sup>2</sup>	2.3 W/m <sup>2</sup>	4% of 80%
8	Garage	Other	24.5 m <sup>2</sup>	66 W	Class 10a building							5.0 W/m <sup>2</sup>	2.3 W/m <sup>2</sup>	102% of 80%

112.5 m<sup>2</sup> 418 W

Class 1 building Allowance Design Average 5.0 W/m<sup>2</sup> 4.0 W/m<sup>2</sup>

Class 10a building (associated with a Class 1 building) Allowance Design Average 3.0 W/m<sup>2</sup> 2.7 W/m<sup>2</sup>



**IMPORTANT NOTICE AND DISCLAIMER IN RESPECT OF THE LIGHTING CALCULATOR**  
 The Lighting Calculator has been developed by the ABCB to assist in developing a better understanding of lighting energy efficiency parameters. While the ABCB believes that the Lighting Calculator, if used correctly, will produce accurate results, the calculator is provided "as is" and without any representation or warranty of any kind, including that it is fit for any purpose or of merchantable quality, or functions as intended or at all. Your use of the Lighting Calculator is entirely at your own risk and the ABCB accepts no liability of any kind.

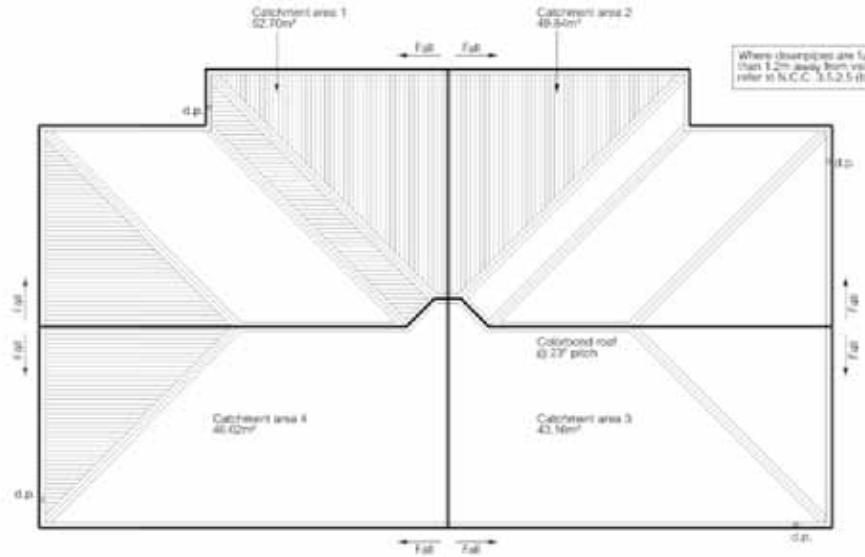
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Area	Insulation Details
Roof	Sarking OR R1.3 Arlon sarking
Ceiling	R4.1 bulk insulation (or equivalent) excluding GARAGE
Walls (external)	R2.0 bulk insulation (or equivalent) with 1 layer insulation. Insulation only to GARAGE
Walls (internal)	N/A or R2.0 bulk insulation (or equivalent) to internal walls adjacent to GARAGE + SUBFLOOR + ROOFSPACE
Floors	Rnovel Permifloor insulation (or equivalent) to all lower floors

NOTE:  
 Clearance is required for uncompressed installation of bulk insulation and timbers should be sited accordingly.  
 1.2mm for R4.1 Bulk Insulation  
 14.2mm for R2.0 Bulk Insulation  
 30mm for R2.0 Bulk Insulation  
 These dimensions are nominal and may vary depending on the type of insulation to be installed.

WINDOW NUMBER	TYPE	ID	SIZE	GLASS	Uw	SHGC	RESTRICTED
W01	W01	W01	W01	W01	W01	W01	YES/NO
W02	W02	W02	W02	W02	W02	W02	YES/NO
W03	W03	W03	W03	W03	W03	W03	YES/NO
W04	W04	W04	W04	W04	W04	W04	YES/NO
W05	W05	W05	W05	W05	W05	W05	YES/NO
W06	W06	W06	W06	W06	W06	W06	YES/NO
W07	W07	W07	W07	W07	W07	W07	YES/NO
W08	W08	W08	W08	W08	W08	W08	YES/NO
W09	W09	W09	W09	W09	W09	W09	YES/NO
W10	W10	W10	W10	W10	W10	W10	YES/NO
W11	W11	W11	W11	W11	W11	W11	YES/NO
W12	W12	W12	W12	W12	W12	W12	YES/NO

<p>NOTES</p> <ul style="list-style-type: none"> <li>Builder to verify all dimensions and levels on site prior to commencement of work</li> <li>All work to be carried out in accordance with the current National Construction Code</li> <li>All materials to be installed according to manufacturers specifications.</li> <li>Dimensions to take precedence over scale</li> <li>Do not scale from these drawings.</li> </ul>	<p>No. Amendment</p> <p>Date</p> <p>Int.</p>	<p>Designer:</p> <p>ANOTHER PERSPECTIVE PTY LTD                  PO BOX 21                  NEW TOWN                  LIC. NO. CC22598 (A. Strugnell)                  Ph: (02) 6221 4122                  Fx: (02) 6221 4186                  Email: <a href="mailto:info@anotherperspective.com.au">info@anotherperspective.com.au</a></p>	<p>Client / Project info:</p> <p>PROPOSED UNIT DEVELOPMENT                  90 Stewart Street,                  DEVONPORT</p>	<p><b>WILSON HOMES</b></p> <p>MULTI AWARD WINNING BUILDERS</p> <p>A Division of Wilson Homes Resources Pty Ltd                  (08) 9410 0000</p>	<p><b>UNIT 1 CALCULATIONS &amp; SCHEDULES</b></p> <p>Drawn: 08 WHB815</p> <p>Date: 21 May 2016</p> <p>Scale: 1:50</p> <p>Sheet: <b>o9a/11</b></p>
---	--	--	---	--	---



- GUTTER OVERFLOW REQUIREMENTS** as per N.C.C. Table 3.5.2.4  
Controlled from base height with the base of the gutter installed a maximum of 10mm below the top of the fascia.
- Gutter Gange: 150mm type 17 1/2kg buckle screws to comply with AS1084 or refer to AS1084 for alterations.
- Gutter spacing: 75 x 38 F8 @ 900mm
- Coloured Gange: 150mm 11 x 50 EPDM seal to comply with AS2086 or refer to AS2086 for alterations.

Position and quantity of downpipes are not to be altered without consultation with designer

Areas shown are surface areas / catchment areas, NOT plan areas.

A <sub>s</sub>	158.43	Area of Roof (including 150mm Gutter pitch) (m <sup>2</sup> )
A <sub>r</sub>	191.72	A <sub>s</sub> x Slope factor (Table 3.2 from AS/NZS 3500.3) (21 for 3° pitch) (m <sup>2</sup> )
A <sub>c</sub>	455.8	Cross sectional area of 17 x 115 Gutter (mm <sup>2</sup> )
DN	1.30	Design Rainfall (mm/hr) (determined from Figure 6.8 from AS/NZS 3500.3)
A <sub>req</sub>	55	Catchment area per Downpipe (determined from Figure 3.5A) (from AS/NZS 3500.3) (m <sup>2</sup> )
Required Downpipes	3.82	A <sub>c</sub> / A <sub>req</sub>
Downpipes provided	4	

- NOTES**
- Builder to verify all dimensions and levels on site prior to commencement of work
  - All work to be carried out in accordance with the current National Construction Code.
  - All materials to be installed according to manufacturers specifications.
  - Dimensions to take precedence over scale.
  - Do not scale from these drawings.

No.	Amendment	Date	Int.	Designer:	Client / Project info:
				ANOTHER PERSPECTIVE PTY LTD PO BOX 21 NEW TOWN VIC. RD. CC22598 (A. Strugnell) Ph: (03) 6221 4122 F: (03) 6221 4188 Email: info@anotherperspective.com.au	PROPOSED UNIT DEVELOPMENT 90 Stewart Street, DEVONPORT

**WILSON HOMES**  
MULTI AWARD WINNING BUILDERS  
A Division of Wilson Homes Performance Pty Ltd  
100 St Georges Road

ROOF PLAN	
Drawn	08 WHB015
Date	22 May 2016 Sheet
Scale	1:100 10/11

Planning Submission

Measured form and function



Images of Existing Dwelling

---

Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport

Our Ref: 1 .10

Measured form and function



6ty Pty Ltd  
ABN 27 014 609 900

Postal Address  
PO Box 63  
Riverside  
Tasmania 7250  
W [6ty.com.au](http://6ty.com.au)  
E [admin@6ty.com.au](mailto:admin@6ty.com.au)

Tamar Suite 103  
The Charles  
287 Charles Street  
Launceston 7250  
P (03) 6332 3300

57 Best Street  
PO Box 1202  
Devonport 7310  
P (03) 6424 7161



Our Ref: 1 .10

Measured form and function



Our Ref: 1 .10

Measured form and function





Our Ref: 1 .10

Measured form and function **6ty°**



Our Ref: 1 .10

Measured form and function **6ty°**





Our Ref: 1 .10

Measured form and function



Our Ref: 1 .10

Measured form and function



Our Ref: 1 .10

Measured form and function



Our Ref: 1 .10

Measured form and function



Our Ref: 1 .10

Measured form and function **6ty°**



Our Ref: 1 .10

Measured form and function





Planning Submission

Measured form and function



Cost Estimates

---

Demolition of an existing dwelling and construction of a new multiple dwelling  
90 Stewart Street, Devonport



20<sup>th</sup> June 201

Anne Fisher  
90 Stewart St  
Devonport

Dear Anne,

# WILSON HOMES

MULTI AWARD WINNING BUILDERS

Wilson Homes Tasmania Pty Ltd  
ABN 96 126 636 997



It is our pleasure to submit an estimate to provide a proposed new dwelling as per the plans attached and list of **Series** inclusions.

**M** This price should be used as a guide only and may be subject to variation upon final specification, working drawings and council approval.

As per approved plan by Philplighton Architects project 0 2.16115 dated 13/2/1

Renovation works as documented including:

246 4 .00

Affordable Series Inclusions fittings, fixtures and finishes  
 Completion of demolition and propping  
 Propping of Chimney as documented  
 Preliminaries, inspections and approvals  
 New external walls, cladding and windows  
 New internal walls, straightening and packing of existing surfaces  
 Alterations to plumbing and electrical as documented  
 Plastering to all new and existing walls and ceilings  
 Internal fitout, joinery and appliances  
 Bathroom fittings, fixtures, tiles and shower screens  
 Internal and external painting  
 Heat pump  
 Floor coverings  
 Scaffold and fall protection  
 External paving

HEAD OFFICE: 250 Murray Street, Hobart Ph. 03 6234 6444 Fax. 03 6234 6446  
 NORTHWEST OFFICE: 83 Mount Street, Burnie Ph. 03 6431 6444 Fax. 03 6431 6446  
 EMAIL: admin@wilsonhomes.com.au WEBSITE: www.wilsonhomes.com.au

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MULTI AWARD WINNING BUILDERS

M	Connection to TAS Water sewer mains, stormwater, sub floor drainage water connection	9645.00
	Standard residential connections including unit turret including flooring, foundations and undocumented requirements with building structure	1 6.00
	Assesment and direction as required	15000.00
		3000.00

External paving and driveway works

TBC

- ⚠ While every effort is made to ensure 6 star energy efficiency on all homes, additional costs may be incurred to achieve this if the purchaser's block of land orientation requires this or the purchaser requests design alterations.
- ⚠ Unless otherwise noted, Estimate is based on STANDARD Wilson Homes Inclusions and overrides any other details or notations on plan provided.
- ⚠ No Allowance has been made for Strata Title Fees, Landscaping, external fencing, Letterboxes, Rubbish Enclosures or Clotheslines, or for any structural retaining walls if required unless specifically noted above.
- ⚠ Unit Developments usually incur fees from Local Councils and TAS Water, to upgrade existing infrastructure, which can include, but not limited to, Water Mains, Water Connections, Water Meters, Crossovers, Sewer and Stormwater. Fixed costs for these upgrades are unavailable at time of estimate and are excluded unless specifically noted above, but should be available once Planning Permit is issued by Local Council. These upgrades are usually carried out by the Local Council and will be at the owner's cost.
- ⚠ Recent changes to the Building Code of Australia (BCA) may require that a is  
conducted by a qualified professional, which may also incur a M
- ⚠ This price does not include any allowance for agricultural drains or retaining walls that may be required to meet engineering or council requirements due to sitefall and/or dwelling setbacks, unless specifically stated above.

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- There may also be a requirement to pay to council or TAS Water Headworks fees, Landscaping Bonds and may also require detailed Engineer's Assessments/Drawings for Traffic Management, Driveways and Drainage Systems, none of which have been included in this estimate unless specifically stated above.

This estimate is valid for a period of Thirty (30) days from above date. Price is based on a cleared site and stable soil classification.

An amount of 10 000 (Ten Thousand Dollars) is required if you wish to proceed further. This amount will be used to defray costs incurred in the plan/drafting preparation, engineer's certification and other works associated with the preparation of your Housing Industry Association Fixed Price contract. If you wish to proceed, this amount will be deducted from your Contract Value.

Wilson Homes assure you of our full cooperation and would like to inform you that we offer a Defects Warranty Period, and we are so confident in our product that we have proudly extended our Structural Guarantee to a period of 10 for your peace of mind.

Please do not hesitate to contact me for any further information or assistance.

Yours sincerely

**SAM PLASCHKE**  
General Manager Multi Residential

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**WILSON HOMES**

MULTI AWARD WINNING BUILDERS

Wilson Homes Tasmania Pty Ltd  
ABN 96 126 626 997



20<sup>th</sup> June 201

Anne Fisher  
 90 Stewart St  
 Devonport

Dear Anne,

It is our pleasure to submit an estimate to provide a proposed new dwelling as per the plans attached and list of **Series** inclusions.

**M** This price should be used as a guide only and may be subject to variation upon final specification, working drawings and council approval.

As per plans by Another Perspective WH 15 dated 20/6/1

Main Dwelling – 99.32m2 or 10.69sq	1 99 .00
Garage 2 .93m2 or 3.01sq	

**Affordable Series Inclusions**  
 Site Excavation  
 Scaffold

<b>M</b> Connection to TAS Water sewer mains, stormwater, sub floor drainage water connection	6 4 .00
Standard residential connection	1 6.00

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Concrete paving and driveway areas

TBC

- ⚡ While every effort is made to ensure 6 star energy efficiency on all homes, additional costs may be incurred to achieve this if the purchaser's block of land orientation requires this or the purchaser requests design alterations.
- ⚡ Unless otherwise noted, Estimate is based on STANDARD Wilson Homes Inclusions and overrides any other details or notations on plan provided.
- ⚡ No Allowance has been made for Strata Title Fees, Landscaping, external fencing, Letterboxes, Rubbish Enclosures or Clotheslines, or for any structural retaining walls if required unless specifically noted above.
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- ⚡ This price does not include any allowance for agricultural drains or retaining walls that may be required to meet engineering or council requirements due to sitefall and/or dwelling setbacks, unless specifically stated above.
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Please do not hesitate to contact me for any further information or assistance.

Yours sincerely

**SAM PLASCHKE**

General Manager Multi Residential

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**WILSON HOMES**  
MULTI AWARD WINNING BUILDERS

**From:** Phil Murray <pmurray@internode.on.net>  
**Sent:** Monday, 30 July 2018 7:35 PM  
**To:** council  
**Subject:** P.A. 2018.0117

Damage to 90 Stewart Street Devonport.

To be included with my submission to prevent the demolition of 90 Stewart Street.

The windows and roof are in good condition and most of the remaining weatherboards are intact as of today 30 July 2018.









Phil Murray  
127 Best Street  
Devonport Tas 7310  
M 0429 037 621  
pmurray@internode.on.net

## 5.0 REPORTS

### 5.1 MERSEY BLUFF SEAWALK PROPOSAL - ROTARY CLUB DEVONPORT NORTH

File: 32184 D534465

#### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 3.2.1 Support tourism through the provision of infrastructure and facilities

#### SUMMARY

This report is provided to assist Council with formally considering the Mersey Bluff SeaWalk Feasibility Study prepared by KPMG on behalf of the Rotary Club of Devonport North and to consider its support for the project.

#### BACKGROUND

Council has previously considered the project conceived by the Rotary Club of Devonport North in 2015. Council supported the Club with a grant of \$15,000.

This grant was provided, in part, to assist the Club with funding the preparation of a concept plan, pre-feasibility assessment, public consultation, Aboriginal Heritage Assessment and the now finalised Feasibility Study. The Club was also successful in receiving grant funding for this work through other Government grants.

#### STATUTORY REQUIREMENTS

There are no specific statutory requirements that apply in relation to Council considering the Feasibility Study. However, it is important to note that should the project proceed there will likely be a myriad of statutory matters that will need to be considered in relation to the construction phase of the project.

#### DISCUSSION

Representatives of the Rotary Club and their consultant presented the Feasibility Study to Aldermen at a Workshop on 2 July 2018.

The Feasibility Study (refer attachment) is broken down under the following headings:

- Project background and objectives
- Scope and approach
- Socio-economic snapshot of Devonport
- Technical assessment
- Economic assessment

The Rotary Club had appointed a Steering Committee to progress the proposal. The Committee had determined that the objectives of the project were:

- For the rocky coastline of the Mersey Bluff to be made accessible to both residents and visitors alike so they may experience its beauty and its drama.
- Creation of an informative experience that tells the story of the Aboriginal people, the maritime history and the areas' fascinating geology and environment.

- Develop an attraction that will be a 'must-do' activity for the community, their family and friends, and visitors to Devonport and the region.
- As a key destination, it should be accessible and safe for all to visit.

Following the Workshop, the Chairman of the Steering Committee, Mark Temple-Smith provided the following summary:

*Due to a few comments made at the workshop I thought it advisable to again make clear our position. We as a steering committee from the very beginning came to the Council with a concept that we felt would be a great long-term benefit to Devonport and this region. As the land on which the development would be constructed is land either owned or controlled by the Council, and due to the magnitude of the project, it was clearly not a project that our Rotary Club would be able to undertake and manage. I believe that was made clear at the time and the Council was enthusiastic about the concept and authorised and encouraged us to investigate the concept, see what it might look like and determine if it was feasible and if so at what approximate cost. The concept originated from our Rotary Club but from there the Steering Committee has been a community committee with representatives of not only our Rotary Club but also from the broader community and from the Council.*

*We believe we have now established:*

- *What the SeaWalk could look like.*
- *What its construction cost is likely to be.*
- *That its construction is physically feasible.*
- *That it has very broad, but not unanimous, community support.*
- *That it can be constructed in a manner sympathetic to the environment.*
- *That its construction will not impact upon any known Aboriginal sites.*
- *That its construction phase will result in significant financial benefits to Devonport and to the region.*
- *That once constructed it will result in significant financial and community benefits to Devonport and to the region over a long-term period.*
- *That it will complement the concept of the Living City and existing attractions.*
- *That its maintenance costs will be very low.*

*As mentioned by Jim Dennis, we believe the project has now been developed to the stage where it is ready for funds to be sought. Clearly however funding cannot be sought unless the project has been accepted by the Council as a project that it wants to pursue. Our hope therefore is that the Council will agree to take on the project as a project of the Council to enable steps to now be taken for funding its construction. As Jim mentioned, all the reports to date effectively constitute a full business case which hopefully will enable State and Federal politicians to give it proper consideration. It should also not be lost on us that a Federal election is due at any time within the next 12 months.*

*Although we as a Committee cannot take on the construction of a project such as this we do want to continue to be involved. Subject to discussions with the Council we see our future role as including pursuing funding from politicians, continued engagement with stakeholders and particularly with the Six Rivers Aboriginal Corporation, providing input in relation to finalising the design and construction materials including discussions with contractors plus any other activities that the Council would like us to take.*

*Please let me know if you need anything further to help the Aldermen consider the issues and to hopefully resolve to take this project on as a project of the Council with the continued help and involvement of our Committee.*

Council discussed the summary email and the project in general at its workshop on 6 August 2018. Aldermen were concerned about the views of the Six Rivers Aboriginal Corporation (SRAC) in regard to the project and consider that ongoing consultation with this group is essential.

### **COMMUNITY ENGAGEMENT**

The Steering Committee have undertaken a detailed community consultation process. It has been reported that the local Six Rivers Aboriginal Corporation (SRAC) were consulted early on in the process, but have not actively engaged with the Committee. SRAC are currently not overly supportive of the project believing it would have a detrimental impact on the cultural significance of the Mersey Bluff.

Should Council agree to accept the intent of the Feasibility Study and move forward with it, an important aspect of the future actions will be to actively engage the local Aboriginal community in the discussion.

### **FINANCIAL IMPLICATIONS**

The Feasibility Study concludes that the current concept plan for the Mersey Bluff SeaWalk is an estimated capital cost of \$5.93 million, with an ongoing maintenance costs of \$8,000 per annum and a design life of 50 years.

An important aspect that is not considered in the report is the impact on Council's operational budget through the allocation of depreciation expense. With a 50 year expected life span and a capital cost of \$5.93 million, this would potentially amount to an annual depreciation expense of around \$118,000.

### **RISK IMPLICATIONS**

Should Council determine to accept the Feasibility Study, there will be an expectation that it will actively pursue the development. Competing demands for funding may present some challenges.

The community consultation aspect of the project, particularly with the local Six River Aboriginal Corporation, is a risk that may impact the initiation of the SeaWalk project.

### **CONCLUSION**

Over the last 3+ years, the Steering Committee have continued to progress their vision culminating in the delivery of the Feasibility Study.

### **ATTACHMENTS**

- [1.](#) Mersey Bluff SeaWalk Feasibility Study June 2018- final report with annexure

### **RECOMMENDATION**

That Council in relation to the Mersey Bluff SeaWalk Proposal:

- (a) receive and note the Feasibility Study prepared by KPMG on behalf of the Rotary Club of Devonport North Inc;

- (b) accept, that as the responsible authority, Council will support the concept for the development of the SeaWalk, although acknowledging that at present it is not in a position to commit capital funding towards the project; and
- (c) request that the Steering Committee in conjunction with the Rotary Club continue to pursue the project through lobbying for Government grants, undertaking further community consultation particularly with the Six Rivers Aboriginal Corporation.

Author:	Paul West
Position:	General Manager



# Mersey Bluff SeaWalk

## Feasibility study

June 2018



KPMG  
Level 2  
33 George Street  
Launceston TAS 7250

Private and confidential

15 June 2018

Mark Temple-Smith  
Mersey Bluff SeaWalk Committee  
Rotary Club of Devonport North Inc.  
By email: margieandmark@gmail.com

Dear Mark

**Mersey Bluff SeaWalk – Feasibility Study**

KPMG are pleased to provide this feasibility study into the potential economic and social impacts of the proposed Mersey Bluff SeaWalk.

Yours sincerely,



Jim Dennis  
Director

**Important notice**

**Inherent Limitations**

The services provided in connection with this engagement comprise an advisory engagement which is not subject to assurance and other standards issued by the Australian Auditing and Assurance Standards Board, and consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, Rotary Club of Devonport North Inc. management and personnel / stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

**Third Party Reliance**

This report is solely for the purpose of Rotary Club of Devonport North Inc.'s information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

Other than our responsibility to Rotary Club of Devonport North Inc., neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.



# Contents

The contact at KPMG in connection with this report is:

Jim Dennis  
Enterprise  
Director, Launceston

Tel: + 61 3 6337 3737  
Mob: + 61 4 2893 6875  
jimdennis@kpmg.com.au

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<b>3. Technical assessment</b>	[...]
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<b>5. Social impact assessment</b>	[...]
<b>6. Case studies</b>	[...]
<b>7. Interaction with the region</b>	[...]
<b>8. Conclusions</b>	[...]
<b>Appendix 1: Functional Design Report – IPD Consulting Pty Ltd</b>	[...]







# Executive Summary

Executive summary

Headlines

<p><b>Project background and objectives</b></p>	<ul style="list-style-type: none"> <li>The concept for the Mersey Bluff SeaWalk was initially conceived by the Rotary Club of Devonport North Inc. in early 2015.</li> <li>To date the Steering Committee has developed a concept plan, completed a pre-feasibility assessment, undertaken a public consultation process and completed an Aboriginal Heritage Assessment.</li> <li>The Steering Committee have determined the objectives of this project to be as follows:             <ul style="list-style-type: none"> <li><i>For the rocky coastline of the Mersey Bluff to be made accessible to both residents and visitors alike so they may experience its beauty and its drama.</i></li> <li><i>Creation of an informative experience that tells the story of the Aboriginal people, the maritime history and the areas fascinating geology and environment.</i></li> <li><i>Develop an attraction that will be a 'must-do' activity for the community, their family and friends, and visitors to Devonport and the region.</i></li> <li><i>As a key destination, it should be accessible and safe for all to visit.</i></li> </ul> </li> </ul>	<p>Refer to pages 10 to 11</p>
<p><b>Scope and approach</b></p>	<ul style="list-style-type: none"> <li>KPMG has been engaged to undertake a feasibility study into the potential economic and social impacts of the proposed Mersey Bluff SeaWalk.</li> <li>The completion of this engagement has been undertaken over three steps as follows:             <ul style="list-style-type: none"> <li>Step 1: Research, data collection and analysis</li> <li>Step 2: Economic impact model (Model)</li> <li>Step 3: Compilation of this report</li> </ul> </li> </ul>	<p>Refer page 12</p>
<p><b>Socio-economic snapshot Devonport</b></p>	<ul style="list-style-type: none"> <li>The City of Devonport continues to show signs of weak economic performance and social disadvantage</li> <li>The population of Devonport has declined by 1.91% from 2011 to 2016. Devonport is projected to experience population growth of 6.3% from 2016 to 2037. Devonport is ageing at a lower rate than Tasmania as a whole.</li> <li>Average income has grown from 2011 to 2015 by 12.56% from \$42,072 to \$47,357, but remains lower than mainland states.</li> <li>The reliance on government support has increased by 16.5% from 2011 to 2016. The SEIFA index of relative advantage and disadvantage shows that the Devonport is below both the Tasmanian and Australian median.</li> <li>The labour force size of Devonport has trended upwards in recent years and has grown by 2.99% (June 2011 – June 2017). Unemployment rates have decreased from 8.3% in 2011 to 7.3% in 2017.</li> <li>Gross Regional Product has increased by 3.95% (\$1,394 million to \$1,449 million) from 2010/11 to 2015/16.</li> <li>Median house prices have declined from 2012 to 2017.</li> <li>Total visitors to Devonport have increased by 23.7% between 2014 and 2017 however average nights stayed has declined.</li> </ul>	<p>Refer to pages 13-21</p>



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## Executive summary

## Headlines

Technical assessment	<ul style="list-style-type: none"> <li>The technical assessments undertaken to date have included the completion of an initial pre-feasibility assessment incorporating a concept plan and more recently the commissioning of Functional Design Report (see Appendix 1) by IPD Consulting Pty Ltd.</li> <li>These studies have defined a basis of design which aligns to the overarching objectives set by the Steering Committee including a focus on accessibility, an educational imperative, consideration to the environment and long life span with low operating costs.</li> <li>The Functional Design Report concludes that the current concept plan can be constructed for an estimated capital cost of \$5.93 million with an ongoing maintenance cost of \$8,000 per annum and a design life of 50 years.</li> </ul>	Refer to pages 22-34
Economic assessment	<ul style="list-style-type: none"> <li>The economic modelling undertaken has focused on estimating the economic benefits from the construction phase (short term), ongoing maintenance and impact on tourist activity.</li> <li>The estimated upfront one-off economic benefits from the <b>Construction Phase</b> are as follows:             <ul style="list-style-type: none"> <li>Gross output/turnover effects of \$12.86 million</li> <li>Additional GSP or Value Added of \$8.22 million</li> <li>Additional Factor Income of \$6.02 million which supports 69 (FTE) jobs throughout the State economy for the period of construction</li> </ul> </li> <li>The estimated economic benefits from the <b>Ongoing Maintenance</b> of the SeaWalk are not forecast to be of any significance given the estimated annual maintenance cost is only \$8,000 per annum.</li> <li>The estimated economic benefits from the impact on <b>Tourist Activity</b> has been modelled utilising two scenarios as follows:             <ul style="list-style-type: none"> <li>The added amenity of the Mersey Bluff SeaWalk increases tourism stays in Devonport by an extra day for 1 in 20 visitors</li> <li>The added amenity of the Mersey Bluff SeaWalk increases tourism stays in Devonport by an extra day for 1 in 50 visitors</li> </ul> </li> <li>As the impact on tourist activity is modelled to be ongoing, the forecast economic outputs of these two scenarios are calculated in net present value terms modelled over a 10 year period assuming both no growth in visitor numbers and annual growth of 1%.</li> </ul>	Refer to pages 35-42

	Scenario 1: 1 in 20		Scenario 2: 1 in 50	
	No growth	1% Increase p.a.	No growth	1% Increase p.a.
Gross output/turnover (\$ million)	51.78	54.52	20.30	21.38
Gross State Product (\$ million)	31.14	32.79	12.28	12.93
Factor income (\$ million)	21.15	22.28	8.36	8.80
Employment supported (FTEs)	40	42	16	17



## Executive summary

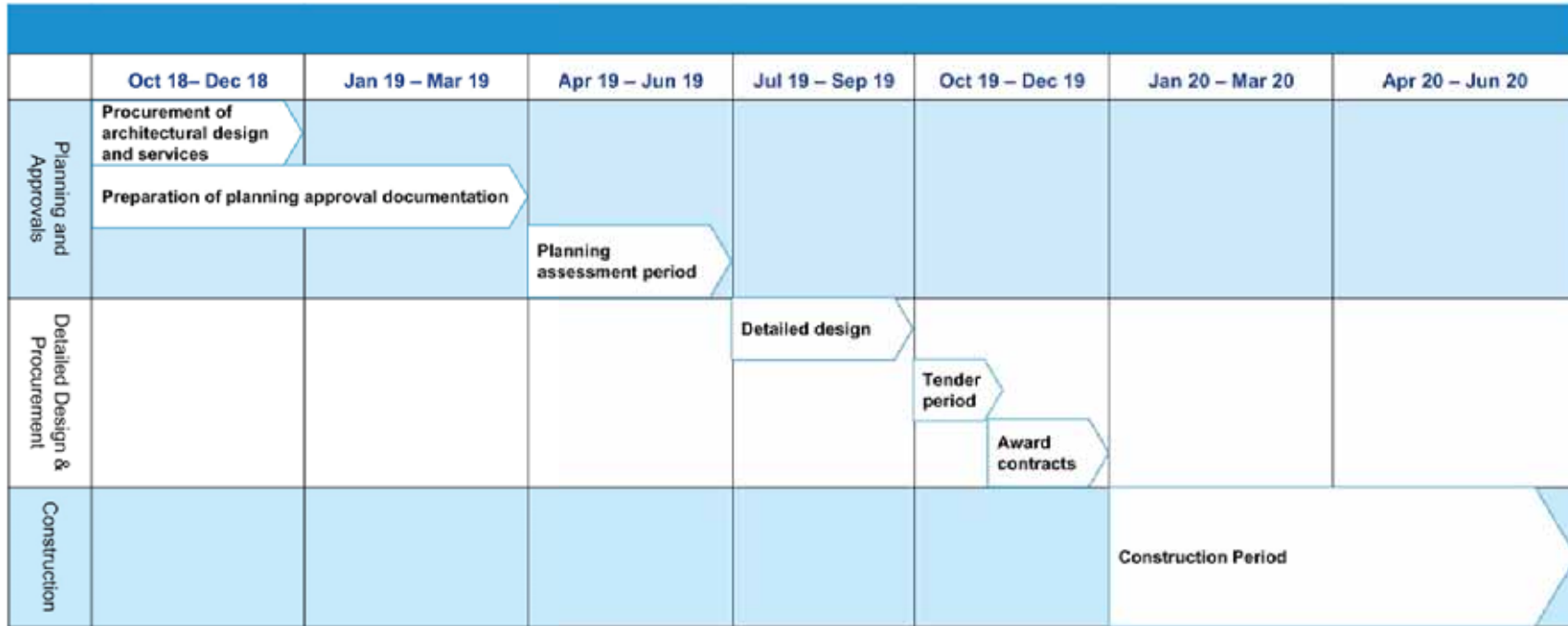
## Headlines

Economic assessment (cont.)	<ul style="list-style-type: none"> <li>The modelling suggests that the benefits from the project are considerable from a relatively small initial capital investment. For example, assuming a 1 in 20 increase in tourist days the present value (over 10 years) of the additional tourist days in Devonport because of the Mersey Bluff SeaWalk will lie between \$31.14 million and \$32.79 million in additional GSP and support an additional jobs 40-42 FTE jobs in the area.</li> <li>Similarly, if the increase is smaller (1 in 50 tourists stay an extra day) the 10-year additional present value will lie between \$12.28 million and \$12.93 million in additional GSP and support 16-17 additional FTE.</li> </ul>	Refer to pages 35-42
Social impact assessment	<ul style="list-style-type: none"> <li>Overall, the social impacts of this project have been as assessed to be moderately beneficial to the region. However, after considering risks and mitigating factors, the proposed development has been assessed to be highly beneficial to the region.</li> <li>This rating reflects our judgement that, on balance, this project presents an opportunity to improve amenity, lifestyle, community and social capital within the region.</li> <li>Tourism, lifestyle, recreation, cultural heritage and local government were assessed to attract major/high benefits whilst transportation and related infrastructure may have moderate/minor adverse impacts, primarily due to the increased traffic that would be created from increased visitation to the site.</li> </ul>	Refer to pages 43-47
Case studies	<ul style="list-style-type: none"> <li>Desktop research was undertaken to identify projects of a similar nature around Tasmania, mainland Australia and Overseas.</li> <li>A sample of these examples are summarised in this report.</li> <li>These examples include significant pieces of infrastructure which were developed to increase tourist visitation leveraging the adjacent natural landscape whilst having only minimal impact on the environment.</li> </ul>	Refer to pages 49-53
Interaction with the region	<ul style="list-style-type: none"> <li>The Mersey Bluff SeaWalk has the potential to link and complement other well established attractions within Devonport</li> <li>In 2014 the Devonport City Council announced a \$250m initiative known as the Living City Master Plan.</li> <li>The Living City Master Plan vision is to:             <ul style="list-style-type: none"> <li>strengthen the regional attraction for North West Tasmania and Tasmania's tourist market;</li> <li>connect the CBD to the Mersey River;</li> <li>link existing retail and businesses through urban renewal; and</li> <li>create economic and employment growth.</li> </ul> </li> <li>Given the close alignment in objectives, the Mersey Bluff SeaWalk has the potential to be incorporated into and enhance the Living City Master Plan.</li> </ul>	Refer to pages 53-55



Executive summary

# Project timeline and key milestones



This timeline was prepared by IPD Consulting for indicative purposes and assumes the following key milestones:

- Funding secured: Oct 2018
- Submission of planning applications: End of March 2019
- Planning approvals received: 1 July 2019
- Public tender opened: November 2019
- Close of tenders: December 2019
- Construction commencement: January 2020
- Construction complete: June 2020



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# 1. Introduction

## Introduction

# Background

### Project history

The concept for the Mersey Bluff SeaWalk was initially conceived by the Rotary Club of Devonport North Inc. in early 2015. A Steering Committee was then formed to manage the project. The Steering Committee comprises four members of the Rotary Club of Devonport North Inc., four members of the general community and two Aldermen of the Devonport City Council.

The current members of the Steering Committee are:

- Mark Temple-Smith (chairman)
- Leigh Titmus (vice chairman)
- Buz Green
- Glenn O'Halloran
- Royce Fairbrother
- Gerry Doolan
- John Lee-Archer
- Erica Jeffrey
- Alderman Grant Goodwin
- Alderman Alison Jarman

To date the Steering Committee has developed a concept plan, pre-feasibility assessment, undertaken a public consultation process and completed an Aboriginal Heritage Assessment.

KPMG was engaged to build on this work by undertaking a feasibility study into the potential economic and social impacts of the proposed Mersey Bluff SeaWalk. This engagement has been funded by grant from the Commonwealth Government under the Improving Your Local Parks and Environment program. In line with this program's objectives, this project is seeking to:

- protect, enhance, rehabilitate and /or restore ecosystems and natural habitats
- promote and recognise the role of indigenous people in conserving biological biodiversity.



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### Project Objectives

The Steering Committee have further determined the objectives of this project to be as follows:

- For the rocky coastline of the Mersey Bluff to be made accessible to both residents and visitors alike so they may experience its beauty and its drama.
- Creation of an informative experience that tells the story of the Aboriginal people, the maritime history and the area's fascinating geology and environment.
- Develop an attraction that will be a 'must-do' activity for the community, their family and friends and visitors to Devonport and the region.
- As a key destination, it should be accessible and safe for all to visit.

### The Mersey Bluff

The Mersey Bluff is located in Devonport in North Western Tasmania.



Introduction

Background

**Project Overview**

In May 2015, IPD Consulting (infrastructure, planning and design consultants) partnered with Cumulus Studio (architects) to develop an initial concept plan for the project.

This concept plan proposed to construct a walkway, approximately 1km in length, around the complete exterior of the Mersey Bluff at Devonport.

Figure 1 provides a snapshot of the proposed location of the walkway and some of the features initially considered.

In addition to the walk way, the initial concept plan included special featured sections and lookouts around the rocky exterior of the Mersey Bluff headland between Bluff Beach and Back Beach.

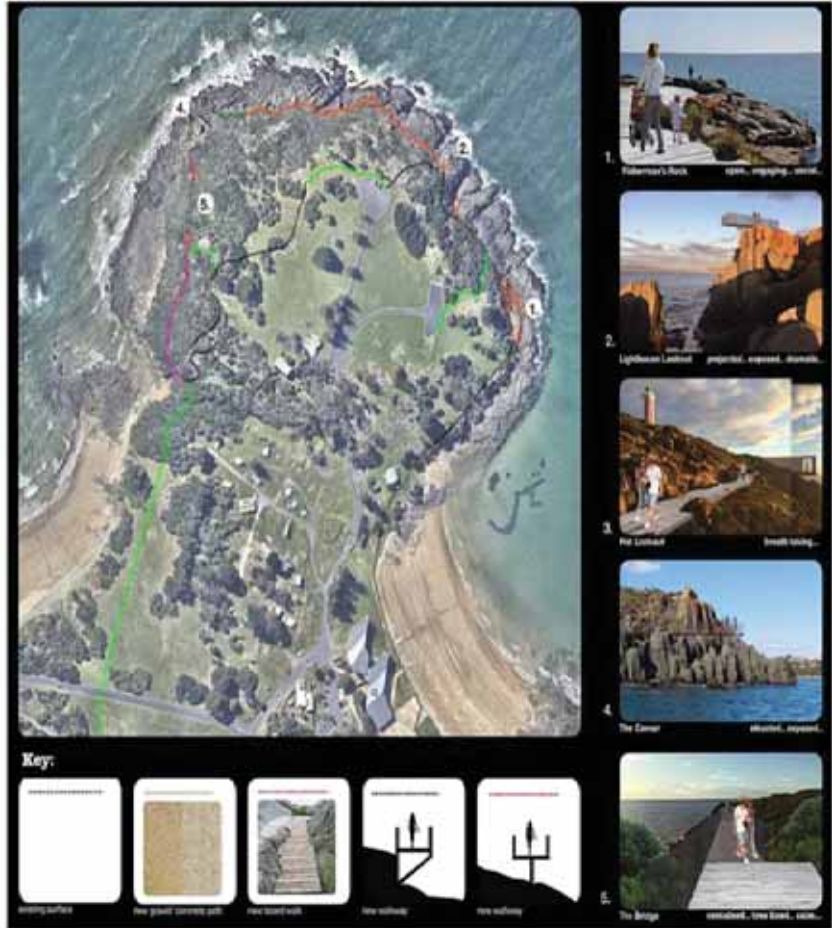
The proposed walkway has been aligned to link with existing formed walking tracks on the bluff. There is also an intention to construct a series of lookout platforms along the walkway. By focussing traffic to an established route the walkway will provide protection for and interpretation of this coastal environment. In doing so it will assist the rehabilitation of the ecosystems at the site which is currently weed infested and criss-crossed by many random tracks. At the same time it has the potential to become an exciting tourism development that will attract people to the site and become an iconic tourist attraction.

The Steering Committee of the Mersey Bluff SeaWalk project are seeking to incorporate a significant educational aspect into the development with a focus on the geomorphological aspects and the Aboriginal history of the Mersey Bluff . Current planning includes the installation of interpretive signage and/or the creation of an app based guided tour.

The concept plan was developed to provide an initial design that would promote discussion and feedback on the project. It was not intended to be a final plan. The public consultation has included meetings with key stakeholders, a feedback portal on the project website and most significantly a community consultation workshop which was held in August 2017. The strong positive response from this public consultation process has stimulated the committee to continue to pursue this project. It also provided some critical feedback on areas of sensitivity for the different groups and individuals in the community which have assisted in the refinement of the basis of design and concept plan more generally.

It is proposed that the project be funded by contributions from both Tasmanian and Commonwealth Governments with the Devonport City Council assuming ownership and ongoing responsibility for maintenance.

Figure 1



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## Introduction

## Scope, Approach &amp; Structure

**Scope & Approach**

The purpose and scope of this report is to assist in determining the economic and social impacts of the proposed Mersey Bluff SeaWalk, utilising the following approach.

**Step 1: Research, data collection and analysis**

- Liaise with Steering Committee and others to more fully understand the scale and scope of the project and source key financial, economic and operating data that will form inputs to the economic impact modelling.
- Undertake research into the broader economic, demographic and social situation in the regions potentially affected by the development – income, unemployment, health, education etc. This research will be primarily sourced from publically available information via desktop research and some limited primary research as required.
- Undertake research into comparable projects that have been completed elsewhere and document any insights relevant to this project.
- Undertake research on the interaction this project will potentially have with other initiatives and attractions in Devonport and the region.

**Step 2: Economic impact model (Model)**

Use data from step 1 to derive the flow-on or multiplied economic impacts of the project using the Tasmanian Non-Linear Model (TNLM). This work was completed by Professor John Mangan of the University of Queensland.

The primary economic impact measures that are generated by this modelling are as follows:

- Gross Output (regional turnover) - refers to the gross value of increased economic output from an additional economic activity. Within this gross value is the value of raw materials that, in most cases, have already been counted as part of gross output from earlier production.
- Value Added - refers to added or net output. It measures the added value placed on intermediate products (raw materials) from a productive process, project or event. It is made up of margins, wages, profits and transfers. It is also seen as a good measure of net additions to Gross Regional or State Product.

- Factor Income - relates to the share of value added (and gross output) which is directly paid to individuals or firms in the form of wages and/or profits. By definition it is a percentage of value added and cannot exceed value added.
- Jobs - relates (usually) to the amount of labour required for the level of production. Depending upon the type of activity, job numbers measure either the use of existing labour (continuing jobs) or hiring new staff. Full Time Equivalent (FTE's) employment refers to the number of full-time person-years of employment generated by a particular project or event. This alleviates the overstating of the level of job growth due to the stimulus.

**Step 3: Final report**

Compile the outcomes of the preceding steps into a report for initial consideration by the Rotary Club of Devonport North and Devonport City Council.

For completeness we have also incorporated into this report the technical assessments undertaken to date by IPD Consulting Pty Ltd– See section 3.

**Report Structure**

Section 1 provides an introduction including project history, overview and confirmation of scope and approach used to develop this report.

Section 2 provides a socio-economic snap shot of the Devonport Region and aims to provide some context for the proposed development within the region.

Section 3 presents a summary of the technical assessment undertaken including details of the expected capital and operational expenditure, the project timeline and approvals requirements.

Section 4 presents a summary of the estimated flow-on or multiplied economic outputs of the project.

Section 5 provides a high-level qualitative commentary on the likely social, cultural, health and general community impacts of the proposal.

Section 6 provides some examples of similar developments that have been undertaken in Tasmania, mainland Australia and elsewhere around the world.

Section 7 provides an overview of the projects potential interaction with other initiatives and attractions in Devonport and the region.



## 2. Socio-economic Snapshot Devonport

This section presents an overview of the social and economic profile of the Devonport Region and aims to provide some context for the proposed development within the region

## Devonport socio-economic snapshot

### Location and highlights

The City of Devonport continues to show signs of weak economic performance and social disadvantage

- The Devonport population has been in slight decline but is projected to experience growth
- The population of Devonport is ageing at a slower rate compared to the rest of Australia.
- Average income has grown but at a lower rate than the mainland.
- The Devonport population is highly dependent on government support.
- The labour force has increased and unemployment rates have fallen in Devonport over the last seven years.
- Gross Regional Product has increased by \$55 million between 2010-11 and 2015-16
- The housing market has shown a decline in median house price over the six years measured. Houses were on the market for shorter periods of time in 2017, compared to in 2012.

#### Introduction

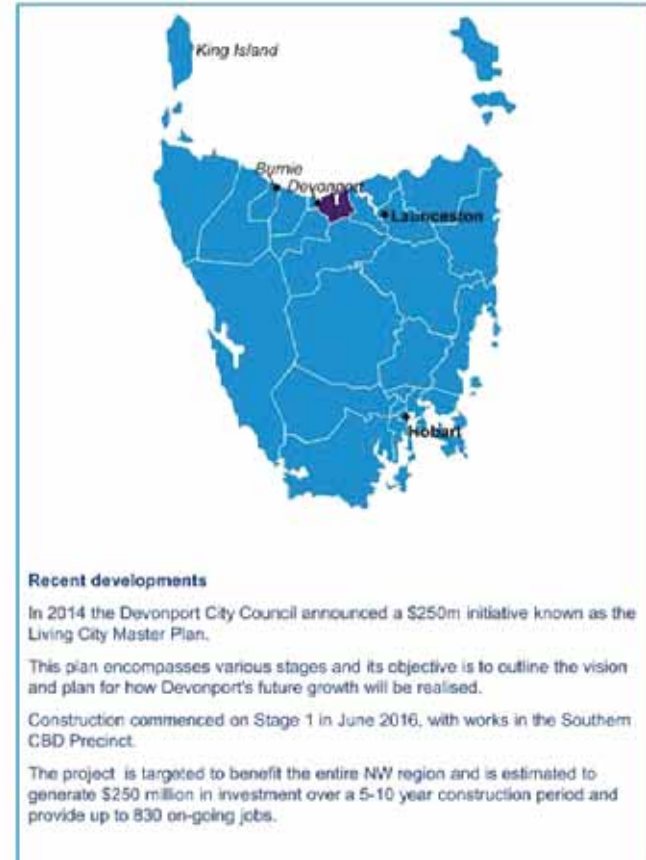
This section provides an overview of the key social and economic characteristics of the Devonport municipal area. The section covers:

- Historical population and future projections;
- Income, labour force statistics and gross regional product (GRP);
- Industry profile;
- Real estate profile;
- The socio-economic index for relative advantage and disadvantage; and
- Tourism and visitor accommodation.

This is intended to provide a high level summary of the region as a backdrop for the economic and social impact assessment that follows later in this report.

#### Devonport key points

- The population of Devonport has declined by 1.91% from 2011 to 2016. Devonport is projected to experience population growth of 6.3% from 2016 to 2037. Devonport is ageing at a lower rate compared to Tasmania as a whole.
- Average income has grown from 2011 to 2015 by 12.56% from \$42,072 to \$47,357, but remains lower than mainland states.
- The reliance on government support has increased by 16.5% from 2011 to 2016. The SEIFA index of relative advantage and disadvantage shows that Devonport is below both the Tasmanian and Australian median.
- The labour force size of Devonport has trended upwards in recent years and has grown by 2.99% (June 2011 – June 2017). Unemployment rates have decreased from 8.3% in 2011 to 7.3% in 2017.
- Gross Regional Product has increased by 3.95% (\$1,394 million to \$1,449 million) from 2010/11 to 2015/16.
- Median house prices have declined from 2012 to 2017. The average days houses have remained on the market has been volatile across the six year period showing no trends.
- Total visitors to Devonport have increased by 23.7% between 2014 and 2017 however average nights stayed has declined.



#### Recent developments

In 2014 the Devonport City Council announced a \$250m initiative known as the Living City Master Plan.

This plan encompasses various stages and its objective is to outline the vision and plan for how Devonport's future growth will be realised.

Construction commenced on Stage 1 in June 2016, with works in the Southern CBD Precinct.

The project is targeted to benefit the entire NW region and is estimated to generate \$250 million in investment over a 5-10 year construction period and provide up to 830 on-going jobs.

Devonport socio-economic snapshot

# Historical population and future projections

**The population has been static but will grow and age**

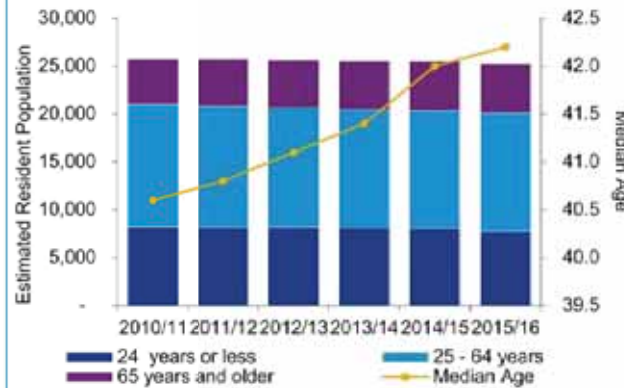
- Over the six years to 2015/16, the population of the Devonport region decreased by 1.95%
- In 2016, the proportion of the population under the age of 25 was 30.8%, between the age of 25 and 64 was 48.7% and over the age of 64 was 20.5%
- The median age of the Devonport population is 42.2 years of age.
- The Devonport region is projected to grow by 6.3% from 2017 to 2037. The population is projected to grow to 27,875.
- The population breakdown in 2037 indicates that 28.43% of the population will be under age of 25, 45.03% of the population will be between the ages of 25 to 64 and 26.54% of the population will be over the age of 64.
- The projected median age of the population in 2037 is 43 years of age.

**Historical Population**

Between 2010/11 to 2015/16, the population of the Devonport municipal area decreased by 1.95%. In absolute terms the population declined from 25,752 (2010/11) to 25,259 (2015/16). The median age of the area has increased from 40.6 years of age to 42.2 years of age. The graph below presents this decline in population and increases in the median age. The graph also indicates the following:

- The number of individuals under the age of 25 years has decreased from 8,201 to 7,783 (decline of 5.10%). This proportion of the population has decreased from 31.8% to 30.8%.
- The number of persons between the ages of 25 to 64 years has also decreased from 12,798 to 12,309 (decline of 4.38%). In proportional terms this is a decrease from 49.7% to 48.7%.
- The number of persons over the age of 64 has increased from 4,753 to 5,167 (growth of 8.71%). In proportional terms, this segment has increased from 18.5% to 20.5%.

**Estimated Resident Population**



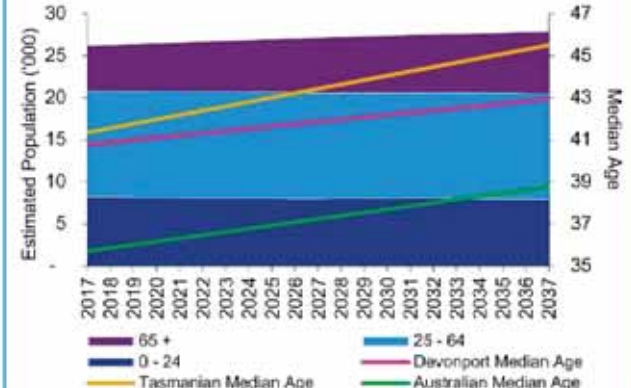
Source: 1410.0 Data by Region – Australian Bureau of Statistics

**Future Projections**

Population projections show similar trends to the historical data provided by the Australian Bureau of Statistics (ABS). From 2017 to 2037, the population of Devonport is expected to grow by 6.3% (26,214 to 27,875). The median age of the population is expected to increase from 41 years to 43 years of age. The graph below indicates that:

- The median age of the Devonport region is ageing at a slower rate than both the Tasmanian and Australian benchmark.
- The proportion of persons under the age of 25 years will decline from 31.43% to 28.43%. This segment will decrease from 8,239 to 7,924 (3.8% decline).
- The proportion of persons between the age of 25 years and 64 years will decline from 47.92% to 45.03%. The number persons in this bracket will fall by 0.1% (12,563 to 12,552).
- The proportion of persons over the age 64 will increase from 20.65% to 26.54%. The number persons in this bracket will grow by 36.7% (5,412 to 7,399).

**Population Projections**



Source: Tasmanian Population Projections 2014, Department of Treasury and Finance



Devonport socio-economic snapshot

Income and government support

There remains a high dependence on government support.

- Average income has grown by 12.56% from 2011 to 2015 to \$47,357 but the number of income earners has remained proportionately the same over the last 5 years, making up just 51.6% of the population.
- In 2011, 30.1% of the population was receiving government support. In 2016, this figure had increased to 35.0%. This represents a 16.5% increase over the years 2011 – 2016.
- The highest categories of government support received in 2016 included the pension (16.81%), carer/disability payments (9.68%) and Newstart (5.04%).

Income

In Devonport, the total income derived from income earners has grown by 9.80% from 2010/11 to 2014/15. In absolute terms, the income derived has grown from \$532,971,898 to \$585,194,928. The graph below illustrates the trends in income earners and average income from 2010/11 to 2014/15 for the Devonport municipal area. The graph shows:

- There has been an even split between the number of income earners and non-income earners. In the 2014/15 year 51.6% of the population were income earners, a slight increase on the 2010/11 year of 50.81%.
- The number of income earners has decreased by 2.46% in the five year period. The number of income earners has decreased from 12,868 to 12,357 with a low of 12,153 in 2013/14.
- Average income has grown by 12.56% from 2010/11 to 2014/15. Average income has increased from \$42,072 to \$47,357 (increase of \$5,285). Year on year growth on average income peaked in 2012/13 and 2013/14 with rates of 3.66% and 4.27% respectively.



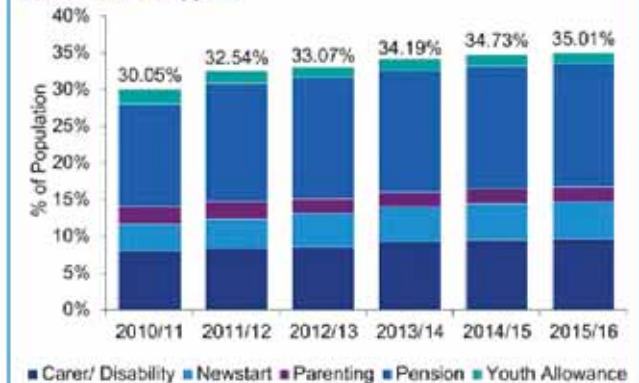
Source: 1410.0 Data by Region – Australian Bureau of Statistics

Government Support

In Devonport, the number of persons on government support has grown by 16.5% (7,739 to 8,844). Overall, the proportion of the population that has received government support has increased from 30.1% to 35.0%. The graph below presents the following from 2010/11 to 2015/16:

- The number of persons on carer/disability payments has increased by 14.8% (2,084 to 2,446).
- Persons on Newstart has increased by 28.3% (914 to 1,274).
- The number of persons on parenting support has decreased by 24.5% (636 to 511).
- The number of individuals on the pension has increased by 15.7% (3,580 to 4,247).
- The number of persons on youth allowance has decreased by 43.4% (525 to 366).
- The breakdown in government support remains relatively the same.

Government Support



Source: 1410.0 Data by Region – Australian Bureau of Statistics



Devonport socio-economic snapshot

# Labour force statistics and Gross Regional Product (GRP)

**Labour force and output trends have been weak**

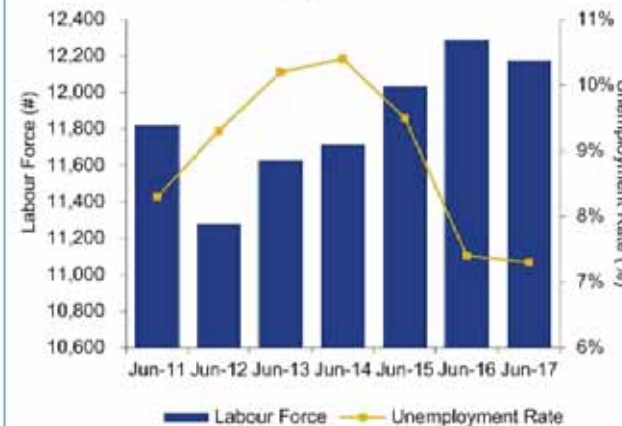
- The labour force statistics indicate that the labour force rose between June 2011 and June 2017.
- The labour force shows a decline from June 2011 to June 2012, but has had a relatively steady increase from June 2012 to June 2017.
- The unemployment rate fell to 7.30% in June 2017 compared with 8.30% in June 2011. The unemployment rate peaked in 2014 at 10.40%.
- Devonport's GRP has grown by 3.95% from 2011 to 2016.
- Worker productivity has increase from \$95,890 per local job to \$99,416 per local job.

**Labour Force Statistics**

The graph below depicts statistics in relation to the labour force in Devonport. The graph shows that:

- The labour force size has increased from 11,823 in June 2011 to 12,176 in June 2017 representing a growth of 2.99%. The labour force of 12,176 in June 2017 had dropped from 12,290 in June 2016 coming off the back of steady growth from June 2012.
- The rate of unemployment has decreased from 8.30% in June 2011 to 7.30% in June 2017. The unemployment rate peaked in 2014 at 10.40% after three years of continuous growth from 2011. The unemployment rate dropped year on year from June 2014 until June 2017.

**Labour Force and Unemployment**



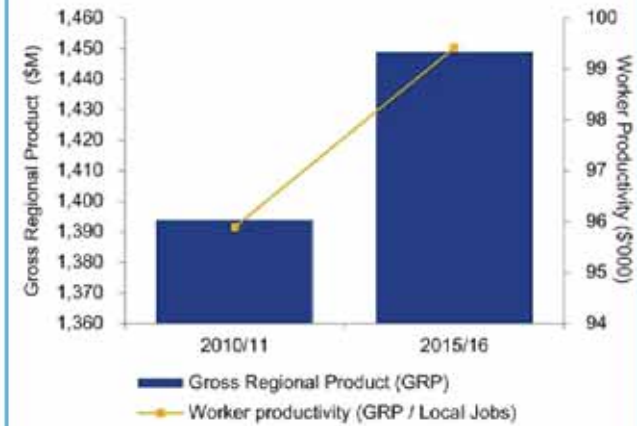
Source: Small Area Labour Market Publications, December 2016 – Department of Employment

**Gross Regional Product (GRP)**

GRP is defined as the market value of all final goods and services produced within an area in a given period of time. The Tasmanian equivalent of this is called Gross State Product. The graph below shows that:

- Devonport's GRP has grown by 3.95% from 2011 to 2016 rising from \$1,394m to \$1,449m in 2016.
- Worker productivity has also grown, increasing from \$95,890 per job in 2011 to \$99,416 per job in 2016 (3.68% growth).

**Devonport: Gross Regional Product**



Source: National Institute of Economic and Industry Research (NIEIR)®, 2010/11 and 2015/16



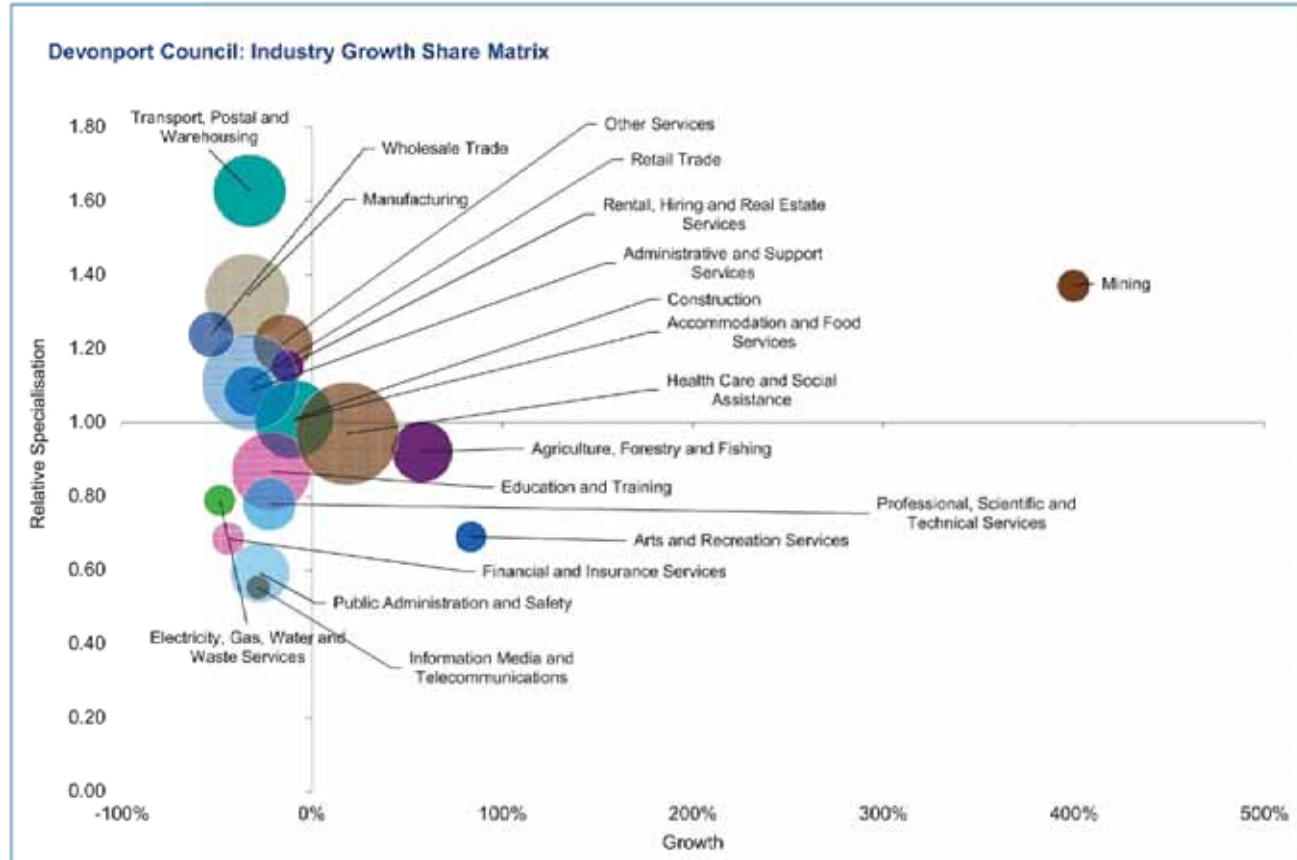
Devonport socio-economic snapshot

Occupational and industry profile

Nearly all industries have experienced significant negative growth and substantial job losses over recent years

The industry share matrix depicts the size of the industries (by number of jobs), the level of growth, and the degree of specialisation relative to the Tasmanian industry. It shows that:

- The largest industries in Devonport are Health Care and Social Assistance (1,320), Retail Trade (1,160) and Manufacturing (885).
- The industries with the largest level of specialisation are Transport, Postal and Warehousing, Mining and Manufacturing.
- The industries that have had the largest growth include: Mining (400%), Arts and Recreation Services (84%) and Agriculture, Forestry and Fishing (58%).
- Industries that have experienced the greatest decline are Wholesale Trade (53%), Electricity, Gas, Water and Waste Services (48%) and Financial and Insurance Services (44%).
- The tourism industry is not defined under a standard ANZSIC classification so as a result is not included as a specific industry on this chart.



Source: Census 2011 and 2016 – Australian Bureau of Statistics



Devonport socio-economic snapshot

Socio-economic index for areas (SEIFA)

**Devonport remains relatively disadvantaged:**

- The Devonport municipal area is relatively disadvantaged compared to other Australian municipal areas, ranked in the 2<sup>nd</sup> decile (11% to 20%) for Australia.
- The Devonport municipality is positioned in the second quartile with a ranking found in the 4<sup>th</sup> decile (31%–40%) for Tasmania.

**SEIFA of Relative Socio-economic Advantage and Disadvantage (RSAD)**

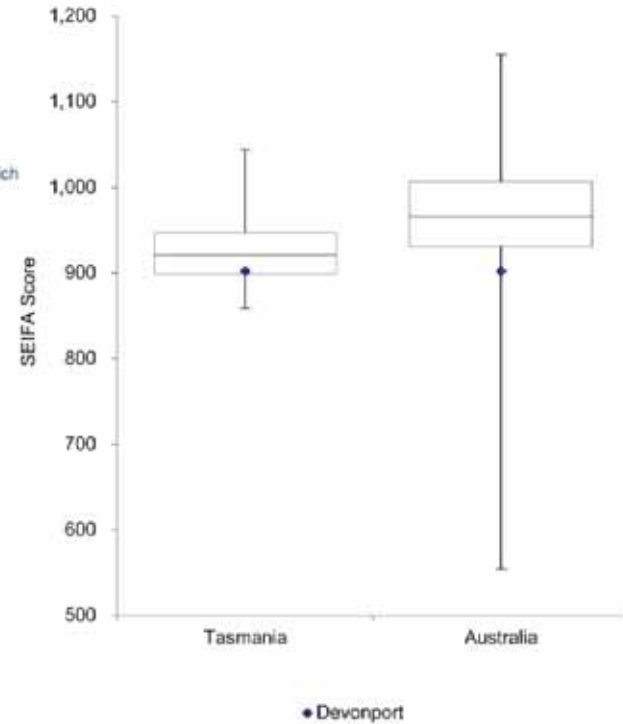
The SEIFA RSAD presents an index that ranks municipal areas based on socio-economic variables such as unemployment, income, attained post school qualifications, occupations etc. A higher score/rank means that a council is relatively more advantaged or less disadvantaged in comparison to another municipal council.

The box and whisker diagrams to the right indicate the spectrum and dispersion of the councils SEIFA scores against the Tasmanian and national results.

Key points include:

- The Devonport municipal area has a SEIFA score of 902.
- The Devonport municipal area is ranked beneath the Tasmanian median, which suggests that it is relatively more disadvantaged to compared to many councils in Tasmania.
- In Tasmania, the Devonport municipal area is ranked 21<sup>st</sup> in regards to the highest SEIFA score out of the 29 councils in Tasmania. This sets the Devonport council within the 4<sup>th</sup> decile (between 31-40%) and therefore below the Tasmanian median.
- In Australia, the Devonport municipal area is ranked at 494<sup>th</sup> in the nation out of 564 in relation to the highest SEIFA scores and is ranked in the 2<sup>nd</sup> decile (11%-20%). Devonport is ranked in the bottom 25% of Australia which indicates that it is relatively disadvantaged in comparison to other councils in Australia.

**SEIFA Index of Relative Socio-economic Advantage and Disadvantage**



Source: Source: Australian Bureau of Statistics - 2033 0.55.001 Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2011



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Devonport socio-economic snapshot

Real estate

**Housing has been weak but may be starting to turn:**

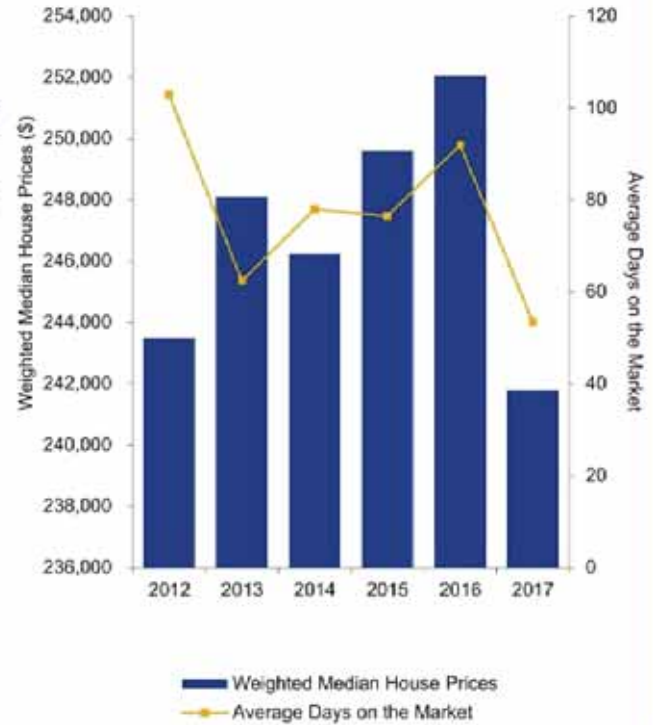
- The median house price in Devonport declined between 2012 to 2017, from \$243,498 to \$241,800 despite higher prices between 2013 and 2016.
- Number of sales in the Devonport region have increased by 49.08%.
- Average days on the market in Devonport decreased from 103 in 2012 to 54 in 2017.

**Real Estate in Devonport**

The graph to the right depicts the trends in median house prices and the average days houses are on the market in the Devonport municipal area. The median house prices have been weighted by the number of sales in each suburb within the Devonport municipal area. The graph highlights the following findings:

- The weighted median house price in Devonport has increased by 3.52% from 2012 to 2016. Prices in 2017 are at their lowest over the six year period at \$241,800 albeit only approximately \$10,000 less than the peak in 2016.
- The average days houses are on the market has been volatile over the six year period despite growth from 2013 to 2016. The average days on the market has decreased to a low of 54 days in 2017.
- The number of house sales within the Devonport municipality has increased by 49.08% from 2012 to 2017. There were 325 sales in 2017 compared to 218 in 2012.

**Devonport Real Estate**



Source: Suburb Reports – Real Estate Institute of Tasmania.



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Devonport socio-economic snapshot

Visitors and tourism

Tourism has seen some good growth however may have tapered:

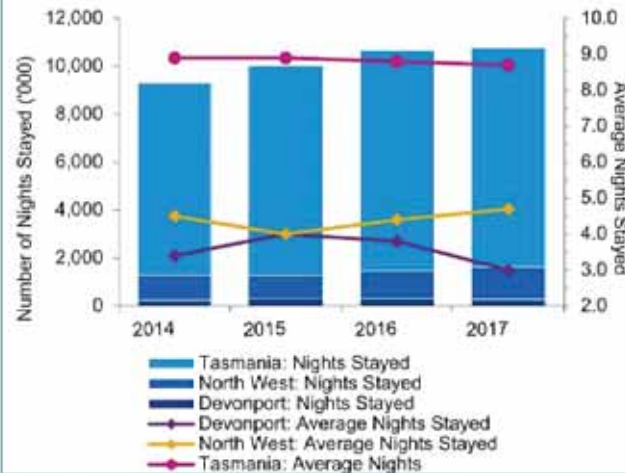
- The average length of stay decreased in Devonport (3.4 to 3.0) and the whole of Tasmania (8.9 to 8.7) while increasing in the whole of the North West of Tasmania (4.5 to 4.7) between 2014 and 2017.
- The longest average stay in Devonport was in 2015 where on average, visitors stayed 4.0 nights.
- The total number of nights spent in Devonport increased by 14.73% between 2014 and 2017 and the rest of the North West increased by 29.17%.
- Total visitor numbers in Devonport have grown by 23.7% between 2014 and 2017.
- In North West Tasmania total visitor numbers grew by 21.3% from 2014 to 2017.
- Total Visitor numbers in Tasmania grew by 23.7% from 2014 to 2017.

Average and Total Length of Stay

The graph below compares the average length of nights visitors stayed, as well as total nights stayed in Devonport, the rest of the North West region and the whole of Tasmania from 2014 to 2017. The graph presents the following facts:

- The average stay in the North West has increased from 4.5 nights in 2014 to 4.7 in 2017. The average stay in Devonport has decreased from 3.4 to 3.0 nights and the whole of Tasmania has decreased from 8.9 to 8.7 nights.
- The total nights stayed increased in Devonport, the North West and the whole of Tasmania. Devonport's total nights stayed increased by 14.73%, from 238,576 in 2014 to 273,722 in 2017. The rest of the North West increased from 1,046,065 in 2014 to 1,351,237 in 2017 representing a 29.17% increase, while the rest of Tasmania outside the North West increased by 14.09% from 8,020,488 in 2014 to 9,150,263 in 2017.

Number of Nights Stayed



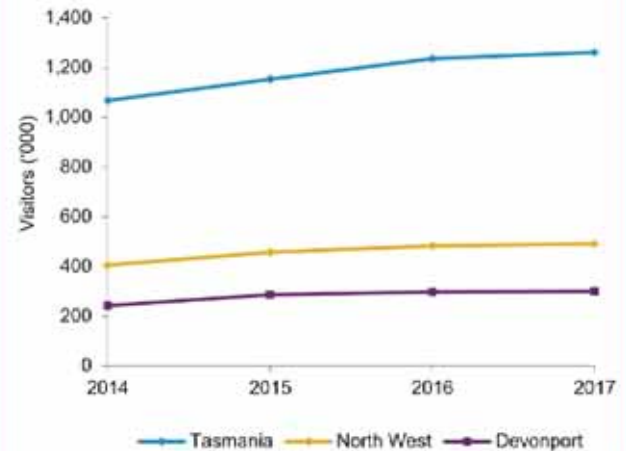
Source: Regional Tourism Snapshot Northern Tasmania 2017

Total Visitor Numbers

Total visitor numbers have increased year on year for Devonport, the North West and Tasmania from 2014 to 2017. Analysis of the visitor numbers show:

- Total visitors to Devonport have increased by 23.7% for the four year period. In absolute terms, total visitor numbers have increased from 242,568 to 300,078.
- Total visitors to North West Tasmania increased by 21.3% from 2014 to 2017 (405,442 to 491,631).
- Total visitors to Tasmania increased by 18.1% over the four year period from 1,068,050 to 1,261,749.
- Both Devonport and the North West had experience initial growth from 2013/14 but has stabilised from 2014/15 onwards.

Tasmanian Visitor Trend



Source: Regional Tourism Snapshot Northern Tasmania 2017





# 3. Technical assessment

This section presents an overview of the technical feasibility work commissioned to date by the Steering Committee. The majority of the technical assessment of this project to date has been undertaken by IPD Consulting Pty Ltd which includes the project cost estimates, timelines and regulatory approvals review.

## Technical Assessment

# Functional Design Report – IPD Consulting Pty Ltd

The majority of the technical assessment of this project to date has been undertaken by IPD Consulting Pty Ltd.

Their work has been completed over two stages, an initial prefeasibility assessment followed by a Function Design Report.

The Functional Design Report's objectives was to provide greater understanding of the likely materials, construction method, capital and maintenance costs of the project.

The basis of design for the Functional Design Report referenced the following three critical criteria

- Compliance with AS1428 – Design for Access and Mobility
- Considerate of the environment
- Must be low maintenance
- Must provide for the installation of educational and interpretive features

### Background

In May 2015 the Steering Committee engaged IPD Consulting (infrastructure, planning and design consultants) who partnered with Cumulus Studio (architects) to develop an initial concept plan for the project. This work also included an initial technical feasibility assessment. This assessment concluded that the initial concept was "constructible at a cost" but emphasised the landscape was very difficult and construction would be complex.

Given the risks identified in this initial report and with the feedback received from the public consultation process, the Steering Committee engaged IPD Consulting to prepare a Functional Design Report. The objective of this report was to allow the Steering Committee to better understand the likely materials, construction method, capital and maintenance costs of the project. A copy of this report is provided as Appendix 1.

It should however be noted that whilst the Functional Design Report does include a preliminary design, including assumptions around potential materials and methods for construction, the Steering Committee remains committed to investigating further the use of alternative and innovative light weight structures and refinements to the overall design, if deemed feasible an in keeping with stakeholder requirements.

The following is extract of the key components of this report.

### Basis of Design

The Functional Design Report was prepared based on the following guiding principles.

- *Compliance with AS1428 – Design for Access and Mobility*

- This will ensure the infrastructure is safe and accessible to all visitors with appropriate incline and decline grades, passing bays, "bump rails" and hand rails.

- *Considerate of the environment*

- Due to the nature of landscape material selection needs to consider how the infrastructure will be built and the long-term impacts on the environment.

- For areas over exposed rock, the project will target stainless steel for walkway supports, and recycled plastic "timber" for the walkway. This material will not "leach" any residue which would stain the exposed rocks and detract from the environment.

- Any use of concrete will be minimised to reduce the risk of "spillage" and associated damage to the environment.

- The decking which has been chosen is a recycled plastic product. This has been chosen from an environmental perspective, but also as it allows for cutting and shaping.

- *Must be low maintenance*

- Materials must be stainless steel, recycled plastic, aluminium or steel which is epoxy coated, including all joints and associated attachments.

- No "wire" steel hand railing should be used, due to its maintenance requirements.

- Minimal use of glass is proposed particularly at the Hat Lookout." This is to allow for future flexibility in design.

- Although lighting is possibly a good safety feature, it has not been proposed in this functional design due to its inherent maintenance requirements.

Technical Assessment

# Functional Design Report - IPD Consulting Pty Ltd



**Basis of Design (cont.)**

- *Must provide for the installation of educational and interpretive features*
  - These features are designed to highlight the geomorphological aspects of the landscape and the Aboriginal history of the Mersey Bluff.
  - Sufficient budget and infrastructure must be provided for the installation and maintenance of these features.
  - The design should link new and existing tracks to connect visitors to the current educational features at the Mersey Bluff, in particular, the Tiagarra Aboriginal Culture Centre & Museum and Mersey Bluff Pioneer Cemetery.
  - Features including signage must promote visitors to the area to use established track and respect the natural habitat.

Note these principles were limited to those relevant from an engineering and construction perspective. There are a number of design outcomes desired from the project, however IPD Consulting concluded these would not have a material impact on the overall project estimates so they were excluded.



Technical Assessment

Function Design Report - IPD Consulting Pty Ltd

**Key Features of the Design**

The Function Design Report from IPD Consulting separated the project into the following key components:

1. Existing Walkways
2. Fisherman's Rock Boardwalk
3. Lighthouse Lookout
4. Hat Lookout
5. "The Corner" & "The Bridge"

The following is an extract from the IPD Consulting Pty Ltd report and provides a summary of the works proposed for each of the components and the capital budget:

Figure 2



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## Technical Assessment

# Functional Design Report - IPD Consulting Pty Ltd

Project budget		Project Delivery & External Services Costs	
Description	Amount		
<p>The project budget has been broken into the key areas of the development.</p> <p>The budget includes all costs from the time funding has been secured, including budget allowance for arranging the project.</p> <p>The contingency assumed is commensurate with the risk and stage of the project evaluation and design.</p> <p>A more detailed breakdown of the budget is provided in the following pages.</p>		Project Delivery & External Services	\$699,280
		Construction Preliminaries	\$240,000
		Existing Walkways	\$187,410
		Fisherman's Rock Boardwalk	\$314,330
		Lighthouse Lookout	\$337,156
		Hat Lookout	\$550,242
		"The Corner" and "The Bridge"	\$2,612,153
		<b>Sub-Total</b>	<b><u>\$4,940,571</u></b>
		Contingency Sum (20% Project Value)	\$988,114
		<b>Budget Total</b>	<b><u>\$5,928,685</u></b>
		Construction Preliminaries	
		Detailed site survey	\$25,000
		Architectural Design	\$175,000
		Detailed design & engineering	\$250,000
		Project management services external	\$100,000
		Building & regulatory (indicative only), TCITB, Levies	\$40,000
		Tendering and procurement process	\$25,000
		Administration & reporting (funding audits, admin etc.)	\$50,000
		Signage and interpretative (allow 8 signs)	\$34,280
		<b>Budget Total</b>	<b><u>\$699,280</u></b>
		Project plan, systems and administration	\$25,000
		Site safety & high risk work provisions additional	\$75,000
		Site establishment, amenities, services	\$45,000
		Environmental and site management	\$30,000
		Heritage / existing assets etc.	\$25,000
		Reinstatement	\$40,000
		<b>Budget total</b>	<b><u>\$240,000</u></b>



## Technical Assessment

# Function Design Report - IPD Consulting Pty Ltd

### Existing Walkways

- The works to be undertaken on the Existing Walkways relate to two zones as marked on Figure 2 on page 25.
- Zone 1 - Upgrade the existing concrete path where required, and to provide passing bays / landings at a spacing of generally 25m, considering the natural grade of the existing walkway. The walkway will only be upgraded to match existing widths, or to ensure it complies with access requirements as per the project design basis.
- Zone 2 - Gravel infill walkway, with either hardwood edging or steel edging. Steel edging has been used in the estimates.
- Signage at the entry to the walkway.

Description	Amount
Minor clearing, excavation and preparatory works (Zone 1)	\$30,000
Passing bays / landings (Zone 1)	\$14,080
Upgrade / refurbish handrails (Zone 1)	\$15,000
Upgrade / refurbish walkway (Zone 1)	\$7,920
Concrete footpath, revised alignments and gravel paths (Zone 2)	\$74,250
Gravel paths	\$37,620
Signage (Zone 2)	\$1,500
Passing bays / landings (Zone 2)	\$7,040
<b>Budget total</b>	<b><u>\$187,410</u></b>



Technical Assessment

# Function Design Report - IPD Consulting Pty Ltd

## Fisherman's Rock Boardwalk

- The works proposed for the Fisherman's Rock Boardwalk include a low level boardwalk and a high level walkway.
- It is envisaged that the low level boardwalk will vary in width, as the appeal of the boardwalk is for it to match in with the natural rock features as it follows the pathway alignment. For this reason, the boardwalk may vary from 1.8m to 2.5m, and careful attention to detail in regards to access requirements as per the design basis will be required during detailed design.
- The high level walkway is likely to be constructed from an aluminium truss, suspended under the walkway, so as to be consistent with the handrail / infill panel arrangement in other areas.
- As the height increases, there is the case for replacing the vertical handrail infill to a panel type arrangement, particularly where protection from weather may be of benefit to wheelchair users. The budget has allowed for a stainless steel panelling, with a CNC pattern, and for it to be brushed or similar to limit any reflection.

Description	Amount
Low level deck platform	\$28,080
Supply and epoxy supports	\$14,400
Recycled plastic support beams	\$36,600
Recycled plastic decking	\$74,250
High level walkway	\$153,000
Crane	\$8,000
<b>Budget Total</b>	<b>\$314,330</b>



Source: Concept image provided by Cumulus Studio

Technical Assessment

Function Design Report - IPD Consulting Pty Ltd

**Lighthouse Lookout**

- Upgrades to existing concrete paths may be required.
- The walkway approaching the Lookout needs to be re-graded to ensure all grading is correct. This is proposed to be done with a low level walkway/boardwalk, and for the walkway to be flush with the natural surface. Once the walkways exceed 900mm off the ground, or in areas that require access, handrails will be added.
- The Lookout structure has been modelled from a structural design perspective. It is likely that an economical structure can be achieved based on the following dimensions:
  - The Lookout will be 4m wide
  - Cantilever of 5m (total length in order of 10m).
- If the cantilever is required to be more than 5m, then it's likely additional strut supports will be required.

Description	Amount
Raise and correct existing path	\$81,776
Demolish existing lookout	\$13,600
New Lighthouse lookout – supply	\$79,000
New Lighthouse lookout – install	\$102,780
Environmental and access allowance	\$60,000
<b>Budget Total</b>	<b><u>\$337,156</u></b>



Source: Concept image provided by Cumluis Studio

Technical Assessment

Function Design Report - IPD Consulting Pty Ltd

**Hat Lookout**

- To access the Hat Lookout from the Lighthouse Lookout, a low-level and high-level walkway is required.
- The low-level walkway will be similar to the Fisherman's Rocks boardwalk, but will have a handrail on one side, irrespective of the height off the ground of the walkway, as the natural rock surface drops away very quickly. For added security, the handrail will consist of a panel infill.
- The high-level walkway will also be similar to the Fisherman's Rock boardwalk.
- The Hat Lookout has been structurally modelled, and it has been assumed that the structure will be 4m wide and 12m long, with an overhang of approximately 5m. The end 1.5m of the walkway will be glass clad, while the remaining will be panel infill, with CNC pattern, or similar. The floor in this zone will also be constructed from glass.
- It is desirable from an architectural basis that the Lookout does not have a roof, as views back towards the Lighthouse are envisaged to be unobstructed.
- Access is again a big issue, therefore allowance for a drill rig and associated items has been made for the install of any ground anchors for the support of the Lookout. All other walkway supports are to be done by hand tools only.

Description	Amount
New Hat Lookout – supply	\$119,000
Net Hat Lookout – install	\$135,900
Elevated walkway	\$82,500
Low level walkway	\$160,842
Environmental and access allowance	\$52,000
<b>Budget Total</b>	<b><u>\$550,242</u></b>



Source: Concept image provided by Cumulus Studio

Technical Assessment

Function Design Report - IPD Consulting Pty Ltd

**"The Corner" & "The Bridge"**

- The works associated with "The Corner" and "The Bridge" are the most costly and complicated of the project.
- "The Bridge" and "The Corner" are proposed to be iconic structures, and they have been priced to allow for significant spans reducing support requirements which will assist in providing structures that are more visually comfortable in the natural environment.
- The construction budget included in the Functional Design Report has been developed based on a preliminary design, but does allow for alternative and innovative light weight structures to be considered, during the detailed design, if deemed feasible and in keeping with stakeholder requirements. The Steering Committee are also committed to leaving open the potential for using alternative materials and methods for construction across the design of the other components of the project.
- There is a range of low level and high-level walkways provided to access "The Bridge" and "The Corner" structures. It is assumed that the natural contours of the land will be followed soon after the exit from "The Bridge".

Description	Amount
Low level walkway	\$32,710
High level walkway between The Hat and The Corner	\$576,000
Install elevated walkway – helicopter 2 days	\$40,000
NW Corner Lookout	\$606,880
Western feature elevated walkway	\$849,632
High level walkway with handrail	\$182,000
Install elevated walkway – helicopter 2 days	\$40,000
Low level walkway	\$134,930
Contingency	\$150,000
<b>Budget Total</b>	<b>\$2,612,153</b>



Source: Concept image provided by Cumulus Studio

## Technical assessment

# Function Design Report - IPD Consulting Pty Ltd

Regulatory approvals for this project will be required from Council, State Government and the Federal Government.

Budget allowance has been made for funding the cost of pursuing these approvals.

The estimated timeline for undertaking these approvals is included in the following pages.

### Regulatory approvals

The following is an overview of the key regulatory approvals likely to be required for this project:

#### *Devonport City Council*

- **Planning:** A Development Application is likely to be required. This will include likely environmental impacts report (Desktop Flora & Fauna), and submission of the previously conducted Aboriginal Heritage Assessment. This may determine that further reports and site-specific assessments be undertaken, subject to findings.
- **Building:** A Building Application is likely to be required.
- **Development Services / Project Delivery / Procurement Plan:** Subject to project delivery model, various requirements.

#### *State Government*

- **DPIPWE/Crown Land Services:** Will likely require a permit for works on Crown Land and a lease/licence for maintenance of the infrastructure in-situ on Crown Land. These requirements will trigger similar assessments as detailed under the requirements for the DA above including environmental and cultural heritage assessments.
- **MAST:** Construction of assets within the coastal zone may require MAST approval and permit
- **Workplace Standards Tasmania (WST):** The high risk nature of some of the works will likely require some consultation with WST.

### Regulatory approvals (cont.)

**Aboriginal Heritage Tasmania (AHT):** The Mersey Bluff holds significant cultural heritage value for Tasmanian Aboriginals.

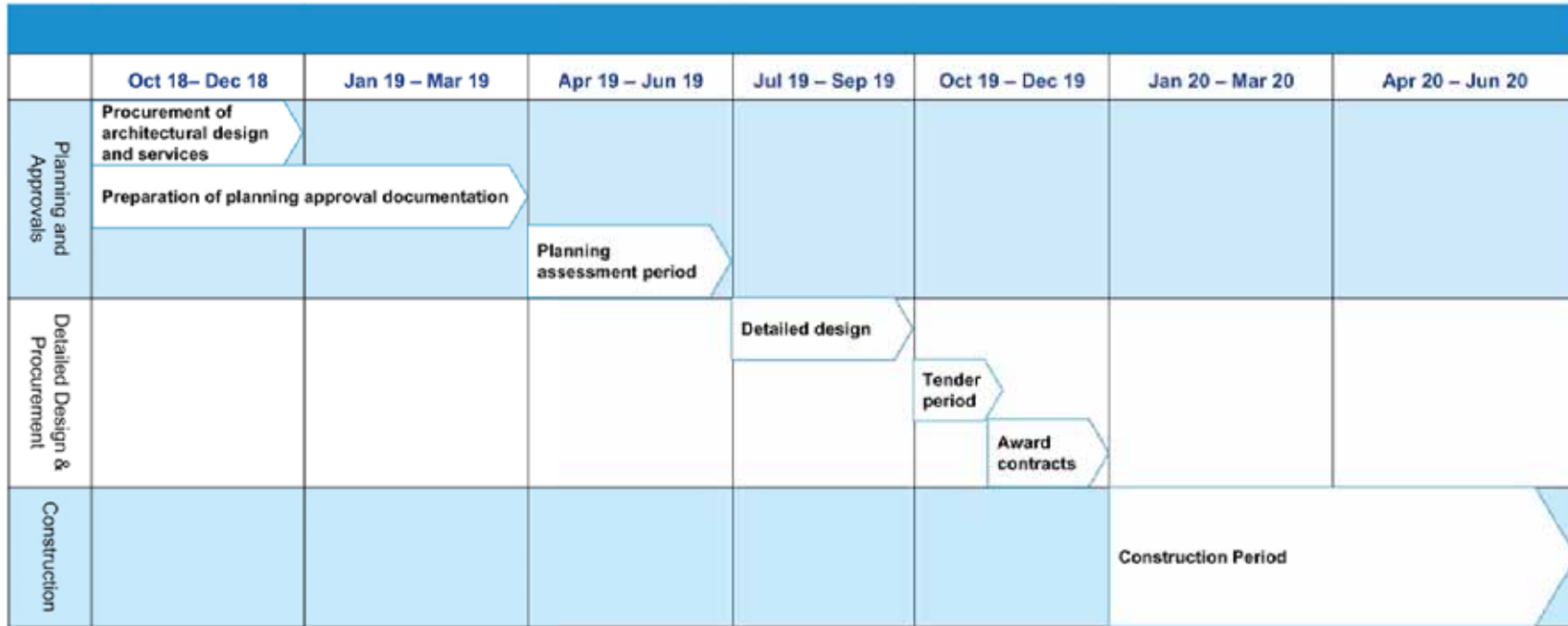
There are registered Aboriginal sites within the study area and the Aboriginal Heritage Assessment recently commissioned by the Steering Committee identified three additional new recordings. The legal and procedural requirements as specified in the Aboriginal Heritage Act 1975 will require further assessment of this project including submission of the Aboriginal Heritage Assessment for review by AHT.

#### *Federal Government:*

- **Grant conditions:** Approval requirements from the Federal Government are likely to be driven by the funding mechanism applied.

Technical assessment

# Project timeline and key milestones



This timeline was prepared in consultation with IPD Consulting for indicative purposes and assumes the following key milestones:

- Funding secured: Oct 2018
- Submission of planning applications: End of March 2019
- Planning approvals received: 1 July 2019
- Public tender opened: November 2019
- Close of tenders: December 2019
- Construction commencement: January 2020
- Construction complete: June 2020



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Technical assessment

# Function Design Report - IPD Consulting Pty Ltd

The estimated maintenance cost of the first 20 years of the infrastructures life is \$8k per annum.

The design life estimated by IPD Consulting in their Functional Design Report is 50 years assuming this maintenance budget is applied.

### Infrastructure Lifespan and Maintenance Costs

- The basis of design applied in the preparation of the Functional Design Report included a specific requirement for the infrastructure to have a low maintenance cost.
- As a result, the concept design and costing has allowed for steel structures to have appropriate corrosion allowances and high-quality epoxy finishes to ensure a minimum 50-year lifespan given the coastal location. The epoxy treatment will have a 20-year maintenance free lifespan, after which reasonable repair work will be required. Provision of durable Modwood decking and stainless-steel handrails and infill will effectively be maintenance free aside from minor wear and tear.
- It is estimated that the average maintenance cost over a 20-year period would be \$8,000 per year, based upon the following:
  - Minor Decking repairs - \$3,000 per year for replacement of damaged or worn decking.
  - High grade painting repairs – 20+ years maintenance - \$100,000 or \$5,000 per year averaged over 20 years.
- The Devonport City Council have stated that this is critical element for them in assessing whether they will assume ownership responsibility for the infrastructure.





# 4. Economic assessment

This section presents an overview of the estimated economic impacts of the project using non-linear input and output modelling techniques. The modelling has been undertaken by Professor John Mangan from the University of Queensland.



## Economic Assessment

## Model and approach

The modelling undertaken has focused on estimating the economic benefits from the:

- construction phase (short term);
- ongoing maintenance; and
- impact on tourist activity.

**Model**

In forecasting the potential economic impacts of this project a non-linear economic model has been applied. The modelling has been undertaken by Professor John Mangan from the University of Queensland.

The parent model in this particular case is the Tasmanian Non-Linear Model (TNLM), which is used extensively within the context of the Tasmanian economy. However, in this case most benefit will attach to the City of Devonport and the Northern Tasmanian region, which, considered collectively, represents about a quarter of the GSP of Tasmania. The economy of Northern Tasmania is based primarily around its natural resources of land, water (including coastal and marine) and biodiversity and associated service industries, such as tourism, retail and government. For this reason, the TNLM was modified to replicate the economy of Northern Tasmania (NTNLM) for the purposes of this report.

The modelling undertaken has focused on estimating the economic benefits from the:

- **construction phase** (short term);
- **ongoing maintenance**; and
- impact on **tourist activity**.

**Economic Impact Measures**

The primary economic impact measures used in this section are as follows:

**Gross Output** (regional turnover) - refers to the gross value of increased production from an additional economic activity.

Within this gross value is included the value of raw materials that, in most cases, have already been counted as part of gross output from earlier production. As a result, there is a tendency for Gross output figures to include some double counting. Consequently, more concentration is placed upon incremental (additional output created) or value added. Nevertheless, the concept of Gross output still provides useful information because it is a good indicator of the level of turnover in the economy and its capacity to accommodate increased economic activity. As a result, it is a useful measure of the total level of economic activity.

**Value Added** - refers to added or net output. Value Added is equivalent to the Gross State Product as used by the Australian Bureau of Statistics. It is the measure usually preferred when measuring economic impact. It measures the benefit placed on intermediate products (raw materials) from the productive process. It is made-up of margins, wages, profits and transfers.

**Factor Income** - relates to the share of value added (and gross output) which is directly paid to individuals or firms in the form of wages and/or profits. By definition, it is a percentage of value added and cannot exceed value added.

**Jobs** - relates (usually) to the amount of labour required for the level of production. Depending upon the type of activity, job numbers measure either the use of existing labour (continuing jobs) or hiring new staff. Full Time Equivalent (FTE's) employment refers to the number of full time person-years of employment generated by a particular project or event. This alleviates overstating of the level of job growth due to the stimulus. Non-linear modelling is the best means of generating realistic employment generation data.

Source: Professor John Mangan, University of Queensland

## Economic Assessment

## Construction phase

The estimated economic benefits from the Construction Phase are as follows:

- Gross output/turnover effects of \$12.86 million
- Additional GSP or Value Added of \$8.22 million
- Additional Factor Income of \$6.02 million
- Support for 69 (FTE) jobs throughout the State economy for the period of construction

The Construction Phase, including the design and approvals component of the project, has been assumed to be completed over a 21 month period, in accordance with the budget and timeline provided in the Functional Design Report by IPD Consulting Pty Ltd (See Section 3 – Technical Assessment for more details).

The table below summarises the estimated economic benefits from the construction phase of the project. The project budget is shown as final demand, which after flow-on results in total gross output effects of \$12.86 million. The other data in column 1 (for example, GSP additions of \$3.63 million) are model estimates of the direct impact, the initial spending injection of \$5.93 million. The other columns are indirect or flow-on impacts (comprised of industry effects and consumption effects), the sum of which is the total extent of flow-on. Industry effects are those resulting from production links in the industry production chain, consumption effects relate to spending on final demand usage and private consumption from income earned in the production process. In some modelling, consumption effects are not reported. Production only effects are represented by results only citing type 1 multiplier analysis. However, it is recognised now that consumption effects are often the major impact in most service related investments or investments (as they are in this case) where there is a significant workforce effects and should be included in the modelling process.

It should also be noted that these capital-spending effects are limited to the period of establishment and are not continuing, annual impacts.

	Final Demand	Industry Effects	Consumption Effects	Total	Flow On
Gross output/turnover (\$ million)	5.93	1.57	5.36	12.86	6.93
Gross State Product (\$ million)	3.63	1.10	3.48	8.22	4.59
Factor income (\$ million)	2.32	0.70	3.00	6.02	3.70
Employment supported (FTEs)	18	6	45	69	51

Source: Professor John Mangan, University of Queensland

## Economic Assessment

## Ongoing maintenance

The estimated economic benefits from the Ongoing Maintenance of the SeaWalk are as follows:

- Gross output/turnover effects of \$18,070
- Additional GSP or Value Added of \$10,318
- Additional Factor Income of \$6,989
- The benefit from the project is not enough to support an FTE

Due the design approach taken, the ongoing maintenance of the SeaWalk is not expected to have a significant economic impact. A small but continuing of budget of \$8k per annum has been assumed in accordance with the Functional Design Report provided by IPD Consulting Pty Ltd.

The table below summarises the estimated economic benefits from the ongoing maintenance of the project.

	Final Demand	Industry Effects	Consumption Effects	Total	Flow On
Gross output/turnover (\$ thousands)	8.00	2.24	7.83	18.0	10.07
Gross State Product (\$ thousands)	4.07	1.39	4.85	10.31	6.24
Factor income (\$ thousands)	2.76	0.94	3.29	6.99	4.23
Employment supported (FTEs)	0.05	0.02	0.05	0.11	0.07

Source: Professor John Mangan, University of Queensland

## Economic Assessment Tourism Activity

The analysis undertaken suggests that Devonport has been successful in more recent time at attracting tourist visitation and it is likely that this will be enhanced by the improvements in ferry services and the amenity to the City to be created from the Living City Master Plan.

However, the data also suggests that Devonport has been unsuccessful in maintaining the amount of time visitors stay within the area, in fact the average number of nights stayed in Devonport fell between 2014-2017.

Section 2 of this report provides a snapshot of the current status of the tourism industry in Devonport, the broader North West region and the State as a whole.

This snapshot illustrates that the status of tourism in Devonport over the period 2014-2017 may be seen through a number of lenses. In absolute terms, the number of tourist nights stayed increased by 14.73% over the period. This was slightly more than the rate of increase over the same period for Tasmania as a whole (14.09%) but well below the rate of increase for North West Tasmania as a whole (26.49%), or for North West Tasmania net of Devonport (29.17%).

By contrast the numbers of tourists visiting Devonport rose over the period from 242,568 (2014) to 300,078 (2017), a rise of 23.7%. This was larger than the increase for the North West as a whole over the same period (21.3%). Yet the average nights stayed in Devonport fell from 3.4 days to 3.0 days (-11.76%), whereas the average night stayed for the North West as a whole rose by 4.4%.

Overall, the data suggests Devonport has been successful in more recent time at attracting tourist visitation and it is likely that this will be enhanced by the improvements in ferry services and the amenity to the City to be created from the Living City Master Plan. More detail on the Living City Master Plan can be found in Section 7 of this report.

However, the data also suggests that Devonport has been unsuccessful in maintaining the amount of time visitors stay within the area, in fact the average number of nights stayed in Devonport fell between 2014-2017.

As shown in figure below the determinants of tourist attraction are complex but tourism infrastructure is an important component.

Source: Professor John Mangon, University of Queensland

A number of studies have cited the importance of significant pieces of tourist infrastructure in attracting and increasing tourist visitation, however estimating the future behaviour of any economic variable is challenging.

Accordingly for modelling the estimated economic benefits of the increase in potential tourism activity arising from the Mersey Bluff SeaWalk, multiple scenarios have been used with a focus on the potential impact of increased averaged nights stayed rather than a change in total visitor numbers.



Source: Bansal H. Eiselt, H. (2004) "Exploratory research of tourist motivations and planning". *Tourism Management* 25: 357-396. -

## Economic Assessment

## Tourism Activity (cont.)

Tourism activity has been modelled using data sourced from December 2017, Tasmanian Visitor Survey conducted by Tourism Tasmania.

The two scenarios modelled are as follows:

- The added amenity of the Mersey Bluff SeaWalk increases tourism stays in Devonport by an extra day for 1 in 20 visitors.
- The added amenity of the Mersey Bluff SeaWalk increases tourism stays in Devonport by an extra day for 1 in 50 visitors.

In modelling the potential economic impact of the proposed Mersey Bluff SeaWalk project on tourism activity, the following key assumptions have been applied:

Category of tourist	Est. mix of visitors	Average days	Spend per day
International	10%	3.00	\$105
Interstate (day)	1%	1.00	\$231
Interstate overnight	36%	3.55	\$231
Intrastate overnight	53%	3.55	\$135

The above assumptions are based on data sourced from the December 2017, Tasmanian Visitor Survey conducted by Tourism Tasmania.

The estimated mix, days spent and spend by type for Devonport could not be located in the data available so these factors are based on those recorded for Tasmania as a whole.

The TNLM references the ANZSIC classifications when modelling impacts on industry sectors. The tourism industry is not defined under a standard ANZSIC classification so as a result the impact of tourism spending is modelled through those sectors impacted by tourist expenditure.

These sectors and the allocation per sectors are summarised as follows:

Source: Professor John Mangan, University of Queensland

Sector	% of Tourism Spending
Retail Trade	19
Transport, Storage and Warehousing	16
Accommodation and Food Services	25
Arts and Recreation	11
Other Services	10
Finance and Insurance	9
Public Administration and Safety	6
Health and Social Assistance	4

Source: see Hooper K and van Zyl, M. (2011) "Australians Tourism Industry", Reserve Bank Bulletin, December 2011 for a discussion of spending patterns by tourists

The two scenarios modelled utilising the above assumptions are as follows:

1. The added amenity of the Mersey Bluff SeaWalk increases tourism stays in Devonport by an extra day for 1 in 20 visitors
2. The added amenity of the Mersey Bluff SeaWalk increases tourism stays in Devonport by an extra day for 1 in 50 visitors

The results of these scenarios are provided in the following tables.

Source: Professor John Mangan, University of Queensland

## Economic Assessment

## Tourism Activity (cont.)

The estimated annual economic impact on the local economy of a an extra day stay from 1 in 20 of the current visitors to Devonport is:

- Gross output/turnover effects of \$6.07 million
- Additional GSP or Value Added of \$3.65 million
- Additional Factor Income of \$2.48 million
- Support for 40 (FTE) jobs on going

The estimated annual economic impact on the local economy of a an extra day stay from 1 in 50 of the current visitors to Devonport is:

- Gross output/turnover effects of \$2.41 million
- Additional GSP or Value Added of \$1.44 million
- Additional Factor Income of \$0.98 million
- Support for 16 (FTE) jobs on going

## Scenario 1: increase in tourist expenditure of an extra day stay in Devonport from one in 20 visitors

	Final Demand	Industry Effects	Consumption Effects	Total	Flow On
Gross output/turnover (\$ million)	2.51	0.79	2.77	6.07	3.56
Gross State Product (\$ million)	1.44	0.49	1.72	3.65	2.21
Factor income (\$ million)	0.98	0.33	1.16	2.48	1.50
Employment supported (FTEs)	18	3	19	40	22

## Scenario 2: increase in tourist expenditure of an extra day stay in Devonport from one in 50 visitors

	Final Demand	Industry Effects	Consumption Effects	Total	Flow On
Gross output/turnover (\$ million)	1.01	0.31	1.09	2.41	1.40
Gross State Product (\$ million)	0.57	0.19	0.68	1.44	0.87
Factor income (\$ million)	0.39	0.13	0.46	0.98	0.59
Employment supported (FTEs)	7	1	8	16	9

Source: Professor John Mangan, University of Queensland

## Economic Assessment

## Tourism Activity (cont.)

The modelling suggests that the benefits here are considerable from a relatively small initial capital investment. For example, assuming a 1 in 20 increase in tourist stays, the present value (over 10 years) of the additional tourist stays in Devonport due to the Mersey Bluff SeaWalk will lie between \$31.14 million and \$32.79 million in additional GSP and support additional jobs 40-42 FTE jobs in the area.

Similarly, if the increase is smaller (1 in 50 tourists stay an extra day) the 10-year additional present value will lie between \$12.28 million and \$12.93 million in additional GRP and support 16 to 17 additional FTE.

The modelling undertaken assumes the benefits to be derived from increased tourism expenditure will be ongoing. Accordingly for both the scenarios presented, the present value from the ongoing benefit has been calculated over a 10 year period assuming both a one off increase and secondly under the assumption that tourism visitor numbers will continue to grow by 1% per year over the 10 year period. The present value of these scenarios for each economic measure is summarised in the table below:

	Scenario 1: 1 in 20		Scenario 2: 1 in 50	
	No growth	1% Increase p.a.	No growth	1% Increase p.a.
Gross output/turnover (\$ million)	51.78	54.52	20.30	21.38
Gross State Product (\$ million)	31.14	32.79	12.28	12.93
Factor income (\$ million)	21.15	22.28	8.36	8.80
Employment supported (FTEs)	40	42	16	17

The modelling suggests that the benefits here are considerable from a relatively small initial capital investment. For example, assuming a 1 in 20 increase in tourist stays the present value (over 10 years) of the additional tourist stays in Devonport because of the Mersey Bluff SeaWalk, will lie between \$31.14 million and \$32.79 million in additional GSP and support additional jobs 40-42 FTE jobs in the area.

Similarly, if the increase is smaller (1 in 50 tourists stay an extra day) the 10-year additional present value will lie between \$12.28 million and \$12.93 million in additional GRP and support 16 to 17 additional FTE.

Source: Professor John Mangan, University of Queensland



# 5. Social Impact Assessment

This section presents a high level social impact assessment of the proposed development. This outlines the key social impacts of the proposed development, the potential risks and strategies that can be put into place to moderate any risks.



Social impact assessment  
Introduction

The social impact assessment section provides a high level summary on a number of likely social, cultural, health and community impacts.

The approach for this section draws on existing information in the public domain to determine potential positive or negative impacts of the proposed development.

For each social impact we describe the nature of the potential impact and the likely affected groups, assess the significance of the impact and comment on measures to manage the potential impacts and mitigate any risks.

An assessment of the overall social impact is provided.

**Scope**

This section provides a high-level qualitative commentary on the likely social, cultural, health and general community impacts of the proposal. Impacts in this context consider both the positive and negative potential impacts should these be identified. This includes:

- land and housing
- transport and transportation infrastructure
- key community facilities such as schools
- recreation and other community organisations and facilities
- tourism
- emergency services, justice and policing
- lifestyle and visual impacts
- public health impacts
- cultural heritage impacts
- environmental impacts

In respect to each of the social impact topics in scope, we have adopted the following approach:

1. Describe the nature of the potential impact and the likely affected groups
2. Assess the significance of the impact (see table below)
3. Identify measures to manage the potential impacts and mitigate any risks

Significance	Criteria
Major/ high adverse	Considerable adverse change to current amenity, lifestyle, community and social capital
Moderate/ minor adverse	Some adverse change to current amenity, lifestyle and community, with some scope for mitigation
Negligible	Very little change to the current situation
Moderate/ minor beneficial	Some improvement to current amenity, lifestyle, community and social capital
Major/ high beneficial	Considerable improvement to current amenity, lifestyle, community and social capital

## Social impact assessment

## Summary impacts and risks

Summary of assessment					
Impact name	Potential impact summary	Impact significance	Risk (if any)	Mitigating factors or measures	Residual impact significance
Land and housing	<ul style="list-style-type: none"> <li>Some additional demand for rental properties during construction and reduced vacancy rate</li> </ul>	Moderate/ minor beneficial	<ul style="list-style-type: none"> <li>Local property market unable to absorb additional demand</li> </ul>	<ul style="list-style-type: none"> <li>Construction workforce relatively small and will include a significant proportion of local workers with existing accommodation</li> </ul>	Moderate/ minor beneficial
Transport and transportation infrastructure	<ul style="list-style-type: none"> <li>Additional visitor numbers may cause congestion on the roads and parking areas in the immediate area of the bluff</li> <li>Movement of trucks and other equipment during construction will cause disruption and reduced access</li> </ul>	Major/ high adverse	<ul style="list-style-type: none"> <li>Existing parking may not be sufficient to cope with increased visitor numbers and deter some visitors from using businesses and other attractions in the immediate area</li> <li>Construction activity may deter visitors to the area and have negative impact on the businesses and residents in the immediate area</li> </ul>	<ul style="list-style-type: none"> <li>Connectivity to other existing pathways and walking tracks will mean visitors will have a significant number of options for parking within the immediate vicinity</li> <li>Construction period will be limited and a major laydown area will likely be located on the Don headland utilising helicopters for transport to site</li> <li>Devonport City undertake a traffic management assessment for the immediate area and include outcomes into future planning for roads and parking</li> </ul>	Moderate/ minor adverse
Health services	<ul style="list-style-type: none"> <li>Additional workers and contractors will put some additional workload demands on existing health facilities in the region</li> </ul>	Negligible	<ul style="list-style-type: none"> <li>Existing health facility resources unable to cope with additional demand in short term</li> </ul>	<ul style="list-style-type: none"> <li>Construction workforce relatively small and will include a significant proportion of local workers with existing health service providers</li> </ul>	Negligible

## Social impact assessment

## Summary impacts and risks

Summary of assessment					
Impact name	Potential impact summary	Impact significance	Risk (if any)	Mitigating factors or measures	Residual impact significance
Tourism, lifestyle and recreation	<ul style="list-style-type: none"> <li>— Potential to increase the number of visitors to the Mersey Bluff</li> <li>— Potential to increase the length of stay of visitors to Devonport</li> <li>— Will create an additional and unique area for visitors and locals to exercise</li> </ul>	Major/ high beneficial	<ul style="list-style-type: none"> <li>— Increased visitor numbers are not achieved and consequently economic benefits for Devonport and the surrounding region are not forthcoming</li> </ul>	<ul style="list-style-type: none"> <li>— Projects of similar nature in Tasmania, Australia and elsewhere have achieved strong increases in visitor numbers</li> <li>— Nature based tourism is a key component in the current growth of visitor numbers to the state</li> </ul>	Major/ high beneficial
Emergency services, justice and policing	<ul style="list-style-type: none"> <li>— No foreseeable impact on emergency services or policing</li> </ul>	Negligible	<ul style="list-style-type: none"> <li>— No foreseen risks</li> </ul>	<ul style="list-style-type: none"> <li>— None required</li> </ul>	Negligible
Cultural heritage	<ul style="list-style-type: none"> <li>— It is a key objective of the project to be an informative experience that tells the story of Aboriginal people, the maritime history and the areas fascinating geology and environment</li> <li>— The Mersey Bluff has significant meaning to the indigenous and broader community</li> </ul>	Moderate/ minor beneficial	<ul style="list-style-type: none"> <li>— Risk that Project does not meet the Indigenous cultural heritage objectives</li> <li>— Risk that the project does not meet broader community expectations</li> </ul>	<ul style="list-style-type: none"> <li>— Feedback from the public consultation undertaken has been referenced in determining the basis of design</li> <li>— Steering Committee are committed to future consultation with the Aboriginal and broader community</li> <li>— Aboriginal Heritage Assessment has been undertaken and will be referenced and submitted as part of approvals process</li> </ul>	Major/ high beneficial
Schools	<ul style="list-style-type: none"> <li>— The educational component of the project will create an attraction which school groups can visit and learn more about the Bluff including geomorphological aspects and the Aboriginal history</li> </ul>	Moderate/ minor beneficial	<ul style="list-style-type: none"> <li>— No foreseen risks</li> </ul>	<ul style="list-style-type: none"> <li>— None required</li> </ul>	Moderate/ minor beneficial

Social impact assessment

Summary impacts and risks

Summary of assessment					
Impact name	Potential Impact summary	Impact significance	Risk (if any)	Mitigating factors or measures	Residual impact significance
Environment impacts	<ul style="list-style-type: none"> <li>The walkway will provide protection for and interpretation of this coastal environment by focussing traffic to an established route</li> <li>The construction of the infrastructure will require some works including drilling</li> </ul>	Moderate/ minor adverse	<ul style="list-style-type: none"> <li>Damage to environment from construction works</li> <li>Design does not achieve objectives of being sympathetic to the environment</li> </ul>	<ul style="list-style-type: none"> <li>Constructions methods currently being considered are designed to be considerate to environment and minimise issues like spillage and leaching</li> <li>Material selection will be governed by requirement to blend into the landscape</li> <li>Studies required during approvals phase will assist in identifying any specific environmental issues to be managed</li> </ul>	Negligible
State government impacts	<ul style="list-style-type: none"> <li>State Government will likely need to contribute funds towards the construction cost of the project</li> </ul>	Moderate/ minor adverse	<ul style="list-style-type: none"> <li>Competition for funds for other services and projects</li> </ul>	<ul style="list-style-type: none"> <li>Overall economic benefit to the state</li> <li>The proposal is consistent with the Tasmanian Visitor Economy Strategy 2015-2020</li> </ul>	Moderate/ Minor beneficial
Local government impacts	<ul style="list-style-type: none"> <li>Devonport Council is the most likely party to assume ongoing ownership and maintenance responsibility which would add an additional asset its infrastructure portfolio</li> <li>The Steering Committee's preferred model is for the Council to assume control of the project post feasibility and integrate the project into the Living City Master Plan which could pose a distraction from the already defined components of the plan</li> </ul>	Negligible	<ul style="list-style-type: none"> <li>The increased costs and workload arising from ownership and responsibility for the project and resulting infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Overall economic benefit to the municipal area</li> <li>The projects objectives are very complimentary to the vision of the Living City Master Plan</li> <li>The capital budget has provided for third-party support with the design, approvals and project management requirements of the project</li> <li>Current design will have a lifespan of 50 years and an annual maintenance cost of only \$8,000</li> </ul>	Major/ high Beneficial
<b>Overall assessment</b>	<b>Moderate/minor beneficial</b>		<b>Major/high beneficial</b>		





# 6. Case Studies

This section provides some examples of marque or significant pieces of infrastructure which were developed to increased tourist visitation leveraging the adjacent natural landscape. These are provided in the context that the Mersey SeaWalk has the potential to boost not just the numbers of tourists to Devonport but also their length of stay.

Case Studies

# "The Gap and Nature Bridge", Albany, Western Australia

The Gap and Nature Bridge project involved a pathway upgrade and installation of a new steel lookout suspended over the sea.

Visitors to the Gap can venture onto a new accessible viewing platform 40 metres directly above the surging seas. A raised pathway lead from the parking and picnic areas across the top of the exposed granite ramparts to reach the viewing platform. The Nature Bridge lookout provides outstanding views of the Southern Ocean and the Coast from Bald Head to West Cape Howe, Western Australia.

The construction cost was \$6.1m in 2016.

Materials for the structures were selected to withstand the harsh conditions encountered on the cliff top. The stainless steel components have exceptionally high strength and resilience to weather, staining, corrosion and cracking. Fibre-reinforced grated panels provide a strong nonslip surface for visitors, whilst allowing glimpses through the deck to the cliff face and water below.

The Gap and Nature Bridge has attracted more than 300,000 visitors within the last year, after the upgrades were completed. This was approximately double the number prior to the lookout and pathway upgrades.



Case Studies

# "The Tahune Airwalk", Geeveston, Tasmania

The Tahune Airwalk is a steel canopy walkway located in the Tahune Forest area 29 km from Geeveston and sits over the banks of the Huon River.

It was opened 2001 and cost approximately \$3.6m to construct.

The 619 meter-long steel structure allows visitors to walk above the tree canopy at heights of up to 37.5 metres above the forest floor. The Airwalk culminates in a spectacular cantilevered walkway and viewing platform, which looks out over the Harz Mountains and the junction of the Huon and Picton Rivers. At its peak annual visitor numbers reached 150,000.

The Airwalk is operated by private owners after being sold by the original developers Forestry Tasmania.

Similar, installation have also been done in other sites around Australia including the:

- Otway Fly Tree Top Walk, Vic;
- Illawarra Fly Tree Top Walk, NSW; and
- Tamborine Rainforest Skywalk, QLD.



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Case Studies

# "The Glacier Skywalk", Jasper National Park, Canada

The \$21 million cliff-edge walkway in Jasper National Park includes a glass platform that hovers over the Sunwapta Valley.

The walkway features a 30m curved glass walkway that extends 35m from the cliff face and 280m above the National Park.

Construction was completed in May 2014.

When considering the materials to be used for the construction, there was a high importance on blending the structure into the natural surrounds, long term durability and ongoing maintenance. Structured steel was chosen, as it met the durability and maintenance concerns. Weathering steel was selected because it is a structural grade steel in which the chemistry has been altered so that, as it rusts, it forms a protective layer on itself. This layer prevents corrosion of the steel.

Visitors numbers have increased since the Skywalk opened, visitor numbers in 2012/13 were approximately 2.02 million and in 2016/17 were 2.35 million.





Case Studies

# "Gabul Way Walkway", Magnetic Island, Queensland

The Gabul Way is a floating walkway connecting Nelly Bay and Arcadia Bay on Magnetic Island, Queensland.

Construction was completed in March 2013.

The \$4.7 million project was built to be low maintenance and durable, and to withstand extreme weather conditions.

Precast concrete was chosen for the primary structural element of the walkway, along with composite fibre for the secondary beams and galvanised and stainless steel for the balustrades. Due to the rocky nature of the elevated walkway, a series of steel micro piled foundations connected by cast in-situ reinforced concrete pile caps were chosen to support the deck.

Running adjacent to the road, the walkway is made up of a 300m long by 2.5m wide footpath and a 410m long by 2m wide elevated walkway.

The project was aimed to help tourist to travel between Magnetic Bay's two key beaches.





# 7. Interaction with the region

## Interaction with the Region

# Existing Attractions

The Mersey Bluff SeaWalk has the potential to link and complement other well established attractions within Devonport:

- Tiagarra Aboriginal Culture Centre & Museum
- Don River Railway
- Surf Club, Restaurants and Playground at the bluff
- Bass Strait Maritime Centre
- Riverside and Headland Walks

The Steering Committee believe the Mersey Bluff SeaWalk has great potential to bring more visitors and improve their experience and potentially length of stay by creating a new attraction which integrates well with existing attractions.

The Mersey Bluff SeaWalk has the potential to link and complement other well established attractions within Devonport and its surrounding Bluff. This project will assist visitors to walk around the foreshore and see a number of other local attractions.

These attractions include:

### Tiagarra Aboriginal Culture Centre & Museum

The Tiagarra Aboriginal Culture Centre and Museum displays petroglyphs, designs in rock and exhibits that depict the traditional lifestyle of Tasmanian Aboriginal people.

Initial concepts plans provide for the walkways to integrate with the exiting tracks that connect with Tiagarra.

### Don River Railway

The Don River Railway is located just 5 minutes outside of Devonport. Both adults and children can enjoy a train ride along the riverbank of the Don River. Visitors can also enjoy the parks facilities including picnic areas with barbeques, at Coles Beach and alongside the railway precinct.

### Surf Club, Restaurants and Playground at the bluff

The Devonport Surf Life Saving Club is located at the Bluff Beach. The Bluff precinct is a significant part of the Devonport landscape with playgrounds, covered barbeque facilities, walking paths with plenty of free parking. Within the Bluff precinct stands the architecturally designed complex that houses Drift Café, Mrs Jones Lounge Bar and the Surf Club. These attractions are only a short walk to the proposed starting point of the Mersey Bluff SeaWalk.

### Bass Strait Maritime Centre

The Bass Strait Maritime Centre is housed in the old Harbour Master's House on Gloucester Avenue. The centre showcases stories and events from Bass Straits' history.

### Riverside and Headland Walks

As observed below the existing Riverside and Headlands Walks already links a number of the mentioned attractions. The construction of the proposed Mersey Bluff SeaWalk will extend the infrastructure already in place but extend the walk around the Mersey Bluff.



Source: <http://www.youareheremaps.com.au/Devonport/Devonport/map.html>

## Interaction with Region

## Living City Master Plan

In 2014 the Devonport City Council announced a \$250m initiative known as the Living City Master Plan.

The Living City Master Plan vision is to:

- Strengthen the regional attraction for North West Tasmania and Tasmania's tourist market
- Connect the CBD to the Mersey River
- Link existing retail and businesses through urban renewal
- Create economic and employment growth

In 2014 the Devonport City Council announced a \$250m initiative known as the Living City Master Plan.

This plan encompasses various stages and its objective is to outline the vision and plan for how Devonport's future growth will be realised.

Construction commenced on Stage 1 in June 2016, with works in the Southern CBD Precinct.

The project target is to benefit the entire NW region and is estimated to generate \$250 million in investment over a 5-10 year construction period and provide up to 830 on-going jobs.

The Living City Master Plan vision is to:

- Strengthen the regional attraction for North West Tasmania and Tasmania's tourist market
- Connect the CBD to the Mersey River
- Link existing retail and businesses through urban renewal
- Create economic and employment growth

The Living City Master Plan is seeking to achieve this vision through the development of precincts.

#### Civic Precinct (stage 1)

The Civic Precinct, comprises of the new multi-purpose civic building, multi level car park, food pavilion and market square. The multi-purpose civic building will be home to a new Devonport library, Service Tasmania, community meeting rooms, Council offices and a 800 seat conference and convention centre. The food pavilion will house a number of restaurants, distilleries and multi-level space capable of hosting food markets and events.

#### Retail Precinct (stage 2)

The Living City Retail Precinct shall feature new major retailers including a proposed discount department store and additional specialty stores. The Retail development will be privately funded.

#### Waterfront Precinct (stage 3)

The new waterfront precinct will feature a hotel, residential apartments, riverside park and a potential marina. The purpose of developing the Waterfront Precinct, is to create a connection between the city and the Mersey River and Bass Strait.

#### Southern Business Precinct (stage 4)

Devonport's southern CBD has been identified as a suitable precinct for future business, professional and mixed use development. Works in the precinct will occur upon market demand and can continue to be undertaken concurrently with other stages.

The Mersey Bluff SeaWalk has the potential to enhance the Living City Master Plan, by integrating the Mersey Bluff with the Devonport city. The purpose of the Living City Master Plan is to draw visitors to the city, to visit or stay. To achieve this, the city must have quality attractions to draw interest and the Mersey River SeaWalk may encourage more visitors to do so.



# 8. Conclusions

## Conclusions

# Summary observations

### Social and economic profile

- The City of Devonport continues to show signs of weak economic performance and social disadvantage
- The population of Devonport has declined by 1.91% from 2011 to 2016. Devonport is projected to experience population growth of 6.3% from 2016 to 2037. Devonport is ageing at a lower rate to Tasmania as a whole.
- Average income has grown from 2011 to 2015 by 12.56% from \$42,072 to \$47,357, but remains lower than mainland states.
- The reliance on government support has increased by 16.5% from 2011 to 2016. The SEIFA index of relative advantage and disadvantage shows that the Devonport is below both the Tasmanian and Australian median.
- The labour force size of Devonport has trended upwards in recent years and has grown by 2.99% (June 2011 – June 2017). Unemployment rates have decreased from 8.3% in 2011 to 7.3% in 2017.
- Gross Regional Product has increased by 3.95% (\$1,394 million to \$1,449 million) from 2010/11 to 2015/16.
- Median house prices declined from 2012 to 2017.
- Total visitors to Devonport have increased by 23.7% between 2014 and 2017 however average nights stayed has declined.

### Technical assessment

- The technical assessments undertaken to date have included the completion of an initial pre-feasibility assessment incorporating a concept plan and more recently the commissioning of Functional Design Report (see Appendix 1) by IPD Consulting Pty Ltd.

- These studies have defined a basis of design which aligns to the overarching objectives set by the Steering Committee including a focus on accessibility, an educational imperative, consideration to the environment and long life span with low operating costs.
- The Functional Design Report concludes that the current concept plan can be constructed for an estimated capital cost of \$5.93 million with an ongoing maintenance cost of \$8,000 per annum and a design life of 50 years.
- It should be noted that whilst the Functional Design Report does include a preliminary design, including assumptions around potential materials and methods for construction, the Steering Committee remains committed to investigating further the use of alternative and innovative light weight structures and refinements to the overall design, if deemed feasible an in keeping with stakeholder requirements.

### Economic assessment

- The economic modelling undertaken has focused on estimating the economic benefits from the construction phase (short term), ongoing maintenance and impact on tourist activity.
- The estimated upfront one-off economic benefits from the Construction Phase are as follows:
  - Gross output/turnover effects of \$12.86 million
  - Additional GSP or Value Added of \$8.22 million
  - Additional Factor Income of \$6.02 million which supports 69 (FTE) jobs throughout the State economy for the period of construction

## Conclusions

# Summary observations



### Economic assessment (cont.)

- The estimated economic benefits from the Ongoing Maintenance of the SeaWalk are not forecast to be of any significance given the estimated annual maintenance cost is only \$8,000 per annum.
- The modelling suggests that the benefits from the project are considerable from a relatively small initial capital investment. For example, assuming a 1 in 20 increase in tourist stays the present value (over 10 years) of the additional tourist stays in Devonport because of the Mersey Bluff SeaWalk, will lie between \$31.14 million and \$32.79 million in additional GSP and support additional jobs 40-42 FTE jobs in the area.
- Similarly, if the increase is smaller (1 in 50 tourists stay an extra day) the 10-year additional present value will lie between \$12.28 million and \$12.93 million in additional GRP and support 16 to 17 additional FTE.

### Social impact assessment

- The social impact study provides high-level qualitative commentary on the likely social, cultural, health and general community impacts of the project. The assessment has outlined the headline potential risks (if any) and mitigating risk strategies to arrive at the residual risk remaining.
- Overall, the social impacts of this project have been as assessed to be moderately beneficial to the region. However, after considering risks and mitigating factors, the proposed development has been assessed to be highly beneficial to the region.
- This rating reflects our judgement that, on balance, this project presents an opportunity to improve amenity, lifestyle, community and social capital within the region.

- Tourism, lifestyle, recreation, cultural heritage and local government were assessed to attract major/high benefits whilst transportation and related infrastructure may have moderate/minor adverse impacts, primarily due to the increased traffic that would be created from increased visitation to the site.



# Appendices





# Appendix 1 :

## Functional Design Report - IPD Consulting Pty Ltd



## Mersey Bluff SeaWalk

### Functional Design

June 2018



IPD Consulting Pty Ltd

Infrastructure Planning & Design

Mobile: 0419 574 975

Email: [me@ipdconsulting.com.au](mailto:me@ipdconsulting.com.au)

P.O. Box 1271, Launceston TAS 7250

[www.ipdconsulting.com.au](http://www.ipdconsulting.com.au)

AOR 06 121 714 876

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### Document History and Status

Rev	Date	Reviewed By	Revision Details
A	22/5/2018	M Walters	
B	23/5/2018	M Walters	General Revision
C	01/06/2018	M Walters	General Revision

### Distribution of Copies

Rev	Quantity	Issued To
A	1	Jim Dennis
B	1	Jim Dennis
C	1	Jim Dennis

**File Name:** \\1361 - Mersey Bluff SeaWalk Functional Design Rev C.docx  
**Author:** Mark Walters  
**Client:** 'Rotary Club of Devonport North'  
**Project:** 'Mersey Bluff SeaWalk'  
**Subject:** 'Functional Design'  
**Document** Report  
**Document Version** C  
**Job No.** 1361

1361 - Mersey Bluff SeaWalk  
Functional Design Rev C

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## Appendices

- A Site Plan
- B Project Estimate

## 1. Introduction

### 1.1 Project Overview and Background

The SeaWalk Project for the Mersey Bluff was initially developed by the SeaWalk Project Steering Committee (PSC) under the auspices of the Rotary Club of Devonport North. In May 2015 the Steering Committee engaged IPD Consulting (infrastructure, planning and design consultants) who partnered with Cumulus Studio (architects) to develop an initial concept plan for the project. This work also included a pre- feasibility assessment.

Since then the PSC was able to source funds for a feasibility study for the construction of a walkway around the Mersey Bluff headland in Devonport to highlight the geomorphological aspects and Aboriginal history of the Mersey Bluff. By focussing traffic to an established route, the walkway will provide protection for and interpretation of this coastal environment. In doing so it will assist the rehabilitation of the ecosystems at the site which is currently weed infested and criss-crossed by many random tracks. At the same time, it has the potential to become an exciting tourism development that will attract people to the site and become an iconic tourist attraction.

IPD Consulting were again engaged to assist in this feasibility study by preparing this Function Design Report. It is the intention that this Function Design Report will form part of the PSC's overall feasibility assessment of the project and will seek to further develop the initial concept to achieve the following project objectives:

- For the rocky coastline of the Mersey Bluff to be made accessible to both residents and visitors alike so they may experience its beauty and its drama.
- Creation of an informative experience that tells the story of the Aboriginal people, the maritime history and the areas fascinating geology and environment.
- Develop an attraction that will be 'must-do' activity for the community, their family and friends and visitors to Devonport and the region.
- As a key destination it should be accessible and safe for all to visit.

### 1.2 Functional Design - Purpose of Report

The purpose of this functional design report is to progress the concept design provided by Cumulus and place some context around the likely infrastructure to better estimate the construction and maintenance costs. The Functional Design Report includes discussion on the following key areas:

- Existing Walkways and proposed upgrades
- Fisherman's Rocks and associated infrastructure
- Lighthouse Lookout and associated infrastructure
- Hat Lookout and associated infrastructure
- "The Corner" & "The Bridge", and associated infrastructure

The above areas are shown on the site plan provided in Appendix A and have been allocated "Zones" to define what is included in each area.

The project budget estimate has been prepared to assist likely funding requests, however considering the level of design which has been completed and the complexity of the construction

areas considered, a high degree of caution is needed, if individual components are considered in isolation, for funding.

### 1.3 Design Basis - General

The general guiding design basis for the overall project is as follows:

- Must be compliant with AS1428 – Design for Access and Mobility (i.e. Disabled access)
  - This has numerous requirements, but for this project the key requirements which impact on design are related to the grades and frequency of landings.
  - In general, a grade of 1 in 20 is being targeted, and this requires landings every 15m.
  - "Passing Bays" must be provided, and these are 1.8m wide x 2m long.
  - Minimum path width is 1m, the project target will be 1.8m.
  - Ramps (i.e. graded walkways) must have a side "bump" rail, with these being in the range of 65mm to 150mm depending on the handrail configuration. The project target is a minimum of 65mm, with an offset handrail where required.
  - Short ramps can be used at steeper grades, with ramps up to 1:10 acceptable.
- Must be considerate to the environment
  - Due to the nature of the environment which the walkway is proposed to be constructed in, material selection and construction must consider how the infrastructure will be built, and also the long-term impact to the environment.
  - For areas over exposed rock, the project will target stainless steel for walkway supports, and recycled plastic "timber" for the walkway. This material won't "leach" any residue which would stain the exposed rocks and detract from the environment.
  - Any use of concrete will be minimised, as this poses issues for "spillage" and associated damage to the exposed environment.
  - The decking which has been chosen is a "Modwood" product, which is a recycled plastic product produced in Melbourne. This has been chosen from an environmental perspective, but also as it allows for cutting and shaping of the decking to suit the irregular rock surface, particular where the walkway is to abut the rock, or follow the shape of the rock.
- Must provide for the installation of educational and interpretive features
  - These features are designed to highlight the geomorphological aspects of the landscape and the Aboriginal history of the Mersey Bluff
  - Sufficient budget and infrastructure must be provided for the installation and maintenance of these features
  - The design should link new and existing tracks to connect visitors to the current educational features at the Mersey Bluff in particular the Tiagarra Aboriginal Culture Centre & Museum and Mersey Bluff Pioneer Cemetery
  - Features including signage must promote visitors to the area to use established tracks and respect the natural habitat

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- Must be low maintenance
  - Due to the coastal environment, all materials proposed must be low maintenance.
  - Materials must be stainless steel, recycled plastic, aluminium, Corten Steel, or steel which is epoxy coated, including all joints and associated attachments.
  - No "wire" steel handrailing should be used, due to its maintenance requirements.
  - Limited use of glass is to be considered.
  - Although lighting is possibly a good safety feature, it has not been proposed in this functional design due to its inherent maintenance requirements.

There are a range of other "design outcomes", but these are from an architectural basis, and although critical for the success of the project, from an engineering and construction perspective, they are not material in the overall project estimates.

## 2. Project Scope & Estimate Allowances

### 2.1 Existing Walkways and proposed upgrades

The project scope for the existing walkways is generally as follows:

- Gravel infill walkway, with either hardwood edging or steel edging. Steel edging has been used in the estimates.
- Upgrade the existing concrete path where required, and to provide passing bays / landings at a spacing of generally 25m, considering the natural grade of the existing walkway. The walkway will be upgraded where considered necessary or to ensure it complies with access requirements as per the project design basis.
- Signage at the entry to the walkway.

### 2.2 Fisherman's Rocks and associated infrastructure

The project scope for the Fisherman's Rocks Lookout is generally as follows:

- Low level walkway / board walk. It is envisaged that the low level boardwalk will vary in width, as the appeal of the boardwalk is for it to match in with the natural rock features as it follows the pathway alignment. For this reason, the boardwalk may vary from 1.8m to 2.5m, and careful attention to detail in regards to access requirements as per the design basis will be required during detailed design.
- High level walkway, connecting two areas. The high level walkway is likely to be constructed from an aluminium truss, suspended under the walkway, so as to continue the handrail / infill panel arrangement in other areas. This is to give consistency to the walkway "feel".
- As the height increases there is the case for replacing the vertical handrail infill to a panel type arrangement, particularly where protection from weather may be of benefit to wheelchair users.
- We have allowed for a stainless steel panelling, with a CNC pattern, and for it to be brushed or similar to limit any reflection.



Fig 1: Typical low level boardwalk.



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### 2.3 Lighthouse Lookout and associated infrastructure

The project scope for the Lighthouse Lookout is generally as follows:

- Upgrade the existing concrete path where required, and to provide passing bays / landings at a spacing of generally 25m, considering the natural grade of the existing walkway.
- The walkway approaching the Lookout needs to be re-graded to ensure correct grades. This is proposed to be done with a low level walkway / boardwalk, and for the walkway to abut the natural surface on one side as it flows the contours. Once the walkway exceeds 900mm off the ground, or in areas required for access, handrails will be added.
- The Lookout structure has been modelled from a structural design point of view, and it's likely that an economical structure can be achieved based on the following dimensions:
  - Lookout 4m wide;
  - Cantilever of 5m (total length in the order of 10m).

If the cantilever is required to be more than 5m, then it's likely additional strut supports would be provided, raking back to the rock below.

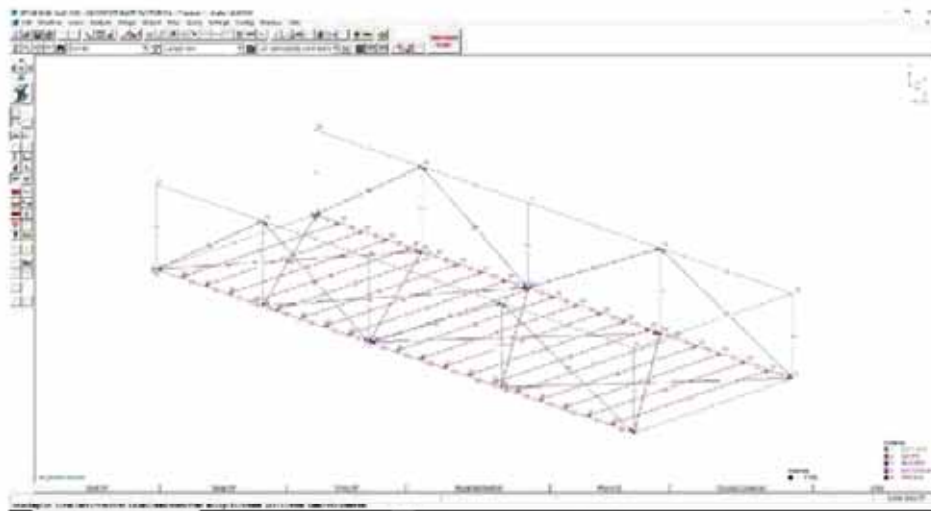


Fig 2: Functional Structural Design

- The installation of the likely supports / anchors will be difficult, and we have allowed for the use of a drill rig, to install rock anchors as required. To position the drill rig, we have assumed the mobilisation of a large crane based on the weight of typical trailer mounted rock / diamond core drill rigs available.
- Environmental considerations when using such equipment is important, and as such an allowance has been made for lining the area with appropriate sediment bunds for drilling fluid capture, and an allowance for temporary scaffold for work in and around the drill rig.
- Final installation of the walkway is likely to be done via either a large 300t crane, at 50-60m reach or via the use of a helicopter. The reach of a 300t crane has been checked and verified for the likely component sizes.

1361 - Mersey Bluff SeaWalk  
Functional Design Rev C

- A section of walkway adjacent to the Lookout entrance has been allowed to be finished with panel infill, to ensure the feeling of the Lookout is achieved.
- Its noted that the architectural concept was for an L shaped Lookout, which has been simplified to a simple cantilevered Lookout on the basis of available back span for support of the Lookout.

## 2.4 Hat Lookout and associated infrastructure

The project scope for the Hat Lookout is generally as follows:

- To access the Hat Lookout from the Lighthouse Lookout, a low-level and high-level walkway is required.
- The low-level walkway will be similar to the Fisherman's Rocks boardwalk, but will have a handrail on one side, irrespective of the height off the ground of the walkway, as the natural rock surface drops away very quickly only a short distance away from the walkway alignment. For added security, the handrail will consist of a panel infill.
- The high-level walkway will be similar to the Fisherman's Rocks boardwalk.
- The Hat Lookout has been structurally modelled, and it has been assumed that the structure will be 4m wide and 12m long, with an overhang of 5m or so. The end 1.5m of the walkway will be glass clad, while the remaining will be panel infill, with CNC pattern, or similar. The floor in this zone will also be constructed from glass.
- It is desirable from an architectural basis that the Lookout does not have a roof, as views back towards the Lighthouse are envisaged to be unobstructed. The structural aspects of this has been considered.
- Access is again a big issue and, hence allowance for a drill rig and associated items has been made for the install of any ground anchors for the support of the Lookout. All other walkway supports are to be done by hand tools only.

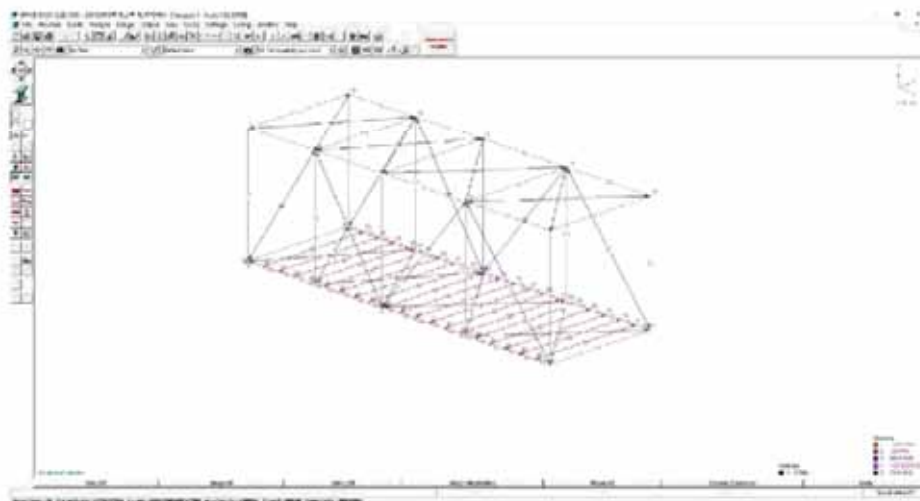


Fig 3: Functional Structural Design Concept.

## 2.5 "The Corner" & "The Bridge" and associated infrastructure

The works associated with "The Corner" and "The Bridge" are the most costly and complicated of the project, and their proximity away from the main Bluff headland, and rugged coastline access.

"The Corner" could possibly be constructed as follows:

- A large steel curved beam, and recycled plastic decking, with stainless steel handrail and infill panels.
- The infill and handrails would be brushed, so as to not reflect sunlight, while the main support beam would be epoxy coated in a colour to blend with the natural colours.
- The installation of the large beam segment is complicated by its distance from any suitable land to setup a large crane, hence an allowance for a helicopter has been made, but this limits the weight of the structure / components considerably. At present the structure will likely weigh between 20 and 30t, hence temporary works would be required to allow the beam to be installed in segments of 2t or similar.
- Due to the curved nature of the walkway, the supports will be considerable, hence an allowance for a drill rig and associated rock anchors has been made.

"The Bridge" is longer but likely to be a more simplified structure, with possible construction as follows:

- Steel beam, sub structure and supports, recycled plastic decking with stainless steel handrail and infill panels.
- Similar to "The Corner", the infill and handrails would be brushed, so as to not reflect sunlight, while the main support beam would be epoxy coated in a colour to blend with the natural colours.

"The Bridge" and "The Corner" are proposed to be iconic structures, and they have been priced to allow for significant spans reducing support requirements which will assist in providing structures that are more visually comfortable in the natural environment. During detailed design, alternative and innovative light weight structures may be considered if deemed feasible and in keeping with stakeholder requirements.

There is a range of low level and high-level walkways provided to access "The Bridge" and "The Corner" structures, and it is assumed that the natural contours of the land will be followed soon after the exit from "The Bridge".

## 2.6 Infrastructure Lifespan and Maintenance Costs

An assessment has been conducted on the concept design to estimate likely annual maintenance costs, noting that this is a key project driver to minimise ongoing costs. The concept design and costing has allowed for steel structures to have appropriate corrosion allowances and high-quality epoxy finishes to ensure a minimum 50-year lifespan given the coastal location. The epoxy treatment will have a 20-year maintenance free lifespan, after which reasonable repair work will be required. Provision of durable Modwood decking and stainless-steel handrails and infills will effectively be maintenance free aside from minor wear and tear. It is estimated that the average maintenance cost over a 20-year period would be \$8000 per year, based upon the following:

- Minor Decking repairs - \$3000 per year for replacement of damaged or worn decking.
- High grade painting repairs – 20+ years maintenance - \$100,000 or \$5000 per year averaged over 20 years.

### 3. Project Approvals and Timeframes

#### 3.1 Project Approvals

The following is a brief overview of the likely approvals required for the project:

Organisation	Type of Approval	Description
Devonport City Council	Planning	A Development Application is likely to be required. This will include likely Environmental impacts report (Desktop Flora & Fauna), and the previously conducted Aboriginal Heritage study. This may determine that further reports and site-specific assessments be undertaken, subject to findings.
	Building	Building Application likely to be required
	Development Services / Project Delivery / Procurement Plan	Subject to project delivery model, various requirements
State Government	DPIPWE/Crown Land Services	May require a permit for Crown Land works, or lease for any long-term assets located on Crown Land
	MAST	Construction of assets within the Coastal zone may require MAST approval and permit
	WST (Workplace Standards Tasmania)	High Risk works – likely to require specific consideration of site and construction aspects in close consultations with designers and construction contractors
Federal Government	Various	Funding options / grant applications and commitments
Aboriginal Heritage Tasmania (Aboriginal Community)	Various	Likely required through both the planning phase and possibly consultation during construction if new artefacts are found, or specific onsite management is required.

This list may not be exhaustive but represents some typically involved in assessing a development of this nature.

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### 3.2 Project Time Frames

The high-level timeframes envisaged for the project are as follows:

- Funding secured: October 2018
- Procurement of architectural and design services: December 2018
- Preparation of Planning approval documentation: (12 Weeks): March 2019
- Submit Planning Application: End of March 2019
- Planning Assessment Period and allowance for additional information requests: 3 Months: June 2019
- Planning Approval: 1 July 2019.
- Detailed Design: (Likely to take 16 weeks) November 2019
- Call Public Tenders: November 2019
- Close Tenders December 2019
- Award Contracts: December 2019 to January 2020.
- Construction commences: January 2020.
- Construction Period: Likely to be 26 Weeks.
- Construction Complete: 30 June 2020

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Functional Design Rev C

## Appendix A Site Plan



existing surface

new gravel/concrete path

new board walk

new walkway

new walkway

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Functional Design Rev C

## Appendix B Project Estimate



MERSEY BLUFF SEAWALK					
FUNCTIONAL DESIGN ESTIMATE					
Summary (excluding GST)					
ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
1	Project Delivery & External Services				\$ 699,280.00
2	Construction Preliminaries				\$ 240,000.00
3	Existing Walkways & associated infrastructure				\$ 187,410.00
4	Fisherman's Rocks & associated infrastructure				\$ 314,330.00
5	Lighthouse Lookout & associated infrastructure				\$ 337,156.00
6	Hat Lookout & associated infrastructure				\$ 550,242.00
7	"The Corner" and "The Bridge" & associated infrastructure				\$ 2,612,152.80
	<b>SUB-TOTAL</b>				<b>\$ 4,940,570.80</b>
	Contingency Sum (20% of project value)				\$ 988,114.16
	<b>SUGGESTED BUDGET TOTAL</b>				<b>\$ 5,928,684.96</b>



5946719.9
-\$ 18,034.94

MERSEY BLUFF SEAWALK					
External & Preliminary Project Costs (excluding GST)					
ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
1	Detailed Site Survey	Item	1	\$ 25,000.00	\$ 25,000.00
2	Architectural Design, DDA & BCA	item	1	\$ 175,000.00	\$ 175,000.00
3	Detailed Design & Engineering	Item	1	\$ 250,000.00	\$ 250,000.00
4	Project Management Services External	item	1	\$ 100,000.00	\$ 100,000.00
5	Building & Regulatory (Indicative only), TCITB. Levies	item	1	\$ 40,000.00	\$ 40,000.00
6	Tendering and Procurement Process	item	1	\$ 25,000.00	\$ 25,000.00
7	Administration & reporting (funding audits, admin, etc)	Item	1	\$ 50,000.00	\$ 50,000.00
8	Signage and interpretative (Allow 8 Signs)	No.	8	\$ 4,285.00	\$ 34,280.00
<b>TOTAL External &amp; Services Costs</b>					<b>\$ 699,280.00</b>

MERSEY BLUFF SEAWALK					
Construction Preliminaries (excluding GST)					
ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
1	Project Plan, Systems and Administration (Contractor)	Item	1	\$ 25,000.00	\$ 25,000.00
2	Site Safety & High risk work Provisions Additional	item	1	\$ 75,000.00	\$ 75,000.00
3	Site Establishment, Amenities, Services	Item	1	\$ 45,000.00	\$ 45,000.00
4	Site set out and proving works	item	1	\$ 30,000.00	\$ 30,000.00
5	Environmental and site management, including protection flora/fauna/aboriginal or cultural heritage/existing assets, etc and E&SC	item	1	\$ 25,000.00	\$ 25,000.00
7	Reinstatement	item	1	\$ 40,000.00	\$ 40,000.00
<b>TOTAL PRELIM CONSTRUCTION ITEMS</b>				<b>\$</b>	<b>240,000.00</b>

## MERSEY BLUFF SEAWALK

## ORDER OF MAGNITUDE ONLY - CONCEPT LEVEL INFORMATION BASIS

Existing Walkway Upgrades  
(excluding GST)

ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
<b>Zone 1</b>					
	Minor Clearing, Excavation and Preparatory				
1	works	Item	1	\$ 30,000.00	\$ 30,000.00
2	Passing Bays / Landings	No.	8	\$ 1,760.00	\$ 14,080.00
3	Upgrade / Refurbish Handrails	m	60	\$ 250.00	\$ 15,000.00
4	Upgrade / Refurbish Walkway (concrete)	m2	72	\$ 110.00	\$ 7,920.00
<b>Zone 2</b>					
	Concrete Footpath 1.8m wide, to municipal standards, uneven base preparation areas, revised alignments (some existing upgraded)	lineal m	375	\$ 198.00	\$ 74,250.00
5	Gravel Paths (less formal linkages on top of bluff area) @ 1800mm wide	lineal m	285	\$ 132.00	\$ 37,620.00
6	Signage	item	1	1,500.00	\$ 1,500.00
7	Passing Bays / Landings	No.	4	\$ 1,760.00	\$ 7,040.00
8					
<b>TOTAL FEATURE ITEMS</b>					<b>187,410.00</b>

## MERSEY BLUFF SEAWALK

## ORDER OF MAGNITUDE ONLY - CONCEPT LEVEL INFORMATION BASIS

Fisherman's Rocks & associated infrastructure  
(excluding GST)

ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
<b>Fisherman's Rocks platform area</b>					
1	Low level deck platform, less than 900mm high	lineal m	150		
	Supply supports, upto 900mm high	No.	180	\$ 156.00	\$ 28,080.00
	Drill and epoxy supports @ 2.5m cts	No.	180	\$ 80.00	\$ 14,400.00
	Recycled plastic support beams, and "bump strips)	m	300	\$ 122.00	\$ 36,600.00
	Recycled plastic decking / hardwood timber and stainless screws. Note the decking will "widen" and follow the landscape hence an average of 3.0m width should be allowed for	m2	450	\$ 165.00	\$ 74,250.00
2	High level walkways, handrail one side, aluminium truss support under	m	34	\$ 4,500.00	\$ 153,000.00
	Install of walkway with 300t crane, from carpark area. Done when Lighthouse lookout is				
3	also done	item	1	8,000.00	8,000.00
	<b>TOTAL FEATURE ITEMS</b>				<b>314,330.00</b>

## MERSEY BLUFF SEAWALK

Lighthouse Lookout & associated infrastructure  
(excluding GST)

ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
<b>Lighthouse Lookout</b>					
1	Raise and correct existing path to be compliant with design basis grades and access	lineal m	80	\$ 1,022.20	\$ 81,776.00
2	Demolish existing lookout and make good	item	1	\$ 13,600.00	\$ 13,600.00
3	New Lighthouse Lookout - Supply				
	Steel structure	tonnes	6	\$ 6,500.00	\$ 39,000.00
	Epoxy coating (assumed if not constructed from aluminium)	item	1	\$ 25,000.00	\$ 25,000.00
	Flashings and associated items	item	1	\$ 15,000.00	\$ 15,000.00
4	New Lighthouse Lookout - Installation				
	New supports, fabricate, drill and epoxy. Assume small drill rig. Assume 100t crane to lift drill rig to site.	item	1	45,000.00	\$ 45,000.00
	Install Structure. 300t crane	item	1	\$ 35,000.00	\$ 35,000.00
	Labour x 3 days	item	1	4,080.00	\$ 4,080.00
	Decking for lookout	m2	60	\$ 165.00	\$ 9,900.00
	Additional for handrail / panel insert close to lookout entrance	m	20	\$ 440.00	\$ 8,800.00
5	Environmental and access allowance	item	1	60,000.00	\$ 60,000.00
<b>TOTAL FEATURE ITEMS</b>					<b>337,156.00</b>



## MERSEY BLUFF SEAWALK

Hat Lookout & associated infrastructure  
(excluding GST)

ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
1	New Hat Lookout - Supply				
	Steel structure	tonnes	10	\$ 6,500.00	\$ 65,000.00
	Epoxy coating (assumed if not constructed from aluminium)	item	1	\$ 29,000.00	\$ 29,000.00
	Flashings and associated items	item	1	\$ 25,000.00	\$ 25,000.00
2	New Hat Lookout - Installation				
	New supports, fabricate, drill and epoxy. Assume small drill rig. Assume 100t crane to lift drill rig to site.	item	1	45,000.00	\$ 45,000.00
	Install Structure. 300t crane	item	1	\$ 45,000.00	\$ 45,000.00
	Labour x 5 days	item	1	6,800.00	\$ 6,800.00
	Decking for lookout	m2	40	\$ 165.00	\$ 6,600.00
	Glass for end 1.5m section. Lifted in place with small spider crane	m2	17.5	\$ 1,000.00	\$ 17,500.00
	Glass floor for end 1.5m	m2	6	\$ 2,500.00	\$ 15,000.00
3	Elevated walkway	m	15	4,500.00	67,500.00
	Elevated walkway install - At same time as lookout	item	1	15,000.00	15,000.00
4	Low level walkway - less than 900mm. Handrail one side and boardwalk abutting rock	m	110	1,022.20	112,442.00
	Supply Handrail, Panel insert	m	110	440.00	48,400.00
5	Environmental and access allowance	item	1	52,000.00	\$ 52,000.00
<b>TOTAL FEATURE ITEMS</b>					<b>550,242.00</b>

MERSEY BLUFF SEAWALK					
"The Corner" & "The Bridge" (excluding GST)					
ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
1	Low level walkway less than 900mm high, with handrail one side	m	32	\$ 1,022.20	\$ 32,710.40
2	High level walkway with handrails both sides (Between "The Corner" and the Hat)	m	128	\$ 4,500.00	\$ 576,000.00
3	Install elevated walkway - Helicopter x 2 days	item	2	\$ 20,000.00	\$ 40,000.00
4	NW Corner Lookout / Elev Flybridge Sections	m	30		
	30m x 2m curved steel platform structure around high point of NW extremity, custom steel protective epoxy coating to substructure & superstructure.				
	Steel structure beam supply	tonnes	32	\$ 6,500.00	\$ 208,000.00
	Support Column at mid span. Raked inward	No.	1	\$ 25,000.00	\$ 25,000.00
	Epoxy coating	item	1	\$ 95,000.00	\$ 95,000.00
	Drill and epoxy supports/anchors. Assume minimum 6 anchors per side x 2. Drill rig to be flown in to position with helicopter, and then demobilised				
	Helicopter work	No.	2	\$ 15,000.00	\$ 30,000.00
	Drill rig for 2 weeks	Days	10	\$ 4,500.00	\$ 45,000.00
	Stainless anchors and associated epoxy	No.	24	\$ 1,800.00	\$ 43,200.00
	Decking - Assume recycled plastic	m2	60	\$ 238.00	\$ 14,280.00
	Handrail and panel insert	m	60	\$ 440.00	\$ 26,400.00
	Environmental and access allowance	item	1	120,000.00	\$ 120,000.00
5	Western Feature Elevated Walkway Bridge	m	42	\$ 20,229.33	\$ 849,632.00
	42m span elevated bridge structure - suggest 3 x 14m prestressed concrete beam spans (3 total beams @ 1200 mm wide each), Cor-Ten Steel mesh or similar barrier panels for handrail, 8 x concrete piers @ up to 2.4m high, rockbolts for concrete block foundations at bases.				
6	High level walkway with handrails both sides (Between "The Corner" and the Existing Walkway)	m	52	\$ 3,500.00	\$ 182,000.00
7	Install elevated walkway - Helicopter x 2 days	item	2	\$ 20,000.00	\$ 40,000.00
8	Low level walkway	m2	132	\$ 1,022.20	\$ 134,930.40
				<b>Sub Total</b>	<b>\$ 2,462,152.80</b>
9	Contingency on complicated walkway and access area.				\$ 150,000.00
	<b>TOTAL FEATURE ITEMS</b>				<b>2,612,152.80</b>



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The services provided in connection with this engagement comprise an advisory engagement which is not subject to assurance and other standards issued by the Australian Auditing and Assurance Standards Board, and consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, Rotary Club of Devonport North Inc. management and personnel / stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

This report is solely for the purpose of Rotary Club of Devonport North Inc.'s information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

Other than our responsibility to Rotary Club of Devonport North Inc., neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

## 5.2 TASWATER AGREEMENT - STATE GOVERNMENT EQUITY SHARE

File: 28434 D534512

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

- Strategy 5.1.1 Promote open communication and cooperation with local and state governments in regional initiatives

### SUMMARY

This report is provided to assist Council in determining its response as a shareholder to the proposal by the State Government, to assume an ownership stake in TasWater.

### BACKGROUND

There has been a period of unrest in relation to the ownership of TasWater for more than two years with the State Government signalling its intention to assume ownership of the Corporation.

Legislation was presented to the Tasmanian Parliament prior to the 2018 State Election, however it was defeated in the Legislative Council.

Following the Election on 1 May 2018, the State Government, the Treasurer, Chairman of the Board of TasWater and the Chief Owners Representative reconciled their differences and came to a compromise position whereby the State would no longer pursue a 'takeover'. Instead they elected to enter into a Memorandum of Understanding (MOU) which would see the Government gain an ownership stake in the Corporation going forward. The MOU and the media release issued are provided as an attachment to this report.

The key principles of the agreement were:

- a. The State Government to become a part owner of TasWater, involving revised governance arrangements, to enable Local Government and the State Government to work together to improve water and sewerage outcomes for the betterment of Tasmania;
- b. TasWater will accelerate its water and sewerage infrastructure investment program;
- c. Future regulated water and sewerage prices in Tasmania will be capped until 30 June 2025; and
- d. TasWater continues to be a sustainable and financially viable corporation that delivers water and sewerage services in Tasmania effectively and efficiently.

### STATUTORY REQUIREMENTS

The *Water and Sewerage Corporations Act 2012* is the dominant legislation which applies to this issue.

The State Government has introduced enabling legislation titled *Water and Sewerage Corporation Amendment (Crown Involvement Facilitation Bill) 2018* into Parliament. The purpose of this Bill is to ensure that any decisions made by TasWater's owners in relation to the proposed resolutions at the upcoming Special General Meeting will be valid.

### DISCUSSION

TasWater have issued a 'Notice to Shareholders' advising of a Special Meeting for 27 September 2018 to allow a vote on the implementation of the MOU with the State Government.

The package of information provided (refer attachment) includes three proposed resolutions:

**Resolution 1 – Adoption of a new Constitution**

Subject to:

- (i) *the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and*
- (ii) *the passing of Resolution 2 adopting the Shareholders' Letter of Expectations in substantially the same form as set out in Appendix 2; and*
- (iii) *the passing of Resolution 3 authorising the Corporation to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3,*

*to adopt the Constitution in the form as set out in Appendix 1 of the Information Memorandum dated 16 July 2018 to replace the existing Constitution of the Corporation, with effect from the date the Crown first subscribes for shares in the Corporation in accordance with the Share Subscription and Implementation Agreement between the Crown and the Corporation.*

**Resolution 2 – Adoption of a new Shareholders' Letter of Expectations**

Subject to:

- (i) *the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and*
- (ii) *the passing of Resolution 1 adopting the Constitution in substantially the same form as set out in Appendix 1; and*
- (iii) *the passing of Resolution 3 authorising the Corporation to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3,*

*to adopt the Shareholders' Letter of Expectations in the form as set out in Appendix 2 of the Information Memorandum dated 16 July 2018 to replace the existing Shareholders' Letter of Expectations, with effect from the date the Crown first subscribes for shares in the Corporation in accordance with the Share Subscription and Implementation Agreement between the Crown and the Corporation.*

**Resolution 3 – Approval to enter into the Share Subscription and Implementation Agreement, including approval for the issue of shares in the Corporation to the State Government**

Subject to:

- (i) *the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and*

- (ii) *the passing of Resolution 1 adopting the Constitution in substantially the same form as set out in Appendix 1; and*
- (iii) *the passing of Resolution 2 adopting the Shareholders' Letter of Expectations in substantially the same form as set out in Appendix 2,*

*that the Corporation be authorised to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3 of the Information Memorandum dated 16 July 2018, including the issuing of shares in the Corporation to the Crown.*

The supporting information provided by TasWater includes the following:

### **1. Key features of the proposal**

*The proposed features outlined in the MOU between TasWater and the State Government will enable TasWater's customers to benefit from a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects of significance to Tasmania.*

*Under the proposal, the State Government will inject \$20 million of equity per year for the next 10 years into TasWater. In return, the State Government will become a 10 per cent shareholder of TasWater. The State Government will have a new class of shares which will reflect the State's decision to not receive any dividends from TasWater.*

*Owner Councils will retain majority ownership of TasWater, albeit individual Owner Council's equity entitlements will be marginally reduced as State Government equity injections are received. New governance arrangements will facilitate State and Local Government working on a collaborative basis.*

*The key features of the proposal are set out below.*

#### **Ownership and governance**

- *Governance by an independent skills-based Board will continue.*
- *The State Government will contribute \$200 million over 10 years in new equity. For each \$20m contributed the State Government will receive 1% of the voting capital.*
- *The State Government shareholding will not receive dividends.*
- *The annual Corporate Plan will be jointly agreed between the Board, Owner Councils and the State Government, with defined arrangements in place in the event of a deadlock as specified in Part 8.4 of the Amended Shareholders' Letter of Expectation provided at Appendix 2.*
- *The State Government's representative will sit on the Board Selection Committee and will be consulted – along with the Chief Representative – on the appointment of the CEO. The State Government will not have the right to appoint a director.*
- *If the State Government does not meet its commitments to make equity injections, it will lose its rights in respect of:*
  - *the rights to jointly approve the draft Corporate Plan and to participate in the process to resolve any dispute regarding the adoption or amendment of the Corporate Plan*
  - *its seat on the Board Selection Committee and*
  - *its right to be consulted in relation to the appointment of the CEO*

*These rights will be reinstated on receipt of the overdue equity injection(s). Any decisions made by the Board Selection Committee, Owners' Representatives or the Board during such a period will continue to be valid and to remain effective.*

- *The State Government's commitment to contribute equity will be formalised through a Share Subscription and Implementation Agreement between TasWater and the State Government. This Agreement will also reinforce the particular State Government rights referenced above, and the loss of those rights if contributions are not made.*
- *TasWater's obligation to maintain price increases within the cap and/or accelerate the capital program (referenced below) may be suspended in the event that unforeseen events arise (eg significant interest rate and/or inflation increases beyond that reasonably projected) or if the Government does not meet its commitment to maintain equity injections.*

#### **Water and sewerage pricing**

- *Prices will be frozen in FY2019/20.*
- *Annual price increases will not exceed 3.5 per cent from FY2020/21 through FY2024/25.*
- *The price determination process, via the independent Tasmanian Economic Regulator (TER), will continue as it does now to review TasWater's financial performance, including the prices, operational efficiency and investment program necessary to maintain sustainability.*
- *If the Regulator determines a price increase lower than 3.5 per cent, the Regulator's price increase will apply.*

#### **Infrastructure investment**

- *The parties will seek to accelerate the infrastructure investment program by at least one year, with TasWater using best endeavours to achieve capital expenditure over the 10 year period from FY2016/17 through FY2025/26 of \$1.8 billion by 30 June 2026.*
- *The parties will work cooperatively to progress major projects of special economic or environmental importance to Tasmania.*

#### **Other matters**

- *TasWater's obligation to pay income tax equivalents and loan guarantee fees to Shareholders will be removed. The \$20 million distribution to Owner Councils (indexed from FY2026/27) will be paid as dividends.*
- *The introduction of a community service obligation mechanism so that investment projects that are not commercial in their entirety can be considered in the context of broader benefits to the State and how these projects might be funded.*
- *Where the Board determines that, due to circumstances or events beyond TasWater's reasonable control, it cannot continue to maintain distributions, an accelerated capital program and annual price increases within the 3.5% cap while maintaining the financial sustainability of the business, TasWater will notify the Chief Owners' Representative and the State Government's Owner's Representative. TasWater must meet with the State Government's Owner's Representative to consider the impact of maintaining the accelerated capital*

*program and price caps on the financial sustainability of the business. The State Government may, in its absolute discretion, provide additional financial support or comfort to TasWater in the form of grant funding, a pre-payment of equity, a guarantee or a letter of comfort. If the State Government decides not to provide adequate additional financial support or comfort to TasWater (as determined by the Board), the Board may amend the capital program or increase prices (within the regulator's determination).*

- *The parties will work together to monitor the effectiveness of recent announcements by TasWater on trade waste and to identify and implement any potential improvements.*
- *The State Government will introduce a bill into Parliament to give effect to the objectives set out in the MOU and to facilitate and support the proposed changes to TasWater's ownership and governance structure. A draft Bill is attached as Appendix 4 of this Information Memorandum. The proposed changes are not extensive, and the key matters are summarised as follows:*
  - *Changes to remove the current prohibition on ownership of shares in TasWater by anyone other than a Council – enabling the State Government to become a shareholder in return for its equity contributions.*
  - *Changes to the pricing determination process to clarify that the Tasmanian Economic Regulator can only set maximum prices for regulated services – enabling the Board to elect to pass through lower price increases to customers to meet its commitment to freeze prices in FY2019/20 and to cap subsequent annual price increases until 30 June 2025.*
  - *Changes to remove the current obligations to pay loan guarantee fees and tax equivalents – meaning that 'distributions' paid to Owner Councils will be solely in the form of dividends.*

### **3. Questions and answers**

#### **3.1 What consultation was undertaken with Owner Councils by the Chief Owners' Representative, LGAT and TasWater before the MOU was announced?**

*The level of consultation with Owner Councils was dictated by the circumstances of the proposal. LGAT had discussions at General Management Committee level, but it was not practical to consult with all mayors and owner representatives. This is why the MOU agreement is non-binding. Substantial consultation has occurred with Owner Councils subsequent to the MOU and the primary purpose of the Special General Meeting is to formally seek endorsement from Owner Councils.*

#### **3.2 What is the impact on distributions to Owner Councils including dividends, tax equivalent payments and loan guarantee fees?**

*Barring major unforeseen circumstances that cannot be mitigated, we do not expect any reduction in previously forecast distributions to Owner Councils. The financial model inputs described in Section 2.2 assumes distributions are indexed to target tariff increases beyond FY2025/26.*

*Further, TasWater's obligation to pay income tax equivalents and loan guarantee fees to Shareholders will be removed, resulting in distributions made up entirely of dividends.*

#### **3.3 What is the impact on the ownership interest of Owner Councils?**

*While Councils' percentage ownership will decline over time as the Government's equity increases from 0 per cent to 10 per cent between FY2018/19 and FY2027/28,*



*the book value of that interest will not decline. However we note that normal valuation adjustments on book values may occur.*

**3.4 How much influence will the State Government have over TasWater's Board, strategy, operations and dividend decisions under this proposal?**

*The only involvement by State Government in strategy, operations and dividends is in relation to the annual Corporate Plan, which will be jointly agreed between the Board, Owner Councils and the State Government.*

*A dispute resolution mechanism is specified in Part 8.4 of the new Shareholders' Letter of Expectations provided at Appendix 2. Should the Board not agree to amend the draft Corporate Plan as requested, the Chairman will consult with the Chief Owners' Representative and the State Government Owner's Representative to determine a solution. If this group is unable to reach unanimous agreement as to a solution, it will be determined by a two thirds majority of the group. However, in the unlikely event that this would result in unlawful activity, or the directors being in breach of their fiduciary duties, the Board will not be obliged to adopt the relevant amendments.*

**3.5 Will the lower revenues under the MOU scenario in the 20 Year Financial projections affect the carrying value of TasWater's assets?**

*The lower net revenue projections in the MOU scenario may have an impact on the carrying values of our water and sewerage infrastructure assets. If an adjustment to the value is required it will be a non-cash adjustment and will necessitate a proportional non-cash adjustment to the carrying value of each Owner's investment in TasWater.*

**3.6 What will happen if the Tasmanian Parliament does not pass enabling legislation that is consistent with the draft legislation provided at Appendix 4?**

*The passage of the proposed Resolutions is subject to there being no material changes between the draft legislation provided at Appendix 4 and the final legislation enacted by the Tasmanian Parliament. In addition, the Share Subscription and Implementation Agreement contains the passing of the amending legislation in a form satisfactory to both the State Government and TasWater as a condition precedent. The materiality of changes, if any, is to be determined by the TasWater Board after consultation with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania.*

In the leadup to the Special Meeting, TasWater have hosted a number of regional briefings including in Devonport on Wednesday 8 August 2018. A copy of the presentation provided by TasWater at the briefing is included as an attachment to this report.

The issue for Council is to consider if it accepts the proposal as outlined in the agenda distributed for the Owner Representatives Special General Meeting. There appears to be little point in resisting the agreement as the alternative options previously considered by the State Government for a takeover of TasWater may resurface.

## **COMMUNITY ENGAGEMENT**

The issue of TasWater and the proposed 'takeover' by the State Government has received significant public media attention.

Council has previously considered matters relating to the issue and have made public statements indicating that its preference had always remained that TasWater should continue to be owned by local government.

## FINANCIAL IMPLICATIONS

The Owner Representative Meeting agenda includes the following information relating to the financial implications of the proposal by the State Government:

### 2. Financial information

#### 2.1 Key assumptions

The following key assumptions are common to all scenarios in the 20 Year Financial Model:

- Demand is assumed to grow at 0.7 per cent per annum in PSP3 (to FY2020/21), 0.6 per cent per annum in PSP4 (to FY2023/24) and 0.3 per cent per annum thereafter<sup>2</sup>
- The average interest rate in each scenario is held constant at 4.1 per cent per annum through FY2022/23 and increases at 0.1 per cent per annum thereafter
- Inflation is assumed to be 2.5 per cent per annum
- Loan guarantee fees are set to zero from 1 January 2019 onwards and
- Distributions (paid as dividends) to Owner Councils are set at \$20 million per annum through FY2025/26 and are indexed to target tariff increases thereafter.

#### 2.2 Financial model inputs and outputs

Two financial scenarios have been modelled for this Information Memorandum, namely a business as usual scenario and an MOU scenario. Key parameters that differentiate the scenarios are shown in the table below.

**Table 1: Key parameters in each financial model scenario**

Parameter	Business as usual scenario	MOU scenario
<b>Capital expenditure (\$M)</b>		
FY2017 to FY2026	\$1,543	\$1,700 <sup>4</sup>
FY2027 to FY2036 <sup>5</sup>	\$1,379	\$1,222
Capex (20 year total)	\$2,922	\$2,922
<b>Annual price increase</b>		
PSP3 (FY19 / FY20 / FY21)	4.1% / 4.1% / 4.1%	4.1% / 0% / 3.5%
PSP4 (FY22 to FY24)	3.7%	3.5%
PSP5 (FY25 to FY27)	3.1%	3.5%
PSP6+ (FY28 to FY36)	2.2%	2.5%
<b>Equity injection (\$M)</b>	\$0	\$200

The impact on the Council's entitlement to dividends does not change under the modelling provided. Council's share for dividend purposes will be 5.46% of the total amount available for distribution. The dividend has been fixed at \$20M until the 2025/26 financial year, therefore Council's entitlement will be \$1.092M per year. Beyond 2025/26 the Board will determine the dividend distribution, however it has been indicated that profitability on current modelling should enable indexation beyond this time.

If unforeseen circumstances occur, and there is a risk to the amount available for distribution to owner councils, it has been identified that the Board has a number of levers to ensure distributions are maintained.

## RISK IMPLICATIONS

The agenda provides details of the risk assessment undertaken by TasWater. Risks identified include:

- Resourcing risk for capital program delivery

- Non-payment risk of the State Government's equity injection
- Risk of operational or performance impact if the resolution is not passed
- Inflation or interest rate risk impacting TasWater's ability to deliver on the MOU

TasWater advises that the State Government has agreed to guarantee TasWater's debt by providing a letter of comfort to TasCorp should TasCorp request it.

Further, TasWater's obligation to maintain price increases within the cap and/or accelerate the capital program may be suspended in the event that unforeseeable events arise that impact on the financial sustainability of the business.

Key risks identified by TasWater include:

<i><b>Risk</b></i>	<i><b>Control</b></i>
<i>Interest rates rise faster than expected, or other circumstances arise that threaten the financial sustainability of TasWater due to commitments in the MOU.</i>	<i>The Board can slow the capital program, increase prices and/or seek a letter of comfort from the State Government.</i>
<i>TasWater is lobbied to undertake a project that is not commercial.</i>	<i>The SLE allows for a shareholder to fund uncommercial projects. Any Corporate Plan amendments must be approved by shareholders.</i>
<i>The State Government seeks to alter TasWater's governance arrangements to suit their interest.</i>	<i>Changes to governance documents require certain thresholds to be met.</i>
<i>Sufficient resourcing is not available to deliver the capital program.</i>	<i>We are currently improving our capital delivery model to include an external partner that provides flexible resourcing.</i>

## **CONCLUSION**

The proposal between TasWater and the State Government would appear to be the best option available to local government in order to maintain ownership rights and dividend returns from the Water and Sewerage Corporation.

The process for the consideration of the resolutions at the Special Meeting on 27 September will be:

- *Each resolution will have three voting options (yes, no, abstain).*
- *For each resolution, voting will occur by a poll.*
- *Representatives are asked to attend the meeting with their voting papers completed.*
- *Each resolution requires the highest threshold for approval: 75% by member, 75% by equity.*

## **ATTACHMENTS**

- [1.](#) Joint media press release and MoU from Government and TasWater
- [2.](#) Information Memorandum
- [3.](#) Briefing for Councils - TasWater

## RECOMMENDATION

That Council instruct its Owner Representative to support the proposed resolutions at the Special General Meeting of TasWater on 27 September 2018, relating to:

- Adoption of a new Constitution
- Adoption of a new Shareholders' Letter of Expectations
- Approval to enter into the Share Subscription and Implementation Agreement, including approval for the issue of shares in the Corporation to the State Government.

Author:	Paul West
Position:	General Manager



## Agreement reached on TasWater

Today an historic agreement has been reached between the State Government, the Local Government Owners Chief representative and TasWater to improve water and sewerage services in Tasmania.

An MoU (attached) will pave the way for a package of reforms that will be presented to council owners and, if supported by councils, tabled in Parliament.

Tasmanians will benefit from a partnership that will see a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects such as Macquarie Point, the Launceston combined system and MONA.

The Government and TasWater will also work together on trade waste and expanding water and sewerage services to parts of the State that aren't currently covered by TasWater's network.

Under the agreement, the Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater.

Under the agreement, local government will retain majority ownership of TasWater and new governance arrangements will ensure that State and Local Government will work together with TasWater's board to deliver the capital program.

The Treasurer, Peter Gutwein, said it was pleasing to see all parties coming together with a clear focus on what is in the best interests of Tasmania.

"This package of reforms, if endorsed by Local Government owners and supported by Parliament, will allow the State Government to fulfil its commitments regarding prices and infrastructure investment."

Chief Owners Representative and Mayor of the Northern Midlands Council, David Downie said the agreement would allow TasWater to build on the excellent work done to date and Councils will be able to maintain a focus on local economic issues while continuing to have a major say on the direction of TasWater. This is particularly important given the impact of water and sewerage on local

communities. Importantly, dividends to Local Government owners will be guaranteed and the State Government will not receive a dividend.

Doug Chipman, President LGAT, and Mayor of Clarence City Council said it was extremely pleasing to see all levels of government come together in partnership on such an important matter for Tasmanians.

The Chairman of TasWater, Miles Hampton, said the Board was pleased that the State Government and Owner Councils had reached agreement to move forward in a cooperative and collaborative manner.

"The reform of the water and sewerage sector is arguably the single most important economic reform that has been undertaken in Tasmania for many decades and we can now focus our entire effort on ensuring the benefits expected from the reform are realised."

**Memorandum of Understanding made at Hobart on 1 May 2018  
Progressing further reforms in Tasmania's water and sewerage industry**

**1. Key principles and objectives**

- 1.1. The State Government, TasWater and the Chief Representative of the Owners' Representatives Group have reached in principle agreement to work together to further reform the important water and sewerage sector to achieve the following key outcomes:
- a. The State Government to become a part owner of TasWater, involving revised governance arrangements, to enable Local Government and the State Government to work together to improve water and sewerage outcomes for the betterment of Tasmania;
  - b. TasWater will accelerate its water and sewerage infrastructure investment program;
  - c. future regulated water and sewerage prices in Tasmania will be capped until 30 June 2025; and
  - d. TasWater continues to be a sustainable and financially viable corporation that delivers water and sewerage services in Tasmania effectively and efficiently.

**2. Joint ownership of TasWater**

- 2.1. The parties will work together to develop a joint ownership model with the objectives of ensuring that:
- a. the councils of Tasmania collectively will retain majority ownership of TasWater;
  - b. the State becomes an owner, through a new class of shares, which will reflect the State's decision to not receive any distributions from TasWater;
  - c. the councils will continue to receive payments as agreed between them and the corporation and the option of legislating this commitment will be jointly explored;
  - d. TasWater's corporate plan is jointly agreed between the Owners' Representatives and the State, with agreed arrangements in place in the event of deadlock;
  - e. the State to be included in the process for the appointment of the Board and both the Chief Owners Representative and the State to be consulted regarding the appointment of the CEO;
  - f. the Chief Owners Representative, Chair and the CEO of TasWater are to appear at the GBE Scrutiny Committee of the lower and upper house in alternate rotation;
  - g. TasWater provides financial and other information to the Department of Treasury and Finance which will allow the Department to provide advice to the owners as it does for State Government businesses;

- h. there are regular post Board meetings between Ministers (the Treasurer and the Minister for Primary Industries and Water) and the Chair and Chief Executive Officer of TasWater;
  - i. TasWater's corporate governance documents, including its Constitution and the Shareholders' Letter of Expectation, are amended to reflect the changed governance arrangements; and
  - j. the State will provide contributions to TasWater, to a total of \$200 million over the ten year period commencing on 1 January 2019, with the first contribution provided in the 2018-19 financial year. The parties will work cooperatively to develop a schedule for the State's contributions over the ten year period.
- 2.2. The State will introduce legislation into the Parliament to allow TasWater to be jointly owned by the councils of Tasmania and the State. The Bill will reflect the revised governance arrangements agreed by the parties.

### **3. TasWater's Infrastructure Investment Program**

- 3.1. The parties acknowledge that TasWater continues to refine its long term infrastructure investment program in consultation with the Tasmanian Economic Regulator, the Environment Protection Agency, the Director of Public Health and the Dam Safety Regulator.
- 3.2. The parties will jointly develop an accelerated infrastructure investment program, ensuring that TasWater will use best endeavours to deliver over the remainder of its most recent 10 year infrastructure plan, sufficient investment to achieve a target of \$1.8 billion of total infrastructure investment.
- 3.3. The parties will investigate the introduction of a community service obligation mechanism so that investment projects that are not commercial in their entirety can be considered in the context of broader benefits to the State and how these projects might be funded.
- 3.4. The parties will work cooperatively to progress major investment projects of special economic or environmental importance to Tasmania, which includes all reasonable endeavours to secure Australian Government funding. These projects include:
  - a. the Launceston sewerage/stormwater separation project; and
  - b. the works at the Macquarie Point waste water treatment plant necessary for the development of the Macquarie Point site.
- 3.5. The parties will investigate amendments to simplify TasWater's obligation to account for income tax equivalent payments and government guarantee fees, noting that Councils cannot be disadvantaged.

### **4. Water and Sewerage Pricing**



- 4.1. Regardless of the outcome of the Tasmanian Economic Regulator's 2018 Price Determination or any subsequent Determination, TasWater provides in principle commitment to:
  - a. freezing prices for regulated services for water and sewerage customers from 1 July 2019 to 30 June 2020;
  - b. develop a future price profile for regulated water and sewerage services with annual price increases for target tariffs to be no greater than 3.5% commencing from 1 July 2020; and
  - c. applying any subsequent Determination by the Regulator if it is below 3.5%.
- 4.2. The State, with the agreement of the other parties, will introduce the necessary legislative amendments to establish pricing arrangements for customers who are currently significantly below the target tariffs to ensure that they reach the target tariffs as soon as practicable, without facing significant price shocks.
- 4.3. Subject to any requirements arising from paragraph 4.2, the current economic regulatory arrangements as set out in *Water and Sewerage Industry Act 2008*, the *Economic Regulator Act 2009* and associated Regulations will continue to apply, noting that this will require the Tasmanian Economic Regulator to regularly review TasWater's financial performance, including the prices, operational efficiency and investment program necessary to maintain sustainability.

#### **5. Trade Waste**

- 5.1. The parties commit to monitor the effectiveness of recent announcements by TasWater on trade waste and work together if further enhancements are required.

#### **6. Implementation**

- 6.1. The parties will act in good faith and use their reasonable endeavours to implement the measures and deliver the key outcomes set out in this MOU.
- 6.2. Subject to paragraph 6.1, the parties will work together to develop by September 2018 the necessary Agreement(s) and documentation that will support endorsement of the proposed principles and objectives of this MOU by TasWater's owner councils and drafting of the necessary supporting Legislation.
- 6.3. The Agreement(s) and documentation will specify, amongst other terms:
  - a. the contributions to TasWater from the State specified in paragraph 2.1;
  - b. the commitment by TasWater to implement the pricing measures specified in paragraph 4;
  - c. changes to TasWater's governance documents to reflect the changed ownership and governance arrangements for TasWater specified in paragraph 2;

- d. provisions to be included in a draft bill to amend the *Water and Sewerage Corporation Act 2012* to reflect agreed changes to the ownership and governance of TasWater; and
- e. commitments for the accelerated infrastructure program specified in paragraph 3.

#### **7. General**

- 7.1. This MOU can only be changed by the agreement of each of the parties in writing.
- 7.2. This MOU is not legally binding and does not give rise to legally enforceable obligations or legal liability.
- 7.3. Nothing contained in or implied by this MOU creates or is taken to create a partnership, joint venture, agency or trust.

**Signing page**

Signed for and on behalf of the Crown in Right of Tasmania by:

\_\_\_\_\_  
Hon William Hodgman MP, Premier

\_\_\_\_\_  
Hon Peter Gutwein, Treasurer

Signed for and on behalf on the Tasmanian Water & Sewerage Corporation Pty Ltd  
ACN 162 220 653 by:

\_\_\_\_\_  
Mr Miles Hampton, Chair

Signed for and on behalf of the Owners' Representatives of the Tasmanian Water &  
Sewerage Corporation Pty Ltd ACN 162 220 653 by:

\_\_\_\_\_  
Mayor David Downie

Dated:.....

# Notice of Special General Meeting and Information Memorandum

27 September 2018





### Notice of Special General Meeting

Notice is hereby given that a Special General Meeting of members of the Tasmanian Water and Sewerage Corporation Pty Limited (ACN 162 220 653) will be held at 11:30am on Thursday 27 September 2018 at Windsor Community Precinct, 1 Windsor Drive, Riverside 7250.

The business to be conducted at the Special General Meeting is set out in the attached Agenda.

Please confirm your attendance by email to [ailsa.sypkes@taswater.com.au](mailto:ailsa.sypkes@taswater.com.au) by 13 September 2018.

Issued by order of the Board on 12 July 2018.

A handwritten signature in black ink, appearing to read "Ailsa Sypkes".

Ailsa Sypkes

**Company Secretary**

### Appointed Owners' Representatives (as at 12 July 2018):

Mayor Bridget Archer	Mayor Tony Foster AM OAM JP	Commissioner Adriana Taylor
Deputy Mayor Lana Benson	Mayor Peter Freshney	Mayor Don Thwaites
Mayor Tony Bisdee OAM	Alderman Grant Goodwin	Mayor Mick Tucker
Deputy Mayor Jan Bishop	Lord Mayor Alderman Ron Christie	Mayor Albert van Zetten
Mayor Jan Bonde	Mayor Greg Howard	Mayor Phil Vickers
Mayor Alwyn Boyd	Councillor Richard Ireland	Mayor Kerry Vincent
Mayor Doug Chipman	Mayor Kristie Johnston	Mayor Robby Walsh
Councillor Royce Conley	Mayor Michael Kent	Mayor Steve Wass
Mayor David Downie	Mayor Craig Perkins	Councillor Gerald Willis
Mayor Martyn Evans	Deputy Mayor Kelly Spaulding	

### Enclosures:

1. Agenda
2. Form of Proxy
3. Information Memorandum



## AGENDA

**Special General Meeting  
Thursday 27 September 2018 at 11.30am – 1.00pm  
at Windsor Community Precinct, 1 Windsor Drive, Riverside 7250**

- 1. Apologies**
- 2. Declaration of Interests**
- 3. Minutes of Previous Meeting**

Minutes of the General Meeting – 10 May 2018

- 4. Introduction by Chief Owners' Representative**
- 5. Presentation by Board Chairman**
- 6. Proposed resolutions**

*Resolution 1 – Adoption of a new Constitution*

Subject to:

- (i) the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and
- (ii) the passing of Resolution 2 adopting the Shareholders' Letter of Expectations in substantially the same form as set out in Appendix 2; and
- (iii) the passing of Resolution 3 authorising the Corporation to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3,

to adopt the Constitution in the form as set out in Appendix 1 of the Information Memorandum dated 16 July 2018 to replace the existing Constitution of the Corporation, with effect from the date the Crown first subscribes for shares in the Corporation in accordance with the Share Subscription and Implementation Agreement between the Crown and the Corporation.

*Resolution 2 – Adoption of a new Shareholders' Letter of Expectations*



**Subject to:**

- (i) the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and
- (ii) the passing of Resolution 1 adopting the Constitution in substantially the same form as set out in Appendix 1; and
- (iii) the passing of Resolution 3 authorising the Corporation to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3,

to adopt the Shareholders' Letter of Expectations in the form as set out in Appendix 2 of the Information Memorandum dated 16 July 2018 to replace the existing Shareholders' Letter of Expectations, with effect from the date the Crown first subscribes for shares in the Corporation in accordance with the Share Subscription and Implementation Agreement between the Crown and the Corporation.

*Resolution 3 – Approval to enter into the Share Subscription and Implementation Agreement, including approval for the issue of shares in the Corporation to the State Government*

**Subject to:**

- (i) the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and
- (ii) the passing of Resolution 1 adopting the Constitution in substantially the same form as set out in Appendix 1; and
- (iii) the passing of Resolution 2 adopting the Shareholders' Letter of Expectations in substantially the same form as set out in Appendix 2,

that the Corporation be authorised to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3 of the Information Memorandum dated 16 July 2018, including the issuing of shares in the Corporation to the Crown.

**7. Other Business**

*Lunch will provided at the conclusion of the meeting*



FORM OF PROXY

We,.....[insert council name]
of..... [insert council address]
being a member of Tasmanian Water and Sewerage Corporation Pty Limited (ACN 162 220 653)
hereby appoint.....[insert name/s of proxy]
as our proxy to vote for us and on our behalf at the Special General Meeting of the Corporation to be
held on Thursday 27 September 2018 and at any adjournment of that Special General Meeting.

Our proxy is authorised to exercise all of our voting rights. If no directions are given, our proxy may
vote or abstain as the proxy thinks fit.

DATED this day of 2018

.....

[Member council to insert execution clause]

Important Notes:

In accordance with Section 6.9 of the Corporation’s Constitution, each member has the right to appoint a proxy to act on its
behalf. The proxy need not be a member of the Corporation. A member may also appoint a body corporate as its proxy and
that body corporate may appoint a representative to exercise the powers of the body corporate on behalf of the member.

This proxy form should be signed and (where applicable) any power of attorney or a certified copy attached to this form
and returned to the Corporation at its registered office or the email address set by below by no later than 2:00pm on
Monday 24 September 2018.<sup>1</sup>

Please send to the Company Secretary via email to [allsa.sypkes@taswater.com.au](mailto:allsa.sypkes@taswater.com.au)

<sup>1</sup> Any proxy form received after this time will not be valid for the scheduled meeting and the member will not be
entitled to vote at the meeting.





# Information Memorandum

16 July 2018



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### Chairman's message

In March 2018 the President of the Local Government Association of Tasmania (LGAT) and TasWater's Chief Owners Representative commenced a dialogue with the State Government seeking to explore if a "compromise" to the "ownership debate" could be found.

As Board Chair I encouraged this dialogue believing it was time to seek to resolve the ownership debate.

It was my view that the debate was an unnecessary diversion to both Owner Councils and State Government. Further, the impact on TasWater was debilitating.

I had concluded that ending the debate was in the best interests of Councils, State Government and TasWater, but most especially the people of Tasmania.

TasWater's Chief Executive Officer, Mike Brewster, and I were invited to join the dialogue and on 1 May 2018 the signing of a Memorandum of Understanding (MOU) with the State Government was announced.

Like all compromises there had to be some concessions on all sides, but on balance I am confident it represents both a fair minded and sensible way forward.

After 10 years the State Government will have contributed equity of \$200 million, and Owner Councils' contributed equity will be unchanged (i.e. at \$1,528 million).

The MOU scenario will not have a material negative impact on TasWater's ongoing financial sustainability.

The policy to pay distributions to Owner Councils remains unchanged, albeit under the MOU scenario this will be solely in the form of dividends.

Most importantly TasWater and Councils will be working with the State Government to ensure that the water and sewerage services across the state are affordable, reliable and enhance economic development opportunities.

The TasWater Board endorsed the signing of the MOU and has authorized the release of this Information Memorandum to Owner Councils.

The TasWater Board unanimously recommends that Owner Councils vote in favour of the proposed resolutions.



Miles Hampton

**Chairman**

## 1. Key features of the proposal

The proposed features outlined in the MOU between TasWater and the State Government will enable TasWater's customers to benefit from a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects of significance to Tasmania.

Under the proposal, the State Government will inject \$20 million of equity per year for the next 10 years into TasWater. In return, the State Government will become a 10 per cent shareholder of TasWater. The State Government will have a new class of shares which will reflect the State's decision to not receive any dividends from TasWater.

Owner Councils will retain majority ownership of TasWater, albeit individual Owner Council's equity entitlements will be marginally reduced as State Government equity injections are received. New governance arrangements will facilitate State and Local Government working on a collaborative basis.

The key features of the proposal are set out below.

### Ownership and governance

- Governance by an independent skills-based Board will continue.
- The State Government will contribute \$200 million over 10 years in new equity. For each \$20m contributed the State Government will receive 1% of the voting capital.
- The State Government shareholding will not receive dividends.
- The annual Corporate Plan will be jointly agreed between the Board, Owner Councils and the State Government, with defined arrangements in place in the event of a deadlock as specified in Part 8.4 of the Amended Shareholders' Letter of Expectation provided at Appendix 2.
- The State Government's representative will sit on the Board Selection Committee and will be consulted – along with the Chief Representative – on the appointment of the CEO. The State Government will not have the right to appoint a director.
- If the State Government does not meet its commitments to make equity injections it will lose its rights in respect of:
  - the rights to jointly approve the draft Corporate Plan and to participate in the process to resolve any dispute regarding the adoption or amendment of the Corporate Plan
  - its seat on the Board Selection Committee and
  - its right to be consulted in relation to the appointment of the CEO

These rights will be reinstated on receipt of the overdue equity injection(s). Any decisions made by the Board Selection Committee, Owners' Representatives or the Board during such a period will continue to be valid and to remain effective.

- The State Government's commitment to contribute equity will be formalised through a Share Subscription and Implementation Agreement between TasWater and the State Government. This Agreement will also reinforce the particular State Government rights referenced above, and the loss of those rights if contributions are not made.
- TasWater's obligation to maintain price increases within the cap and/or accelerate the capital program (referenced below) may be suspended in the event that unforeseen events arise (eg significant interest rate and/or inflation increases beyond that reasonably

projected) or if the Government does not meet its commitment to maintain equity injections.

#### **Water and sewerage pricing**

- Prices will be frozen in FY2019/20.
- Annual price increases will not exceed 3.5 per cent from FY2020/21 through FY2024/25.
- The price determination process, via the independent Tasmanian Economic Regulator (TER), will continue as it does now to review TasWater's financial performance, including the prices, operational efficiency and investment program necessary to maintain sustainability.
- If the Regulator determines a price increase lower than 3.5 per cent, the Regulator's price increase will apply.

#### **Infrastructure investment**

- The parties will seek to accelerate the infrastructure investment program by at least one year, with TasWater using best endeavours to achieve capital expenditure over the 10 year period from FY2016/17 through FY2025/26 of \$1.8 billion by 30 June 2026.
- The parties will work cooperatively to progress major projects of special economic or environmental importance to Tasmania.

#### **Other matters**

- TasWater's obligation to pay income tax equivalents and loan guarantee fees to Shareholders will be removed. The \$20 million distribution to Owner Councils (indexed from FY2026/27) will be paid as dividends.
- The introduction of a community service obligation mechanism so that investment projects that are not commercial in their entirety can be considered in the context of broader benefits to the State and how these projects might be funded.
- Where the Board determines that, due to circumstances or events beyond TasWater's reasonable control, it cannot continue to maintain distributions, an accelerated capital program and annual price increases within the 3.5% cap while maintaining the financial sustainability of the business, TasWater will notify the Chief Owners' Representative and the State Government's Owner's Representative. TasWater must meet with the State Government's Owner's Representative to consider the impact of maintaining the accelerated capital program and price caps on the financial sustainability of the business. The State Government may, in its absolute discretion, provide additional financial support or comfort to TasWater in the form of grant funding, a pre-payment of equity, a guarantee or a letter of comfort. If the State Government decides not to provide adequate additional financial support or comfort to TasWater (as determined by the Board), the Board may amend the capital program or increase prices (within the regulator's determination).
- The parties will work together to monitor the effectiveness of recent announcements by TasWater on trade waste and to identify and implement any potential improvements.
- The State Government will introduce a bill into Parliament to give effect to the objectives set out in the MOU and to facilitate and support the proposed changes to TasWater's ownership and governance structure. A draft Bill is attached as Appendix 4 of this Information Memorandum. The proposed changes are not extensive, and the key matters are summarised as follows:
  - Changes to remove the current prohibition on ownership of shares in TasWater by anyone other than a Council – enabling the State Government to become a shareholder in return for its equity contributions.

- Changes to the pricing determination process to clarify that the Tasmanian Economic Regulator can only set maximum prices for regulated services – enabling the Board to elect to pass through lower price increases to customers to meet its commitment to freeze prices in FY2019/20 and to cap subsequent annual price increases until 30 June 2025.
- Changes to remove the current obligations to pay loan guarantee fees and tax equivalents – meaning that ‘distributions’ paid to Owner Councils will be solely in the form of dividends.

## 2. Financial information

The financial statements in this Information Memorandum have been prepared using a 20 Year Financial Model based on the FY2019 - 23 Corporate Plan and informed by the Long Term Strategic Plan FY2018-2037 (LTSP).

### 2.1 Key assumptions

The following key assumptions are common to all scenarios in the 20 Year Financial Model:

- Demand is assumed to grow at 0.7 per cent per annum in PSP3 (to FY2020/21), 0.6 per cent per annum in PSP4 (to FY2023/24) and 0.3 per cent per annum thereafter<sup>2</sup>
- The average interest rate in each scenario is held constant at 4.1 per cent per annum through FY2022/23 and increases at 0.1 per cent per annum thereafter
- Inflation is assumed to be 2.5 per cent per annum
- Loan guarantee fees are set to zero from 1 January 2019 onward<sup>3</sup> and
- Distributions (paid as dividends) to Owner Councils are set at \$20 million per annum through FY2025/26 and are indexed to target tariff increases thereafter.

These assumptions, and other financial uncertainties, could materially impact the forecasts provided in the tables below. A broader consideration of risk is discussed in Section 4.

### 2.2 Financial model inputs and outputs

Two financial scenarios have been modelled for this Information Memorandum, namely a business as usual scenario and an MOU scenario. Key parameters that differentiate the scenarios are shown in the table below.

**Table 1: Key parameters in each financial model scenario**

Parameter	Business as usual scenario	MOU scenario
<b>Capital expenditure (\$M)</b>		
FY2017 to FY2026	\$1,543	\$1,700 <sup>4</sup>
FY2027 to FY2036 <sup>5</sup>	\$1,379	\$1,222
Capex (20 year total)	\$2,922	\$2,922
<b>Annual price increase</b>		
PSP3 (FY19 / FY20 / FY21)	4.1% / 4.1% / 4.1%	4.1% / 0% / 3.5%
PSP4 (FY22 to FY24)	3.7%	3.5%
PSP5 (FY25 to FY27)	3.1%	3.5%
PSP6+ (FY28 to FY36)	2.2%	2.5%
<b>Equity injection (\$M)</b>	\$0	\$200

Key inputs and outputs for each scenario are shown in the tables below.

<sup>2</sup> Demand forecast are derived from a TasWater developed model that sources data from the State Government's latest population forecasts (by local government area) and Australian Bureau of Statistics householder data. Detail of the model and resultant forecasts are provided in Chapter 5 of Price and Service Plan 3.

<sup>3</sup> If the resolutions in this Information Memorandum are not passed, there is a risk that loan guarantee fees will not be set to zero as modelled in the business as usual scenario.

<sup>4</sup> The MOU requires TasWater to use best endeavours to achieve capital expenditure of \$1.8 billion over this period. At this time the Board of the Corporation has formed the view that \$1.7 billion is achievable while maintaining our targeted long term interest cover ratio.

<sup>5</sup> The capital expenditure estimate in years 11 to 20 has less accuracy than in Years 1 to 10. However, any changes to capital investment requirements in Years 11 to 20 are expected to have a similar impact on both scenarios.

**Table 2: Financial information – FY2016/17 through FY2025/26**

Financial Summary	FY17 (actual)	FY18 (forecast)	FY19 (forecast)	FY20 (forecast)	FY21 (forecast)	FY22 (forecast)	FY23 (forecast)	FY24 (forecast)	FY25 (forecast)	FY26 (forecast)	10 Year Total
<b>Business as usual scenario</b>											
<b>Inputs</b>											
Price increases (%) <sup>+</sup>	6.0%	6.0%	4.1%	4.1%	4.1%	3.7%	3.7%	3.7%	3.1%	3.1%	n/a
Capital expenditure (\$M)	103	139	145	140	183	178	183	170	166	135	1,543
Distributions (\$M)	30	30	20	20	20	20	20	20	20	20	220
Average interest rate (%)	4.5%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.2%	4.3%	4.4%	n/a
Equity injections (\$M)	0	0	0	0	0	0	0	0	0	0	0
<b>Outputs</b>											
Revenue (\$M)	315	330	341	356	371	388	405	421	435	449	3,810
Net profit before tax (\$M)	41	53	53	61	67	69	71	72	74	74	634
Interest expense (\$M)	19	20	20	21	24	28	32	29	29	30	252
Interest cover (times)	2.79	3.26	3.18	3.35	3.34	3.06	2.93	2.86	2.73	2.63	n/a
Borrowings (\$M)	475	519	581	625	706	777	844	874	899	888	n/a
Gearing (%)	29.8%	32.2%	35.3%	37.3%	41.2%	44.2%	46.9%	47.5%	47.7%	45.9%	n/a
Depreciation (\$M)	68	74	78	82	85	90	96	106	111	116	906
<b>MDU scenario</b>											
<b>Inputs</b>											
Price increases (%) <sup>+</sup>	6.0%	6.0%	4.1%	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	n/a
Capital expenditure (\$M)	103	139	145	140	183	178	223	209	205	174	1,700
Distributions (\$M)	30	30	20	20	20	20	20	20	20	20	220
Average interest rate (%)	4.5%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.2%	4.3%	4.4%	n/a
Equity injections (\$M)	0	0	20	20	20	20	20	20	20	20	160
<b>Outputs</b>											
Revenue (\$M)	315	330	344	346	359	373	387	401	416	430	3,702
Net profit before tax (\$M)	41	53	56	52	55	54	53	51	51	49	515
Interest expense (\$M)	19	20	20	21	24	28	32	29	30	34	256
Interest cover (times)	2.79	3.26	3.32	2.97	2.89	2.59	2.42	2.29	2.07	1.93	n/a
Borrowings (\$M)	475	519	559	591	665	730	833	912	976	1,006	n/a
Gearing (%)	29.8%	32.2%	33.5%	34.5%	37.8%	40.5%	45.1%	48.3%	50.5%	51.0%	n/a
Depreciation (\$M)	68	74	78	82	85	90	96	107	113	119	913

+ Annual increase in target tariffs excluding market growth rate (which is the same in both scenarios)



**Table 3: Financial information – FY2026/27 through FY2035/36**

Financial Summary	FY27 (forecast)	FY28 (forecast)	FY29 (forecast)	FY30 (forecast)	FY31 (forecast)	FY32 (forecast)	FY33 (forecast)	FY34 (forecast)	FY35 (forecast)	FY36 (forecast)	10 Year Total
<b>Business as usual scenario</b>											
<b>Inputs</b>											
Price increases (%) <sup>+</sup>	3.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	n/a
Capital expenditure (\$M)	124	158	133	132	134	132	136	139	143	148	1,379
Distributions (\$M)	21	21	22	22	22	23	23	24	25	25	228
Average interest rate (%)	4.5%	4.6%	4.7%	4.8%	4.9%	5.0%	5.1%	5.2%	5.3%	5.4%	n/a
Equity injections (\$M)	0	0	0	0	0	0	0	0	0	0	0
<b>Outputs</b>											
Revenue (\$M)	463	474	485	496	508	520	532	545	558	571	5,151
Net profit before tax (\$M)	76	76	73	72	72	72	72	68	67	67	715
Interest expense (\$M)	31	30	31	31	30	30	29	28	27	26	293
Interest cover (times)	2.67	2.68	2.57	2.57	2.57	2.59	2.63	2.57	2.59	2.62	n/a
Borrowings (\$M)	860	863	839	812	784	750	717	687	659	632	n/a
Gearing (%)	43.4%	42.5%	40.5%	38.4%	36.3%	34.1%	32.0%	30.1%	28.4%	26.9%	n/a
Depreciation (\$M)	120	123	128	132	136	140	144	148	152	156	1,379
<b>MOU scenario</b>											
<b>Inputs</b>											
Price increases (%) <sup>+</sup>	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	n/a
Capital expenditure (\$M)	108	142	118	117	118	116	120	123	128	132	1,222
Distributions (\$M)	21	21	22	22	23	23	24	25	25	26	232
Average interest rate (%)	4.5%	4.6%	4.7%	4.8%	4.9%	5.0%	5.1%	5.2%	5.3%	5.4%	n/a
Equity injections (\$M)	20	20	0	0	0	0	0	0	0	0	40
<b>Outputs</b>											
Revenue (\$M)	446	457	469	482	494	507	521	535	549	563	5,023
Net profit before tax (\$M)	49	51	50	51	51	52	54	51	53	54	516
Interest expense (\$M)	36	35	35	35	35	35	34	33	32	31	342
Interest cover (times)	1.89	1.94	1.91	1.92	1.94	1.97	2.02	1.99	2.04	2.09	n/a
Borrowings (\$M)	964	952	932	908	881	849	816	786	756	727	n/a
Gearing (%)	47.9%	46.3%	44.8%	43.2%	41.5%	39.6%	37.7%	36.0%	34.3%	32.6%	n/a
Depreciation (\$M)	124	127	131	135	138	142	145	149	153	157	1,401

+ Annual Increase in target tariffs excluding market growth rate (which is the same in both scenarios)

### 2.3 Summary of key results

Selected key results for both scenarios are presented in the table below.

**Table 4: Selected key results**

Parameter	Business as usual scenario FY2017 – FY2036	MOU scenario FY2017 – FY2036
Total revenue (\$M)	\$8,961	\$8,724
Net profit before tax (\$M)	\$1,349	\$1,031
Equity injection (\$M)	\$0	\$200
Distributions (\$M)	\$448	\$452
Total capital expenditure (\$M)	\$2,922	\$2,922
Borrowings as at FY2036 (\$M)	632	727
Interest cover as at FY2036 (times)	2.62	2.09

In the MOU scenario, TasWater's borrowings will be higher and interest cover will be lower relative to the business as usual scenario. However, each of these measures will remain at a manageable level over the 20 year period. And, the injection of new equity in the MOU scenario helps to ameliorate the lower revenues that arise from lower prices in the first 10 years.

Importantly, the MOU scenario provides benefits to customers through a cap on price increases in the first 10 years and acceleration of the capital program. This enables the associated customer outcomes to be realised earlier.

### 3. Questions and answers

#### 3.1 What consultation was undertaken with Owner Councils by the Chief Owners' Representative, LGAT and TasWater before the MOU was announced?

The level of consultation with Owner Councils was dictated by the circumstances of the proposal. LGAT had discussions at General Management Committee level, but it was not practical to consult with all mayors and owner representatives. This is why the MOU agreement is non-binding. Substantial consultation has occurred with Owner Councils subsequent to the MOU and the primary purpose of the Special General Meeting is to formally seek endorsement from Owner Councils.

#### 3.2 What is the impact on distributions to Owner Councils including dividends, tax equivalent payments and loan guarantee fees?

Barring major unforeseen circumstances that cannot be mitigated, we do not expect any reduction in previously forecast distributions to Owner Councils. The financial model inputs described in Section 2.2 assumes distributions are indexed to target tariff increases beyond FY2025/26.

Further, TasWater's obligation to pay income tax equivalents and loan guarantee fees to Shareholders will be removed, resulting in distributions made up entirely of dividends.

#### 3.3 What is the impact on the ownership interest of Owner Councils?

While Councils' percentage ownership will decline over time as the Government's equity increases from 0 per cent to 10 per cent between FY2018/19 and FY2027/28, the book value of that interest will not decline. However we note that normal valuation adjustments on book values may occur.

#### 3.4 How much influence will the State Government have over TasWater's Board, strategy, operations and dividend decisions under this proposal?

The only involvement by State Government in strategy, operations and dividends is in relation to the annual Corporate Plan, which will be jointly agreed between the Board, Owner Councils and the State Government.

A dispute resolution mechanism is specified in Part 8.4 of the new Shareholders' Letter of Expectations provided at Appendix 2. Should the Board not agree to amend the draft Corporate Plan as requested, the Chairman will consult with the Chief Owners' Representative and the State Government Owner's Representative to determine a solution. If this group is unable to reach unanimous agreement as to a solution, it will be determined by a two thirds majority of the group. However, in the unlikely event that this would result in unlawful activity, or the directors being in breach of their fiduciary duties, the Board will not be obliged to adopt the relevant amendments.

#### 3.5 Will the lower revenues under the MOU scenario in the 20 Year Financial projections affect the carrying value of TasWater's assets?

The lower net revenue projections in the MOU scenario may have an impact on the carrying values of our water and sewerage infrastructure assets. If an adjustment to the value is required it will be a non-cash adjustment and will necessitate a proportional non-cash adjustment to the carrying value of each Owner's investment in TasWater.

#### 3.6 What will happen if the Tasmanian Parliament does not pass enabling legislation that is consistent with the draft legislation provided at Appendix 4?

The passage of the proposed Resolutions is subject to there being no material changes between the draft legislation provided at Appendix 4 and the final legislation enacted by the Tasmanian Parliament. In addition, the Share Subscription and Implementation Agreement contains the passing of the amending legislation in a form satisfactory to both the State Government and TasWater as a condition precedent. The materiality of changes, if any, is to be determined by the TasWater Board

after consultation with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania.

## 4. Risks

This section lists the risks associated with implementation of the proposed features outlined in the MOU between TasWater and the State Government. It does not discuss TasWater's ongoing organisational risks which will continue irrespective of this proposal and are provided in the FY2019-23 Corporate Plan.

The risks listed below are in addition to the key assumptions in the financial model discussed in Section 2.1.

### 4.1 Resourcing risk for capital program delivery

There is a risk that the required level of resourcing is not available to prudently and efficiently deliver the capital program in this proposal. However, in preparation for delivering the existing capital program outlined in Price and Service Plan 3 (PSP3), we have been reviewing our capital delivery model to ensure it is fit for purpose. The new capital delivery model will include an external partner to provide flexible resourcing that can increase as required to deliver increased capital investment.

### 4.2 Non-payment risk of the State Government's equity injection

There is a risk that the State Government does not make a \$20 million payment in accordance with the terms of the Share Subscription and Implementation Agreement provided at Appendix 3. However, as outlined in Section 1 of this Information Memorandum, if the State does not meet its commitments to make equity injections, it will lose its rights in relation to:

- The joint approval of the draft Corporate Plan and to participate in the process to resolve any dispute regarding the adoption or amendment of the Corporate Plan
- A seat on the Board Selection Committee and
- Consultation regarding the appointment of the CEO.

These rights will be reinstated on receipt of the overdue equity injection(s).

### 4.3 Risk of operational or performance impact if the resolution is not passed

If the resolutions in this Information Memorandum are not passed TasWater will proceed to deliver the outcomes under the business as usual scenario provided in the financial information section above. This would see the delivery of a \$2.9 billion capital program over 20 years and gradually reducing tariff increases from PSP to PSP. This will mean that tariff increases will be higher than they would have been in the first years of the MOU and it may impact on the ability of TasWater to secure funding for major projects from the Federal Government.

### 4.4 Inflation or interest rate risk impacting TasWater's ability to deliver on the MOU

The forward looking financial statements in this Information Memorandum are predictions based on our current expectations and assumptions regarding future events. Actual outcomes, financial results or levels of activity, performance or achievements may vary materially from those discussed in this Information Memorandum.

Notwithstanding these risks, the State Government has agreed to guarantee TasWater's debt by providing a letter of comfort to TasCorp should TasCorp requested it. Further, TasWater's obligation to maintain price increases within the cap and/or accelerate the capital program may be suspended in the event that unforeseeable events arise that impact on the financial sustainability of the business.

## 5. Proposed resolutions

In order to give effect to the MOU, the TasWater Constitution and Shareholders' Letter of Expectation will need to be changed and an agreement (the Share Subscription and Implementation Agreement) between TasWater and the State Government will need to be entered into. In addition, an Act to amend existing legislation must be passed by the Tasmanian Parliament.

Appendices 1 and 2 provide copies of the proposed new Constitution and Shareholders' Letter of Expectations. To enable the reader to clearly understand the extent of amendments to existing documents, 'tracked changes' versions have been provided.

Appendix 3 provides the proposed Share Subscription and Implementation Agreement between TasWater and the State Government, and the proposed draft legislation is at Appendix 4.

Resolutions to give effect to the MOU are provided below.

The TasWater Board of Directors unanimously recommends that members vote in favour of each resolution.

Under the current Constitution, the thresholds for approval of each resolution differ. To simplify the process, each of the resolutions will be required to meet the highest threshold i.e. 75% by members, 75% by equity.

### 5.1 Proposed resolutions

- **Resolution 1 – Adoption of a new Constitution**

To consider and, if thought fit, to pass the following resolution:

*"Subject to:*

- (i) the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and*
- (ii) the passing of Resolution 2 adopting the Shareholders' Letter of Expectations in substantially the same form as set out in Appendix 2; and*
- (iii) the passing of Resolution 3 authorising the Corporation to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3,*

*to adopt the Constitution in the form as set out in Appendix 1 to replace the existing Constitution of the Corporation, with effect from the date the Crown first subscribes for shares in the Corporation in accordance with the Share Subscription and Implementation Agreement between the Crown and the Corporation."*

The proposed new version of the Constitution is provided at Appendix 1.

- **Resolution 2 – Adoption of a new Shareholders' Letter of Expectations**

To consider and, if thought fit, to pass the following resolution:

*"Subject to:*

- (i) the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and taking effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with*

*the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and*

- (ii) the passing of Resolution 1 adopting the Constitution in substantially the same form as set out in Appendix 1; and*
- (iii) the passing of Resolution 3 authorising the Corporation to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3,*

*to adopt the Shareholders' Letter of Expectations in the form as set out in Appendix 2 to replace the existing Shareholders' Letter of Expectations, with effect from the date the Crown first subscribes for shares in the Corporation in accordance with the Share Subscription and Implementation Agreement between the Crown and the Corporation."*

The proposed new Shareholders' Letter of Expectations is provided at Appendix 2.

- **Resolution 3 – Approval to enter into the Share Subscription and Implementation Agreement, including approval for the issue of shares in the Corporation to the State Government**

To consider and, if thought fit, to pass the following resolution:

*"Subject to:*

- (i) the Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018 passing into law and coming into effect in substantially the same terms as set out in Appendix 4, as determined by the Board of the Corporation, having consulted with the Chief Owners' Representative and the Secretary of the Department of Treasury and Finance for Tasmania; and*
- (ii) the passing of Resolution 1 adopting the Constitution in substantially the same form as set out in Appendix 1; and*
- (iii) the passing of Resolution 2 adopting the Shareholders' Letter of Expectations in substantially the same form as set out in Appendix 2,*

*that the Corporation be authorised to enter into the Share Subscription and Implementation Agreement with the Crown in substantially the same form as set out in Appendix 3, including the issuing of shares in the Corporation to the Crown."*

The proposed Share Subscription and Implementation Agreement is provided at Appendix 3.

## 6. Explanatory notes

### 6.1 Resolution 1 – Adoption of a new Constitution

The material changes to the existing Constitution are summarised below:

- **Rule 3 Share capital**
  - A new class of shares for the State Government is established.
  - Owner Councils' existing single shares will be converted to a proportionate number of shares out of 90,000,000 total shares on issue to Councils. The number of shares held by each Owner Council is calculated based on the voting percentages under Schedule 2 of the current Constitution.
  - It is noted that the voting percentages expressed in Schedule 2 of the current Constitution were rounded up to two decimal points for presentation purposes. To provide greater accuracy, the rounding effect has been removed.
  - On a winding up, any surplus will be divided amongst all owners in accordance with the proportion of their shares held at the time.
- **Rule 6 General meetings**
  - Under the new share capital structure, when voting, an Owner's Representative is entitled to one vote on a show of hands, or one vote per share on a poll.
  - Similarly, the State Government's Owner's Representative will be entitled to one vote on a show of hands, or one vote per share on a poll.
- **Rule 8 Shareholders' Letter of Expectations**
  - Changes to certain provisions in the Shareholders' Letter of Expectations will require support from both an Ordinary Majority of Council Owners' Representatives and the State Government's Owner's Representative: these relate to the key commitments in the MOU regarding approval of the Corporate Plan, an accelerated capital investment program and the price freeze and cap.
- **Rule 9 Owners' Representatives**
  - The State Government's Owner's Representative will be the Secretary of Treasury or their delegate.
- **Rule 10 Selection Committee**
  - The Board Selection Committee to be reduced to either six or seven, with one Council Owner's Representative from each of the North and North western regions, two Council Owners' Representatives from the Southern region, the Board Chairman, the State Government's Owner's Representative and the Chief Owners' Representative (if that person is not one of the regional representatives).
  - If the State Government does not meet its share subscription obligations, this right 'falls away' and the number of Selection Committee members decreases by one.
- **Rule 11 Directors**
  - A person who is employed by State Government cannot be appointed to the Board, reflecting the same rule that applies for Council employees. However, this will not operate to exclude a person who sits on the board of a State-owned Business, or who provides services to such a board as an independent contractor.
- **Rule 13 Executive officers**



- The appointment of the CEO continues to be the Board's decision, but there is a requirement that the Chief Owner's Representative and the State Government's Owner's Representative be consulted.
- If the State Government does not meet its share subscription obligations, this right 'falls away' and TasWater's obligation will be limited to consultation with the Chief Owner's Representative.
- **Rule 15 Distribution of profits**
  - The current obligations to pay loan guarantee fees and tax equivalent payments have been removed, meaning that the only distributions paid to Owner Councils are in the form of dividends.
- **Schedules 1 Dictionary**
  - A number of new definitions have been added reflecting the amendments to the Constitution.
- **Schedule 2 Equity proportions per member for voting purposes**
  - This Schedule reflects the changes to the share capital structure as outlined in relation to Rule 3 above and notes that the State Government's shareholding will increase in line with its ongoing equity contributions.
- **Schedule 3 Equity proportions per member for dividend purposes**
  - This Schedule is unchanged, save for the inclusion of the State Government as a shareholder – but receiving no dividend in line with the MOU.
- **Schedule 4 Priority distribution proportions**
  - This Schedule is deleted, noting it only applied in the first year of TasWater.
- **Schedule 5 Special majority members resolution**
  - Other than being renumbered as Schedule 4, this Schedule is unchanged.
- **Schedule 6 75% by member, 75% by equity resolution**
  - Renumbered as Schedule 5, the only changes to this Schedule are to ensure consistency with other provisions.
- **NEW Schedule 6 Government member resolution**
  - This Schedule has been inserted to enshrine the State Government's rights in relation to approval or amendment of the Corporate Plan (or resolution of disputes relating thereto), membership of the Board Selection Committee, and right to be consulted in relation to the appointment of the CEO.
  - The corresponding provisions in the Constitution also note that any change to those rights can only be effected with the State Government's Owner's Representative's support.

## 6.2 Resolution 2 – Adoption of a new Shareholders' Letter of Expectations

The material changes to the existing Shareholders' Letter of Expectations are summarised below:

- **Part 8 Corporate Plan**
  - The Corporate Plan process is amended by providing both Owner Councils and the State Government access to the draft Corporate Plan as endorsed by the Board and an opportunity to provide proposed amendments to the draft Plan in writing to the Board Chairman.

- The Board will consider any proposed amendments as soon as practicable, but is not obliged to accept any amendment that would create a risk of the directors breaching their directors' duties or any other regulatory obligations.
  - The Board will then either present a revised draft Corporate Plan (if amendments are accepted) or the draft Corporate Plan and a letter of explanation (if amendments are not accepted) to the shareholders for consideration at the Annual Planning General Meeting.
  - At the Annual Planning General Meeting, the shareholders can adopt the Corporate Plan presented to them. This will require both an Ordinary Majority of Council Owners' Representatives and an affirmative vote by the State Government Owner's Representative.
  - If the Corporate Plan as presented to the Annual Planning General Meeting is not adopted, but an Ordinary Majority of Owners' Representatives (not including the State Government's Owner's Representative) and the State Government's Owner's Representative agree amendments to the Plan, the Board must accept those amendments unless this would result in the directors being in breach of their fiduciary duties, the *Corporations Act 2001* (Cth) or result in unlawful activity. In such a case, the Corporate Plan as recommended by the Board will be deemed to have been adopted and the Chairman will advise the shareholders accordingly.
  - If the Corporate Plan as presented to the Annual Planning General Meeting is not adopted, and an Ordinary Majority of Owners' Representatives (not including the State Government's Owner's Representative) and the State Government's Owner's Representative cannot agree amendments to the Plan, a dispute resolution process is invoked.
  - This process involves consultation by the Board Chairman with the Chief Owner's Representative and the State Government's Owner's Representative to determine a solution. If the parties cannot reach a unanimous decision, a two-thirds majority will prevail, except where that result would cause directors to breach their fiduciary duties, or otherwise result in unlawful action.
  - If the State Government does not meet its share subscription obligations, the requirement for the State Government's Owner's Representative to approve the Corporate Plan, and to be included in any associated dispute resolution process 'falls away'. Approval of the Corporate Plan will require only the support of an Ordinary Majority of Owners' Representatives and the dispute resolution process will be limited to the Board Chairman and the Chief Owners' Representative.
- **Part 10 Shareholder Relationships**
    - The Board Chair and CEO will meet with relevant Ministers regularly as determined by mutual agreement.
  - **Part 18 Trade Waste**
    - TasWater, Councils and Government will work closely together to ensure that the recent initiatives by TasWater in relation to trade waste are working and to identify and implement any further improvements in trade waste management.
  - **Part 21 Dividends**
    - TasWater has committed to certain price increase constraints (see Part 27) and to use best endeavours to accelerate our capital program (see Part 29).

- If however, the Board determines that to maintain financial sustainability, it cannot continue to meet these commitments and maintain Owner Councils' dividends, it may, following consultation with State Government, determine to amend the capital program and/or the regulated pricing structure (noting that any price increases must still be within the prevailing pricing determination issued by the Tasmanian Economic Regulator).
- **Part 24 Whole of Government Reporting**
  - The Chief Owner's Representative, Chairman and CEO will appear at GBE Scrutiny Committee hearings if required.
- **Part 27 Pricing**
  - Prices will be frozen from 1 July 2019 until 30 June 2020. From 1 July 2020 until 30 June 2025 annual price increases will be capped at 3.5%, unless unforeseen circumstances arise.
- **Part 28 Community Service Obligation**
  - A mechanism has been included which enables a shareholder to request that TasWater undertake a project that is not contemplated either in its then current Corporate Plan, or in its long term investment plan.
  - A project may be deemed 'commercial' (i.e. one that be accepted by the Economic Regulator as prudent and efficient, and the costs of which may therefore be recovered through tariffs for regulated water and sewerage services) or 'uncommercial' (i.e. projects that will not meet this test).
  - If a project is deemed uncommercial, a shareholder may offer to fund it either directly or through a third party.
  - TasWater will consider the potential impact on its ability to deliver existing commitments in the then current Corporate Plan if it progresses the project (whether commercial or uncommercial) and whether this means that an amendment to the Corporate Plan is required.
  - Any amendment to the Corporate Plan will require approval from the shareholders.
  - TasWater must include information about any uncommercial projects that it undertakes in its Annual Report.
- **Part 29 Infrastructure Investment Program**
  - TasWater will use best endeavours to develop an accelerated capital program in consultation with its owners, which will target a total infrastructure investment of \$1.8 billion by 30 June 2026.

### 6.3 Resolution 3 – Approval to enter into the Share Subscription and Implementation Agreement, including the issue of shares in TasWater to the State Government

Under the Constitution, approval is required to issue new shares in the Corporation. The terms on which these shares are issued, and the particular rights attached to the relevant class of shares, are set out in the Share Subscription and Implementation Agreement.

The key features of the Agreement are as follows:

- The State Government will provide annual equity injections of \$20 million for a period of 10 years

- 1,000,000 "DD" class shares in the Corporation will be issued in return for each \$20 million contributed
- The rights attached to these shares are, in essential terms, the same as the other classes of shares held by Owner Councils except in relation to the role of the State Government's Owner's Representative in the following matters:
  - The approval of the Corporate Plan, and involvement in resolving any deadlock if the Board does not accept any requests from shareholders for amendment
  - The Board Selection Committee and
  - The right to be consulted in relation to the appointment of the CEOand in that the State Government has no entitlement to receive dividends
- If the State Government does not meet its commitment to subscribe for shares (i.e. inject equity), it will lose these additional rights unless and until it rectifies that failure. Any decisions made by the Board Selection Committee, the Owners' Representatives or the Board during such a period shall remain valid and in full effect notwithstanding those additional rights being reinstated at a later date.
- Whilst it is currently anticipated that the equity injections will be made on an annual basis, there is a mechanism for this to occur more frequently. Hence, the State Government's shareholding may increase more rapidly, although it will not exceed a maximum of 10% of shares on issue.

## 7. Glossary

A list of terms and acronyms used in this Information Memorandum, and their meanings, is provided below.

Term	Meaning
Board	The Directors of the Corporation from time to time
CEO	The Chief Executive Officer appointed to that role pursuant to Rule 13.1 of the Constitution
Chief Representative	The Chief Owners' Representative as appointed pursuant to Rule 9.2 of the Constitution
Company	Tasmanian Water and Sewerage Corporation Pty Limited (ACN 162 220 653)
Constitution	The constitution of the Corporation as adopted on 5 February 2013, ratified on 16 May 2013 and subsequently amended
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Director	A person who is, for the time being, a director of the Company
Notice	The notice of the Special General Meeting
Proxy Form	The proxy form enclosed with the Notice

**Appendix 1: Proposed Constitution**



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Tasmanian Water and Sewerage  
Corporation Pty Ltd

# Constitution

Tasmanian Water and Sewerage Corporation Pty Ltd  
ACN 162 220 653  
A proprietary company limited by shares

Adopted on incorporation 5 February 2013  
Ratified by general meeting 16 May 2013  
Amended by general meeting 13 May 2014  
Amended by general meeting 28 July 2015  
Amended by general meeting 27 September 2018



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## 1 Principal Objectives

The principal objectives of the Corporation are as follows:

- (a) to efficiently provide water and sewerage functions in Tasmania;
- (b) to encourage water conservation, the demand management of water and the re-use of water on an economic and commercial basis;
- (c) to be a successful business and, to this end:
  - (i) to operate its activities in accordance with good commercial practice;
  - (ii) to deliver sustainable returns to its members; and
  - (iii) to deliver water and sewerage services to customers in the most cost-efficient manner.

Each of the principal objectives of the Corporation is of equal importance.

## 2 Defined terms and interpretation

### 2.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (Dictionary), has the meaning given to it in the Dictionary;
- ~~(b) which is defined in rule 15.5, has the meaning given to it in rule 15.5;~~
- ~~(e)(b)~~ which is used in the *Water and Sewerage Corporation Act 2012* (Tas) has the meaning given to it in the *Water and Sewerage Corporation Act 2012* (Tas); and
- ~~(d)(c)~~ which is defined in the Corporations Act, but is not defined in the Dictionary ~~or in rule 15.5~~, has the meaning given to it in the Corporations Act.

### 2.2 Interpretation

The interpretation clause in Schedule 1 (Dictionary) sets out rules of interpretation for this constitution.

### 2.3 Act to prevail

- (a) The provisions of the *Water and Sewerage Corporation Act 2012* (Tas) prevail over any inconsistent provisions of this constitution.
- (b) The Corporation, its directors and members are expressly prohibited from exercising any of their powers in contravention of or in a manner inconsistent with any requirement of the *Water and Sewerage Corporation Act 2012* (Tas).

## 3 Share capital

### 3.1 Shares

The directors have the right to issue shares in accordance with, or to ensure compliance with, the *Water and Sewerage Corporation Act 2012* (Tas).



### 3.2 Certificates

Each member is entitled without payment to receive a certificate for shares issued as required under the Corporations Act.

### 3.3 Share class structure

Without prejudice to any special rights conferred on the holders of any shares or class of shares, the directors may, subject to the terms of the *Water and Sewerage Corporation Act 2012 (Tas)*, issue or allot or otherwise dispose of, shares in the Corporation including:

- (a) "A" ordinary shares;
- (b) "B" ordinary shares;
- (c) "C" ordinary shares;
- (d) "D" ordinary shares;
- (e) "E" ordinary shares;
- (f) "F" ordinary shares;
- (g) "G" ordinary shares;
- (h) "H" ordinary shares;
- (i) "I" ordinary shares;
- (j) "J" ordinary shares;
- (k) "K" ordinary shares;
- (l) "L" ordinary shares;
- (m) "M" ordinary shares;
- (n) "N" ordinary shares;
- (o) "O" ordinary shares;
- (p) "P" ordinary shares;
- (q) "Q" ordinary shares;
- (r) "R" ordinary shares;
- (s) "S" ordinary shares;
- (t) "T" ordinary shares;
- (u) "U" ordinary shares;
- (v) "V" ordinary shares;
- (w) "W" ordinary shares;
- (x) "X" ordinary shares;
- (y) "Y" ordinary shares;
- (z) "Z" ordinary shares;
- (aa) "AA" ordinary shares;



(bb) "BB" ordinary shares; ~~and~~

(cc) "CC" ordinary shares; ~~and~~

(dd) "DD" ordinary shares,

which shall rank pari passu in all respects, except for:

(i) voting rights attaching to the shares are set out in rule 6.8; ~~and~~

(ii) dividend rights attaching to the shares are set out in rule 15.

### 3.4 Equitable interests in shares

- (a) The Corporation may treat the registered holder of a share as the absolute owner of that share.
- (b) The Corporation is not bound by or compelled in any way to recognise an equitable, contingent, future, partial or other right or interest in a share or unit of a share, even if the Corporation has notice of that right or interest.
- (c) With the consent of the directors, shares held by a trustee may be marked in the register in such a way as to identify them as being held subject to the relevant trust.
- (d) Nothing in rule 3.4(c) limits rule 3.4(a).

## 4 Indemnities and surrender

### 4.1 Indemnity for payments by the Corporation

- (a) A member or, if the member no longer exists, the member's legal personal representative, must indemnify the Corporation against any liability which the Corporation has under any law to make a payment for or on account of that member including in respect of:
  - (i) shares held by that member;
  - (ii) a transfer or transmission of shares by a member; or
  - (iii) dividends, bonuses or other money owed to the member.
- (b) Rule 4.1(a) includes, without limitation, a payment arising from:
  - (i) the winding up of that member;
  - (ii) the non-payment of any income tax, income tax equivalents, capital gains tax, wealth tax or other tax by that member or the legal personal representative of that member; or
  - (iii) the non-payment of any duty by that member or the legal personal representative of that member.
- (c) The member or, if the member no longer exists, the member's legal personal representative, must pay to the Corporation immediately on demand:
  - (i) the amount required to reimburse the Corporation for a payment described in rule 4.1(a); and
  - (ii) interest on any part of that amount which is unpaid from the date the Corporation makes the payment until the date the Corporation is reimbursed in full for that payment, at a rate determined under rule 4.4.



- (d) This rule is in addition to any right or remedy the Corporation may have under the law which requires it to make the payment.
- (e) The directors may:
  - (i) exempt a share from all or any part of this rule 4.1; and
  - (ii) waive or compromise all or any part of any payment due to the Corporation under this rule 4.1.

#### 4.2 Surrender of shares

- (a) Subject to any applicable requirements of the *Water and Sewerage Corporation Act 2012* (Tas), the directors may accept a surrender of a share:
  - (i) by way of compromise of any claim as to whether or not that share has been validly issued;
  - (ii) where it is within the power of the Corporation to require a surrender; or
  - (iii) where accepting a surrender is necessary to ensure compliance with the *Water and Sewerage Corporation Act 2012* (Tas).
- (b) Any share surrendered under rule 4.2(a) may be reissued or otherwise disposed of in the same manner as set out in rule 4.3.

#### 4.3 General provisions applicable to a disposal of shares under this constitution

- (a) A reference in this rule 4.3 to a disposal of shares under this constitution is a reference to cancellation of a share surrendered under rule 4.2.
- (b) Where any share is surrendered under rule 4.2(a), the Corporation may convene a general meeting of members to vote on a resolution to cancel that share under the Corporations Act (if required) and the member must take all action required to give effect to that cancellation except to the extent that doing so may cause non-compliance with the applicable requirements of the *Water and Sewerage Corporation Act 2012* (Tas).
- (c) The remedy of any person aggrieved by a disposal of shares under this constitution is limited to damages only and is against the Corporation exclusively.
- (d) A statement in writing signed by a director or secretary of the Corporation to the effect that a share in the Corporation has been surrendered under rule 4.2(a) on a date stated in the statement is conclusive evidence of the facts stated in the statement as against all persons claiming to be entitled to the share.

#### 4.4 Interest payable by member

- (a) For the purposes of rule 4.1(c)(ii), the rate of interest payable to the Corporation is:
  - (i) if the directors have fixed a rate, that rate; or
  - (ii) in any other case, 10% per annum.
- (b) Interest payable under rule 4.1(c)(ii) accrues daily and may be capitalised monthly or at other intervals the directors think fit.



## 5 Transfer and transmission of shares

### 5.1 Transfer of shares

- (a) Subject to this constitution, the rights or restrictions attached to any shares or class of shares and to any applicable requirements of the *Water and Sewerage Corporation Act 2012* (Tas), a member may transfer all or any of the member's shares by an instrument in writing in any usual form or in any other form that the directors approve where the shares are:
  - (i) surrendered under rule 4.2(a); or
  - (ii) the subject of a Transmission Event under rule 5.4.
- (b) A transferor of shares remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares.
- (c) The Corporation must not charge a fee for the registration of a transfer of shares.
- (d) An instrument of transfer referred to in rule 5.1(a) must be signed by or on behalf of both the transferor and the transferee unless the transfer:
  - (i) relates only to fully paid shares and signature by the transferee has been dispensed with by the directors; or
  - (ii) is a sufficient transfer of marketable securities for the purposes of the Corporations Act.
- (e) An instrument of transfer referred to in rule 5.1(a) must be duly stamped if required by law to be stamped.
- (f) An instrument of transfer referred to in rule 5.1(a) must be lodged for registration at the registered office of the Corporation, or at such other place as the directors determine, accompanied by any evidence which the directors require to prove the title of the transferor or the transferor's right to the shares including the share certificate, if any, and to prove the right of the transferee to be registered as the owner of the shares.
- (g) Subject to the powers vested in the directors under rules 5.2 and 5.3, where the Corporation receives an instrument of transfer complying with rules 5.1(d), 5.1(e) and 5.1(f), the Corporation must register the transferee named in the instrument as the holder of the shares to which it relates.
- (h) The Corporation may retain any registered instrument of transfer received by the Corporation under rule 5.1(f) for any period as the directors think fit.
- (i) Except in the case of fraud, the Corporation must return any instrument of transfer received under rule 5.1(f) which the directors decline to register to the person who deposited it with the Corporation.
- (j) The directors may, to the extent permitted by law and subject to the *Water and Sewerage Corporation Act 2012*, waive all or any of the requirements of this rule 5.1.

### 5.2 Power to decline registration of transfers

Subject to any special rights conferred on the holders of any shares or class of shares, the directors may, in their absolute discretion, decline to register any transfer of shares provided that they may not do so in the case of a transfer of shares effected under the enforcement of any security interest





created over the relevant shares.

### 5.3 Power to suspend registration of transfers

The directors may suspend the registration of transfers at the times and for the period the directors think fit, but the period of suspension must not exceed a total of 30 days in any year provided that they may not do so in the case of a transfer of shares effected under the enforcement of any security interest created over the relevant shares.

### 5.4 Transmission of shares

- (a) This rule 5.4 is subject to all applicable provisions of the *Water and Sewerage Corporation Act 2012* (Tas).
- (b) In the case of a Transmission Event, the only person or entity that the Corporation may recognise as having any title to a member's shares or any benefits accruing in respect of those shares are:
  - (i) the legal personal representative of that member where the member no longer exists and was a sole holder; and
  - (ii) another Council.
- (c) Nothing in rule 5.4(b) releases the entity that has assumed the responsibilities of a member which no longer exists from any liability in respect of a share.
- (d) Only a person who becomes entitled to a share as a result of a Transmission Event may elect to be registered as the holder of the share and must do so by signing and serving on the Corporation a notice in writing stating that election after producing any evidence the directors require to prove that person's entitlement to the share, including the certificate for the share.
- (e) The provisions of this constitution relating to the right to transfer, and the registration of transfers of, shares apply, so far as they can and with the changes as are necessary, to any transfer under rule 5.4(b)(ii) as if the relevant Transmission Event had not occurred and the transfer were executed or effected by the registered holder of the share.
- (f) Despite rule 5.4(b), the directors may register a transfer of shares signed by a member before a Transmission Event even though the Corporation has notice of the Transmission Event.

### 5.5 Members to act in good faith on the occurrence of a Transmission Event

If a Transmission Event occurs, the members must act in good faith and use their best efforts to ensure that the equity percentages ~~for voting set out in Schedule 2 and~~ for distributions set out in Schedule 3 are amended, if necessary, to reflect the Transmission Event.

## 6 General -meetings

### 6.1 Convening general meetings

- (a) A general meeting may be convened by:
  - (i) the directors by resolution of the board; or
  - (ii) in accordance with sections 249E, 249F and 249G of the Corporations Act.
- (b) A general meeting must be convened by the directors in accordance with section 249D of the Corporations Act.
- (c) Subject to rule 6.1(e), the directors may postpone, cancel or change the venue for a general



meeting by giving notice not later than five business days before the time at which the general meeting was to be held to each person who is at the date of the notice:

- (i) a member;
  - (ii) a director; or
  - (iii) an auditor of the Corporation.
- (d) A notice postponing or changing the venue for a general meeting must specify the date, time and place of the general meeting.
- (e) A general meeting convened under section 249D of the Corporations Act may not be:
- (i) postponed beyond the date by which that section requires it to be held; or
  - (ii) cancelled without the consent of the member or members who requested it.

## 6.2 General meetings

- (a) The Corporation must hold a general meeting:
- (i) at least twice in each calendar year; and
  - (ii) subject to rule 6.2(b), the second general meeting for the calendar year must be held within 5 months after the end of the Corporation's financial year.
- (b) The members may extend the time referred to in rule 6.2(a)(ii).
- (c) The directors may attend a general meeting.
- (d) In addition to the notice of meeting, at least 21 days before the second general meeting for each calendar year, the Corporation must give the members a copy of the Corporation's annual report.

## 6.3 Notice of general meetings

- (a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, notice of a general meeting must be given within the time limits prescribed by the Corporations Act and in the manner authorised by rule 19.1 to each person who is at the date of the notice:
- (i) a member;
  - (ii) a director; or
  - (iii) an auditor of the Corporation.
- (b) A notice of a general meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting and any other matters required under the Corporations Act.
- (c) A person may waive notice of any general meeting by notice in writing to the Corporation.
- (d) The non-receipt of notice of a general meeting or proxy form by, or a failure to give notice of a general meeting or a proxy form to, any person entitled to receive notice of a general meeting under this rule 6.3 does not invalidate any act, matter or thing done or resolution passed at the general meeting if:
- (i) the non-receipt or failure occurred by accident or error; or
  - (ii) before or after the meeting, the person:



- (A) has waived or waives notice of that meeting under rule 6.3(c); or
  - (B) has notified or notifies the Corporation of the person's agreement to that act, matter, thing or resolution by notice in writing to the Corporation.
- (e) A person's attendance at a general meeting:
- (i) waives any objection that person may have to a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and
  - (ii) waives any objection that person may have to the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting, unless the person objects to considering the matter when it is presented.

#### 6.4 Quorum at general meetings

- (a) No business may be transacted at any general meeting, except the election of a chair and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business and remains present throughout the meeting.
- (b) A quorum consists of:
  - (i) if the number of members entitled to vote is two or more - more than 50% of the total number of members entitled to vote (irrespective of the number of shares held by each member); or
  - (ii) if only one member is entitled to vote - that member.
- (c) If a quorum is not present within 30 minutes after the time appointed for a general meeting:
  - (i) where the meeting was convened by, or at the request of, a member or members, the meeting must be dissolved; or
  - (ii) in any other case:
    - (A) the meeting stands adjourned to the day, and at the time and place, as the directors determine or, if no determination is made by the directors, to the same day in the next week at the same time and place; and
    - (B) if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting must be dissolved.

#### 6.5 Chair of general meetings

- (a) The Chief Representative, or if the Chief Representative is not present, the Deputy Chief Representative, must preside as chair at each general meeting if present at the time appointed for the meeting.
- (b) If neither the Chief Representative or the Deputy Chief Representative is present at the time appointed for the meeting, the members present must elect as chair of the meeting another person who is present and willing to act.

#### 6.6 Conduct of general meetings

- (a) Any question arising at a general meeting relating to the order of business, procedure or conduct of the meeting must be referred to the chair of the meeting, whose decision is final.
- (b) The chair of a general meeting may, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business may be transacted at any



adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- (c) It is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### 6.7 Decisions at general meetings

- (a) Except in the case of any resolution which as a matter of law requires a Special Majority Members Resolution and as otherwise provided for in this Constitution, questions arising at a general meeting are to be decided by a majority of votes cast by the members present at the meeting and that decision is for all purposes a decision of the members.
- (b) In the case of an equality of votes upon any proposed resolution:
  - (i) the chair of the meeting does not have a second or casting vote; and
  - (ii) the proposed resolution is taken as having been lost.
- (c) A resolution put to the vote of a general meeting must be decided on a show of hands unless, before a vote by show of hands is taken or before or immediately after the declaration of the result of the show of hands, a poll is demanded by:
  - (i) the chair of the meeting; or
  - (ii) at least 5 members present and entitled to vote on the relevant resolution; or
  - (iii) members with at least 5% of the votes that may be cast on the resolution on a poll.
- (d) A demand for a poll does not prevent the continuance of a general meeting for the transaction of any business other than the question on which the poll has been demanded.
- (e) Unless a poll is duly demanded, a declaration by the chair of a general meeting that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Corporation, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (f) If a poll is duly demanded at a general meeting, it will be taken when and in the manner the chair of the meeting directs, and the result of the poll will be the resolution of the meeting at which the poll was demanded.
- (g) A poll cannot be demanded at a general meeting on the election of a chair of the meeting.
- (h) The demand for a poll may be withdrawn.

#### 6.8 Voting at general meetings

- (a) Subject to this constitution (including rule 6.7(f)) and to any rights or restrictions attached to any shares or class of shares, at a general meeting:
  - (i) on a show of hands, every member present has one vote irrespective of the number of fully paid shares held by the member in respect of which they are entitled to vote; and
  - (ii) on a poll, each member present has one vote for each fully paid share (of any class) held by a member and each person present as proxy, attorney or Representative of a member has one vote for each fully paid share held by the member that that person represents a proportionate vote at the percentage set out in Schedule 2, irrespective of the number of fully paid shares held by the member in respect of which the



~~member is entitled to vote,~~

- (b) Each of the matters listed in Schedule ~~45~~ requires a Special Majority Members Resolution;
- (c) Each of the matters listed in Schedule ~~56~~ requires a resolution of the members passed by:
- (i) at least 75% ~~by number~~ of the members of the Corporation entitled to vote; and
  - (ii) any combination of members that hold at least 75% of the ~~votes cast by members of the Corporation entitled to vote on the resolution~~ ~~equity voting proportions specified in Schedule 2~~;
- ~~(d) Each of the matters listed in Schedule 6 requires a Government Member Resolution;~~
- ~~(e)(c)~~ Where a person present at a general meeting represents personally or by proxy, attorney or Representative more than one member the following rules apply to a vote taken on a show of hands:
- (i) the person is entitled to one vote only despite the number of members the person represents; and
  - (ii) the person's vote will be taken as having been cast for all the members the person represents.
- ~~(e)(f)~~ A person entitled to a share as a result of a Transmission Event may vote at a general meeting in respect of that share in the same manner as if that person were the registered holder of the share if, before the meeting, the directors have:
- (i) admitted that person's right to vote at that meeting in respect of the share; or
  - (ii) been satisfied of that person's right to be registered as the holder of, or to transfer, the share under rule 5.4(d),
- and any vote tendered by that person must be accepted to the exclusion of the vote of the registered holder of the share.
- ~~(f)(g)~~ Where a member holds any share on which any call due and payable to the Corporation has not been duly paid that member is only entitled to be present at a general meeting but not vote.
- ~~(g)(h)~~ An objection to the qualification of a person to vote at a general meeting:
- (i) must be raised before or immediately after the result of the motion on which the vote objected to is given or tendered; and
  - (ii) must be referred to the chair of the meeting, whose decision is final.
- ~~(h)(i)~~ A vote not disallowed by the chair of a meeting under rule 6.8(g) is valid for all purposes.

## 6.9 Representation at general meetings

- (a) Subject to this constitution, each member entitled to vote at a meeting of members may vote:
- (i) in person or, where a member is a body corporate, by its Representative;

- (ii) by proxy; or
  - (iii) by attorney.
- (b) A proxy, attorney or Representative may be a member of the Corporation but does not have to be a member.
- (c) A proxy, attorney or Representative may be appointed for all general meetings, or for any number of general meetings, or for a particular general meeting.
- (d) Unless otherwise provided in the Corporations Act or in the appointment, an appointment of a proxy, attorney or Representative is taken to confer authority:
- (i) to agree to a meeting being convened by shorter notice than is required by the Corporations Act or by this constitution;
  - (ii) to speak to any proposed resolution on which the proxy, attorney or Representative may vote;
  - (iii) to demand or join in demanding a poll on any resolution on which the proxy, attorney or Representative may vote;
  - (iv) even though the appointment may refer to specific resolutions and may direct the proxy, attorney or Representative how to vote on those resolutions:
    - (A) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;
    - (B) to vote on any procedural motion, including any motion to elect the chair, to vacate the chair or to adjourn the meeting; and
    - (C) to act generally at the meeting; and
  - (v) even though the appointment may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the re-scheduled or adjourned meeting or at the new venue.
- (e) The chair of a meeting may require any person purporting to act as a proxy, attorney or Representative to establish to the satisfaction of the chair that the person has been validly appointed as a proxy, attorney or Representative and is the person named in the relevant instrument of appointment, failing which the person may be excluded from attending or voting at the meeting.
- (f) Where a member appoints two proxies or attorneys to vote at the same general meeting and the authority of one is not conditional on the other failing to attend or vote, the following rules apply:
- (i) where the appointment does not specify the proportion or number of the member's votes each proxy or attorney may exercise, each proxy or attorney may exercise half of the member's votes;
  - (ii) on a show of hands, neither proxy or attorney may vote; and
  - (iii) on a poll, each proxy or attorney may only exercise the voting rights the proxy or attorney represents.
- (g) An instrument appointing a proxy or attorney may direct the manner in which the proxy or attorney is to vote in respect of a particular resolution and, where an instrument so provides,

the proxy or attorney is not entitled to vote on the proposed resolution except as directed in the instrument.

- (h) A proxy or attorney may not vote at a general meeting or adjourned meeting unless the instrument appointing the proxy or attorney, and the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed, are received:
  - (i) at the registered office of the Corporation, at the fax number at its registered office or at another place, fax number or electronic address specified for that purpose in the notice convening the meeting; and
  - (ii) by the time specified in the notice of meeting.
- (i) Unless the Corporation has received written notice of the matter by the time and at the place or in the manner set out in rules 6.9(h)(i) and (h)(ii), a vote cast by a proxy or attorney is valid even if, before the proxy or attorney votes:
  - (i) a Transmission Event occurs in relation to the appointer; or
  - (ii) the member revokes the proxy's or attorney's appointment; or
  - (iii) the member revokes the authority under which a third party appointed the proxy or attorney; or
  - (iv) the member transfers the share in respect of which the proxy or attorney was appointed.
- (j) The authority of a proxy or attorney to speak and vote for a member at a general meeting is suspended while the member is present at the meeting.

#### 6.10 Resolutions without meetings

- (a) Subject to rule 6.10(c), the Corporation may pass a resolution without a general meeting being held, if all of the members entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (b) For the purposes of rule 6.10(a):
  - (i) the document may be sent to members in any manner described in rule 19;
  - (ii) the resolution is passed when the last member signs;
  - (iii) separate copies of a document may be used for signing by members if the wording of the resolution and statement is identical in each copy; and
  - (iv) a signature of a member transmitted to the Corporation by facsimile is sufficient evidence of signature.
- (c) Rule 6.10(a) does not apply to a resolution to remove an auditor.
- (d) Where a document is signed in accordance with rule 6.10(a) the document is to be taken as a minute of the passing of the resolution.

#### 6.11 Electronic technology to conduct meetings

Any meeting of the Corporation may be conducted by telephone, video conference or any other means of communication that gives the members a reasonable opportunity to participate and a member who participates in a meeting as permitted under this rule is taken to be present at the meeting.

## 7 Constitution

### 7.1 Process for adopting, modifying and repealing

- (a) Subject to the requirements of the *Water and Sewerage Corporation Act 2012* (Tas), the constitution of the Corporation is adopted on registration if each person specified in the application for the company's registration as a person who consents to become a member agrees in writing to the terms of the constitution before the application is lodged.
- (b) In accordance with the *Water and Sewerage Corporation Act 2012* (Tas), as soon as practicable after incorporation of the Corporation, the members must approve the constitution by resolution passed by at least 75% of the members of the Corporation entitled to vote.
- (c) Subject to rule 7.1(d) ~~and rule 6.8(d)~~, the Corporation may modify or repeal the constitution or a provision of the constitution by a resolution passed by at least 75% of the members of the Corporation entitled to vote.
- (d) Despite anything else in this constitution, this rule 7.1(d) ~~, Schedule 2 and Schedule 3~~ can only be modified by a resolution passed by:
  - (i) at least 75% ~~by number~~ of the members of the Corporation entitled to vote; and
  - (ii) at least 75% of the ~~votes cast by members of the Corporation entitled to vote on the resolution~~ ~~equity voting proportions specified in Schedule 2~~.

### 7.2 Constitution is a public document

The Corporation is to make available to the public the constitution of the Corporation following its adoption or modification as soon as practicable following its adoption or modification.

### 7.3 Entrenchment of constitution

- (a) Any special or other resolution of the Corporation that purports to modify or repeal the constitution or a provision of the constitution in breach of clause 7.3(b) does not have any effect.
- (b) The constitution or a provision of the constitution may not be modified or repealed:
  - (i) in a way that would result in the constitution being inconsistent with the provisions of the *Water and Sewerage Corporation Act 2012* (Tas) or any regulations made under it; or
  - (ii) unless the provisions of section 11 of the *Water and Sewerage Corporation Act 2012* have been complied with.

### 7.4 Subsidiary constitutions

Each of the provisions that are to be included in the Corporation's constitution in accordance with *Water and Sewerage Corporation Act 2012* (Tas) must also be included in the constitution of any subsidiary of the Corporation.

## 8 Shareholders' Letter of Expectations

### 8.1 Process for adopting, modifying and repealing

- (a) The members must prepare and approve by Ordinary Majority, a Shareholders' Letter of Expectations s in accordance with this constitution and the *Water and Sewerage Corporation*



Act 2012 (Tas).

- (b) As soon as practicable after incorporation of the Corporation, the members must provide the Shareholders' Letter of Expectations<sub>s</sub> to the board.
- (c) The Shareholders' Letter of Expectations<sub>s</sub> must not be inconsistent with the *Water and Sewerage Corporation Act 2012* (Tas), the regulations or this constitution.
- (d) Subject to rule 8.1(f), the members may decide by Ordinary Majority, at any time, or on application of the board to:
  - (i) amend the Shareholders' Letter of Expectations<sub>s</sub>; or
  - (ii) revoke the Shareholders' Letter of Expectations<sub>s</sub> and substitute another Shareholders' Letter of Expectations<sub>s</sub>.
- (e) Before or while preparing a Shareholders' Letter of Expectations<sub>s</sub> or an amendment to a Shareholders' Letter of Expectations<sub>s</sub>, the members of the Corporation are to consult with the board.
- (f) Where any amendment or revocation and substitution of the Shareholders' Letter of Expectations involves a change to:
  - (i) the process for adoption and amendment of the Corporation's corporate plan (including any mechanism for resolving any dispute regarding the adoption of amendments to the corporate plan); or
  - (ii) any expectation that the Corporation will commit to a price freeze or a cap on annual price increases for regulated services for water and sewerage customers; or
  - (iii) any expectation that the Corporation will, on a best endeavours basis, commit to deliver an accelerated capital investment program such that it achieves a target of \$1.8 billion in total infrastructure investment over the remainder of its current 10 year investment program (ie until 30 June 2026).

the amendment or revocation and substitution of the Shareholders' Letter of Expectations will require the support of:

  - (iv) an Ordinary Majority of Owners' Representatives (excluding the Crown's Owner's Representative); and
  - ~~(iii)~~(v) the Crown's Owner's Representative.

## 8.2 Matters to be included in Shareholders' Letter of Expectations<sub>s</sub>

- (a) The Shareholders' Letter of Expectations<sub>s</sub> must specify, without limitation:
  - (i) the strategic priorities of the Corporation;
  - (ii) the high-level expectations of members for the performance of the business of the Corporation and any subsidiary of the Corporation;
  - (iii) the process for adoption and amendment of the Corporation's corporate plan;
  - (iv) the required content and form for, and time period to be covered by, the corporate plan; and
  - (v) that the chair of directors and ~~Chief Executive Officer~~chief executive officer must provide briefings to members as provided in the Shareholders' Letter of Expectations<sub>s</sub>.

### 8.3 Publication of Shareholders' Letter of Expectations

The Corporation must publish the Shareholders' Letter of Expectations on the Corporation's website as soon as practicable after adoption.

### 8.4 Crown's role in adopting or amending the Corporate Plan

(a) Subject to rule 8.4(c) and rule 8.4(d), the process for adopting or amending the corporate plan is set out in part 8.4 of the Shareholder's Letter of Expectations.

(b) Subject to rule 8.4(c), any changes relating to:

(i) the role of the Crown's Owner's Representative in the process to approve, or request amendments to, the corporate plan; or

(ii) the Crown's Owner's Representative's role in the mechanism to avoid deadlock in the event that there is any dispute over adopting any amendments to the corporate plan,

together "(the Corporate Plan Rights)", or to this rule 8.4(b), requires a Government Member Resolution in accordance with Schedule 6.

(c) If the Crown does not meet its share subscription obligations in accordance with clause 2.2 of the Share Subscription and Implementation Agreement, then, for so long as the Crown fails to meet those obligations, the Corporate Plan Rights and rule 8.4(b) shall not apply.

(d) Where the circumstances in rule 8.4(c) apply:

(i) there shall be no obligation for the Crown's Owner's Representative to approve the corporate plan, and an Ordinary Majority of the Owners' Representatives may accept or request amendments to the corporate plan; and

(ii) there shall be no right for the Owner's Representative for the Crown to take part in the mechanism for resolving any disputes in relation to the adoption of any amendments to the corporate plan. For the avoidance of doubt, in these circumstances the chair and the Chief Owner's Representative shall determine a solution.

## 9 Owners' Representatives

### 9.1 Appointment of Owners' Representatives

(a) Each member of the Corporation must as soon as practicable, after incorporation of the Corporation and at any time there is a vacancy in the position of Owners' Representative for a member, appoint a person as an Owners' Representative for that member for a specified term not exceeding 3 years.

(b) A person appointed by a ~~Council member~~ as its Owners' Representative under rule 9.1(a), must be an elected member of Council for that member or the General Manager of Council for that ~~Council member~~.

~~(b)(c)~~ A person appointed by the Crown as its Owner's Representative under rule 9.1(a), must be the Secretary of Treasury of the Department of Treasury and Finance in Tasmania for the Crown or a delegate of the Secretary.

~~(c)(d)~~ Each member must notify the Corporation of the name of the Owner's Representative and if there is a new appointment of a person as an Owner's Representative.

~~(d)(e)~~ The number of times a person may be appointed to the role of Owners' Representative is not limited.

### 9.2 Chief Representatives

- (a) The Owners' Representatives may elect by Ordinary Majority one of the Owners' Representatives as the ~~Chief Owners' Representative~~<sup>chief of Owners' Representatives</sup>.
- (b) The Owners' Representatives may elect by Ordinary Majority one of the Owners' Representatives as the ~~Deputy Chief Representative~~<sup>deputy chief of Owners' Representatives</sup>.
- (c) The ~~chief~~<sup>Chief Owners' Representative</sup> and ~~Deputy Chief~~<sup>deputy chief of Owners'</sup> Representative are to carry out the duties prescribed in the charter of the Owners' Representatives established under this constitution.
- (d) The Owners' Representatives may remove a ~~Chief Owners' Representative~~<sup>chief</sup> or ~~Deputy Chief~~<sup>deputy chief of Owners'</sup> Representative by Special Majority.
- (e) The Chief ~~Owners'~~ Representative is to be paid such fees and allowances by the Corporation, as determined from time to time by the members on the recommendation of the Selection Committee, by an Ordinary Majority.
- (f) <sup>1</sup>A person may not serve as a Chief ~~Owners'~~ Representative or Deputy Chief Representative for a period exceeding 3 years unless re-elected by an Ordinary Majority of the Owners' Representatives.
- (g) <sup>2</sup>The number of times a person may be appointed as Chief ~~Owners'~~ Representative or Deputy Chief Representative is not limited.

### 9.3 Appointment of Acting Owners' Representatives

- (a) A member of the Corporation may appoint a person to act as the Owner's Representative for that member:
  - (i) during a vacancy in the position of Owner's Representative for that member, whether or not an appointment has previously been made to the position; or
  - (ii) during any period, or during all periods, when that member's Owner's Representative is absent from duty or is, for any reason, unable to perform all or part of the duties of the position.
- (b) An appointment of an Acting Owner's Representative under rule 9.3(a) may be limited by the member making the appointment to specified rights and obligations for which that appointment is valid.
- (c) Each member must notify the Corporation of the name of the Acting Owner's Representative and if there is a new appointment of a person as an Acting Owner's Representative.

### 9.4 Function of Owners' Representatives

- (a) The Owners' Representatives are to:
  - (i) consult with other Owners' Representatives and undertake such other functions imposed on Owners' Representatives under this constitution;
  - (ii) agree and present to members and the board a charter of operations and procedures to govern the Owners' Representatives's objects and functions;
  - (iii) make and implement decisions on behalf of members in accordance with the *Water and*

<sup>1</sup> Clause 9.2(f) amendment adopted 28 July 2015

<sup>2</sup> Clause 9.2(g) amendment adopted 28 July 2015

*Sewerage Corporation Act 2012 (Tas)*, this constitution and the charter agreed under rule 9.4(a)(ii);

- (iv) act as the official liaison between the board and the members of the Corporation;
- (v) monitor the performance of the board against the Shareholders' Letter of Expectations and the Corporation's most recent corporate plan;
- (vi) through the Selection Committee and where appropriate the chair of directors, monitor:
  - (A) the appointment of directors including board renewal and continuity;
  - (B) board performance; and
  - (C) board remuneration;
- (vii) approve the charter of operations and procedures developed by the Selection Committee to govern the Selection Committee's objects and functions; and
- (viii) subject to any law or lawful order to the contrary, elect by Ordinary Majority at least one of the Owners' Representatives to attend any committee of the Parliament or state government as required.

#### **9.5 Proceedings of Owners' Representatives**

The Owners' Representatives may engage secretariat and executive support to assist it in performing its functions as required by this constitution.

## **10 Selection -Committee**

### **10.1 Establishment of Selection Committee**

- (a) Subject to rule 10.1(h) and 10.1(i), the Owners' Representatives must as soon as practicable establish a Selection Committee composed of:
  - (i) ~~12~~ persons selected by Ordinary Majority by the Owners' Representatives of the members of the North-western Region;
  - (ii) ~~12~~ persons selected by Ordinary Majority by the Owners' Representatives of the members of the Northern Region;
  - (iii) ~~24~~ persons selected by Ordinary Majority by the Owners' Representatives of the members of the Southern Region; **and**
  - (iv) the chair of directors;
  - (v) the Crown's Owner's Representative; and
  - (v)(vi) the Chief Owners' Representative, if that person is not one of the persons referred to in rule 10.1(a)(i), rule 10.1(a)(ii) or rule 10.1(a)(iii).
- (b) Only a person who is an Owners' Representative is eligible for appointment to the Selection Committee under rule 10.1(a).
- (c) The current chair of directors must not be present at or take part in any consultations, discussion or decision by the Selection Committee in relation to the appointment of any person to the role of chair of directors, unless the chair of directors is not seeking re-appointment and the other members of the Selection Committee all agree that the chair of directors may be present and take part.

- (d) <sup>3</sup>A Selection Committee member may not appoint an acting or alternate member and may not give a proxy to another member of the Selection Committee.
- (e) <sup>4</sup>The Selection Committee members may elect by Ordinary Majority one of the Selection Committee members to act as the Chair of the Selection Committee.
- (f) <sup>5</sup>If the Chair of the Selection Committee is absent from a meeting, the Selection Committee members present may elect another Selection Committee member who is present and willing to act to chair the meeting.
- (g) Subject to rule 10.1(h), any change or amendment to rule 10.1(a)(v) or to this rule 10.1(g) requires a Government Member Resolution in accordance with Schedule 6.-
- (f)(h) If the Crown does not meet its share subscription obligations in accordance with clause 2.2 of the Share Subscription and Implementation Agreement then, for so long as the Crown fails to meet those obligations, the Crown's Owner's Representative will cease to be a member of the Selection Committee and rule 10.1(a)(v) will cease to apply.

## 10.2 Term

- (a) Members of the Selection Committee must not be appointed for a term exceeding 3 years.
- (b) The number of times a person may be appointed to the Selection Committee is not limited.
- (c) <sup>6</sup>A person may not serve as the chair of the Selection Committee for a period exceeding 3 years unless re-elected by an Ordinary Majority of the Selection Committee members.
- (d) <sup>7</sup>The numbers of times a person can be appointed as chair of the Selection Committee is not limited.

## 10.3 Function of Selection Committee

- (a) The Selection Committee must agree and present to the Owners' Representatives a charter of operations and procedures to govern the Selection Committee's objects and functions.
- (b) If there is a vacancy or expected vacancy in the position of chair of directors or other director, the Selection Committee is to cause an appropriate recruitment process to be undertaken to fill that vacancy, including if necessary and without limitation, by the use of a professional recruitment consultant to source candidates.
- (c) Any person, including directors of the Corporation, may nominate for consideration by the Selection Committee any one or more persons as candidates for appointment as chair of directors or other director of the Corporation.
- (d) The Selection Committee, after making due enquiry, is by Ordinary Majority to appoint a person who, in the opinion of the Selection Committee, has the experience and skills necessary to assist the Corporation to achieve its principal objectives, to the vacant position of chair of directors or other director of the Corporation.
- (e) The Selection Committee must consult with the Owners' Representatives on:
  - (i) a framework for the remuneration of directors, which must be approved by the Owners' Representatives by Ordinary Majority; and

<sup>3</sup> Clause 10.1(d) amendment adopted 13 May 2014

<sup>4</sup> Clause 10.1 (e) amendment adopted 28 July 2015

<sup>5</sup> Clause 10.1(f) amendment adopted 28 July 2015

<sup>6</sup> Clause 10.2(c) amendment adopted 28 July 2015

<sup>7</sup> Clause 10.2(d) amendment adopted 28 July 2015

- (ii) apply the framework for remuneration to determine the remuneration of each director in accordance with rule 11.5.
- (f) When making appointments to the board, the Selection Committee must consider the need for both renewal and continuity of the members of the board as a whole.
- (g) The board must conduct an annual performance review of the board and provide a report to the Selection Committee.
- (h) The Selection Committee must report to the Owners' Representatives in accordance with its charter when requested with regard to board performance, board appointments and composition required to ensure an appropriate balance of board continuity and renewal.

#### 10.4 Proceedings of Selection Committee

- (a) The Selection Committee must regulate its proceedings, including the calling of, and the conduct of business at its meetings, in accordance with its charter, this constitution and otherwise as it considers appropriate.
- (b) The Selection Committee may permit its members to participate in a particular meeting or all meetings by telephone, video conference or any other means of communication that gives members a reasonable opportunity to participate and a member who participates in a meeting as permitted under this rule is taken to be present at the meeting.
- (c) If the number of members of the Selection Committee that constitutes an Ordinary Majority signs a document containing a statement that they are in favour of a resolution or proposal set out in the document, a resolution or proposal in those terms is taken to have been passed or agreed to at a meeting of the Selection Committee on the day on which the document is signed or, if the members of the Selection Committee do not sign it on the same day, on the day on which the last of the members of the Selection Committee signs the document.
- (d) For the purposes of rule 10.4(c), 2 or more separate documents containing a statement in identical terms, each of which is signed by one or more members of the Selection Committee, is taken to constitute 1 document.

#### 10.5 Remuneration of Selection Committee

The members of the Selection Committee (other than the chair of directors) are to be paid such fees and allowances as the Owners' Representatives collectively determine from time to time, which will be payable by the Corporation.

#### 10.6 Removal of Selection Committee member

The Owners' Representatives for a Region may, by Special Majority, remove any person (other than the chair of directors) from their position on the Selection Committee for that Region.

## 11 Directors

### 11.1 Board

- (a) The business of the Corporation is to be managed by the directors, who may exercise all such powers of the Corporation as are not, by the Corporations Act, the *Water and Sewerage Corporation Act 2012* (Tas) or by this Constitution, required to be exercised by the Corporation in general meeting.
- (b) The number of directors is to be not more than 7 directors, comprising:

- (i) the chair of directors; and
  - (ii) a maximum of 6 other directors,
- appointed in accordance with the *Water and Sewerage Corporation Act 2012 (Tas)*, the Corporations Act and this constitution.
- (c) If at any time a vacancy occurs on the board, the Selection Committee must, as soon as practicable, do all things necessary to appoint a person to fill that vacancy in accordance with the procedures in this constitution.

### 11.2 Director Independence

- (a) None of the following persons may be appointed a director of the Corporation or any subsidiary of the Corporation:
  - (i) any person who has served as an elected government official at any time within the 3 years preceding the intended date of appointment; or
  - (ii) any person who currently holds office as an elected government official or who is currently an employee of any Council or the Crown.
- (b) Rule 11.2(a)(ii) shall not operate to exclude any person who:
  - (i) holds a position as a director of a State-Owned Business or
  - (ii) is engaged as an independent contractor to provide services to a board of directors of a State-Owned Business or to a Council

from being eligible to be appointed a director of the Corporation, or from continuing to act as a director of the Corporation.

### 11.3 Appointment, reappointment and removal of directors

- (a) The directors of the Corporation must be appointed and removed in accordance with the applicable requirements of the *Water and Sewerage Corporation Act 2012 (Tas)*, if any, and this constitution.
- (b) Each term of an appointment of a director must not exceed three years.
- (c) A person's appointment to the role of director must be reviewed by the Selection Committee in accordance with rule 10.3 of this constitution prior to the expiration of the term of his or her appointment. That person may be re-appointed as a director for further terms not exceeding three years each.
- (d) A director can be appointed by consecutive terms for a maximum period of 10 continuous years from the date of first appointment. The 10 year period may only be extended by a Special Majority of the Selection Committee. This rule 11.3(d) does not prevent the appointment of a director who has previously served for a period up to 10 continuous years, if that person has not been a director for a period of at least 3 years.
- (e) The Owners' Representatives may by Special Majority remove a person from the role of chair of directors or any other director of the Corporation.

### 11.4 Vacation of office

In addition to the circumstances in which the office of a director becomes vacant by virtue of the law, the office of a director becomes vacant:

- (a) in the circumstances prescribed by the *Water and Sewerage Corporation Act 2012* (Tas);
- (b) if the director becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health; or
- (c) if the director resigns by notice in writing to the Corporation;
- (d) if the director is absent, without the consent of the other directors, from meetings of the directors held during a period of three (3) months; or
- (e) if the director is directly or indirectly interested in any contract or proposed contract with the Corporation (other than in his or her capacity as a director or employee of the Corporation) and fails to declare the nature of that interest as required by the Corporations Act.

#### 11.5 Remuneration of directors

- (a) Each director is entitled to the remuneration out of the funds of the Corporation as advised by the Selection Committee in accordance with this rule 11.5.
- (b) The Corporation must request that the Selection Committee:
  - (i) determines the amount of remuneration of each director in accordance with the framework for remuneration approved by the Owners' Representatives under this constitution, in terms of:
    - (A) a stated fee; or
    - (B) a fixed sum for attendance at each meeting of directors
 or a combination of both;
  - (ii) reviews the amount of remuneration of each director annually; and
  - (iii) gives the directors and the Owners' Representatives written notice of the amount it determines in accordance with this constitution for each director on an annual basis.
- (c) In addition to remuneration under rule 11.5(a), the directors are entitled to be paid all travelling and other expenses properly incurred by them when engaged on the business of the Corporation, including in attending and returning from:
  - (i) general meetings of the Corporation;
  - (ii) meetings of the directors; or
  - (iii) meetings of committees of the directors.
- (d) If a director renders or is called on to perform extra services or to make any special exertions in connection with the affairs of the Corporation, the Selection Committee may arrange for a special remuneration to be paid to that director, either in addition to or in substitution for that director's remuneration under rule 11.5(a).
- (e) Nothing in this rule 11.5 restricts the remuneration to which a director may be entitled as an officer of the Corporation or of a related body corporate in a capacity other than director, which may be either in addition to or in substitution for that director's remuneration under this rule 11.5.

#### 11.6 Director need not be a member

- (a) A director is not required to hold any shares in the Corporation to qualify for appointment.
- (b) A director is entitled to attend and speak at a general meeting even if he or she is not a



member of the Corporation.

### 11.7 Interested directors

- (a) A director may:
- (i) hold any other office or place of profit, other than auditor, in the Corporation or a related body corporate in conjunction with his or her directorship; and
  - (ii) be appointed to that office or place of profit on the terms as to remuneration, tenure of office and otherwise as the directors think fit.
- (b) A director of the Corporation may be a director or other officer of:
- (i) a related body corporate;
  - (ii) a body corporate promoted by the Corporation;
  - (iii) a body corporate in which the Corporation is interested, as shareholder or otherwise; or
  - (iv) a body corporate as required by law because of that director's position as a director of the Corporation,
- or be otherwise interested in any of those bodies corporate. A director is not accountable to the Corporation for any remuneration or other benefits received by the director as a director or officer of that body corporate or from having an interest in that body corporate.
- (c) The directors may exercise the voting rights conferred by shares in any body corporate held or owned by the Corporation as the directors think fit. This includes voting in favour of any resolution appointing an officer of that body corporate (excluding a director or a chairperson), or voting for the payment of remuneration to the directors or other officers of that body corporate. A director may, if permitted by law, vote in favour of the exercise of those voting rights even if he or she is, or may be about to be appointed, a director or other officer of that other body corporate.
- (d) A director is not disqualified merely because of being a director from contracting with the Corporation in any respect including, without limitation:
- (i) selling any property to, or purchasing any property from, the Corporation; or
  - (ii) being employed by the Corporation or acting in any professional capacity, other than auditor, on behalf of the Corporation.
- (e) No contract made by a director with the Corporation and no contract or arrangement entered into by or on behalf of the Corporation in which any director may be in any way interested is avoided or rendered voidable merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.
- (f) No director contracting with the Corporation or being interested in any arrangement involving the Corporation is liable to account to the Corporation for any profit realised by or under a contract or arrangement of that kind merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.
- (g) Subject to rule 11.7(h), a director who has a material personal interest in a contract or arrangement or proposed contract or arrangement, or other matter being considered at a directors meeting cannot:
- (i) be present while the matter is being considered at the meeting; or

- (ii) vote on the matter.
- (h) Rule 11.7(g) does not apply if the director is permitted to be present or vote on a matter under the Corporations Act, in which case that director can:
  - (i) be counted in determining whether or not a quorum is present at any meeting of directors considering that contract or arrangement or proposed contract or arrangement;
  - (ii) vote in respect of the contract or arrangement or proposed contract or arrangement or any matter arising out of those things; and
  - (iii) sign or countersign any document relating to that contract or arrangement or proposed contract or arrangement.
- (i) The directors may make regulations requiring the disclosure of interests that a director, and any person deemed by the directors to be related to or associated with the director, may have in any matter concerning the Corporation or a related body corporate. Any regulations made under this rule bind all directors and apply in addition to any obligations imposed on the directors by the Corporations Act to disclose interests to the Corporation.
- (j) If the Corporation is a wholly-owned subsidiary of a body corporate, a director may act in the best interests of the holding Corporation.

#### 11.8 Powers and duties of directors

- (a) Subject to the provisions of the *Water and Sewerage Corporation Act 2012 (Tas)* and this constitution, the directors:
  - (i) are responsible for managing the business of the Corporation having regard to the Shareholders' Letter of Expectations; and
  - (ii) may exercise to the exclusion of the Corporation in general meeting all the powers of the Corporation which are not required, by the Corporations Act or this constitution, to be exercised by the Corporation in general meeting.
- (b) Subject to rule 20.4 and without limiting rule 11.8(a), the directors may exercise all the powers of the Corporation to borrow or otherwise raise money, to charge any property or business of the Corporation or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Corporation or of any other person.
- (c) The directors may determine how cheques, promissory notes, banker's drafts, bills of exchange or other negotiable instruments or other documents must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by or on behalf of the Corporation.
- (d) The directors may:
  - (i) appoint or employ any person to be an officer, agent or attorney of the Corporation for the purposes, for the period and on the conditions as they think fit;
  - (ii) resolve to delegate any of their powers to an officer, agent or attorney and the officer, agent or attorney must exercise the powers delegated in accordance with any directions of the directors;
  - (iii) authorise an officer, agent or attorney to delegate all or any of the powers, discretions and duties vested in the officer, agent or attorney; and

- (iv) subject to any contract between the Corporation and the relevant officer, agent or attorney, remove or dismiss any officer, agent or attorney of the Corporation at any time, with or without cause.
- (e) A power of attorney may contain provisions for the protection and convenience of the attorney or persons dealing with the attorney as the directors think fit.

#### 11.9 Proceedings of directors

- (a) The directors may hold meetings for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) Subject to the Corporations Act, the contemporaneous linking together by a form of technology of a number of the directors sufficient to constitute a quorum, constitutes a meeting of the directors and all the provisions in this constitution relating to meetings of the directors apply, so far as they can and with such changes as are necessary, to meetings of the directors held using a form of technology.

#### 11.10 Convening meetings of directors

- (a) Any three directors may, whenever they think fit, request the chair of directors to convene a meeting of the directors.
- (b) A secretary must, on the requisition of any three directors, convene a meeting of the directors.
- (c) The chair of directors may, whenever he or she thinks fit, convene a meeting of the directors.

#### 11.11 Notice of meetings of directors

- (a) Subject to this constitution, reasonable notice of a meeting of directors must be given to each person who is at the time of giving the notice a director, other than a director on leave of absence approved by the directors.
- (b) A notice of a meeting of directors:
  - (i) must specify the time and place of, or form of technology for, the meeting;
  - (ii) need not state the nature of the business to be transacted at the meeting; and
  - (iii) may be given in person or by post, or, subject to the Corporations Act, by a form of technology.
- (c) A director may waive notice of a meeting of directors by notifying the Corporation to that effect in person or by post, or by a form of technology.
- (d) The non-receipt of notice of a meeting of directors by, or a failure to give notice of a meeting of directors to, a director does not invalidate any act, matter or thing done or resolution passed at the meeting if:
  - (i) the non-receipt or failure occurred by accident or error;
  - (ii) before or after the meeting, the director:
    - (A) waives notice of that meeting under rule 11.11(c); or
    - (B) notifies the Corporation of his or her agreement to that act, matter, thing or resolution personally or by post, or by a form of technology; or
  - (iii) the director attended the meeting.

- (e) Attendance by a person at a meeting of directors waives any objection that person may have to a failure to give notice of the meeting.

#### 11.12 Quorum at meetings of directors

- (a) No business may be transacted at a meeting of directors unless there is a quorum of directors at the time the business is dealt with.
- (b) A quorum consists of 4 directors, one of whom must be the chair of directors or if the chair of directors is unavailable the deputy chair.

#### 11.13 Chair of directors

- (a) The chair of directors is appointed for a term not exceeding 3 years.
- (b) The chair of directors may be reappointed in accordance with this constitution on expiry of his or her term of office.
- (c) The chair of directors may only be removed in accordance with the Corporations Act and this constitution.
- (d) The directors may appoint one of the directors as a deputy chair of directors.
- (e) The office of chair of directors will not be treated as an extra service or special exertion performed by the director holding that office.
- (f) The chair of directors must preside as chair at each meeting of directors, if present at the time appointed for the holding of the meeting.
- (g) The directors present at a meeting of directors may elect a person present to chair the meeting if:
  - (i) there is a vacancy in the role of chair of directors; or
  - (ii) the chair of directors is not present within 30 minutes of the time appointed for the meeting.

#### 11.14 Decisions of directors

- (a) A meeting of directors at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the directors under this constitution and in accordance with the *Water and Sewerage Corporation Act 2012* (Tas).
- (b) Questions arising at a meeting of directors are to be decided by a majority of votes cast by the directors present and a decision of that kind is for all purposes a determination of the directors.
- (c) In the case of an equality of votes on a proposed resolution:
  - (i) the chair of the meeting does not have a second or casting vote; and
  - (ii) the proposed resolution is to be taken as having been lost.

#### 11.15 Resolutions without meetings

- (a) The directors may pass a resolution without a directors' meeting being held if all the directors, other than a director on a leave of absence approved by the other directors, entitled to vote on the resolution assent to a document containing a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of a document may be used if the wording of the resolution and statement is

identical in each copy.

- (c) The resolution is passed when the last director assents.
- (d) A director may signify assent to a document by signing the document or by notifying the Corporation of the director's assent in person or by post, fax, electronic, telephone or other method of written, audio or audio visual communication.
- (e) Where a director signifies assent to a document otherwise than by signing the document, the director must by way of confirmation sign the document at the next meeting of the directors attended by that director, but failure to do so does not invalidate the act, matter, thing or resolution to which the document relates.
- (f) Where a document is assented to in accordance with this rule 11.15, the document is to be taken as a minute of the passing of the resolution.

#### **11.16 Committees of directors**

- (a) The directors may resolve to delegate any of their powers to a committee or committees consisting of such number of directors as they think fit.
- (b) A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.
- (c) The provisions of this constitution applying to meetings and resolutions of directors apply, so far as they can and with the changes as are necessary, to meetings and resolutions of a committee of directors.

#### **11.17 Delegation to individual directors**

- (a) The directors may resolve to delegate any of their powers to one director.
- (b) A director to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.

#### **11.18 Validity of acts**

An act done by a person acting as a director or by a meeting of directors or a committee of directors attended by a person acting as a director is not invalidated by reason only of:

- (a) a defect in the appointment of the person as a director;
- (b) the person being disqualified to be a director or having vacated office; or
- (c) the person not being entitled to vote,

if that circumstance was not known by the person or the directors or committee, as the case may be, when the act was done.

#### **11.19 Limitation on sale or disposal of main undertaking**

- (a) The directors must ensure that the Corporation does not dispose of the main undertakings of the Corporation, or permit the disposal of the main undertakings of any of the Corporation's subsidiaries.
- (b) The main undertakings of the Corporation are as specified in the most recent corporate plan of the Corporation.

## **12 Board Reporting and Communication**

**12.1 Annual report**

- (a) The directors must in each calendar year and no later than 3 months after the end of the financial year to which the annual report relates, provide the members:
  - (i) with an annual report for the Corporation and each of its subsidiaries; and
  - (ii) any other information requested in writing by the members.
- (b) Subject to the *Water and Sewerage Corporation Act 2012 (Tas)*, on the written request of a member, the Corporation must include in the financial statements any financial information that the members consider appropriate, unless that information is not accurate, or commercial in confidence.
- (c) The Corporation must publish the annual report on the Corporation's website no later than ~~4~~ 5 months after the end of the financial year to which the annual report relates, or as soon as possible after the Annual General Meeting at which the report is adopted, whichever occurs first.

**12.2 Other information**

- (a) Subject to the *Water and Sewerage Corporation Act 2012 (Tas)*, on the written request of a member, the Corporation must provide to the members:
  - (i) the business and strategic plans of the Corporation and any subsidiary, as specified in the request;
  - (ii) the financial information specified in the request;
  - (iii) a report on the matters specified in the request; and
  - (iv) any other information relevant to any such plan, financial information or report; unless the information is commercial in confidence.
- (b) If the directors form the opinion that a matter has arisen that may:
  - (i) prevent, or significantly affect, achievement of the objectives of the Corporation or any of its subsidiaries; or
  - (ii) significantly affect the strategies and policies that the Corporation or its subsidiaries are following to achieve those objectives; or
  - (iii) prevent, or significantly affect, achievement of a financial target,the directors will promptly notify the members of their opinion and the reasons for the opinion.

**12.3 Commercial in confidence dispute resolution**

- (a) If the directors determine certain information requested by a member to be commercial in confidence in accordance with rule 12.1(b) or rule 12.2(a), the Corporation must give the member that made the request notice of that determination.
- (b) Within 7 days of the giving of notice under rule 12.3(a), the member may notify the Corporation that it disputes the determination and provide details specifying the nature of the dispute.
- (c) Within 14 days of the delivery of a dispute notice under rule 12.3(b), the Corporation and the member must meet and use their best endeavours to resolve the dispute to the mutual

satisfaction of both parties as soon as possible.

- (d) If the Corporation and the member are not able to reach a resolution of the dispute within a reasonable period of time (in any event being no more than 14 days after the date of receipt of the notice of the dispute under rule 12.3(b)), then the dispute must be submitted for arbitration to an independent arbiter appointed by the President of the Law Society of Tasmania.
- (e) This rule 12.3 does not apply, or ceases to apply, if compliance with it would be likely to cause the Corporation to breach a law or any other requirement with respect to the Corporation's financial statements or any other information subject to the dispute.

## 13 Executive -officers

### ~~13.1 Chief Executive Officer~~ Chief executive officer

- (a) ~~The Chief Executive Officer~~ chief executive officer of the Corporation is to be appointed by the directors and may be removed by the directors.
- (b) ~~Subject to rule 13.1(d) and 13.1(e), in exercising their functions under rule 13.1(a), the directors shall consult with the Chief Owners' Representative and the Crown's Owner's Representative.~~
- ~~(c) Subject to rule 13.1(d), any change or amendment to this rule 13.1(b) or this rule 13.1(c) requires a Government Member Resolution in accordance with Schedule 6.~~
- (d) ~~If the Crown does not meet its share subscription obligations in accordance with clause 2.2 of the Share Subscription and Implementation Agreement then, for so long as the Crown fails to meet those obligations, the rights contained in rule 13.1(b) and rule 13.1(c) shall not apply.~~
- (e) ~~Where the rights set out in rule 13.1(b) and 13.1(c) do not apply, the directors shall consult with the with the Chief Owner's Representative only in exercising their functions under rule 13.1(a).~~

### 13.2 Secretaries

- (a) The directors may appoint a secretary or more than one secretary.
- (b) The directors may appoint one or more assistant secretaries.
- (c) Any director may also be the secretary or a secretary of the Corporation.

### 13.3 Provisions applicable to all executive officers

- (a) A reference in this rule 13.3 to an executive officer is a reference to a Chief Executive Officer chief executive officer, secretary or assistant secretary appointed under this rule 13.
- (b) The appointment of an executive officer may be for the period, at the remuneration and on the conditions the directors think fit.
- (c) Subject to any contract between the Corporation and the relevant executive officer, an executive officer of the Corporation may be removed or dismissed by the directors at any time, with or without cause. Such removal or dismissal does not remove that person from office as a director.
- (d) The directors may:
  - (i) confer on an executive officer the powers, discretions and duties as they think fit, and may resolve to delegate any powers, discretions and duties vested in or exercisable by

- the directors;
- (ii) withdraw, suspend or vary any of the powers, discretions and duties conferred on an executive officer; and
  - (iii) authorise the executive officer to delegate all or any of the powers, discretions and duties conferred on the executive officer.
- (e) An executive officer is not required to hold any shares to qualify for appointment.
  - (f) An act done by a person acting as an executive officer is not invalidated by reason only of:
    - (i) a defect in the person's appointment as an executive officer; or
    - (ii) the person being disqualified to be an executive officer,
 if that circumstance was not known by the person when the act was done.

## 14 Seals

### 14.1 Adoption of common seal

- (a) The directors may determine that the Corporation has a common seal or that the Corporation no longer has a common seal, and may revoke a determination made under this rule 14.1(a).
- (b) Rules 14.2, 14.3, 14.4, 14.5 and 14.6 only apply if the Corporation has a common seal.

### 14.2 Safe custody of Seal

The directors must provide for the safe custody of the Seal.

### 14.3 Use of Seal

- (a) The Seal must be used only by the authority of the directors or a committee of the directors authorised by the directors to authorise the use of the Seal.
- (b) The authority to use the Seal may be given before or after the Seal is used.
- (c) Subject to rule 14.6, until the directors otherwise determine, the fixing of the Seal to a document must be witnessed by a director and by another director, a secretary or another person appointed by the directors to witness that document or a class of documents in which that document is included.

### 14.4 Duplicate seal

- (a) The Corporation may have for use in place of its common seal outside the state or territory where its common seal is kept one or more duplicate seals, each of which must be a facsimile of the common seal of the Corporation with the addition on its face of the words "duplicate seal" and the name of the place where it is to be used.
- (b) A document sealed with a duplicate seal is to be taken as having been sealed with the common seal of the Corporation.

### 14.5 Share seal or certificate seal

- (a) The Corporation may have for use on certificates for securities of the Corporation in place of its common seal one or more duplicate seals, each of which must be a facsimile of the common seal of the Corporation with the addition on its face of the words "share seal" or "certificate seal".



- (b) A certificate for securities of the Corporation sealed with a share seal or certificate seal is to be taken as having been sealed with the common seal of the Corporation.

#### 14.6 Sealing and signing of certificates

The directors may determine either generally or in a particular case that the seal and the signature of any director, secretary or other person is to be printed on or fixed to any certificates for securities in the Corporation by some mechanical or other means.

## 15 Distribution –of profits

### 15.1 Dividends

- (a) The directors must determine a ~~distribution-dividend~~ policy in conjunction with the Owners' Representatives and in accordance with the *Water and Sewerage Corporation Act 2012* (Tas). ~~The distribution policy must incorporate a dividend policy.~~
- (b) The ~~distribution-dividend~~ policy ~~(which incorporates the dividend policy)~~ must, subject to complying with that Act and the law generally, allow for payment of quarterly interim dividends during the financial year in which the profits are made.
- (c) The directors may, from time to time and in a manner consistent with the ~~distribution-dividend~~ policy, determine the aggregate amount of dividends to be distributed to members in accordance with the equity proportions for each member set out in Schedule 3 of this constitution, ~~except if rule 15.4 applies, then the aggregate amount of dividends is to be distributed to members in accordance with rule 15.4 (Distribution Prior to 13 November 2013).~~
- (d) Interest is not payable by the Corporation in respect of any dividend.
- (e) A dividend in respect of a share must be paid to the person who is registered as the holder of the share:
- (i) where the directors have fixed a record date in respect of the dividend, on that date; or
  - (ii) where the directors have not fixed a record date in respect of that dividend, on the date the dividend is paid.
- (f) The directors may deduct from any dividend payable to a member all sums of money presently payable by the member to the Corporation and apply the amount deducted in or towards satisfaction of the money owing.
- (g) Where a person is entitled to a share as a result of a Transmission Event, the directors may, but are not obliged to, retain any dividends payable on that share until that person becomes registered as the holder of the share or transfers it.
- (h) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque and sent by post:
- (i) to the address of the holder as shown in the register of members; or
  - (ii) to such other address as the holder in writing directs.
- This rule 15.1(h) does not limit the method of payment the directors may adopt.
- (i) A cheque sent under rule 15.1(h) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs and is sent at the member's risk.

**15.2 – Guarantee fees**

- (a) ~~The Corporation must pay guarantee fees in accordance with the *Water and Sewerage Corporation Act 2012* and this constitution,~~
- (b) ~~The aggregate guarantee fee is to be paid to members in amounts calculated in accordance with the equity proportions for each member for distribution entitlements set out in Schedule 3 of this constitution, except if rule 15.4 applies, then the aggregate amount of guarantee fee is to be distributed to members in accordance with rule 15.4 (Distribution Prior to 13 November 2013).~~
- (c) ~~Any guarantee fee may be paid by cheque and sent by post:
 
  - (i) ~~to the address of the member as shown in the register of members; or~~
  - (ii) ~~to such other address as the member in writing directs.~~
 This rule 15.2(c) does not adversely affect any other method of payment the directors may adopt.~~
- (d) ~~A cheque sent under rule 15.2(c) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs and is sent at the member's risk.~~

**15.3 – Tax equivalents**

- (a) ~~The Corporation must pay an income tax equivalent in respect of each financial year in accordance with the *Water and Sewerage Corporation Act 2012* and this constitution,~~
- (b) ~~The aggregate income tax equivalent is to be paid to members in amounts calculated in accordance with the equity proportions for each member for distribution entitlements set out in Schedule 3 of this constitution, except if rule 15.4 applies, then the aggregate amount of~~
- (c) ~~income tax equivalent is to be distributed to members in accordance with rule 15.4 (Distribution Prior to 13 November 2013).~~
- (d) ~~Any tax equivalent may be paid by cheque and sent by post:
 
  - (i) ~~to the address of the member as shown in the register of members; or~~
  - (ii) ~~to such other address as the member in writing directs.~~
 This rule 15.3(c) does not adversely affect any other method of payment the directors may adopt.~~
- (e) ~~A cheque sent under rule 15.3(c) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs and is sent at the member's risk.~~

**15.4 – Distribution Prior to 13 November 2013**

~~For distributions made prior to 13 November 2013, the allocation of aggregate distributions made under rule 165.1 (Dividends), rule 165.2 (Guarantee Fees) and rule 165.3 (Tax Equivalents), without limiting those rules, must be in accordance with this rule 165.4:~~

- (a) ~~priority distributions are to be made to members:
 
  - (i) ~~when the total of the Current Distribution and Past Distributions payable to all members in the year is less than the sum of all members' Pro-Rata Maximum Priority Distribution, in the amount of that member's Relative Priority Share of the Current Distribution; or~~~~

~~(ii) — when the total of the Current Distribution and Past Distributions payable to all members in the year is greater than or equal to the sum of all members' Pro-Rata Maximum Priority Distribution, in the amount of that member's total Pro-Rata Maximum Priority Distribution less the sum of all Past Priority Distributions received by that member in the relevant year;~~

~~(b) — any residual distributions to be made after priority distributions in rule 15.4(a) are to be made to members based on the equity proportions per member for distribution entitlements set out in Schedule 3.~~

### **15.5 Interpretation**

~~(a) — In rule 15.4 (Distribution Prior to 13 November 2013):~~

~~(i) — Current Distribution means the total of any distributions currently payable to the members of the Corporation;~~

~~(ii) — Past Distributions means the total of all distributions previously paid to members in the year;~~

~~(iii) — Past Priority Distributions means the total of all distributions previously paid to members in the year under rule 15.4(a);~~

~~(iv) — Pro-Rata Maximum Priority Distribution means the values set out in column 3 of the table at Schedule 4; and~~

~~(v) — Relative Priority Share means the shares set out in column 4 of the table at Schedule 4.~~

### **15.615.2 Capitalisation of profits**

- (a) Subject to any rights or restrictions attached to any shares or class of shares, the directors may capitalise and distribute among such of the members as would be entitled to receive dividends and in the same proportions, as each member would be entitled to receive a dividend, any amount:
- (i) forming part of the undivided profits of the Corporation;
  - (ii) representing profits arising from an ascertained accretion to capital or from a revaluation of the assets of the Corporation;
  - (iii) arising from the realisation of any assets of the Corporation; or
  - (iv) otherwise available for distribution as a dividend (having provided for expected future capital requirements and operational expenditure).
- (b) The directors may resolve that all or any part of the capitalised amount is to be applied:
- (i) in paying up in full any unissued shares in the Corporation;
  - (ii) in paying up any amounts unpaid on shares held by the members;
  - (iii) partly as specified in rule 15.62(b)(i) and partly as specified in rule 15.62(b)(ii); or
  - (iv) in any other way permitted by the Corporations Act,
- and that application must be accepted by the members entitled to share in the distribution in full satisfaction of their interests in the capitalised amount.
- (c) Rules 15.1(e) and 15.1(g) apply, so far as they can and with any necessary changes, to a capitalisation of an amount under rule 15.26 as if references in those rules to a dividend and to the date a dividend is paid were references to a capitalisation of an amount and to the

date the directors resolve to capitalise the amount under this rule 15.26 respectively.

**15.215.3 Ancillary powers**

- (a) Subject to any applicable requirements of the *Water and Sewerage Corporation Act 2012* (Tas), the directors may do any of the following things to give effect to a resolution for the satisfaction of a dividend in the manner set out in rule 15.1 or by the capitalisation of an amount under rule 15.2:
- (i) settle as they think expedient any difficulty that may arise in making the distribution or capitalisation and, in particular, where shares in the Corporation are or would otherwise be issuable in fractions:
    - (A) determine that fractions are to be disregarded or are to be rounded down to the nearest whole number; or
    - (B) determine that fractions are to be rounded up to the nearest whole number;
  - (ii) fix the value for distribution of any specific assets;
  - (iii) pay cash to any member or issue shares to any member in order to adjust the rights of all parties;
  - (iv) vest any specific assets, cash or shares in a trustee on such trusts for the persons entitled to the dividend or capitalised amount as may seem expedient to the directors; and
  - (v) authorise any person to make, on behalf of all the members entitled to any further shares as a result of the distribution or capitalisation, an agreement with the Corporation or another body corporate providing, as appropriate:
    - (A) for the issue to them of further shares as fully paid; or
    - (B) for the payment by the Corporation on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,
 and any agreement made under an authority referred to in this rule (v) is effective and binding on all members concerned.
  - (b) If the Corporation distributes to a member shares in the Corporation or another body corporate or a trust, the member appoints the Corporation as his or her agent to do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.

**15.815.4 Reserves**

- (a) Subject to this constitution, the directors may set aside out of the profits of the Corporation reserves or provisions for any purpose as they think fit, including for future capital requirements or operational expenditure of the Corporation.
- (b) The directors may appropriate to the profits of the Corporation an amount previously set aside as a reserve or provision.
- (c) The setting aside of an amount as a reserve or provision does not require the directors to keep the amount separate from other assets of the Corporation or prevent the amount being used in the business of the Corporation or being invested as the directors think fit.

**15.915.5 Carry forward of profits**

Subject to this constitution, the directors may carry forward as much of the profits remaining as they consider ought not to be distributed as dividends or capitalised without transferring those profits to a reserve or provision.

**16 Winding -up****16.1 Distribution of surplus**

Subject to this constitution and to the rights or restrictions attached to any shares or class of shares:

- (a) if the Corporation is wound up and the property of the Corporation is more than sufficient:
  - (i) to pay all of the debts and liabilities of the Corporation; and
  - (ii) the costs, charges and expenses of the winding up,

the excess must be divided among the members in accordance with the equity proportions of shares held by each member at the relevant time set out in Schedule 2 of this constitution, irrespective of the amounts paid or credited as paid on the shares; and

- (b) for the purpose of calculating the excess referred to in rule 16.1(a), any amount unpaid on a share is to be treated as property of the Corporation.

**16.2 Division of property**

- (a) If the Corporation is wound up, the liquidator may divide among the members the whole or any part of the property of the Corporation in accordance with the equity proportions of shares held by each member at the relevant time set out in Schedule 2 of this constitution. Nothing in this rule 16.2 adversely affects any right to exercise any statutory or other power which would have existed if this rule were omitted.
- (b) Rule 15.7-15.3 applies, so far as it can and with necessary changes, to a division by a liquidator under rule 16.2(a) as if references in rule 15.7-15.3 to the directors and to a distribution or capitalisation were references to the liquidator and to the division under rule 16.2(a) respectively.

**17 Minutes and records****17.1 Minutes**

The directors must cause minutes of:

- (a) all proceedings and resolutions of general meetings;
- (b) proceedings and resolutions of meetings of the directors and of committees of the directors;
- (c) resolutions passed by members without a meeting;
- (d) resolutions passed by a director or directors without a meeting; and
- (e) declarations made by a director of a single director Corporation,

to be recorded and entered in books kept for that purpose, within one month after the meeting is held, the resolution is passed or the declaration is made.

**17.2 Signing of minutes**

- (a) Minutes of a meeting must be signed by the chair of the meeting or the chair of the next

meeting within a reasonable time after the meeting.

- (b) Minutes of the passing of a resolution without a meeting or the making of a declaration must be signed by a director within a reasonable time after the resolution is passed.

### 17.3 Minutes as evidence

A minute that is recorded and signed in accordance with rules 17.1 and 17.2 is evidence of the proceeding or resolution to which it relates, unless the contrary is proved.

### 17.4 Inspection of records

- (a) Subject to the Corporations Act, the directors may determine whether and to what extent, and at what time and places and under what conditions, the minute books, accounting records and other documents of the Corporation or any of them will be open to the inspection of members other than directors.
- (b) A member other than a director does not have the right to inspect any books, records or documents of the Corporation except as provided by law or authorised by the directors.

## 18 Indemnity and insurance

### 18.1 Persons to whom rules 18.2 and 18.4 apply

Rules 18.2 and 18.4 apply:

- (a) to each person who is or has been a director or executive officer (within the meaning of rule 13.3(a)) of the Corporation;
- (b) to such other officers or former officers of the Corporation or of its related bodies corporate as the directors in each case determine; and
- (c) if the directors so determine, to any auditor or former auditor of the Corporation or of its related bodies corporate.

### 18.2 Indemnity

The Corporation must indemnify to the extent permitted by law, each person to whom this rule 18.2 applies for all losses or liabilities incurred by the person as an officer or, if the directors so determine, an auditor of the Corporation or of a related body corporate including, but not limited to, a liability for negligence or for legal costs on a full indemnity basis.

### 18.3 Extent of indemnity

The indemnity in rule 18.2:

- (a) is a continuing obligation and is enforceable by a person to whom rule 18.2 applies even though that person may have ceased to be an officer or auditor of the Corporation or of a related body corporate;
- (b) applies to losses and liabilities incurred both before and after the date of adoption of that rule; and
- (c) operates only to the extent that the loss or liability is not covered by insurance.

### 18.4 Insurance

The Corporation may, to the extent permitted by law:

- (a) purchase and maintain insurance; or

- (b) pay or agree to pay a premium for insurance,

for any person to whom this rule 18.4 applies against any liability incurred by the person as an officer or auditor of the Corporation or of a related body corporate including, but not limited to, a liability for negligence or for legal costs.

#### 18.5 Agreement and Access to Corporation Books

The Corporation may enter into an agreement with a person referred to in rule 18.1 (Persons to whom rules 18.2 and 18.4 apply) with respect to the matters covered by this rule 18. An agreement entered into pursuant to this rule may include provisions relating to rights of access to books of the Corporation conferred by the Corporations Act or otherwise by law.

#### 18.6 Savings

Nothing in rule 18.2 or 18.4:

- (a) affects any other right or remedy that a person to whom those rules apply may have in respect of any loss or liability referred to in those rules; or
- (b) limits the capacity of the Corporation to indemnify or provide insurance for any person to whom those rules do not apply.

## 19 Notices

### 19.1 Notices by the Corporation to members

- (a) A notice may be given by the Corporation to a member:
- (i) by serving it personally at, or by sending it by post in a prepaid envelope to, the member's address as shown in the register of members or such other address, or by fax or electronic mail to such fax number or electronic address, as the member has supplied to the Corporation for the giving of notices; or
- (ii) if the member does not have a registered address and has not supplied another address to the Corporation for the giving of notices, by exhibiting it at the registered office of the Corporation.
- (b) A notice may be given by the Corporation to a person entitled to a share as a result of a Transmission Event by serving it or sending it in the manner authorised by rule 19.1(a)(i) addressed to the name or title of the person, at or to the address, fax number or electronic address supplied to the Corporation for the giving of notices to that person, or if no address, fax number or electronic address has been supplied, at or to the address, fax number or electronic address to which the notice might have been sent if the relevant Transmission Event had not occurred.
- (c) The fact that a person has supplied a fax number or electronic address for the giving of notices does not require the Corporation to give any notice to that person by fax or electronic mail.
- (d) A notice given to a member in accordance with rules 19.1(a) or (b) is, despite the occurrence of a Transmission Event and whether or not the Corporation has notice of that occurrence:
- (i) duly given in respect of any shares registered in that person's name; and
- (ii) sufficient service on any person entitled to the shares as a result of the Transmission Event.
- (e) A notice given to a person who is entitled to a share as a result of a Transmission Event is

sufficient service on the member in whose name the share is registered.

- (f) Any person who, because of a transfer of shares, becomes entitled to shares registered in the name of a member is bound by every notice which, before that person's name and address is entered in the register of members in respect of those shares, is given to the member in accordance with this rule 19.1.
- (g) A signature to any notice given by the Corporation to a member under this rule 19.1 may be in writing or a facsimile printed or fixed by some mechanical or other means.
- (h) A certificate signed by a director or secretary of the Corporation to the effect that a notice has been given in accordance with this constitution is conclusive evidence of that fact.

#### **19.2 Notices by the Corporation to directors**

Subject to this constitution, a notice may be given by the Corporation to any director either by serving it personally at, or by sending it by post in a prepaid envelope to, the director's usual residential or business address, or such other address, or by fax or electronic mail to such fax number or electronic address, as the director has supplied to the Corporation for the giving of notices.

#### **19.3 Notices by members or directors to the Corporation**

Subject to this constitution, a notice may be given by a member or director to the Corporation by serving it on the Corporation at, or by sending it by post in a prepaid envelope to, the registered office of the Corporation or by fax or electronic mail to the principal fax number or electronic address at the registered office of the Corporation.

#### **19.4 Notices to members outside Australia**

A notice to be sent to a member outside Australia and its external territories must be sent by airmail or by fax or by electronic mail, or in another way that ensures it will be received quickly.

#### **19.5 Time of service**

- (a) Where a notice is sent by post, service of the notice is to be taken to be effected if a prepaid envelope containing the notice is properly addressed and placed in the post and to have been effected:
  - (i) in the case of a notice of a general meeting, on the day after the date of its posting; or
  - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (b) Where a notice is sent by fax, the notice is to be taken to be given on the business day after it is sent.
- (c) Where a notice is sent by electronic mail, service of the notice is taken to be effected if the sender receives a confirmation of delivery and is taken to have been effected on the business day after it is sent.
- (d) Where the Corporation gives a notice under rule 19.1(a)(ii) by exhibiting it at the registered office of the Corporation, service of the notice is to be taken to be effected when the notice was first so exhibited.

#### **19.6 Other communications and documents**



Rules 19.1 to 19.5 (inclusive) apply, as far as they can and with necessary changes, to the service of any communication or document.

### 19.7 Notices in writing

A reference in this constitution to a notice in writing includes a notice given by fax, electronic mail or another form of written communication.

## 20 General

### 20.1 Currency

An amount payable to the holder of a share, whether by way of or on account of dividend, return of capital, participation in the property of the Corporation on a winding up or otherwise, may be paid, with the agreement of the holder or pursuant to the terms of issue of the share, in the currency of a country other than Australia and the directors may fix a date up to 30 days before the payment date as the date on which any applicable exchange rate will be determined for that purpose.

### 20.2 Submission to jurisdiction

Each member submits to the non-exclusive jurisdiction of the Supreme Court of Tasmania, the Federal Court of Australia and the Courts which may hear appeals from those Courts.

### 20.3 Subsidiaries

- (a) The Corporation may not:
- (i) form, or participate in the formation of, any company, trust, managed investment scheme, other body corporate, partnership or joint venture; or
  - (ii) acquire any:
    - (A) any shares or other securities in a company;
    - (B) any interest, including any units, in any trust;
    - (C) any interest in any managed investment scheme;
    - (D) any interest in any other body corporate; or
    - (E) any interest in any partnership or joint venture,
 without the prior approval of the members of the Corporation.
- (a) The Corporation is, to the maximum extent practicable, to ensure that every subsidiary complies with the subsidiary's constitution (if any) and with the requirements of the *Water and Sewerage Corporation Act 2012* (Tas).
- (b) The constitution of a subsidiary is to be substantially consistent with this constitution except to the extent that changes are required to permit a subsidiary to:
- (i) be a single member company;
  - (ii) have a single director; or
  - (iii) as otherwise necessary for the efficient operation of the subsidiary.

### 20.4 Limit on borrowings

- (a) In respect of a financial year, the members by special resolution may determine the maximum total amount that may be borrowed by the Corporation and all its subsidiaries during that financial year.

- |
- (b) The secretary of the Corporation must notify all the subsidiaries of the Corporation, in writing, of a maximum total amount determined under rule 20.4(a) if it has been so determined.
  - (c) The Corporation must ensure that the total of all amounts borrowed by the Corporation and all its subsidiaries during a financial year does not exceed the maximum total amount determined under rule 20.4(a) in respect of that financial year.
  - (d) Except where approved by a special resolution of members and by the Minister in accordance with the *Water and Sewerage Corporation Act 2012* (Tas), the Corporation must not borrow from any person other than the Tasmanian Public Finance Corporation.
  - (e) The terms and conditions of any borrowing is to be in accordance with any guidelines issued by the Treasurer.
  - (f) For the purpose of rule 20.4(e), borrowing means any borrowing, loan, temporary accommodation, advance or other form of raising funds in relation to which the principle is repayable.

#### **20.5 Prohibition and enforceability**

- (a) Any provision of, or the application of any provision of, this constitution which is prohibited in any place is, in that place, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this constitution which is void, illegal or unenforceable in any place does not affect the validity, legality or enforceability of that provision in any other place or of the remaining provisions in that or any other place.

## SCHEDULE 1 - DICTIONARY

### 1 Dictionary

In this constitution:

**Business Day** means a day on which banks are open for business in Hobart excluding Saturdays, Sundays and public holidays in Hobart.

**Chief Owners' Representative** means the chief of Owners' Representatives appointed under Rule 9.2(a).

**Corporation** means Tasmanian Water and Sewerage Corporation Pty Ltd (ACN 162 220 653).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Council** means a council within the meaning of the *Local Government Act 1993* (Tas).

**Crown** means the Crown in Right of Tasmania.

**Deputy Chief Representative** means the deputy chief of Owners' Representatives appointed under Rule 9.2(b).

**General Manager** means a person appointed as, and currently holding the position of, general manager under section 61 of the *Local Government Act 1993*.

**Government Member Resolution** means a resolution in relation to which only the Crown's Owner's Representative is entitled to vote, and which the Crown's Owner's Representative votes in favour of.

**Guarantee** means a guarantee, indemnity, letter of credit, letter of comfort or other assurance or assumption of responsibility given at any time for a debt or liability of another person or the solvency or financial condition of that person.

**Member** means the member Councils and the Crown.

**Owners' Representatives** means the Owners' Representatives appointed under rule 9.

**Northern Region** has the same meaning as set out in the *Acts Interpretation Act 1931* (Tas).

**North-western Region** has the same meaning as set out in the *Acts Interpretation Act 1931* (Tas).

**Ordinary Majority** means a majority representing more than 50% of:

- (a) in relation to the members of the Corporation, all of the members;
- (b) in relation to the Owners' Representatives representing members of the Corporation from a particular Region, all the Owners' Representatives representing members of the Corporation from that Region;
- (c) in relation to the Owners' Representatives of the Corporation, all the Owners' Representatives of the Corporation; and
- (d) in relation to the Selection Committee, all the Selection Committee.

**Owners' Representatives** means the Owners' Representatives appointed under rule 9.

**Region** means the Northern Region, North-western Region or Southern Region.

**Representative**, in relation to a body corporate, means a representative of the body corporate appointed

under section 250D of the Corporations Act or a corresponding previous law.

**Seal** means any common seal, duplicate seal, share seal or certificate seal of the Corporation.

**Selection Committee** means the selection committee established under rule 1011.

**Share Subscription and Implementation Agreement** means the Share Subscription and Implementation Agreement between the Corporation and the Crown.

**Southern Region** has the same meaning as set out in the *Acts Interpretation Act 1931* (Tas).

**Special Majority Members Resolution** means a resolution of the members passed by at least 75% of the votes cast by members entitled to vote on the resolution.

**Special Majority** means a majority representing at least 75% of:

- (a) in relation to the Owners' Representatives representing members of the Corporation from a particular Region, all the Owners' Representatives representing members of the Corporation from that Region;
- (b) in relation to the Owners' Representatives of the Corporation, all the Owners' Representatives of the Corporation.

**State Owned Business** means any body or authority, whether incorporated or not, which is established or constituted by or under the Government Business Enterprises Act 1995 (Tas) or other Tasmanian statute, being a body or authority which, or of which the governing authority, wholly or partly comprises a person or persons appointed by the Governor of Tasmania, a minister of the Crown or another government authority, but does not include a government department.

**Transmission Event** means in respect of a member of the Corporation which is a body corporate (including a Council or the Crown), the winding up or dissolution of the member or the succession by another body corporate to the assets and liabilities of the member.

**Treasurer's Instruction** means a Treasurer's instruction issued under the Government Business Enterprises Act 1995 (Tas).

## 2 Interpretation

### 2.1 General

- (a) A member is to be taken to be present at a general meeting if the member is present in person or by proxy, attorney or Representative or by alternative means of simultaneous communication.
- (b) A director is to be taken to be present at a meeting of directors if the director is present in person or by alternative means of simultaneous communication.
- (c) Where a provision of this constitution establishes an office of chair, the chair may be referred to as a chairman or chairwoman, as the case requires.
- (d) A reference in a rule in general terms to a person holding or occupying a particular office or position includes a reference to any person who occupies or performs the duties of that office or position for the time being.
- (e) In this constitution, headings and underlining are for convenience only and do not affect the interpretation of this constitution and, unless the contrary intention appears:
  - (i) words importing the singular include the plural and vice versa;
  - (ii) words importing a gender include every other gender;

- (iii) words used to denote persons generally or importing a natural person include any company, corporation, body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
- (iv) a reference to a person includes that person's successors and legal personal representatives;
- (v) a reference to any statute, regulation, proclamation, ordinance or by-laws includes all statutes, regulations, proclamations, ordinances or by-laws varying, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and
- (vi) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

## 2.2 Application of the Corporations Act

- (a) This constitution is to be interpreted subject to the Corporations Act and the *Water and Sewerage Corporation Act 2012* (Tas).
- (b) Unless the contrary intention appears, an expression in a rule that deals with a matter dealt with by a provision of the Corporations Act, has the same meaning as in that provision.
- (c) Subject to rule 2.2(b) of this Schedule 1, unless the contrary intention appears, an expression in a rule that is defined in section 9 of the Corporations Act has the same meaning as in that section.

## 2.3 Exercise of powers

- (a) The Corporation may exercise in any manner permitted by the Corporations Act any power which under the Corporations Act a company limited by shares may exercise if authorised by its constitution.
- (b) Where this constitution provides that a person or body may do a particular act or thing and the word "may" is used, the act or thing may be done at the discretion of the person or body.
- (c) Where this constitution confers a power to do a particular act or thing, the power is, unless the contrary intention appears, to be taken as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary that act or thing.
- (d) Where this constitution confers a power to do a particular act or thing with respect to particular matters, the power is, unless the contrary intention appears, to be taken to include a power to do that act or thing with respect to some only of those matters or with respect to a particular class or particular classes of those matters and to make different provision with respect to different matters or different classes of matters.
- (e) Where this constitution confers a power to make appointments to any office or position, the power is, unless the contrary intention appears, to be taken to include a power:
  - (i) to appoint a person to act in the office or position until a substitute person is appointed to the office or position;
  - (ii) subject to any contract between the Corporation and the relevant person, to remove or suspend any person appointed, with or without cause; and
  - (iii) to appoint another person temporarily in the place of any person so removed or

suspended or in place of any sick or absent holder of such office or position.

- (f) Where this constitution confers a power or imposes a duty then, unless the contrary intention appears, the power may be exercised and the duty must be performed from time to time as the occasion requires.
- (g) Where this constitution confers a power or imposes a duty on the holder of an office as such then, unless the contrary intention appears, the power may be exercised and the duty must be performed by the holder for the time being of the office.
- (h) Where this constitution confers power on a person or body to delegate a function or power:
  - (i) the delegation may be concurrent with, or to the exclusion of, the performance or exercise of that function or power by the person or body;
  - (ii) the delegation may be either general or limited in any manner provided in the terms of delegation;
  - (iii) the delegation need not be to a specified person but may be to any person from time to time holding, occupying or performing the duties of, a specified office or position;
  - (iv) the delegation may include the power to delegate;
  - (v) where the performance or exercise of that function or power is dependent upon the opinion, belief or state of mind of that person or body in relation to a matter, that function or power may be performed or exercised by the delegate upon the opinion, belief or state of mind of the delegate in relation to that matter; and
  - (vi) the function or power so delegated, when performed or exercised by the delegate, is to be taken to have been performed or exercised by the person or body.

#### 2.4 Replaceable rules not to apply

The replaceable rules applicable to a proprietary company contained in the Corporations Act from time to time do not apply to the Corporation.

#### 2.5 Best Efforts

Any provision of this constitution which requires a person to use best efforts to procure that something is performed or occurs does not include any liability:

- (a) (payment): to pay any money, or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) (legal action): to commence any legal action against any person, to procure that that thing is done or happens;

except:

- (c) (fees): for payment of any applicable fee for the lodgement or filing of any relevant application with any governmental agency; or
- (d) (contrary provision): where that provision expressly specifies otherwise.

**SCHEDULE 2 – SHARE CAPITAL STRUCTURE EQUITY PROPORTIONS PER-MEMBER FOR VOTING PURPOSES**

Council	Class-of-Share	Percentage
Break-O'-Day	"A" ordinary shares	2.10%
Dorset	"B" ordinary shares	1.06%
Flinders	"C" ordinary shares	0.21%
George-Town	"D" ordinary shares	1.23%
Launceston	"E" ordinary shares	14.80%
Meander	"F" ordinary shares	3.02%
Northern-Midlands	"G" ordinary shares	2.52%
West-Tamar	"H" ordinary shares	3.55%
Burnie	"I" ordinary shares	4.12%
Central-Coast	"J" ordinary shares	4.73%
Circular-Head	"K" ordinary shares	1.58%
Devonport	"L" ordinary shares	5.44%
Kentish	"M" ordinary shares	0.43%
King-Island	"N" ordinary shares	0.31%
Latrobe	"O" ordinary shares	1.90%
Waratah-Wynyard	"P" ordinary shares	2.81%
West-Coast	"Q" ordinary shares	1.80%
Brighton	"R" ordinary shares	2.93%
Central-Highlands	"S" ordinary shares	0.50%
Clarence	"T" ordinary shares	10.58%
Derwent-Valley	"U" ordinary shares	1.30%
Glamorgan-Spring-Bay	"V" ordinary shares	1.99%



Council	Class of Share	Percentage
Glenorchy	"W" ordinary shares	10.41%
Hobart	"X" ordinary shares	10.39%
Huon Valley	"Y" ordinary shares	2.04%
Kingborough	"Z" ordinary shares	5.91%
Sorell	"AA" ordinary shares	4.56%
Southern Midlands	"BB" ordinary shares	0.74%
Tasman	"CC" ordinary shares	0.05%

Table 1.

Council	Class of Share	Number of Shares
Break O' Day	"A" ordinary shares	1,889,811
Dorset	"B" ordinary shares	953,905
Flinders	"C" ordinary shares	188,981
George Town	"D" ordinary shares	1,106,889
Launceston	"E" ordinary shares	13,318,668
Meander	"F" ordinary shares	2,717,728
Northern Midlands	"G" ordinary shares	2,267,773
West Tamar	"H" ordinary shares	3,194,681
Burnie	"I" ordinary shares	3,707,629
Central Coast	"J" ordinary shares	4,256,574
Circular Head	"K" ordinary shares	1,421,858
Devonport	"L" ordinary shares	4,895,510
Kentish	"M" ordinary shares	386,961
King Island	"N" ordinary shares	278,972
Latrobe	"O" ordinary shares	1,709,829
Waratah Wynyard	"P" ordinary shares	2,528,747
West Coast	"Q" ordinary shares	1,619,838
Brighton	"R" ordinary shares	2,636,736





<u>Central Highlands</u>	<u>"S" ordinary shares</u>	<u>449,955</u>
<u>Clarence</u>	<u>"T" ordinary shares</u>	<u>9,521,048</u>
<u>Derwent Valley</u>	<u>"U" ordinary shares</u>	<u>1,169,883</u>
<u>Glamorgan-Spring Bay</u>	<u>"V" ordinary shares</u>	<u>1,790,821</u>
<u>Glenorchy</u>	<u>"W" ordinary shares</u>	<u>9,368,063</u>
<u>Hobart</u>	<u>"X" ordinary shares</u>	<u>9,350,065</u>
<u>Huon Valley</u>	<u>"Y" ordinary shares</u>	<u>1,835,816</u>
<u>Kingborough</u>	<u>"Z" ordinary shares</u>	<u>5,318,468</u>
<u>Sorell</u>	<u>"AA" ordinary shares</u>	<u>1,403,860</u>
<u>Southern Midlands</u>	<u>"BB" ordinary shares</u>	<u>665,933</u>
<u>Tasman</u>	<u>"CC" ordinary shares</u>	<u>44,996</u>
<u>Crown</u>	<u>"DD" ordinary shares</u>	<u>Refer to Table 2.</u>

**Table 2**

Subject to the Crown meeting its obligations to subscribe for shares in accordance with the Share Subscription and Implementation Agreement, the Crown's shareholding shall progressively increase up to a maximum of 10,000,000 in 2028, on or before the Subscription Dates set out below:

<u>Subscription Date</u>	<u>Number of Shares</u>	<u>Subscription Amount</u>
<u>1 January 2019</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2020</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2021</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2022</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2023</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2024</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2025</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2026</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2027</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
<u>1 January 2028</u>	<u>1,000,000</u>	<u>\$20,000,000</u>
	<u>10,000,000</u>	<u>\$200,000,000</u>



**SCHEDULE 3 – EQUITY PROPORTIONS PER MEMBER FOR DISTRIBUTION-DIVIDEND PURPOSES**

Member	Class of Share	Percentage
Break O'Day	"A" ordinary shares	1.94%
Dorset	"B" ordinary shares	0.97%
Flinders	"C" ordinary shares	0.18%
George Town	"D" ordinary shares	1.13%
Launceston	"E" ordinary shares	13.62%
Meander	"F" ordinary shares	2.78%
Northern Midlands	"G" ordinary shares	2.34%
West Tamar	"H" ordinary shares	3.28%
Burnie	"I" ordinary shares	4.14%
Central Coast	"J" ordinary shares	4.77%
Circular Head	"K" ordinary shares	1.58%
Devonport	"L" ordinary shares	5.46%
Kentish	"M" ordinary shares	0.44%
King Island	"N" ordinary shares	0.33%
Latrobe	"O" ordinary shares	1.91%
Waratah Wynyard	"P" ordinary shares	2.81%
West Coast	"Q" ordinary shares	1.81%
Brighton	"R" ordinary shares	3.08%
Central Highlands	"S" ordinary shares	0.51%
Clarence	"T" ordinary shares	11.06%
Derwent Valley	"U" ordinary shares	1.36%
Glamorgan-Spring Bay	"V" ordinary shares	2.07%



Member	Class of Share	Percentage
Glenorchy	"W" ordinary shares	10.86%
Hobart	"X" ordinary shares	10.86%
Huon Valley	"Y" ordinary shares	2.12%
Kingborough	"Z" ordinary shares	6.16%
Sorell	"AA" ordinary shares	1.62%
Southern Midlands	"BB" ordinary shares	0.76%
Tasman	"CC" ordinary shares	0.05%
<u>Crown</u>	<u>"DD" ordinary shares</u>	<u>0.00%</u>

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#### SCHEDULE 4 – PRIORITY DISTRIBUTION PROPORTIONS

Council	Class of Share	Pro-Rata Maximum Priority Distribution to 12/11/13 (135 days)	Relative Priority Share (%)
Break O' Day	"A" ordinary shares	0	0
Dorset	"B" ordinary shares	0	0
Flinders	"C" ordinary shares	8,508	0.09
George Town	"D" ordinary shares	34,028	0.38
Launceston	"E" ordinary shares	813,698	9.07
Meander	"F" ordinary shares	187,523	2.09
Northern Midlands	"G" ordinary shares	0	0
West-Tamar	"H" ordinary shares	708,657	7.90
Burnie	"I" ordinary shares	150,534	1.68
Central Coast	"J" ordinary shares	0	0
Circular Head	"K" ordinary shares	382,068	4.26
Devonport	"L" ordinary shares	636,534	7.09
Kentish	"M" ordinary shares	740	0.01
King Island	"N" ordinary shares	30,700	0.34
Latrobe	"O" ordinary shares	287,013	3.20
Waratah-Wynyard	"P" ordinary shares	18,864	0.21
West Coast	"Q" ordinary shares	309,205	3.45
Brighton	"R" ordinary shares	395,753	4.41
Central Highlands	"S" ordinary shares	0	0
Clarence	"T" ordinary shares	0	0



Council	Class-of-Share	Pro-Rata Maximum-Priority Distribution to 12/11/13 (135 days)	Relative Priority Share (%)
Derwent-Valley	"U"-ordinary shares	0	0
Glamorgan-Spring-Bay	"V"-ordinary shares	0	0
Glenorchy	"W"-ordinary shares	3,280,314	36.56
Hobart	"X"-ordinary shares	776,233	8.64
Huon-Valley	"Y"-ordinary shares	322,151	3.59
Kingborough	"Z"-ordinary shares	443,835	4.95
Sorell	"AA"-ordinary shares	187,151	2.09
Southern Midlands	"BB"-ordinary shares	0	0
Tasman	"CC"-ordinary shares	0	0
Total Pro-Rata-Maximum-Priority-Distribution		8,972,507	



## SCHEDULE 45 – SPECIAL MAJORITY MEMBERS RESOLUTION

The matters requiring a Special Majority Members Resolution are:

- (a) (strategic direction) any substantial alteration in the strategic direction of the business or the entry into any new business by the Corporation;
- (b) (sale) any sale, purchase or reconstruction, including by way of any buy-back of shares or capital reduction, by the Corporation which would result in a change in the level of the Corporation's ownership of any equity or shares or any trading business, including the Business;
- (c) (new issues) the issue and terms of issue of any Shares;
- (d) (consultancy fees) any proposal for or any changes to the consultancy fees payable to or other non-Board remuneration arrangements with the chairman;
- (e) (asset disposals) any sale, lease, exchange or other disposition of:
  - (i) all or a material part of the assets of the Corporation unless specified in the budget; or
  - (ii) all or a substantial part of the business.

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### SCHEDULE ~~56~~ - 75% BY MEMBER, 75% BY EQUITY RESOLUTION

Subject to the matters which require a Government Member Resolution in accordance with Schedule 6, the matters requiring a resolution of the members passed by:

- (a) at least 75% ~~by number~~ of the members of the Corporation entitled to vote; and
- (b) any combination of members that hold at least 75% of ~~votes cast by members of the Corporation entitled to vote on the resolution~~ ~~the equity voting proportions specified in Schedule 2~~.

are:

- (~~a~~) any resolution to amend Schedule 2 or Schedule 3 of this constitution; and
- (~~b~~) any resolution as a result of the winding up, liquidation or dissolution of any member of the Corporation.

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## SCHEDULE 6 – GOVERNMENT MEMBER RESOLUTIONS

The matters requiring a Government Member Resolution are:

- (a) any amendment or revocation and substitution of the Shareholders' Letter of Expectations which involves a change to the process for adoption and amendment of the Corporation's corporate plan (including any mechanism for resolving any dispute regarding the adoption of amendments to the corporate plan);
- (b) any amendments to:
  - (i) the role of the Crown's Owner's Representative in the process to approve, or request amendments to, the corporate plan; or
  - (ii) the Crown's Owner's Representative's role in the mechanism to avoid deadlock in the event that there is any dispute over adopting any amendments to the corporate plan;
- (c) any amendments to the role of the Crown's Owner's Representative on the Selection Committee;
- (d) any amendments to the right of the Crown's Owner's Representative to be consulted in relation to the appointment of the Chief Executive Officer; and
- (a)(e) any amendments to rule 6.8(d) or to this Schedule 6.

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**Appendix 2: Proposed Shareholders' Letter of Expectations**



**Water and Sewerage Corporation Act 2012**

**SHAREHOLDERS' LETTER  
OF EXPECTATIONS**

**Tasmanian Water and Sewerage Corporation Pty Ltd  
ACN 162 220 653**

Adopted by general meeting 16 May 2013  
Amended by general meeting 28 July 2015  
Amended by general meeting 27 September 2018

Version 4-05.0

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<b>PART 1 - PRELIMINARY</b>	
<b>1. Commencement and Term</b>	
1.1	This Letter of Expectations is issued by the Shareholders of the Tasmanian Water and Sewerage Corporation Pty Ltd under Section 12 of the <i>Water and Sewerage Corporation Act 2012</i> . This Letter of Expectations commenced on 1 July 2013 and operates until it is replaced in accordance with the procedures outlined in this document and the Corporation's Constitution.
<b>2. Purpose</b>	
2.1	The purpose of this Letter of Expectations is to communicate and give guidance in relation to the Shareholders' high-level performance expectations and strategic priorities to the Board of the Corporation.
<b>3. Interpretation</b>	
3.1	The definitions of the terms are contained in Schedule A to this Letter of Expectations.
3.2	<p>The following rules also apply in interpreting this Letter of Expectations, except where the context makes it clear that a rule is not intended to apply.</p> <p>Terms defined in the <i>Water and Sewerage Corporations Act 2012</i> and <i>Water and Sewerage Industry Act 2008</i> (as amended from time to time) have the same meaning in this Letter of Expectations.</p> <p>Whenever this Letter of Expectations requires the Corporation to make something "available to the public", the Corporation shall:</p> <ul style="list-style-type: none"> <li>• publish the matter on the Corporation's website; and</li> <li>• make a copy of the document available for inspection at each of the Corporation's offices; and</li> <li>• provide a copy on request for a charge that covers the fair and reasonable costs of making the copy available.</li> </ul> <p>Whenever this Letter of Expectations requires the Corporation to "develop" something, the Corporation shall be taken to have complied with that obligation if it has already developed the item before this Letter of Expectations commenced.</p> <p>Where this document sets out expectations in relation to the provision of information, the Corporation shall forward such information to the Owners' Representatives, the Mayors (where the Owners' Representatives are not also the Mayors) and the General Managers (unless otherwise specified in this document). These expectations also apply to all subsidiaries of the Corporation.</p>
<b>PART 2 - GENERAL</b>	
<b>4. Guiding Principles</b>	
4.1.	<p>The Corporation shall operate in a manner consistent with the principal objectives under the <i>Water and Sewerage Corporations Act 2012</i>:</p> <ul style="list-style-type: none"> <li>(a) to efficiently provide water and sewerage functions in Tasmania;</li> <li>(b) to encourage water conservation, the demand management of water and the reuse of water on an economic and commercial basis;</li> <li>(c) to be a successful business, and to this end – <ul style="list-style-type: none"> <li>(i) to operate its activities in accordance with good commercial practice;</li> <li>(ii) to deliver sustainable returns to its <u>Owner Council</u> members; and</li> <li>(iii) to deliver water and sewerage services to customers in the most cost efficient manner.</li> </ul> </li> </ul>

4.2.	In addition to these principal objectives, the Shareholders expect that the Corporation will uphold the original principles of 2008 structural reform by maintaining a capability and governance structure to manage the water resource, water supply and sewerage services in a sustainable manner, taking account of economic and environmental factors including the improvement of drinking water quality across Tasmania.
4.3.	<p>In performing its functions and providing its services, the Corporation shall therefore:</p> <ul style="list-style-type: none"> <li>• have an appropriate and formalised <del>distributions</del>dividends policy that provides for an appropriate balance sheet, profit and loss and cash-flow strength to enable access to debt funding to the level required to support required investment and to fund all business activities on a sustainable basis;</li> <li>• as far as is practical, maintain employment levels in each region equivalent to the proportion of full-time equivalents transferred from each regional <del>C</del>corporation to the statewide <del>C</del>corporation;</li> <li>• share the 'intellectual capacity' of the <del>C</del>corporation across each region wherever practical to do so;</li> <li>• balance the needs of each region over time when developing discretionary long term capital expenditure programs with the aim of sharing economic benefits across the state;</li> <li>• establish and maintain compliance with the ASX Corporate Governance Principles and Recommendations (as amended from time to time) to the extent that they apply to the Corporation's circumstances;</li> <li>• develop clear and unambiguous guidelines which allow the Shareholders to provide advice and guidance to the Board on matters that fall beyond the scope of the Board;</li> <li>• maintain the organisational and managerial capability to deliver a continuous improvement approach to operations and business processes; and</li> <li>• ensure that the Corporation collaborates with the various agencies to take account of state-wide and regional needs and endeavour to identify other opportunities to enhance outcomes for <del>the</del> Councils and the Tasmanian community.</li> </ul>
<b>5. Preservation of Employee Benefits</b>	
5.1.	In addition to the general preservation of employment conditions specified in Part 3 of the <i>Water and Sewerage Corporations Act 2012</i> , the Corporation shall recognise as continuous service the length of uninterrupted employment in local government, bulk water authorities, Regional Water Corporations and the Common Service Corporation in determining employee entitlements including any future redundancy calculation.
<b>PART 3 – GOVERNANCE</b>	
<b>6. Shareholders' Letter of Expectations</b>	
6.1.	In issuing this Letter of Expectations, <del>owner council</del> the Shareholders intend that the Board will abide by its provisions unless to do so would create a risk of breaching the <i>Water and Sewerage Corporation Act 2012</i> , the <i>Corporation Act 2001</i> , the Corporation's Constitution, directors' duties, or any other statutory or regulatory obligation.
6.2.	The Board will advise Owners' Representatives when the provisions of the Shareholder's Letter of Expectations cannot be met.
6.3.	The Corporation shall make this Letter of Expectations available to the public.

6.4.	As required under Section 12(5) of the <i>Water and Sewerage Corporation Act 2012</i> , the Shareholders shall consult with the Board before or while preparing or amending a Shareholders' Letter of Expectations.
6.5.	The method of adopting, amending or repealing the Shareholders' Letter of Expectations is determined in the Constitution.
<b>7. Legislative Compliance</b>	
7.1.	The Shareholders expect the Corporation to comply with all applicable statutory and regulatory obligations and to develop appropriate management systems to ensure reliable and continuous compliance is maintained.
7.2.	The Corporation shall ensure that it has a general compliance and audit scheme in place that focuses on systems and processes and monitors compliance with licence conditions and instruction from relevant industry regulators.
<b>8. Corporate Plan</b>	
8.1.	The preparation and provision of an annual Corporate Plan is required under Section 13 of the <i>Water and Sewerage Corporation Act 2012</i> .
8.2.	<p>The Corporate Plan shall be for a <del>3</del><u>5</u> year period and identify and explain the strategic and operational plans of the Corporation.</p> <p>Each Corporate Plan shall include:</p> <ul style="list-style-type: none"> <li>• The main undertakings of the Corporation,</li> <li>• An assessment of the operating environment including a strategic risk assessment and mitigation plan,</li> <li>• An outline of the Corporation's Strategic Plan including objectives, actions and timelines,</li> <li>• Operating and Capital Works budgets for the forecast year and two forward years including: <ul style="list-style-type: none"> <li>○ forecast growth of connections and demand for water and sewerage services,</li> <li>○ assumptions regarding revenue and expenses,</li> <li>○ details of total borrowings and assumed interest rates,</li> <li>○ assumptions regarding timing and total <u>Owner Councils' dividends</u><del>distributions to owners, including dividends, income tax equivalents and government guarantee fees,</del></li> <li>○ 10 Year Capital Works Program and cost estimate.</li> </ul> </li> <li>• Forecast Profit and Loss, Balance Sheet, Cash Flow and Owners <u>Councils' Distributions</u><del>dividends</del> statements for a 10 year period.</li> <li>• Key Performance Measures and Targets including: <ul style="list-style-type: none"> <li>• Financial,</li> <li>• Licence Condition Compliance,</li> <li>• Water Quality,</li> <li>• Wastewater Quality,</li> <li>• Customer Service Standards</li> <li>• Safety.</li> </ul> </li> </ul>
8.3.	<p>The Corporation shall provide a draft of the annual Corporate Plan to the Owners' Representatives at least six weeks prior to the Annual Planning Meeting.</p> <p>The Owners' Representatives will ensure that the annual Corporate Plan is adopted by no later than 31 July each year.</p>

8.4.	<p>Process for adopting or amending the Corporate Plan is as follows.</p> <ul style="list-style-type: none"> <li>• <u>The Corporation shall issue a draft Corporate Plan to Owner Councils and the Crown by no later than 30 April each year for review.</u></li> <li>• <u>Owner Councils and the Crown must provide any suggested amendments to the draft Corporate Plan to the Chairman in writing within 28 days.</u></li> <li>• <u>The Board will consider all suggested amendments received from Owner Councils and the Crown as soon as practicable. The Board is not obliged to adopt the requested amendments if to do so would create a risk of breaching directors' duties or other formal regulatory obligations.</u></li> <li>• <u>Not less than 21 days prior to the Annual Planning General Meeting, the Corporation shall provide the Board's response to each of the amendments proposed by the Owner Councils and/or the Crown, through:</u> <ul style="list-style-type: none"> <li>○ <u>an amended Corporate Plan (if amendments are accepted) or</u></li> <li>○ <u>the draft Corporate Plan and letter of explanation (if amendments are rejected),</u></li> </ul> <u>a copy of the draft Corporate Plan to Owners' Representatives for consideration at the Annual Planning General Meeting.</u> </li> <li>• The Chairman and CEO shall attend the meeting to present and or answer questions.</li> <li>• <u>At the Annual Planning General Meeting the Owners' Representatives, in general meeting, may adopt or request the Board to reconsider the Corporate Plan.</u></li> <li>• <u>The method of approving or requesting amendment to Approval of the Corporate Plan at the Annual Planning General Meeting will require:</u> <ul style="list-style-type: none"> <li>○ <u>be by a simple Ordinary Majority of Owners' Representatives (excluding the Crown's Owner's Representative); and</u></li> <li>○ <u>using the 1 share-1 vote approach an affirmative vote by the Crown's Owner's Representative.</u></li> </ul> </li> <li>• <u>Requests for amendment will be forwarded to the Chairman by the Chief Representative of the Owners Representatives.</u></li> <li>• <u>The Board will consider the requested amendments as soon as reasonably practicable and provide a response by way of an amended draft Corporate Plan or letter of explanation, or both.</u></li> <li>• <u>The Board is not obliged to adopt the requested amendments if to do so would create a risk of breaching directors' duties or other formal regulatory obligations.</u></li> <li>• <u>Should:</u> <ul style="list-style-type: none"> <li>○ <u>the Corporate Plan as presented by the Board not be adopted at the Annual Planning General Meeting, but</u></li> <li>○ <u>the Owners' Representatives, through an Ordinary Majority of Owners' Representatives (excluding the Crown's Owner's Representative) and an affirmative vote by the Crown's Owner's Representative agree amendments to the Corporate Plan,</u></li> </ul> <u>the Board (if it has not already done so) shall be obliged to accept and incorporate those amendments into the Corporate Plan unless this would result in directors of the Corporation being in breach of their fiduciary duties, the Corporations Act 2001 (Cth) or constitute unlawful activity, in which case the Corporate Plan as recommended by the Board will be deemed to have been adopted by the Owners' Representatives, and the Chairman shall advise the Owners' Representatives accordingly.</u> </li> <li>• <u>Should:</u> <ul style="list-style-type: none"> <li>○ <u>the Corporate Plan not be adopted at the Annual Planning General Meeting and</u></li> </ul> </li> </ul>
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	<p><u>o no agreed position on amendments to the Corporate Plan can be reached by the Crown's Owner's Representative and an Ordinary Majority of Owners' Representatives (excluding the Crown's Owner's Representative) the Board not agree to amend the Draft Corporate Plan as requested</u></p> <p>the Chairman shall, <u>within 7 days,</u> consult with the Chief <u>Owners' Representative and the Crown's Owner's Representative</u> to determine a solution. <u>If this group is unable to reach unanimous agreement as to a solution within a further 7 days, it will be determined by a two thirds majority of the group, unless this would result in directors of the Corporation being in breach of their fiduciary duties, the Corporations Act 2001 (Cth) or constitute unlawful activity, in which case the Corporate Plan as recommended by the Board will be deemed to have been adopted by the Owners' Representatives.</u></p> <ul style="list-style-type: none"> <li>• A summary of the approved Corporate Plan will be published on the Corporation's website <u>before the commencement of the period covered by the Corporate Plan within 7 days after the Corporate Plan is adopted.</u></li> </ul>
<b>9. Board Performance</b>	
9.1.	The Shareholders expect the Corporation to annually review and report to the Selection Committee on the performance of the Board and its committees.
9.2.	Each year, the Board Chairman shall discuss with the Board Selection Committee Chair any concerns about the contribution of individual directors and/or the need to change the skills mix of the Board.
<b>10. Shareholder Relationships</b>	
10.1.	The Corporation shall act for the ultimate benefit of the Shareholders. It is the responsibility of the Board to act in the interests of the Corporation and, through it, the Shareholders' interests.
10.2.	The Board shall develop a policy or protocol for continuous disclosure with shareholders, following a no surprises, approach based on that described in ASX Principle 5.
10.3.	The continuous disclosure protocol will address information that: <ul style="list-style-type: none"> <li>• may have a material effect on financial Corporate Plan expectations;</li> <li>• may influence the <u>owners' Shareholders'</u> decisions; or</li> <li>• relates to an issue on which the <u>owners' Shareholders</u> may be required to comment, financial or otherwise.</li> </ul>
10.4.	In collaboration with <u>the Councils and the Crown</u> , the Corporation should seek to develop systems to enable effective and timely property and asset data sharing and coordination mechanisms that benefit both entities.
10.5.	The Corporation should collaborate with Councils, <u>the Crown</u> and regional agencies on matters of economic development and regional importance. <p><u>The Corporation, the Crown and the Owner Councils shall work co-operatively in order to progress major investment projects of special or environmental importance to Tasmania and which obligation shall include using all reasonable endeavours to secure Federal Government funding for such projects. Specific projects included in this obligation include (but are not limited to):</u></p> <ul style="list-style-type: none"> <li>• <u>the Launceston sewerage/stormwater separate project; and</u></li> <li>• <u>the works at Macquarie Point waste water treatment plant necessary for the development of the Macquarie Point site.</u></li> </ul> <p>In determining appropriate levels of investment required to support economic development the Board will have a view balancing financial risks and benefits to the Corporation against the long term risks and benefits to the Tasmanian community, <u>and the Councils and the Crown.</u></p>

10.6.	The Chairman and the CEO shall make themselves available to meet with the Shareholders as and when requested. <u>The Chairman and the CEO shall meet regularly with the Ministers by mutual agreement.</u>
<b>11. Customer and Community Engagement</b>	
11.1.	The Corporation shall develop and implement open and transparent processes to engage its customers and the community in its planning processes to ensure, amongst other matters, that the standards of services it provides meet regulatory requirements and the needs and expectations of customers and the requirements of the Industry's regulators.
11.2.	The Corporation shall make: <ul style="list-style-type: none"> <li>• information about the services it provides available to the public;</li> <li>• information about water conservation and the responsible use of water and waste water available to the public;</li> <li>• educational material about the water industry available to schools and communities.</li> </ul>
11.3.	While recognising that this may have a cost, the Shareholders expect the Corporation to adopt principles of Corporate Social Responsibility.
<b>12. Economic Development</b>	
12.1.	At its general meeting on 16 May 2013, <del>Owner</del> <del>Councils</del> resolved to endorse five principles that the Corporation is to apply when considering matters related to economic development.
12.2.	The five principles that apply to the consideration of economic development matters are: <p>Principle 1: That the Corporation develops strategic customer alliances aimed at growing the businesses of customers and the Corporation and provide regular reports to <del>owners</del> <u>Shareholders</u> on economic development activities.</p> <p>Principle 2: That the Corporation recognises residential development as a key driver of economic growth and that infrastructure decisions be made in accordance with settlement strategies.</p> <p>Principle 3: That the capital program of the Corporation should have regard for regional land use strategies and the priorities and opportunities that they present.</p> <p>Principle 4: That the Corporation seeks to ensure that its pricing and costing regime is transparent and understood by <del>owners</del> <u>Shareholders</u> and customers and that charges reflect the relative cost of the service or solution being provided.</p> <p>Principle 5: That infrastructure solutions proposed for economic development projects be set at a reasonable standard so as to allow their progress without compromising the overall standards of the Corporation's infrastructure system.</p>
<b>PART 4 – PLANNING, SERVICE DELIVERY AND RISK MANAGEMENT</b>	
<b>13. Risk Management Planning</b>	
13.1.	The Corporation shall develop and implement plans, systems and processes to ensure an acceptable level of risk. In developing risk management plans, systems and processes the Corporation shall consider the requirement to balance risk and appropriate opportunities; its obligation to provide continuous services to its customers; its statutory and regulatory obligations and the relevant ASX Principles.
13.2.	The Corporation shall develop and maintain asset management planning that allows it to supply its services sustainably, minimise the overall whole of life costs of any assets as well as minimise any detrimental social, economic or environmental effects of managing its assets.

<b>14. Conserving Water, Recycling Water and Sewage</b>	
14.1.	To demonstrate its commitment to the principal objectives under the <i>Water and Sewerage Corporation Act 2012</i> and sustainable water resource management, the Corporation should maintain, develop and implement programs for: <ul style="list-style-type: none"> <li>• assessing and monitoring water supplies including groundwater;</li> <li>• assessing and monitoring future demands on water supplies;</li> <li>• efficient and effective management of demand for water;</li> <li>• minimising leakage and other losses of water from its network as far as is practicable; and</li> <li>• investigating and implementing treated sewage reuse schemes for beneficial agricultural/horticultural irrigation, energy generation and other non-potable purposes where it is both commercially and environmentally viable.</li> </ul>
<b>15. Responding to Drought</b>	
15.1	The Corporation shall: <ul style="list-style-type: none"> <li>• develop, implement and maintain an effective drought response plan for each water supply system operated by the Corporation; and</li> <li>• make its drought response plans available to the public.</li> </ul>
15.2	Drought response plans should wherever possible be compatible with Council plans and should promote resource sharing opportunities.
<b>16. Service Standards</b>	
16.1	In complying with customer service standards issued by the Regulator the Shareholders' expect that, the Corporation should, as a minimum, develop water supply, sewerage services and wastewater management plans in conjunction with the relevant Council and State Government agencies and the local community.
<b>17. Stormwater Management Plans</b>	
17.1	The Corporation should participate in any development or review by the Councils of stormwater management plans and the re-use of stormwater where commercially feasible.
<b>18. Trade Waste</b>	
18.1	The Corporation shall develop policies and practices to manage trade waste to manage the associated risks, meet statutory and regulatory obligations and an improved quality of trade waste entering its sewerage systems.
18.2	<u>The Corporation, the Crown and the Owner Councils commit to work collaboratively to identify and implement any improvements (if required) to the Corporation's policies and practices relating to trade waste, including the Corporation's management of trade waste generally.</u>
<b>19. Catchment, Regional and Local Government Planning</b>	
19.1	The principal objectives of the Corporation's participation in such planning are to: <ul style="list-style-type: none"> <li>• promote consistency of any strategy or any scheme with the Corporation's planning and programs for sustainable water management; and</li> <li>• ensure the alignment, integration and consistency of regional infrastructure development objectives.</li> </ul>
19.2	The Corporation shall participate in periodic reviews, and provide input into the continuous improvement and implementation of any regional or municipal planning schemes or strategies

	<p>which may affect, or be affected by, the Corporation's area or activities. In particular, this includes:</p> <ul style="list-style-type: none"> <li>• any local planning policy framework;</li> <li>• strategic plans of Councils;</li> <li>• any regional land use strategy development;</li> <li>• any regional infrastructure plans;</li> <li>• any State Water Management Plans initiated under the <i>Water Management Act 2000</i>.</li> </ul>
<b>20. Environmental Management</b>	
20.1	The Corporation should seek to work cooperatively with other agencies and stakeholders to protect and improve natural resources and catchment management.
20.2	Following the principal objectives in Section 4 of this Letter, the Corporation shall participate in the development and implementation of any regional <u>or statewide</u> catchment management strategy or catchment sub-strategy that may affect, or be affected by, the Corporation's area or activities.
<b>PART 5 – FINANCIAL CONSIDERATIONS</b>	
<b>21. <del>Distributions–Dividends</del></b>	
21.1	In accordance with the <i>Water and Sewerage Corporation Act 2012</i> the Board is to determine a <del>Distributions–Dividends</del> Policy for the Corporation in consultation with the <u>Council Owners' Representatives</u> with a view to establishing the target level of total <del>dividendsdistributions-including Dividend</del> .
21.2	<del>Distributions–Dividends</del> will be in accordance with Schedule 3 of the Corporation's Constitution.
21.3	The <del>Distribution–Dividends</del> Policy will include the expectation that <del>distributions-dividends</del> will be paid to shareholders in the year in which the <del>dividendsdistributions</del> are generated.
21.4	The Corporation should undertake a capital structure review to coincide with preparation of Price and Service Plan submissions.
<u>21.5</u>	<p><u>Where the Board determines that, due to any circumstance or event beyond the Corporation's reasonable control, the Corporation cannot continue to:</u></p> <ul style="list-style-type: none"> <li>• <u>maintain Owner Councils' dividends in line with the Corporate Plan and</u></li> <li>• <u>deliver an accelerated capital program (as envisaged under Part 29 of this Letter) and</u></li> <li>• <u>limit annual price increases for regulated water and sewerage services to within the 3.5% cap (as envisaged under Part 27 of this Letter),</u></li> </ul> <p><u>while maintaining the financial sustainability of the Corporation (an 'adverse development'), the Corporation must notify the Chief Owners' Representative and the Crown's Owner's Representative of the adverse development and the Corporation must meet with the Crown's Owner's Representative to consider the impact of maintaining the accelerated infrastructure investment and price caps on the financial sustainability of the business.</u></p> <p><u>Following notice from the Corporation of an adverse development, and consideration of that adverse development by the Crown's Owner's Representative, the Crown may, in its absolute discretion, provide additional funding support or comfort to the Corporation. If the Crown decides not to provide adequate additional support or comfort to the Corporation (as determined by the Board), the Board may determine that the capital program should be amended and/or that price increases in excess of the cap (but within the prevailing price determination at the time) should be applied for regulated water and sewerage services.</u></p> <p><u>For the purposes of this Part, without limitation 'additional financial support or comfort' may include grant funding, a pre-payment of equity, a guarantee or letter of comfort.</u></p>
<b>22. Investment Policy</b>	
22.1	In the event that the Corporation becomes an investor of cash for other than short term liquidity

	<p>purposes, the Board will develop an investment policy which sets out:</p> <ul style="list-style-type: none"> <li>the Board's investment objectives;</li> <li>the responsibility structure for managing investments;</li> <li>the management of risks associated with investments; and</li> <li>the investment management approach of the Board.</li> </ul>
<b>PART 6 – REPORTING</b>	
<b>23. Reporting Framework</b>	
23.1	<p>The Board will arrange the following meetings each year, at a minimum,;</p> <ul style="list-style-type: none"> <li>Annual Planning Meeting – to consider and approve the Corporate Plan and any potential changes to the Shareholders' Letter of Expectations</li> <li>Annual Reporting Meeting – to review the annual financial reports;</li> <li>Quarterly Reporting meeting with Owners' Representatives – to occur in each region each quarter unless a region requests fewer meetings or elects to joins with another region.</li> </ul>
23.2	Other general meetings can be convened in accordance with the provisions of the Constitution or the protocol agreed between the Board and Owners' Representatives.
23.3	Programs and plans developed by the Corporation in response to these Shareholders' expectations shall specify objectives to be achieved and measures for monitoring performance.
23.4	Performance shall be reported to the Owners' Representatives in a formal quarterly report to be received within 45 days from the end of the September, December and March quarters each financial year.
23.5	Performance reporting for the quarter ended June each year shall be incorporated into the Annual Report and presented at the Annual Reporting Meeting each year.
23.6	<p>The minimum content of the quarterly report is to include:</p> <ul style="list-style-type: none"> <li>financial statements for the period and year to date,</li> <li>results against key performance targets include in the Corporate Plan for the quarter and year to date,</li> <li>commentary on performance and explanations of material variances from budget,</li> <li>revisions to the expected full year forecast financial results,</li> <li>current estimates for <del>dividends</del>distributions to the Owners Councils and explanation for material variances from Corporate Plan,</li> <li>capital expenditure for the quarter and material variance explanations, and</li> <li>any non-compliances with the current Shareholders' Letter of Expectations.</li> </ul>
23.7	In accordance with the requirements of the <i>Water and Sewerage Corporation Act 2012</i> , the Corporation shall provide its Annual Report to shareholders by 30 September each year.
23.8	The content of the Corporation's Annual Report will conform to the requirements prescribed in the <i>Water and Sewerage Corporation Act 2012</i> .
23.9	The Corporation's Annual Report will be included for discussion at the Annual Reporting Meeting of <del>owners</del> the Shareholders and subsequently published on the Corporation's website.
23.10	Disclosures under the 'no surprises', continuous disclosure regime should be provided in the formal quarterly report unless the Board considers that a more timely disclosure is appropriate.
<b>24. Whole-of-Government Reporting</b>	

24.1	The Board should comply with requests from the Treasurer for information relating to the collection of financial information for whole of government reporting and ensure that such information relating to the Corporation and its subsidiaries will be provided by the relevant dates and in the specified formats, where applicable.
24.2	<del>The Chief Owners' Representative, Chairman and CEO will comply with a request to appear at GBE Scrutiny Committee hearings.</del>
24.3	<del>The Corporation will provide such financial and other information to the Department of Treasury and Finance as required to allow the Department of Treasury and Finance to provide advice to the Crown as it does for Government Business Enterprises.</del>
<b>25. Reporting under AEIFRS</b>	
25.1	The Corporation shall report in accordance with the requirements of the <i>Water and Sewerage Corporation Act 2012</i> .
<del><b>26. Treatment of "Not for Profit" Customer Concessions</b></del>	
<del>26.1</del>	<del>The Corporation will consult with the Owners Representatives to develop a consistent state-wide Not for Profit rebate / concession policy within the first 12 months of operation with an expectation that the policy will take effect from 1 July 2014.</del>
<del><b>26.7. External Funding Assistance</b></del>	
<del>27.2</del> <del>6.1</del>	The Corporation and the Shareholders will work collaboratively with a view to obtaining external funding assistance to facilitate the timely delivery of the Corporation's capital program whilst ensuring that the prices imposed by the Corporation on its customers are affordable.
<b>27. Pricing</b>	
27.1	The Corporation commits to: <ul style="list-style-type: none"> <li>• <u>freeze prices for regulated services for water and sewerage customers from 1 July 2019 to 30 June 2020</u></li> <li>• <u>subject always to Part 21.5 of this Letter, develop a future price profile for regulated water and sewerage services with annual price increases for target tariffs to be no greater than 3.5% commencing from 1 July 2020 until 30 June 2025 ("Capped Period") (or apply such lower price determination to such price increases as may be made by the Tasmanian Economic Regulator during the Capped Period) and</u></li> <li>• <u>transition customers who are currently significantly below target tariffs to ensure that those customers reach the target tariffs within the legislated timeframe without facing significant price shocks.</u></li> </ul>
<b>28. Community Service Obligation</b>	
28.1	A Shareholder may request that the Corporation undertakes a water or sewerage infrastructure investment project that is not in the Corporation's long term investment plan or the then current Corporate Plan.
28.2	The Corporation will consider the proposed project and assess whether the project is likely to be prudent and efficient, so that the costs of the project are recoverable from customers under the economic regulatory framework in the <i>Water and Sewerage Industry Act 2008</i> . If the Corporation in good faith, considers that the project: <ul style="list-style-type: none"> <li>• <u>meets this requirement – the project is a "commercial project"; or</u></li> <li>• <u>does not meet this requirement – the project is an "uncommercial project".</u></li> </ul>
28.3	If the Corporation assesses the project as a commercial project, the Corporation may consider undertaking the project, after taking into account the impact of the project on the Corporation's key financial performance

	<u>measures and any social, environmental or economic benefits of the project.</u>
<u>28.4</u>	<u>If the Corporation considers that the project has merit, the Corporation will consider the commercial project in the context of the Corporation's long term investment plan, discuss options for the timing of the delivery of the project with the Shareholder and consider the project in the context of preparing the Corporate Plan.</u>
<u>28.5</u>	<u>If the Corporation assesses a proposed project as an uncommercial project, it must notify the Shareholder of its decision.</u>
<u>28.6</u>	<u>If the Shareholder wishes to progress an uncommercial project, the Shareholder may offer to fund the project directly or seek third party funding for the project.</u>
<u>28.7</u>	<u>If the parties agree, the Corporation will consider the funded uncommercial project in the context of the Company's long term investment program, discuss options for the timing of the delivery of the project with the Shareholder and consider the project in the context of preparing the Corporate Plan.</u>
<u>28.8</u>	<p><u>The Corporation is to:</u></p> <ul style="list-style-type: none"> <li>• <u>include, in its annual report, all non-commercial projects it has undertaken, including the cost to the Corporation of the non-commercial project and the funds contributed by the Shareholder, if applicable; and</u></li> <li>• <u>publish on its website, details of non-commercial projects it has undertaken.</u></li> </ul>
<b>29.</b>	<b><u>Infrastructure Investment Program</u></b>
<u>29.1</u>	<u>The Corporation will jointly develop an accelerated infrastructure investment program with the Crown and the Owner Councils as referred to in paragraph 3.2 of the MOU on a best endeavours basis before 1 January 2019 (or such other date as the Crown makes its first contribution of \$20,000,000 to the Corporation).</u>
<u>29.2</u>	<u>Subject always to Part 21.5, the Corporation will use best endeavours to deliver sufficient investment during the remainder of its current 10 year investment program (i.e. until 30 June 2026) in order to achieve a target of \$1.8 billion of total infrastructure investment.</u>

**SCHEDULE A - Definitions**

The following definitions apply:

**'AEIRFS'** means the Australian Equivalents to International Financial Reporting Standards.

**'Annual Planning Meeting'** means one of the two general meetings to be held each year under the terms of the Constitution, one being the Annual Reporting Meeting to consider the annual accounts as mandated in the Constitution and the other being the general meeting to consider the Corporate Plan amongst other things.

**'Annual Reporting Meeting'** means one of the two general meetings to be held each year under the terms of the Constitution, one being the Annual Planning Meeting to consider the Corporate Plan as mandated in the Constitution and the other being the general meeting to consider the annual accounts, amongst other things.

**'ANCOLD Guidelines'** means the Guidelines issues by the Australian National Committee on Large Dams Inc as revised from time to time.

**'Board'** means the Board of Directors appointed to the Tasmanian Water and Sewerage Corporation Pty Ltd.

**'CEO'** means the Chief Executive Officer of the Corporation.

**'Chairman'** means the chairman of the Board.

**'Corporation'** means Tasmanian Water and Sewerage Corporation Pty Ltd (ACN 162 220 653).

**'Council Owners' Representatives'** means the representatives nominated by the Owner Councils.

**'Councils'** refers to the 29 Tasmanian Councils.

**'Crown'** means the Crown in Right of Tasmania.

**'Crown's Owner's Representative'** means the person appointed by the Crown as its Owner's Representative.

**'Department of Treasury and Finance'** means the Department of Treasury and Finance in Tasmania.

**'Dividends Policy'** means the policy determined in accordance with Part 5 of this Letter.

**'MOU'** means the memorandum of understanding dated 1 May 2018 between (1) the Crown (2) the Corporation and (3) the Chief Owners' Representative on behalf of the Owners' Representatives.

**'Owners' Representatives'** mean the representatives appointed by the owner-councils Shareholders of the Corporation.

**'Owner Councils'** means those Shareholders which are member Councils (and not the Crown).

**'Owner Councils' dividends'** means the dividend payments payable by the Corporation to the Owner Councils in accordance with the Dividends Policy.

**'Regulator'** means Tasmanian Economic Regulator.

**'Shareholders'** means the member Councils and the Crown of the Corporation Tasmanian Water and Sewerage Corporation Pty Limited.



**'Share Subscription and Implementation Agreement'** means the Share Subscription and Implementation Agreement between the Corporation and the Crown.

**'Treasurer'** means the Treasurer of the Tasmanian Government.

**'shall'** means if the requirement is not met, the corporation will notify the shareholders of the failure in its routine reporting.

**'should'** means the corporation will use its discretion in decision making and notify the shareholders of the decision in the normal course of business.

**PART 7 – SIGNATORIES**

In accordance with the *Water and Sewerage Corporation Act 2012*, we, the undersigned, being formal representatives of the twenty nine Tasmanian Councils, issue this Shareholders' Letter of Expectations to the Tasmanian Water and Sewerage Corporation Pty Ltd.

Date of signing	Council
	BRIGHTON COUNCIL
	BREAK-O'DAY COUNCIL
	BURNIE CITY COUNCIL
	CENTRAL COAST COUNCIL
	CENTRAL HIGHLANDS COUNCIL
	CIRCULAR HEAD COUNCIL
	CLARENCE CITY COUNCIL
	DERWENT VALLEY COUNCIL
	DEVONPORT CITY COUNCIL
	DORSET COUNCIL
	FLINDERS COUNCIL

Date of signing	Council
	GEORGE TOWN COUNCIL
	GLAMORGAN SPRING BAY COUNCIL
	GLENORCHY CITY COUNCIL
	HOBART CITY COUNCIL
	HUON VALLEY COUNCIL
	KENTISH COUNCIL
	KINGBOROUGH COUNCIL
	KING ISLAND COUNCIL
	LATROBE COUNCIL
	LAUNCESTON CITY COUNCIL
	MEANDER VALLEY COUNCIL
	NORTHERN MIDLANDS COUNCIL
	SORELL COUNCIL

Date of signing	Council
	SOUTHERN MIDLANDS COUNCIL
	TASMAN COUNCIL
	WARATAH-WYNYARD COUNCIL
	WEST COAST COUNCIL
	WEST TAMAR COUNCIL

**Appendix 3: Proposed Share Subscription and Implementation Agreement**

**TASMANIAN WATER & SEWERAGE CORPORATION PTY LTD  
(ABN 47 162 220 653)**

and

**THE CROWN IN RIGHT OF TASMANIA**

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**SHARE SUBSCRIPTION AND IMPLEMENTATION  
AGREEMENT**

---

DRAFT

**PAGE SEAGER**  
LAWYERS

Level 2, 179 Murray Street  
HOBART TAS 7000

P: (03) 6235 5155  
F: (03) 6231 0352

Ref: JJH-LB (180850)

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**Confidential Information** means this document and any information notified by the disclosing party to the recipient party as confidential but does not include any information that is in the public domain.

**Constitution** means the constitution of TasWater as amended from time to time.

**Corporate Plan** means the Corporate Plan of TasWater pursuant to rule 8.2 of the Constitution and part 8 of the Shareholder's Letter of Expectations.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Council** means a council within the meaning of the *Local Government Act 1993* (Tas).

**Crown** has the meaning set out in the Details.

**Crown Owner's Representative** means the Owner's Representative appointed by the Crown.

**Details** mean the section of this document headed 'Details'.

**GST** has the meaning given in the GST Act.

**GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition Acts of the Commonwealth.

**Insolvency Event** means the occurrence of any of the following events in relation to a party:

- (a) a party commits any act which is defined as "an act of bankruptcy" under the *Bankruptcy Act 1966* (Cth), regardless of whether or not the party is an individual;
- (b) a garnishee notice, or a notice under section 120 of the PPSA, is given to:
  - (i) a debtor of that party; or
  - (ii) any other person that otherwise owes or may owe money at any time to that party, in connection with any money that the party is said to owe;
- (c) in the case of an individual, the party dies, is imprisoned or becomes incapable of managing his or her own affairs;
- (d) an application is made to a court for a provisional or final order declaring a party provisionally or finally bankrupt or insolvent;
- (e) a special resolution is passed to wind up or otherwise dissolve the party;
- (f) a party is, or makes a statement from which it may be reasonably deduced by the other party that a ground or grounds on which the party may be wound up exists as specified in section 461 (or in the case of a part 5.7 body, section 585) of the *Corporations Act*;
- (g) a party has a controller (as defined in the *Corporations Act*) appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a receiver appointed to any part of its property;
- (h) a mortgagee, chargee or other holder of security, by itself or by or through an agent, enters into possession of all or any part of the assets of the party;
- (i) the party applies for, consents to, or acquiesces in the appointment of a trustee or receiver in respect of the party or any of its property;
- (j) the party takes any step to obtain protection or is granted protection from its creditors under any applicable legislation or a meeting is convened or a resolution is passed to appoint an administrator or controller (as defined in the *Corporations Act*) is appointed in respect of any part of the property of the party;
- (k) the party is or states that it is unable to pay its debts when they fall due;
- (l) except to reconstruct or amalgamate while solvent on terms approved by the other party, the party enters into or resolves to enter into a scheme of arrangement, compromise or reconstruction with its creditors (or any class of them) or with its members (or any class of them) or proposes a reorganisation, re-arrangement, moratorium or other administration of the party's affairs;
- (m) the party is the subject of an event described in section 459(C)(2) of the *Corporations Act*; or
- (n) anything analogous or having a substantially similar effect to any of the events specified above happens in relation to the party.

**Member Councils** means the Councils in Tasmania which are shareholders in TasWater.

**MoU** means the memorandum of understanding between the Crown, TasWater and the Chief Owners Representative on behalf of the Owners' Representatives of TasWater dated 1 May 2018.

**Number of Shares** means the number of Shares in column 2 of the table set out in clause 2.2 (Subscription Dates, Number of Shares and Subscription Amounts) set opposite each Subscription Date.

**Owners' Representatives** means the representatives of the shareholders of TasWater appointed pursuant to rule 9.1 of the Constitution.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Selection Committee** has the same meaning as set out in the Constitution.

**Shareholders' Letter of Expectations** means TasWater's Shareholder's Letter of Expectations as amended from time to time.

**Shares** means fully paid class DD shares in TasWater.

**Subscription** means application and payment for a Number of Shares by the Crown and the issue of those Shares by TasWater pursuant to this Agreement.

**Subscription Amounts** means each subscription amount in column 3 of the table set out in clause 2.2 (Subscription Dates, Number of Shares and Subscription Amounts) set opposite each Subscription Date.

**Subscription Date** means each respective date in column 1 of the table set out in clause 2.2 (Subscription Dates, Number of Shares and Subscription Amounts).

**Sunset Date** means 31 December 2018.

**TasWater** has the meaning set out in the Details.

**WSCA** means the *Water and Sewerage Corporation Act 2012* (Tas).

## 1.2 Interpretation

- (a) A reference to:
- (i) one gender includes every other gender;
  - (ii) the singular includes the plural and the plural includes the singular;
  - (iii) a person includes a body corporate or unincorporate;
  - (iv) a party includes the party's executors, administrators, successors and permitted assigns;
  - (v) a statute, regulation or provision of a statute or regulation (**Statutory Provision**) includes:
    - (A) that Statutory Provision as amended or re-enacted from time to time;
    - (B) a statute, regulation or provision enacted in replacement of that Statutory Provision; and
    - (C) another regulation or other statutory instrument made or issued under that Statutory Provision; and
  - (vi) money is to Australian dollars, unless otherwise stated.
- (b) The expression "this document" includes the deed, covenants, agreement, arrangement, understanding or transaction recorded in this document.
- (c) "Including" and similar expressions are not words of limitation.
- (d) A reference to a clause or schedule is a reference to a clause of or a schedule to this document.
- (e) A reference to a document (including, without limitation, a reference to this document) is to that document as amended, novated or replaced.
- (f) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

- (g) Headings and any table of contents or index are for convenience only and do not form part of this document or affect its interpretation.
- (h) A provision of this document must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this document or the inclusion of the provision in this document.
- (i) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.
- (j) All references to time are to Australian Eastern Standard time.

## 2 Shares

### 2.1 Subscription for Shares

The Crown agrees to subscribe for and TasWater agrees to issue and allot the Shares in accordance with clause 2.2 (Number of shares and subscription amounts) and on the terms and conditions of this document.

### 2.2 Subscription Dates, Number of Shares and Subscription Amounts

- (a) The Crown agrees to apply for the Number of Shares set out in column 2 and pay the Subscription Amounts set out in column 3 in the table below not more than 6 months prior to the Subscription Dates set out in column 1 in the table below.

Subscription Date	Number of Shares	Subscription Amount
1 January 2019	1,000,000	\$20,000,000
1 January 2020	1,000,000	\$20,000,000
1 January 2021	1,000,000	\$20,000,000
1 January 2022	1,000,000	\$20,000,000
1 January 2023	1,000,000	\$20,000,000
1 January 2024	1,000,000	\$20,000,000
1 January 2025	1,000,000	\$20,000,000
1 January 2026	1,000,000	\$20,000,000
1 January 2027	1,000,000	\$20,000,000
1 January 2028	1,000,000	\$20,000,000
	10,000,000	<b>\$200,000,000</b>

- (b) The Crown may, with the prior written agreement of TasWater, apply for a Number of shares and pay the Subscription Amount up to 6 months (or such other time as agreed) prior to the Subscription Date.
- (c) If the Crown applies for a Number of Shares and pays the Subscription Amount in accordance with clause 2.2(a) or (b), TasWater agrees to issue and allot the Number of Shares set out in column 2 in the table above on the Subscription Dates set out opposite in column 1 in the table above, or within 5 days of any earlier payment of the Subscription Amount under clause 2.2(b).

## 3 Conditions precedent

### 3.1 Conditions

This obligations of the parties under this document, other than under this clause 3, is conditional on each of the following being satisfied or waived on or before the Sunset Date:

- (a) **(amendment of WSCA)** the WSCA is amended to authorise the creation, and issue to the Crown, of shares in TasWater and to permit or require the Constitution to be amended in connection with the creation and issue of those shares in a form satisfactory to TasWater

and the Crown;

- (b) **(approval of document and issue of shares)** the shareholders and Board of TasWater approving the entry into this document and the issue of the Subscription Shares in accordance with its Constitution;
- (c) **(amendment to constitution)** the constitution of TasWater being amended so that it is in substantially the same form as set out in Annexure A; and
- (d) **(amendment to shareholders letter of expectation)** the Shareholders Letter of Expectation being amended so that it is in substantially the same form as set out in Annexure B.

### 3.2 Satisfaction of Conditions

Each party must:

- (a) use its reasonable endeavours (other than waiver) to ensure that the Conditions which are within its powers and control are fulfilled or waived on or before the relevant date;
- (b) promptly give the other party all information reasonably requested by that party in connection with any application required to satisfy a Condition;
- (c) not take any action that would, or would be likely to, prevent or hinder the fulfilment of any Condition;
- (d) keep each other party informed of any circumstances which may result in any of those Conditions not being satisfied in accordance with its terms; and
- (e) promptly advise each other party of the satisfaction of a Condition.

### 3.3 Introduction of legislation

The Crown agrees to:

- (a) consult with TasWater in relation to amendments to the WSCA and any other relevant legislation to permit the Crown's investment in TasWater in accordance with this document; and
- (b) introduce legislation into the Parliament of Tasmania to amend the WSCA and any other relevant legislation to permit the Crown's investment in TasWater in accordance with this document.

### 3.4 Passage of legislation

- (a) On the passage of legislation amending the WSCA to permit the Crown's investment in TasWater in accordance with this document, each party must, within 5 Business Days of the amending legislation receiving royal assent, notify the other, if the form of the legislation, as passed, is not satisfactory to it for the purposes of clause 3.1(a).
- (b) In the event that neither party provides notice under clause 3.4(a), the condition in clause 3.1(a) will be deemed to have been satisfied.

### 3.5 Benefit of Conditions

A Condition may be waived only prior to its end date for fulfilment and only:

- (a) in writing; and
- (b) where the Condition is expressed to be for the benefit of a particular party, if that party gives notice of waiver of the Condition to the other parties; or
- (c) otherwise, if the parties agree in writing to waive the Condition, but only to the extent set out in the waiver.

### 3.6 Failure of Condition

- (a) If a Condition is not satisfied or waived under clause 3.3 (Benefit of Conditions) before 5.00pm on the Sunset Date, any party may, if not otherwise in breach of this document, terminate this document by giving notice to all other parties.
- (b) On termination under clause 3.6(a):
  - (i) no party has any obligation or liability to any other party under this document, except in connection with:

- (A) any clause which survives termination of this document; and
  - (B) claims that arose before termination or which survive termination of this document.
- (ii) the Subscriber must return to the Company all documents and other materials in any medium in its possession, power or control which contain information received from or on behalf of the Company.

---

#### 4 Payment and issue of shares

##### 4.1 Time and place

The subscription for Shares will take place at 3.00pm on the date on which the Crown makes application and payment under clause 2.2(a) or 2.2(b), as applicable, at 163-169 Main Road, Moonah, Tasmania 7009 or any other time and place agreed by TasWater and the Crown.

##### 4.2 Crown's obligations on each Subscription Date

The Crown agrees to:

- (a) deliver to TasWater an application for the relevant Number of Shares, duly completed and executed by the Crown, in the form set out in schedule to this document (Application for Subscription Shares); and
- (b) pay the Subscription Amount to TasWater in immediately available funds, prior to each Subscription Date.

##### 4.3 Company's obligations at Subscription

TasWater agrees to:

- (a) issue the Number of Shares to the Crown on each Subscription; and
- (b) as soon as practicable after each Subscription, register the Crown as the holder of the Subscription Shares.

##### 4.4 Simultaneous actions at each Subscription

In respect of each Subscription:

- (a) the obligations of the parties under this document are interdependent; and
- (b) all actions required to be performed will be taken to have occurred simultaneously on each respective Subscription.

---

#### 5 Governance

##### 5.1 Corporate Plan

- (a) TasWater and the Crown agree that the adoption of or any changes to TasWater's Corporate Plan will be agreed between the Crown and the Councils in accordance with part 8 of the Shareholders' Letter of Expectations.
- (b) If the Owners' Representatives are unable to agree the necessary votes to approve the adoption of or any changes to TasWater's Corporate Plan, TasWater's Chair must consult with the Chief Owners' Representative and the State Government Owner's Representative to resolve the adoption of the Corporate Plan or any requested amendments to the Corporate Plan. If TasWater's Chair, the Chief Owners' Representative and the State Government Owner's Representative are unable to reach unanimous agreement in relation to any changes to the Corporate Plan within 7 days, the changes will be determined by a two thirds majority of the TasWater's Chair, the Chief Owners' Representative and the Crown's Owner's Representative, unless those changes would result in TasWater's directors being in breach of their fiduciary duties, the *Corporations Act 2001* (Cth) or constitute unlawful activity, in which case the Corporate Plan as approved by the Board shall be deemed to have been adopted by the Owners' Representatives.
- (c) If the Owners' Representatives are able to agree the necessary votes to approve any changes to TasWater's Corporate Plan, and the Board has not previously done so, the Board is bound to accept those changes unless those changes would result in TasWater's directors being in breach of their fiduciary duties, the *Corporations Act 2001* (Cth) or

constitute unlawful activity, in which case the Corporate Plan as approved by the Board shall be deemed to have been adopted by the Owners' Representatives and TasWater's Chair will advise the Owners' Representatives accordingly.

## 5.2 Appointment of the Board of TasWater

The Crown and TasWater agree that the Crown Owner's Representative will be a member of the Selection Committee in accordance with rule 10.1(a) of the Constitution.

## 5.3 Chief Executive Officer of TasWater

The Crown and TasWater acknowledge and agree that:

- (a) the CEO is to be appointed by the directors of TasWater and may be removed by the directors;
- (b) the Crown and the Chief Owners' Representative shall be consulted in connection with the appointment of the CEO.

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## 6 Water and Sewerage Pricing

The Crown and TasWater agree that, subject to part 21.5 of the Shareholders' Letter of Expectations, TasWater will:

- (a) not apply the outcome of any regulatory pricing determination to the extent that it is inconsistent with the provisions of this clause and does not have mandatory application;
- (b) apply no increase to its prices for regulated services for water and sewerage customers from 1 July 2019 to 30 June 2020;
- (c) develop and implement a future price profile for regulated water and sewerage services for the Capped Period under which annual price increases for target tariffs are no greater than the lesser of 3.5% and the outcome of any price determination made by the Tasmanian Economic Regulator and applicable during the Capped Period; and
- (d) transition customers who are currently significantly below target tariffs to ensure that those customers reach the target tariffs within the legislated timeframe without facing significant price shocks.

---

## 7 Default

### 7.1 Share Subscription Default

If the Crown fails to meet its obligations under clause 2.1 (Subscription for Shares), including, without limitation, failing to pay any Subscription Amount on the time required to make the payment then:

- (a) subject to paragraph (b), the Crown will, for as long as it fails to meet its obligations under clause 2.1 (Subscription for Shares), lose its rights and entitlements:
  - (i) under clause 5.1 (Corporate Plan) and the Crown will have no right or entitlement in relation to the content of TasWater's Corporate Plan additional to any right or entitlement that it has as a shareholder of any Shares that it holds at the date of the failure to meet its obligations;
  - (ii) under clause 5.2 (Appointment of the Board of TasWater) and the Crown Owner's Representative's seat will be lost; and
  - (iii) under clause 5.3 (Chief Executive Officer of TasWater); and
- (b) the parties acknowledge that the remedies set out in paragraph (a) are contained in the Constitution and, if the equivalent provisions of the Constitution are amended, then the provisions of paragraph (a) will be amended to the same effect, unless the parties expressly agree otherwise, in writing, prior to the amendment to the Constitution.
- (c) For the avoidance of doubt, notwithstanding any reinstatement of the Crown's rights in relation to clause 5.1 (Corporate Plan), clause 5.2 (Appointment of the Board of TasWater) or clause 5.3 (Chief Executive Officer of TasWater), any decisions made by the Selection Committee, the Owners' Representatives or the Board during such time as the Crown does not have those rights shall continue to be valid and to remain in full effect.

**7.2 Exclusive Remedy**

The remedies and consequences set out in clause 7.1 (Share Subscription Default) are exclusive for any breach by the Crown of clause 2.1, and no action will be had or maintained against the Crown for any other claim, demand or cause of action, including:

- (a) specific performance of its obligations under clause 2.1;
- (b) a claim for payment of the Subscription Amounts; or
- (c) damages.

**8 Implementation and good faith**

The Crown and TasWater will act in good faith and to use their reasonable endeavours to implement this document.

**9 GST****9.1 Payments exclusive of GST**

Unless otherwise stated in this document, all amounts payable by one party to another party are exclusive of GST.

**9.2 Payment of GST**

If GST is imposed or payable on any supply made by a party under this document, the recipient of the supply must pay to the supplier, in addition to the GST exclusive consideration for that supply, an additional amount equal to the GST exclusive consideration multiplied by the prevailing GST rate. The additional amount is payable at the same time and in the same manner as the consideration for the supply.

**9.3 Tax invoice**

A party's right to payment under clause 9.2 (Payment of GST) is subject to a valid tax invoice being delivered to the party liable to pay for the taxable supply.

**9.4 Definitions**

Expressions defined in the GST Act have the same meaning when used in this clause 9.

**10 Entire agreement**

This document, together with the Constitution and the Shareholders' Letter of Expectations (as approved by the Owners' Representatives), constitute the entire agreement between the parties in relation to its subject matter and supersedes all previous agreements, negotiations and understandings between the parties in relation to its subject matter.

**11 Termination****11.1 Default**

Either party (**Non-Defaulting Party**) may terminate this document by giving the other party (**Defaulting Party**) notice if:

- (a) the Defaulting Party repudiates its obligations under this document; or
- (b) an Insolvency Event occurs in respect of the Defaulting Party.

**11.2 Rights not prejudiced**

If this document is terminated under clause 11.1 (Default):

- (a) the parties are relieved from future performance of this document, without prejudice to any right of action that has accrued prior to the date of termination; and
- (b) rights to recover damages are not affected by the termination.



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## 12 Disputes

### 12.1 Notice

If a party has a dispute or complaint against the other, that party (**Notifying Party**) must notify the other party in one of the ways described in clause 13 (Notices). The Notifying Party must ensure that the notice contains specific detail identifying the nature of the dispute or complaint.

### 12.2 Best endeavours to resolve

Both parties within 21 days of the delivery of a dispute notice will meet and use their best endeavours to resolve the dispute or complaint to the mutual satisfaction of both parties as soon as possible.

### 12.3 Mediation

If the parties are not able to reach a resolution of the dispute or complaint within a reasonable period of time (in any event being no more than 21 days after the date of receipt of the notice of the complaint or dispute), then the dispute or complaint must be submitted for mediation in accordance with, and subject to, the Resolution Institute Mediation Rules.

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## 13 Notices

### 13.1 Form

Any notice, consent, approval, waiver and other communications to be given under or in connection with this document must be in writing, signed by the sender and marked for the attention as set out or referred to in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

### 13.2 Delivery

They must be:

- (a) left at the address set out or referred to in the Details; or
- (b) sent by prepaid post to the address set out or referred to in the Details; or
- (c) sent by fax to the fax number set out or referred to in the Details.

However, if the intended recipient has notified a changed postal address or changed fax number, then the communication must be to that postal address or fax number.

### 13.3 When effective

They take effect from the time they are received unless a later time is specified in them.

### 13.4 Receipt – postal

If sent by post, they are taken to be received 6 days after posting (or 10 days after posting if sent to or from a place outside Australia).

### 13.5 Receipt – fax

If sent by fax, they are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

### 13.6 Receipt - general

Despite clauses 13.4 (Receipt - postal) and 13.5 (Receipt - fax) and, if they are received after 5pm in the place of receipt or on a non-Business Day, they are taken to be received at 9am on the next Business Day.

---

## 14 General

### 14.1 Amendments

An amendment or variation to this document is not effective unless it is in writing and signed by the parties.

### 14.2 Assignment

A party cannot assign or otherwise transfer any of its rights under this document without the prior written consent of each other party.

**14.3 Consents**

Unless this document expressly provides otherwise, a consent under this document may be given or withheld in the absolute discretion of the party entitled to give the consent and to be effective must be given in writing.

**14.4 Counterparts**

- (a) This document may be entered into in any number of counterparts.
- (b) A party may execute this document by signing any counterpart.
- (c) All counterparts, taken together, constitute one document.

**14.5 Costs**

Each party will bear its own costs and disbursements of or incidental to the negotiation, preparation, execution, stamping and registration of this document, and all other matters and agreements referred to in this document.

**14.6 Further acts and documents**

Each party must promptly do all further acts and execute and deliver all further documents (in a form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this document.

**14.7 Waivers**

The non-exercise of, or delay in exercising, any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party to be bound by the waiver.

**14.8 Severance**

- (a) If anything in this document is unenforceable, illegal or void then it is severed and the rest of this document remains in force, unless the severance would change the underlying principal commercial purpose or effect of this document.
- (b) If two or more provisions of this document are inconsistent or contradictory the numerical position of those provisions must not be a determinative factor in any decision, order or ruling that results in the severance of any conflicting provision.

**14.9 Exclusion of relationships**

The parties acknowledge and agree that this document and the performance of this document does not represent or imply a partnership, agency, fiduciary relationship, joint venture, distribution or any other category of commercial or personal relationship between the parties recognised at law or in equity as giving rise to forms of specific rights and obligations.

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**15 Governing law and jurisdiction****15.1 Governing law**

The laws of Tasmania govern this document.

**15.2 Jurisdiction**

The parties submit to the non-exclusive jurisdiction of the courts of Tasmania.

**SIGNING PAGE**

**EXECUTED** as an Agreement.

**EXECUTED** by Tasmanian Water & Sewerage Corporation Pty )  
Ltd (ACN 162 220 653) pursuant to section 127 of the )  
Corporations Act 2001 by:

.....  
Director Signature

.....  
Director Full Name (print)

.....  
\*Director/\*Secretary Signature

.....  
\*Director/\*Secretary Full Name (print)

(\* please strike out inapplicable)

**EXECUTED** for and on behalf of the Crown in Right of )  
Tasmania by [#PS Comment: Crown law to insert )  
appropriate execution clause for the Crown#] in the )  
presence of:

Witness: .....

Full Name: .....

Address: .....

Occupation: .....

**Schedule 1**  
**Application for Shares**

[#insert date#]

To: Tasmanian Water and Sewerage Corporation Pty Ltd (ACN 162 220 653) (**TasWater**)  
163 – 169 Main Road, Moonah, Tasmania 7009

Attention: Company Secretary

Dear Directors

**Application for shares pursuant to Subscription Agreement dated [#insert date#]**

The Crown in the Right of Tasmania (**Subscriber**):

- (a) hereby applies for the issue of [#insert number] class DD shares in the capital of TasWater (**Subscription Shares**);
- (b) agrees to pay \$20,000,000 in accordance with the Subscription Agreement; and
- (c) agrees to be bound by the constitution of TasWater

Capitalised terms which are used but not defined in this Application have the meaning given to them (if any) in the Subscription Agreement.

Yours faithfully

**Annexure A**  
**Constitution**

**[PS comment: to insert Constitution once finalised]**

DRAFT

**Annexure B**

Shareholders' Letter of Expectations

[PS comment: to insert SLE once finalised]

DRAFT

**Appendix 4: Water and Sewerage Legislation (Corporate Governance and Pricing) Bill 2018**

Drafted in the Office of  
Parliamentary Counsel

TASMANIA

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WATER AND SEWERAGE LEGISLATION  
(CORPORATE GOVERNANCE AND PRICING)  
BILL 2018

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Version 4  
12 July 2018



**PART 4 – CONCLUDING PROVISION**

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*consultation draft*

**WATER AND SEWERAGE LEGISLATION  
(CORPORATE GOVERNANCE AND PRICING)  
BILL 2018**

*(Brought in by the Treasurer, the Honourable Peter Carl  
Gutwein)*

**A BILL FOR**

**An Act to amend the *Water and Sewerage Corporation Act 2012* to enable the Crown to hold shares in, and have certain rights in relation to, the Corporation, and to amend the *Water and Sewerage Industry Act 2008* in relation to pricing, and for related purposes**

Be it enacted by Her Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:

**PART 1 – PRELIMINARY**

**1. Short title**

This Act may be cited as the *Water and Sewerage Legislation (Corporate Governance and Pricing) Act 2018*.

**2. Commencement**

The provisions of this Act commence on a day or days to be proclaimed.

*Water and Sewerage Legislation (Corporate Governance and Pricing) Act 2018*  
*Act No. of 2018*

s. 3 Part 2 – Water and Sewerage Corporation Act 2012 Amended

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**PART 2 – WATER AND SEWERAGE CORPORATION  
ACT 2012 AMENDED**

**3. Principal Act**

In this Part, the *Water and Sewerage Corporation Act 2012\** is referred to as the Principal Act.

**4. Section 6 amended (Principal objectives of Corporation)**

Section 6(1)(c)(ii) of the Principal Act is amended by omitting “its members” and substituting “such of its members as are councils”.

**5. Section 7 amended (Status of Corporation)**

Section 7(1)(b) of the Principal Act is amended by omitting “council” and substituting “member”.

**6. Section 10 amended (Ownership and restrictions on sale and issue of securities)**

Section 10 of the Principal Act is amended as follows:

- (a) by inserting in subsection (1) “, or the Crown,” after “councils”;

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\*No. 51 of 2012

*Water and Sewerage Legislation (Corporate Governance and Pricing) Act 2018*  
*Act No. of 2018*

Part 2 – Water and Sewerage Corporation Act 2012 Amended

s. 7

- (b) by omitting subsection (2);
- (c) by inserting in subsection (4) “or to the Crown” after “shareholdings”.

**7. Section 14 amended (Board of Corporation)**

Section 14(3)(b) of the Principal Act is amended by inserting “or of the Crown” after “council”.

**8. Section 21 amended (Distribution of dividends)**

Section 21 of the Principal Act is amended as follows:

- (a) by omitting from subsection (2)(a) “members” and substituting “members, who are not the Crown,”;
- (b) by omitting from subsection (2)(d) “members” and substituting “members who are not the Crown”;
- (c) by omitting from subsection (3) “members” and substituting “members who are not the Crown”;
- (d) by inserting the following subsection after subsection (3):
  - (4) The constitution of the Corporation must not provide that the Crown is entitled to any dividends or that dividends may be paid to the Crown.

5

*Water and Sewerage Legislation (Corporate Governance and  
Pricing) Act 2018  
Act No. of 2018*

**s. 9** Part 2 – Water and Sewerage Corporation Act 2012 Amended

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**9. Sections 22 and 23 repealed**

Sections 22 and 23 of the Principal Act are repealed.

**10. Section 42 repealed**

Section 42 of the Principal Act is repealed.

*Water and Sewerage Legislation (Corporate Governance and Pricing) Act 2018*  
*Act No. of 2018*

Part 3 – Water and Sewerage Industry Act 2008 Amended

s. 11

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**PART 3 – WATER AND SEWERAGE INDUSTRY ACT  
2008 AMENDED**

**11. Principal Act**

In this Part, the *Water and Sewerage Industry Act 2008\** is referred to as the Principal Act.

**12. Section 65 amended (Price and service plan)**

Section 65 of the Principal Act is amended as follows:

(a) by inserting the following subsection after subsection (6):

(6A) A regulated entity may, without the approval of the Regulator, amend a proposed price, in relation to a service, that is set out, in relation to a year, in the entity's price and service plan, if the price, as so amended, does not exceed the maximum price, in relation to the service, that is specified, in relation to the year, in a price determination in relation to the entity.

(b) by inserting in subsection (10) “, including such a plan as altered under this section” after “subsection (5)”.

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\*No. 13 of 2008

*Water and Sewerage Legislation (Corporate Governance and Pricing) Act 2018*  
*Act No. of 2018*

s. 13

Part 3 – Water and Sewerage Industry Act 2008 Amended

**13. Section 66 amended (Price determinations)**

Section 66 of the Principal Act is amended as follows:

- (a) by omitting paragraph (a) from subsection (3);
- (b) by omitting from subsection (3)(b) “and minimum” first occurring;
- (c) by omitting from subsection (3)(b) “or maximum rate of increase or decrease or minimum rate of increase or decrease in the maximum and minimum price”;
- (d) by omitting paragraph (c) from subsection (3);
- (e) by omitting from subsection (3)(e) “a price” and substituting “a maximum price”;
- (f) by omitting from subsection (3)(f) “a price” and substituting “a maximum price”;
- (g) by omitting from subsection (3)(g) “and minimum” first occurring;
- (h) by omitting from subsection (3)(g) “or maximum rate of increase or decrease or minimum rate of increase or decrease in the maximum and minimum revenue”;
- (i) by inserting the following subsection after subsection (3):

8

*Water and Sewerage Legislation (Corporate Governance and  
Pricing) Act 2018  
Act No. of 2018*

Part 3 – Water and Sewerage Industry Act 2008 Amended

s. 14

- (3A) Nothing in this section is to be taken to permit a price determination made under this section to set a price, other than a maximum price, or an amount of revenue other than a maximum amount of revenue.

**14. Part 6 repealed**

Part 6 of the Principal Act is repealed.



*Water and Sewerage Legislation (Corporate Governance and  
Pricing) Act 2018  
Act No. of 2018*

s. 15

Part 4 – Concluding Provision

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**PART 4 – CONCLUDING PROVISION**

**15. Repeal of Act**

This Act is repealed on the three hundred and sixty fifth day from the day on which all of the provisions of the Act commence.

**Appendix 5: Water and Sewerage Corporation Act 2012 – Amended Clauses**

## APPENDIX 5 – WATER AND SEWERAGE CORPORATION ACT 2012 – AMENDED CLAUSES

**6. Principal objectives of Corporation**

- (1) The principal objectives of the Corporation are as follows:
  - (a) to efficiently provide water and sewerage functions in Tasmania;
  - (b) to encourage water conservation, the demand management of water and the re-use of water on an economic and commercial basis;
  - (c) to be a successful business and, to this end –
    - (i) to operate its activities in accordance with good commercial practice; and
    - (ii) to deliver sustainable returns to ~~its members~~such of its members as are councils; and
    - (iii) to deliver water and sewerage services to customers in the most cost-efficient manner.
- (2) Each of the principal objectives of the Corporation is of equal importance.

**7. Status of Corporation**

- (1) Unless this or any other Act expressly provides otherwise, the Corporation or any subsidiary of the Corporation –
  - (a) is not and does not represent the councils or the Crown; and
  - (b) is not exempt from any rate, tax, duty or other impost imposed by or under any law of the State or the Commonwealth merely because a ~~council-member~~ or the Corporation has beneficial ownership of shares in it.
- (2) The Crown is not liable for any debt, liability or obligation of the Corporation or any subsidiary of the Corporation.
- (3) A council is not liable for any debt, liability or obligation of the Corporation or any subsidiary of the Corporation unless –
  - (a) that council gives a guarantee or indemnity under section 26 in relation to that debt, liability or obligation; or
  - (b) the constitution of the Corporation expressly provides otherwise.

**10. Ownership and restrictions on sale and issue of securities**

- (1) Only councils, or the Crown, may hold one or more shares or other securities in the Corporation.
- ~~(2) Each member of the Corporation is to at all times hold an equal number of shares, and an equal number of other securities in the Corporation, as each other member of the Corporation.~~
- (3) A member of the Corporation must not dispose of the shares or other securities in the Corporation held by that member.

## APPENDIX 5 – WATER AND SEWERAGE CORPORATION ACT 2012 – AMENDED CLAUSES

- (4) The Corporation must not, and must ensure that any subsidiary of the Corporation does not –
- (a) offer shares or other securities in the Corporation or any subsidiary of the Corporation for subscription, or invite any person to subscribe for any such shares or other securities; or
  - (b) grant options over unissued shares or other securities in the Corporation or any subsidiary of the Corporation; or
  - (c) allot or issue shares or other securities in the Corporation or any subsidiary of the Corporation –
- other than to existing members pro rata to their existing shareholdings or to the Crown.
- (5) In this section –
- (a) a reference to securities includes a reference to securities of a kind specified in section 92(3) of the Corporations Act; and
  - (b) a reference to shares includes a reference to shares of a kind specified in section 254A(1) of the Corporations Act.

**14. Board of Corporation**

- (1) The Board is to ensure that its directors have the experience and skills necessary to enable the Corporation to achieve its principal objectives.
- (2) The appointment of the Board and removal of directors is to be in accordance with the constitution.
- (3) None of the following persons may be appointed as a director of the Corporation or any subsidiary of the Corporation:
  - (a) any person who has served as an elected government official at any time within the 3 years preceding the intended date of appointment;
  - (b) any person who holds office as an elected government official or who is currently an employee of any council or the Crown.

**21. Distribution of dividends**

- (1) The Board or the board of directors of any subsidiary of the Corporation must determine a dividend policy for the Corporation or subsidiary.
- (2) The dividend policy of the Corporation or of any subsidiary of the Corporation is to –
  - (a) establish the aggregate amount, and the basis of determining the aggregate amount, of dividends payable to ~~members~~ members, who are not the Crown, in respect of any period; and
  - (b) be determined having due regard to the provisions of the shareholders' letter of expectation; and

## APPENDIX 5 – WATER AND SEWERAGE CORPORATION ACT 2012 – AMENDED CLAUSES

- (c) be consistent with good commercial practice; and
  - (d) require adequate provision to be made for expected future capital requirements and operational expenditure before the payment of any dividend to ~~members~~members who are not the Crown.
- (3) In setting out the rights attaching to each class of shares for the purposes of section 11(2)(a), the constitution of the Corporation is to provide for the allocation of the aggregate amount of dividends amongst ~~members~~members who are not the Crown.
- (4) The constitution of the Corporation must not provide that the Crown is entitled to any dividends or that dividends may be paid to the Crown.

**22. Payment of guarantee fees**

- ~~(1) The Corporation or any subsidiary of the Corporation is liable to pay guarantee fees determined pursuant to subsection (2).~~
- ~~(2) If the Corporation or any subsidiary of the Corporation borrows money in accordance with section 18 –~~
- ~~(a) Division 1 of Part 11 of the Government Business Enterprises Act 1995 (other than section 78(1)) and, unless the Corporation or subsidiary has received a notice from the Treasurer to the contrary, each GBE Treasurer's Instruction given in relation to any matter the subject of that Division applies by virtue of this Act in relation to the Corporation or subsidiary as if –~~
    - ~~(i) the Corporation or subsidiary were a Government Business Enterprise specified in Schedule 3 to the Government Business Enterprises Act 1995; and~~
    - ~~(ii) each reference to financial accommodation in that Division of the Government Business Enterprises Act 1995 were a reference to money borrowed from the Tasmanian Public Finance Corporation in accordance with section 18; and~~
    - ~~(iii) each reference to the Consolidated Fund in the Government Business Enterprises Act 1995 were a reference to a council; and~~
  - ~~(b) the Corporation or subsidiary is to pay the aggregate guarantee fee, determined by the Treasurer pursuant to the application of paragraph (a), to councils in the amount and in the manner outlined in the constitution.~~

**23. Payment of tax equivalents**

- ~~(1) The Corporation or any subsidiary of the Corporation is liable to pay an aggregate income tax equivalent in respect of each financial year, determined pursuant to the application of this section, to councils in the amount and in the manner outlined in the constitution.~~

## APPENDIX 5 – WATER AND SEWERAGE CORPORATION ACT 2012 – AMENDED CLAUSES

- ~~(2) — Despite subsection (1), the Corporation or any subsidiary of the Corporation is not liable to pay an income tax equivalent to the extent to which it is liable to pay income tax under the Commonwealth Tax Act.~~
- ~~(3) — Division 3 of Part 10 of the Government Business Enterprises Act 1995 and, unless the Corporation or any subsidiary of the Corporation has received a notice from the Treasurer to the contrary, each GBE Treasurer's Instruction given in relation to any matter the subject of that Division applies by virtue of this Act to the liabilities and payments that arise under subsection (1) as if —~~
- ~~(a) — the Corporation or subsidiary were a prescribed Government Business Enterprise as defined in section 67 of the Government Business Enterprises Act 1995; and~~
- ~~(b) — a reference to section 68 of the Government Business Enterprises Act 1995 were a reference to subsection (1); and~~
- ~~(c) — each reference to the Consolidated Fund were a reference to a council;~~
- 42. — Staged repeal of Water and Sewerage Corporations Act 2008**
- ~~(1) — A provision of the Water and Sewerage Corporations Act 2008 is repealed to the extent, and from the day, fixed by proclamation in respect of that provision.~~
- ~~(2) — The Water and Sewerage Corporations Act 2008 is repealed on a day fixed by proclamation, being a day after the last day fixed under subsection (1).~~

To view the current Water and Sewerage Corporation Act 2012 in its entirety, please see:  
<https://www.legislation.tas.gov.au/view/html/inforce/current/act-2012-051>

**Appendix 6: Water and Sewerage Industry Act 2008 – Amended Clauses**

## APPENDIX 6 – WATER AND SEWERAGE INDUSTRY ACT 2008 – AMENDED CLAUSES

**65. Price and service plan**

- (1) The Regulator must, by notice given to a regulated entity, require the regulated entity to submit a proposed price and service plan for regulated services to the Regulator for approval by not later than the date specified in the notice.
- (2) A regulated entity must submit a proposed price and service plan to the Regulator by the date specified in the notice given to the regulated entity under subsection (1).  
Penalty: Fine not exceeding 1 000 penalty units.
- (3) The proposed price and service plan submitted under subsection (1) must include –
  - (a) proposed regulated services to be provided to customers; and
  - (b) any customer contract; and
  - (c) standards and conditions of service which are in compliance with the customer service code; and
  - (d) proposed prices for each regulated service; and
  - (e) any other matter required under this Act.
- (4) The proposed price and service plan submitted under subsection (1) may include –
  - (a) proposed annual revenue requirements; and
  - (b) projected capital and operational expenses; and
  - (c) supply and demand forecasts; and
  - (d) such other matters as required by the Regulator in guidelines issued under subsection (7).
- (5) The Regulator must approve a proposed price and service plan for a regulated entity if the Regulator is satisfied that the proposed price and service plan fulfils the requirements for a price and service plan as set out in guidelines issued under subsection (7) and any relevant price determination under section 66.
- (6) The Regulator may require amendments to be made to the proposed price and service plan, including amendments to ensure that the price and service plan complies with a price determination, before approving it.
- (6A) A regulated entity may, without the approval of the Regulator, amend a proposed price, in relation to a service, that is set out, in relation to a year, in the entity's price and service plan, if the price, as so amended, does not exceed the maximum price, in relation to the service, that is specified, in relation to the year, in a price determination in relation to the entity.**
- (7) The Regulator must issue guidelines to a regulated entity for the preparation of a proposed price and service plan.
- (8) The guidelines referred to in subsection (7) may –
  - (a) specify the requirements for a regulated entity to comply with when submitting a proposed price and service plan to the Regulator for approval; and



## APPENDIX 6 – WATER AND SEWERAGE INDUSTRY ACT 2008 – AMENDED CLAUSES

- (b) specify the process for the preparation and approval of a proposed price and service plan, including the extent of public consultation and timelines and the subsequent publication of prices for each regulated service.
- (9) A price and service plan approved under subsection (5) is to relate to a regulatory period.
- (10) The Regulator may, by notice in writing given to a regulated entity, direct the regulated entity to publish a price and service plan approved under subsection (5), including such plan as altered under this section.
- (11) A regulated entity must comply with a direction given to it under subsection (10).  
Penalty: Fine not exceeding 50 penalty units.
- (12) The Treasurer may, by notice published in the *Gazette*, fix –
  - (a) the duration of the first regulatory period, which period is to commence on the first day after approval by the Regulator of a price and service plan; and
  - (b) the minimum duration of each subsequent regulatory period.
- (13) The Regulator is to declare, by notice published in the *Gazette*, the duration of each subsequent regulatory period, being a period which is not less than a minimum period specified by the Treasurer under this section.
- (14) A declaration made by the Regulator under subsection (13) must be made not less than 2 years before the end of each subsequent regulatory period.

**66. Price determinations**

- (1) The Regulator is to make price determinations that apply to a regulated entity in respect of a regulated service.
- (2) In making a price determination under subsection (1), the Regulator must –
  - (a) adopt an approach and methodology which the Regulator considers will best meet the objective of this Act; and
  - (b) determine prices, terms and conditions, including developer charges, for water services and sewerage services in accordance with the pricing principles referred to in section 68 or any principles prescribed by regulations under that section; and
  - (c) consider any proposed price and service plan submitted under section 65; and
  - (d) consider any customer contract; and
  - (e) ensure that the price determination takes into account and clearly articulates any trade-offs between costs and service standards; and
  - (ea) not take into account a change in a rate, prescribed in a regulation for the purposes of section 68(1A)(c)(iv), that comes into force at any time –
    - (i) after a regulated entity is required to submit to the Regulator a proposed price and service plan that may be approved by the Regulator after the price determination is made; and

## APPENDIX 6 – WATER AND SEWERAGE INDUSTRY ACT 2008 – AMENDED CLAUSES

- (ii) before the price determination to which the proposed price and service plan relates is made; and
  - (f) have regard to any matters contained in the regulations.
- (3) Without limiting the generality of subsection (1), a price determination made under this section may provide for one or more of the following:
- ~~(a) fixing the price or the rate of increase or decrease in the price for a regulated service or other price control formula;~~
  - (b) fixing a maximum ~~and minimum~~ price ~~or maximum rate of increase or decrease or minimum rate of increase or decrease in the maximum and minimum price~~ for a regulated service;
  - ~~(c) fixing an average price for a regulated service specified in the determination or an average rate of increase or decrease in the average price;~~
  - (d) specifying pricing policies or principles that are to be applied in relation to a regulated service;
  - (e) specifying ~~a price a maximum price~~ determined by reference to a general price index, the cost of production, a rate of return on assets employed or any other factor specified in the determination;
  - (f) specifying ~~a price a maximum price~~ determined by reference to quantity, location, period or other factor specified in the determination relevant to the rate or provision of a regulated service;
  - (g) fixing a maximum ~~and minimum~~ revenue ~~or maximum rate of increase or decrease or minimum rate of increase or decrease in the maximum and minimum revenue~~ in relation to a regulated service;
  - (h) specifying a factor or factors to be applied, and the manner in which such a factor is or factors are to be applied, in setting prices, terms and conditions for a regulated service.
- (3A) Nothing in this section is to be taken to permit a price determination made under this section to set a price, other than a maximum price, or an amount of revenue, other than a maximum amount of revenue.
- (4) Before the Regulator makes a price determination under subsection (1), the Regulator is to publish, in daily newspapers published and circulating in Tasmania, a notice of the Regulator's intention to make a price determination.
  - (5) The notice under subsection (4) is to include information as to where a copy of the proposed price determination, and the proposed price and service plan on which the proposed price determination is based, can be obtained or viewed.
  - (6) The Regulator is to publish the proposed price determination, and the proposed price and service plan on which the proposed price determination is based, on the Regulator's internet website.
  - (7) The Regulator is to make a price determination in accordance with section 67.
  - (8) The regulations may provide for –

## APPENDIX 6 – WATER AND SEWERAGE INDUSTRY ACT 2008 – AMENDED CLAUSES

- (a) the conduct of investigations by the Regulator into the price and pricing policies of regulated entities; and
- (b) the appointment of assistants to the Regulator for the purposes of carrying out investigations referred to in paragraph (a); and
- (c) the liability of regulated entities for the costs by the Regulator incurred in undertaking such investigations; and
- (d) any related matter.

**PART 6 – Transition to New Regulatory Arrangements****88. Interim price order**

- (1) ~~The Treasurer may, by notice published in the Gazette and in daily newspapers published and circulating in Tasmania, make an interim order in relation to—~~
  - ~~(a) the prices, terms and conditions for the provision of a regulated service; and~~
  - ~~(b) the service standards, terms and conditions for the provision of a regulated service.~~
- (2) ~~Before an interim order may be made under subsection (1), the Treasurer must obtain advice from the Regulator in relation to the matters contained in the order.~~
- (3) ~~An order made under this section remains in force until the commencement of the first regulatory period fixed under section 65(12).~~
- (4) ~~A regulated entity must comply with an order made under this section.~~  
Penalty: Fine not exceeding 500 penalty units.
- (5) ~~Without limiting the generality of subsection (1), an order made under this section may provide for one or more of the following:~~
  - ~~(a) fixing the price or the rate of increase or decrease in the price for a regulated service;~~
  - ~~(b) fixing a maximum and minimum price or maximum rate of increase or decrease or minimum rate of increase or decrease in the maximum and minimum price for a regulated service;~~
  - ~~(c) fixing an average price for a regulated service or an average rate of increase or decrease in the average price;~~
  - ~~(d) specifying pricing policies or principles that are to be applied in relation to a regulated service;~~
  - ~~(e) specifying a price determined by reference to a general price index, the cost of production, a rate of return on assets employed or any other specified factor;~~
  - ~~(f) specifying a price determined by reference to quantity, location, period or other specified factor relevant to the rate or provision of a regulated service;~~
  - ~~(g) fixing a maximum and minimum revenue or maximum rate of increase or decrease or minimum rate of increase or decrease in the maximum and minimum revenue in relation to regulated services;~~

## APPENDIX 6 – WATER AND SEWERAGE INDUSTRY ACT 2008 – AMENDED CLAUSES

- ~~(h) — specifying a factor or factors to be applied, and the manner in which such a factor is or factors are to be applied, in setting prices, terms and conditions for a regulated service.~~
- ~~(6) — An order made under this section may impose functions and confer powers on the Regulator relating to the prices, terms and conditions for the provision of a regulated service specified in such an order.~~
- ~~(7) — The Treasurer is to give a copy of an order made under this section to each regulated entity that provides a regulated service to which the order applies.~~
- ~~(8) — If there is an inconsistency between this Act and regulations made under this Act and any order made under this section, this Act or the regulations prevail to the extent of the inconsistency.~~
- 89. — Interim licences**
- ~~(1) — The Minister may grant an interim licence to a person to authorise an activity specified in section 30 on such terms and conditions that the Minister considers appropriate and as are specified in the interim licence.~~
- ~~(2) — An interim licence granted to a person under subsection (1) remains in force —~~
- ~~(a) — for a period not exceeding 2 years from the day on which it is granted; or~~
- ~~(b) — until a licence is granted to that person under section 35(1) in relation to an activity for which that interim licence is granted —~~
- ~~whichever is the earlier.~~
- ~~(3) — The Minister may, by written notice given to a person to which an interim licence is granted under subsection (1), impose such interim licence conditions as the Minister considers appropriate to be complied with by that person.~~
- ~~(4) — Before granting an interim licence under subsection (2) or imposing interim licence conditions, the Minister must obtain advice from the Regulator in relation to the granting of the interim licence or imposition of the interim licence conditions.~~
- 90. — Interim exemption from requirement to be licensed**
- ~~(1) — The Minister may, by order, exempt a person who provides a regulated service specified in the order, other than the Corporation, from the requirement to hold a licence under section 30 or comply with any other provision of this Act until a date specified in the order.~~
- ~~(2) — The date specified in an order made under subsection (1) is to be not later than the commencement of the first regulatory period.~~

To view the current Water and Sewerage Industry Act 2008 in its entirety, please see:  
<https://www.legislation.tas.gov.au/view/html/inforce/current/act-2008-013>

# Briefing for Councils

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TasWater and State Government MOU Implementation



## Today's presentation

1. The MOU Key Features
2. Necessary changes to the Constitution
3. Necessary changes to the Shareholders' Letter of Expectations
4. Share Subscription and Implementation Agreement
5. Necessary legislative changes
6. Financial outcomes
7. Key risks
8. Special General Meeting to Vote on Proposal
9. Summary

## MOU Key Features

### Proposed governance arrangements:

- State Government to inject \$200M equity over 10 years
- Receive 1% equity for each \$20M
- State Government will not receive dividends
- State Government Owner's Rep on Board Selection Committee (Head of Treasury, or delegate)
- Board to remain skills-based
- Consultation with State Government Rep and Chief Owners' Rep re: CEO appointment
- State Government and Owner Councils approve Corporate Plan

## MOU Key Features

### Proposed pricing arrangements:

- FY2018/19 – 4.1% increase
- FY2019/20 – 0% increase
- FY2020/21 to FY2024/25 – capped at 3.5% increase, or Economic Regulator’s determination (whichever is lower)
- FY2025/26 onward – no commitment



## MOU Key Features

### Capital program

- Best endeavours to spend \$1.8B during the current 10 year capex plan

### Major projects

- Cameron Bay STP (MONA MOU)
- Macquarie Point STP
- Launceston Combined System

### Service extension

## MOU Key Features

### Distributions to Owner Councils:

- Distributions will remain at \$20M per year to FY2025/26
- Board to determine beyond FY2025/26, but profitability should enable indexation beyond that point
- If circumstances change and distributions are at risk, the Board has a number of levers to ensure distributions are maintained

## MOU Summary

Government sought to have MOU reflect election commitments around:

- tariffs
- capital spend
- council dividends

TasWater sought to ensure MOU delivered:

- ongoing sustainability
- role of the economic regulator is maintained
- council rights preserved

## Necessary changes to the Constitution

- Establish new class of shares for the State Government
- No dividends for the State Government shareholding
- The State Government will have one representative on the Board Selection Committee
- The State Government representative will be consulted, along with the Chief Representative, on appointment of the CEO
- The State Government will not have the right to appoint a director
- Governance by a skills-based Board will continue

## Necessary changes to the Shareholders' Letter of Expectations

- **Corporate Plan approval process:**
  - Draft is endorsed by Board and provided to Owner Councils and State Government. Each party can then propose amendments
  - Board considers amendments, but is not obliged to accept
  - Board provides revised draft Plan (to the extent amendments are accepted) to Shareholders for consideration at General Meeting
  - The Plan is adopted by an Ordinary Majority of Council Owners' Reps and affirmative vote by State Government Owner's Rep<sup>1</sup>
  - If a Plan is not adopted, dispute resolution involves consultation between Board Chairman, Chief Owner's Rep and State Govt Rep
  - A two-thirds majority of these parties will prevail if a unanimous decision cannot be reached

## Necessary changes to the Shareholders' Letter of Expectations

- **Trade Waste**
  - TasWater, Councils and the State Government will work together to identify further improvements to trade waste
- **Community Service Obligation**
  - A shareholder can request TasWater to undertake a project not included in the current Corporate Plan
  - However shareholder approval is needed for amendment to the Corporate Plan
- **Dividends**
  - If needed for financial sustainability, the Board can amend the capital program or pricing to maintain Owner Councils' dividends<sup>1</sup>

## Share Subscription and Implementation Agreement

- State Government will inject \$20M of equity each year for 10 years, and receive 1,000,000 “DD” class shares for each \$20M
- Equity injections can occur more frequently than annually, but State Government shareholding will not exceed 10%
- If the State Government fails to meet its equity injection commitments, it will lose its rights relating to:
  - Corporate Plan approval and participation in dispute resolution
  - Board Selection Committee representation
  - CEO appointment consultation
- The State Government’s rights will be restored once it makes good, but any decisions made in the interim remain valid

## Necessary legislative changes

- The objective has been to keep legislative changes simple and to a minimum
- Key legislative changes include:
  - Removal of the prohibition on ownership of TasWater by anyone other than a Council to enable State Government shareholding
  - Price determination process updated to clarify that the Tasmanian Economic Regulator can only set maximum prices
  - Removal of the obligation to pay loan guarantee fees and tax equivalents, so distributions are solely in the form of dividends



## Necessary legislative changes

- Proposed changes to the Constitution and SLE, and the Share Subscription agreement, are conditional on the legislation passing into law in substantially the same form as in the IM

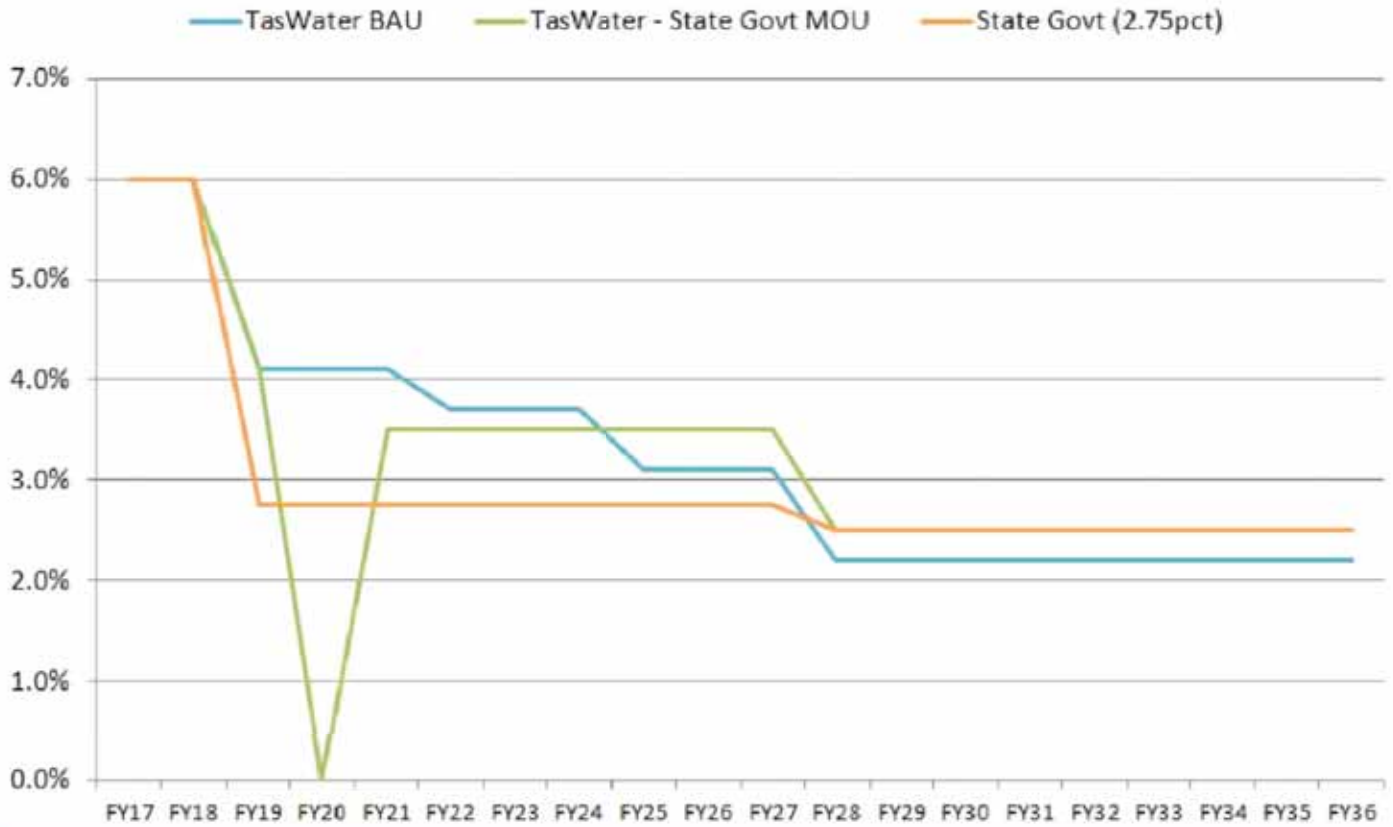
## Financial model objectives

- The Board has committed to ensuring the proposed changes maintain TasWater's financial sustainability
- Two scenarios have been modelled:
  1. Business as usual scenario – TasWater's current capital program, forecast price increases and no equity injection from State Govt
  2. MOU scenario – an accelerated capital program, a price freeze (FY19) and cap (3.5% cap through FY27), and \$200M equity injection

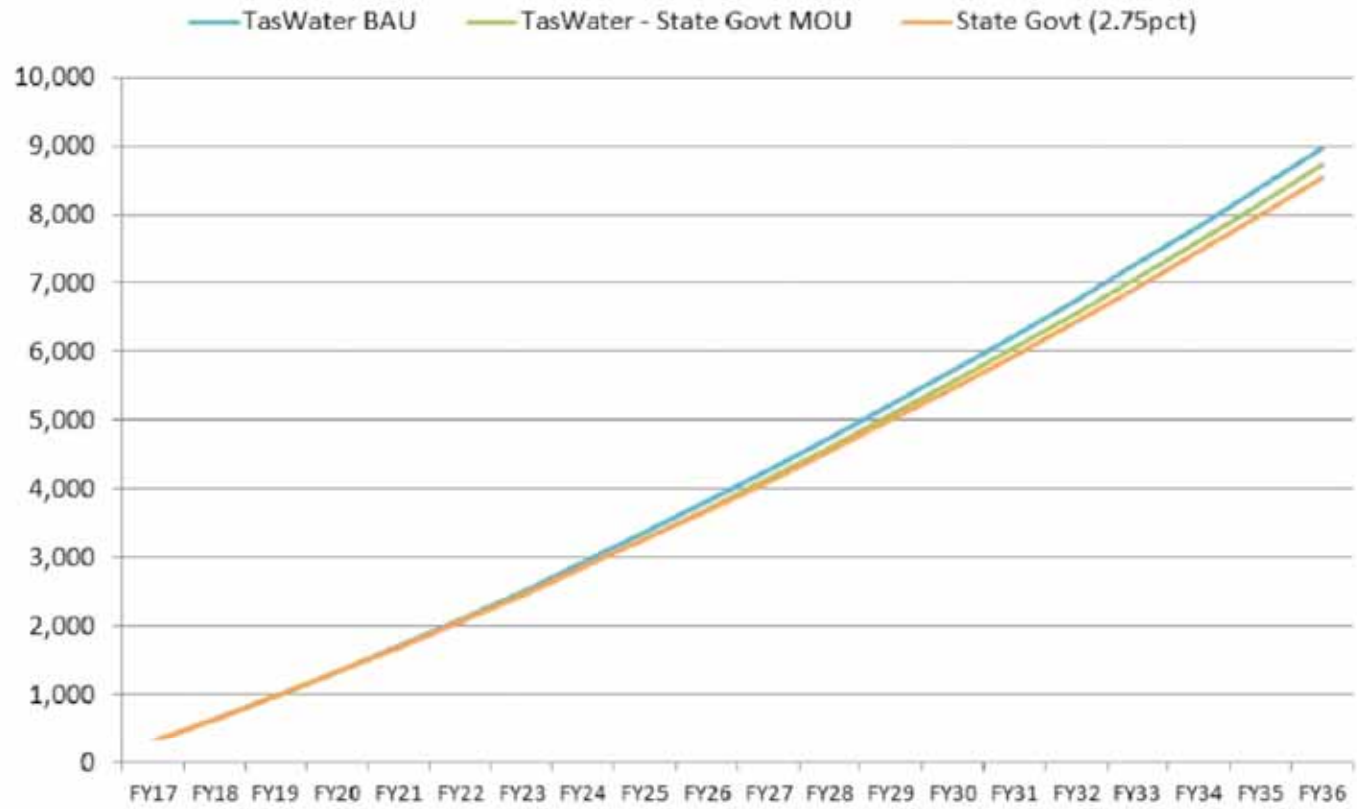
## Capital program

- The business as usual scenario is based on TasWater's current \$1.5 billion capital program (FY2016/17 through FY2025/26)
- The MOU scenario includes \$1.7 billion over this period.
- TasWater will make best endeavours to deliver a \$1.8 billion capital program. This may be facilitated by external funding (eg Federal / State Government funding for combined system)
- The financial model does not include any allowance for the following, however we will commit to working with government to find solutions for these:
  - Macquarie Point sewage treatment plant relocation
  - Cameron Bay sewage treatment plant relocation
  - Launceston Combined Sewer System upgrades

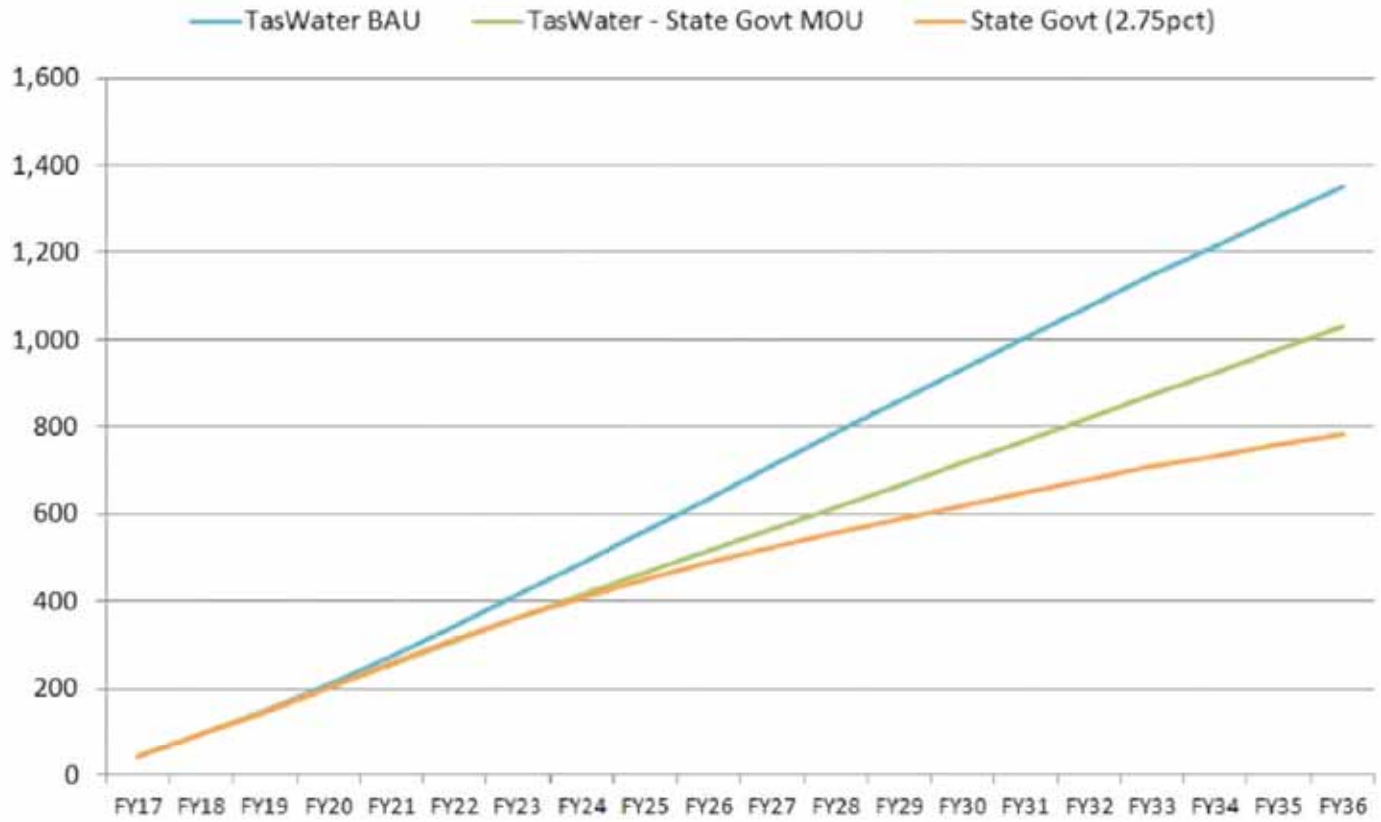
### Annual price increase (%)



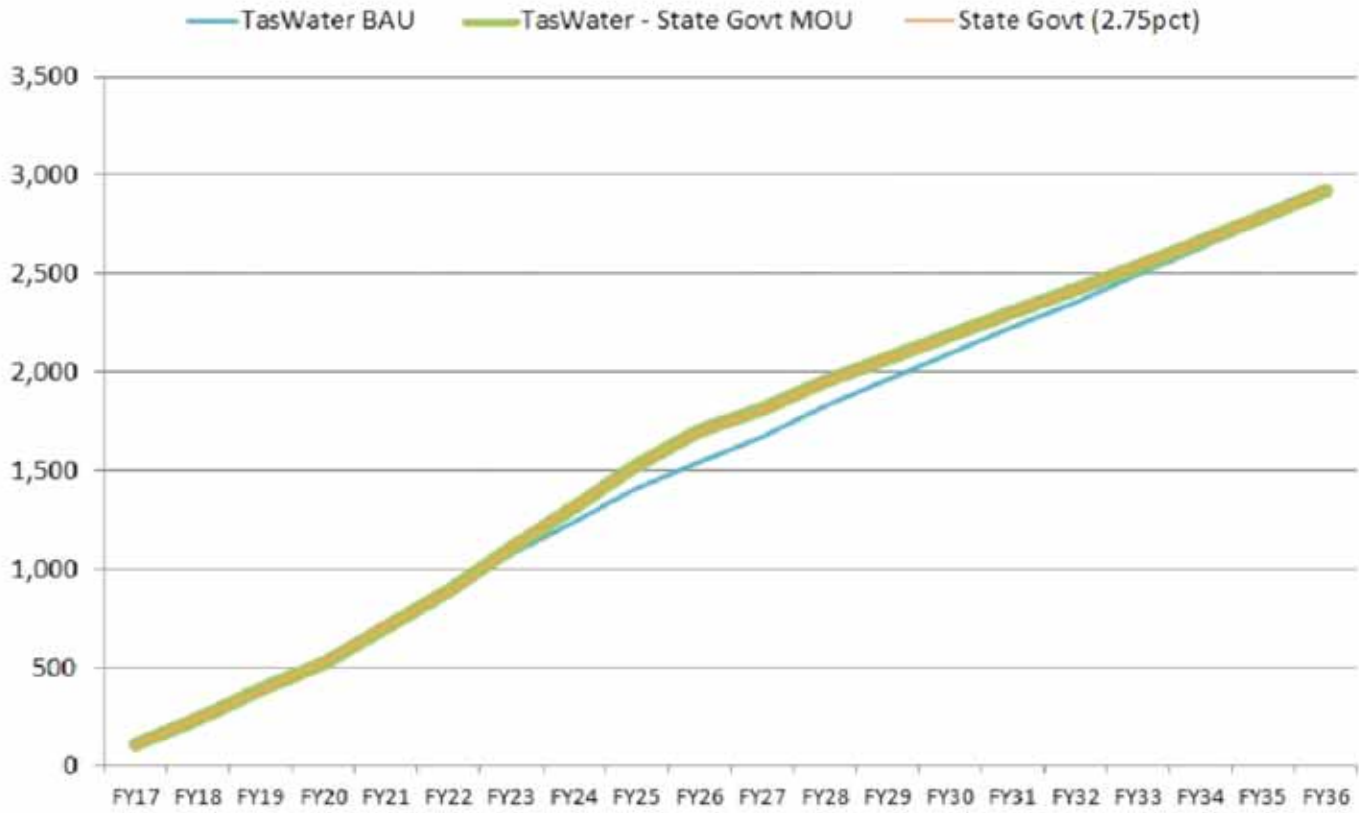
## Cumulative revenue (\$million)



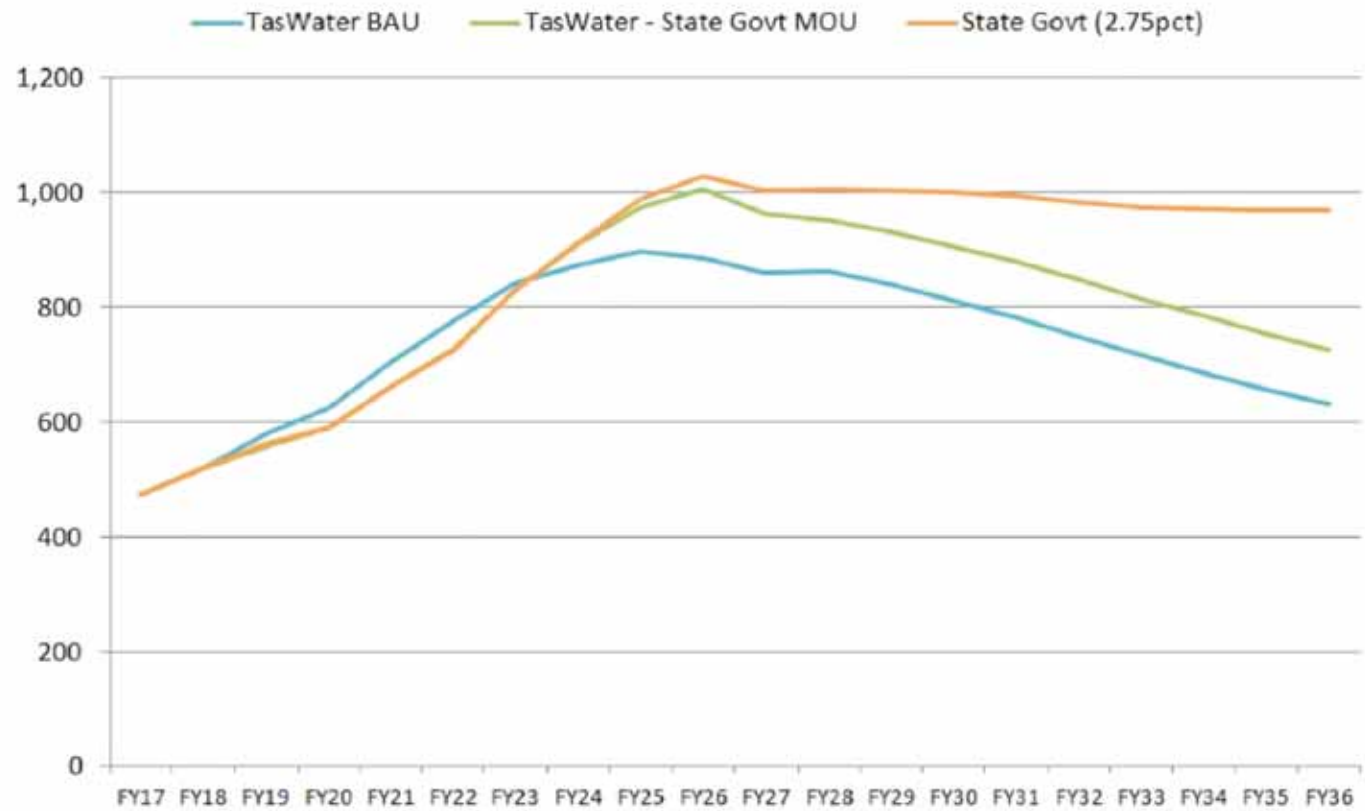
### Cumulative net profit before tax(\$million)



### Cumulative capital expenditure (\$millions)

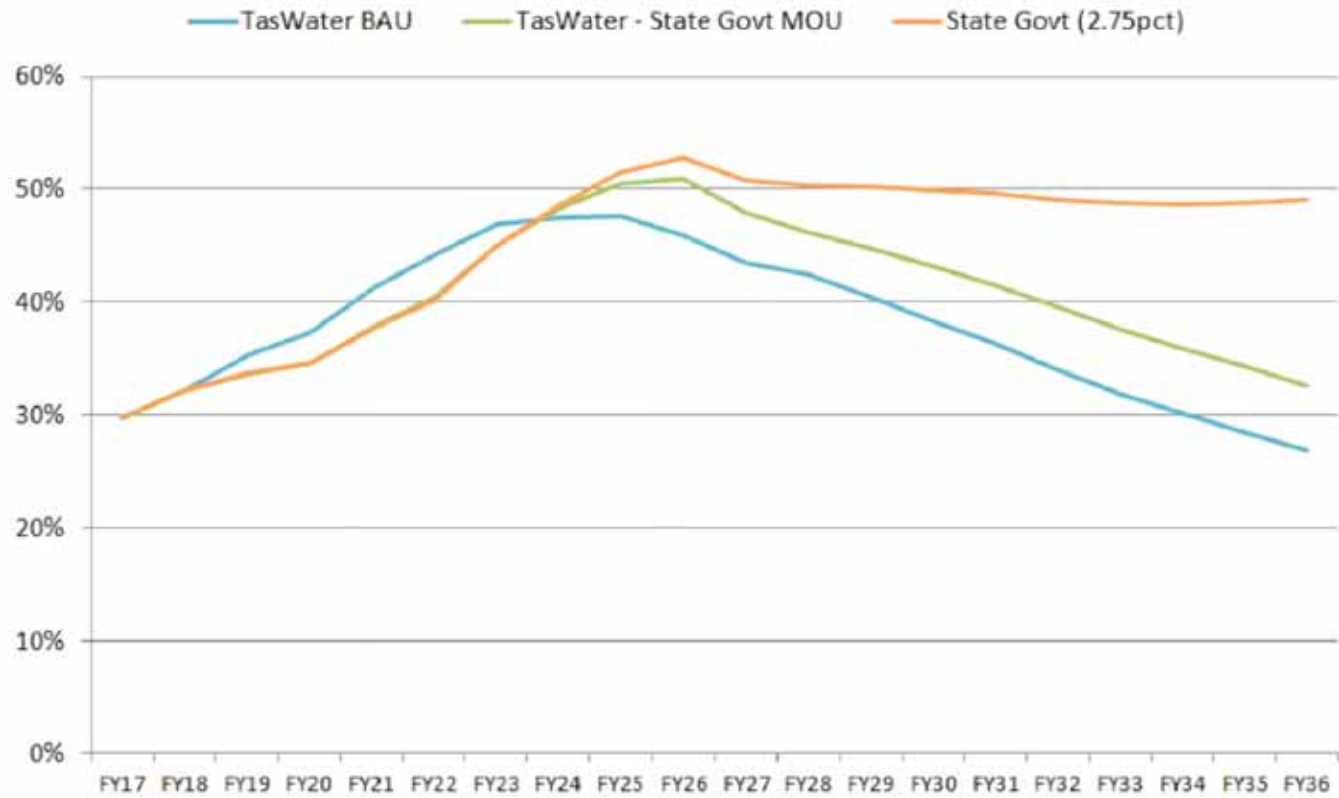


## Debt (\$millions)

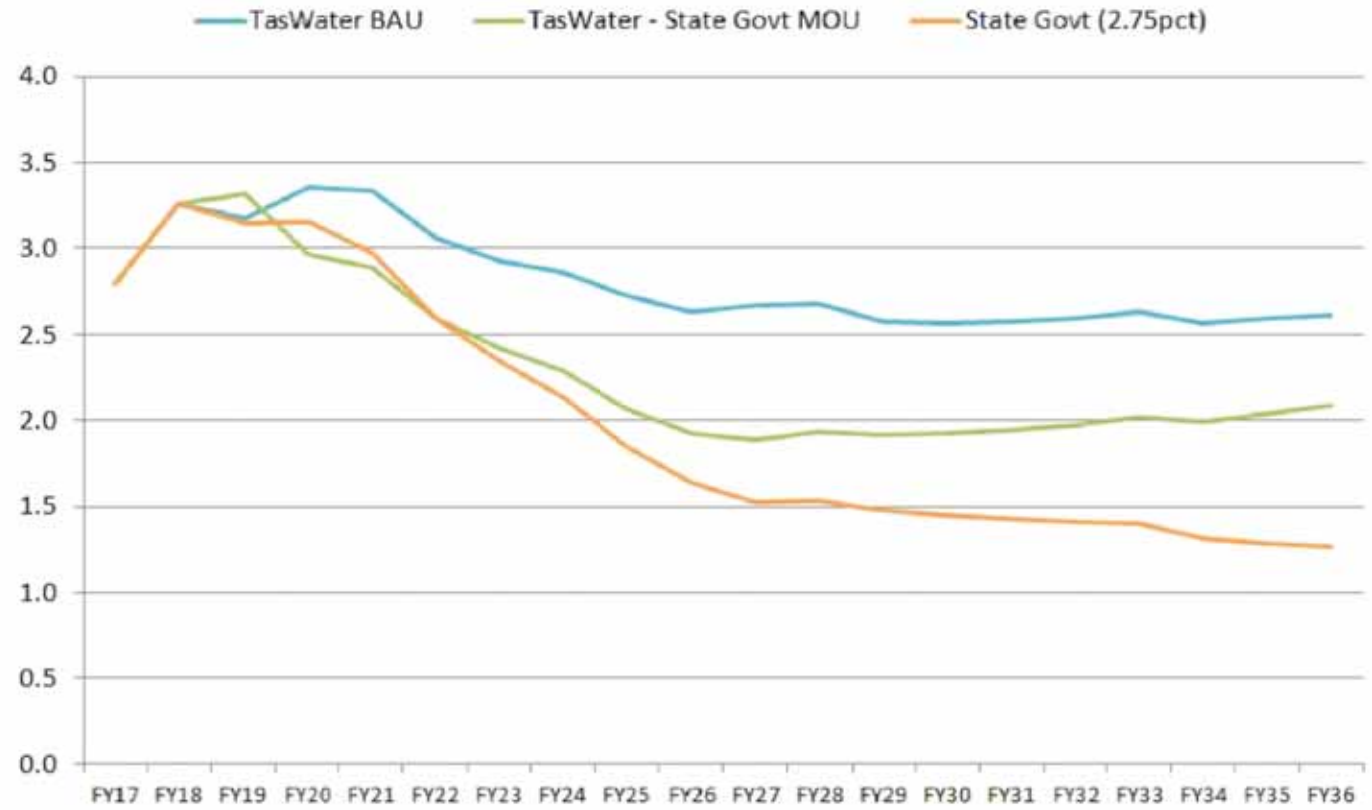




## Gearing (%)



### Interest cover ratio (times)



## Financial Summary

- Revenue is less under MOU, but actual cash difference is minimal over 20 years
- Debt is higher but manageable
- Interest coverage remains sound
- Dividends virtually guaranteed

## Key risks of the proposal

Risk	Control
Interest rates rise faster than expected, or other circumstances arise that threaten the financial sustainability of TasWater due to commitments in the MOU	The Board can slow the capital program, increase prices and/or seek a letter of comfort from the State Government
TasWater is lobbied to undertake a project that is not commercial	The SLE allows for a shareholder to fund uncommercial projects. Any Corporate Plan amendment must be approved by shareholders
The State Government seeks to alter TasWater's governance arrangements to suit their interests	Changes to governance documents require certain thresholds to be met <sup>1</sup>
Sufficient resourcing is not available to deliver the capital program	We are currently improving our capital delivery model to include an external partner that provides flexible resourcing

## Councils to vote at Special General Meeting in September 2018

- Council Owners will be provided with a voting paper ahead of the Special General Meeting on 27 September 2018
- Each resolution will have three voting options (yes, no, abstain)
- For each resolution, voting will occur by a poll
- Representatives are asked to attend the meeting with their voting papers completed
- Each resolution requires the highest threshold for approval: 75% by member, 75% by equity

## Summary

The TasWater Board unanimously recommends that Owner Councils vote in favour of the proposed resolutions.

The Board considers that it will:

- Entrench Council Ownership and Dividends
- Entrench the role of the Economic Regulator
- Keep household bills lower
- Ensure that TasWater remains financially sound
- Prospects of realising federal funding significantly higher. Without this, receipt of federal funding is considered unlikely.
- Serve the best interests of the Tasmanian Community being secured by Councils, Government and TasWater working collaboratively.

## 5.3 GIFTS AND DONATIONS

File: 27233 D535289

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

- Strategy 5.3.1 Review and amend governance structures, policies and procedures to adapt to changing circumstances

### SUMMARY

This report is provided to assist Council in understanding changes which have been made to the *Local Government (General) Amendment Regulations 2018* (Amendment Regulations) relating to Gifts and Donations.

### BACKGROUND

The *Local Government (General) Amendment Regulations 2018* (Amendment Regulations) have received Royal Assent and were gazetted on Wednesday, 27 June 2018 and were proclaimed on 1 August 2018. The Amendment Regulations amend the General Regulations to:

*"Prescribe the requirements for the keeping of a gifts and donations register by the general manager including: classes of gifts and donations to be disclosed by elected members to the general manager; the monetary threshold for disclosure (\$50 or more); the details to be contained in a notice to the general manager and the timeframe (14 days) for the provision of this notice; and the information to be recorded in the register."*

### STATUTORY REQUIREMENTS

Section 339A of the *Local Government Act 1993* ("the Act"), states:

- "(1) A councillor, an employee or a member must not procure the doing or not doing of anything by the council to gain, directly or indirectly, an advantage or to avoid, directly or indirectly, a disadvantage for -*
- (a) the councillor, employee or member; or*
  - (b) a close associate of the councillor, employee or member; or*
  - (c) a member of the councillor's, employee's or member's family."*

Furthermore, Section 28E (4) of the *Act* deals with the Code of Conduct for Aldermen, and their requirement to comply with the provisions of the Code in the performing of their functions and exercising their powers.

Whilst not a statutory requirement, Council employees are bound by the Code of Conduct, and any breach of the Code, including the acceptance of a gift or donation that may be perceived as having been offered to influence, may result in disciplinary action or dismissal.

Receiving a bribe is an offence under both common law and Tasmanian Legislation.

### DISCUSSION

Council has a Gifts and Benefits Policy and a supporting Gifts and Benefits Register, that provides Aldermen and staff with clear guidelines around the receiving of gifts and donations. To comply with the changes, the titles and wording in all documents will be changed from "gifts and benefits" to "gifts and donations".

Council's current Gifts and Benefits Policy already states the nominal value for receiving a gift or benefit is \$50. In addition, the policy states that Council officials who receive more than three gifts of a token nature from the same person or organisation in a six month period must disclose that fact in the Gifts and Benefits Register, regardless of the monetary value.

The following table outlines the changes, together with the impact the amendments have on Council's Gifts and Benefits Policy, Gifts and Benefits Register and Gifts and Benefits Declaration Form.

Section – Part #A – Gifts and Donations	Amendment	Impact
29A. Gifts or Donations	<p>For the purposes of section 56A(1)(b) of the Act, the following classes of gift or donation are prescribed:</p> <ul style="list-style-type: none"> <li>(a) an item, service, loan of money, loan of property or any other benefit with a monetary value of \$50 or more;</li> <li>(b) an item, service or other benefit that is part of a series of gifts or donations received by a councillor from the same donor, where the aggregate monetary value of the series of gifts or donations in a financial year is \$50 or more.</li> </ul>	<p><b><u>Gifts &amp; Benefits Policy</u></b></p> <p><b>Title of policy to be changed to "Gifts &amp; Donations Policy"</b></p> <p><b>Clause 2. Acceptable Gifts and Donations</b> – amended to say that "Gifts or donations of a token nature at or below nominal value may generally be accepted by Council officials without the need for formal disclosure. That said, Council officials who receive a series of token gifts or donations from the same donor where the aggregated monetary value is equal to or more than the nominal value in a specified period must disclose that fact in the gifts and donations register."</p> <p><b>Clause 7. Records</b> – Remove reference to a "specified number of gifts" and change to "a series of token gifts or donations near the nominal value limit from the same person or organisation..."</p> <p><b>Clause 11 – Details of amounts and frequencies specified in the policy</b></p> <p>Remove reference to receiving more than three nominal gifts of a token nature from the same person or organisation in a six month period, and</p>



Report to Council meeting on 27 August 2018

		<p>change to, "Council officials who receive a series of gifts or donations from the same donor, where the aggregate monetary value of the series of gifts or donations in a financial year is \$50 or more, must disclose the receipt of each gift, regardless of the individual monetary value."</p> <p>Other minor wording changes to reflect reference to "gifts and donations", as opposed to "gifts and benefits".</p>
<b>29B. Details to be contained in notice</b>	<p>For the purposes of section 56A(2)(b) of the Act, the following details are prescribed:</p> <ul style="list-style-type: none"> <li>(a) the name of the councillor who received the gift or donation;</li> <li>(b) a description of the gift or donation;</li> <li>(c) the name of the donor, if known;</li> <li>(d) the councillor's relationship to the donor, if known;</li> <li>(e) the suburb or locality where the donor resides, if known;</li> <li>(f) the date on which the gift or donation was received;</li> <li>(g) the estimated monetary value of the gift or donation</li> </ul>	<p><b><u>Gifts and Benefits Declaration Form</u></b></p> <p><b>Title of the form to be changed to "Gifts &amp; Donations Declaration Form"</b></p> <p>To be amended to include the "suburb or locality where the donor resides, if known."</p> <p>Other minor wording changes to reflect reference to "gifts and donations", as opposed to "gifts and benefits".</p>
<b>29C. Timeframe for provision of notice</b>	<p>For the purposes of section 56A(2)(c) of the Act, the prescribed period is –</p>	<p><b><u>Gifts and Donations Declaration Form</u></b></p> <p>To include notice that the form needs to be completed and submitted to Governance within 14</p>

	<p>(a) within 14 days of receiving a gift or donation; or</p> <p>(b) in the case of a gift or donation that was received by a councillor outside of Australia, within 14 days of returning to Australia</p>	<p>days of receipt of gift or benefit.</p> <p><b><u>Gifts and Donations Policy</u></b></p> <p><b>Clause 7 - Records</b></p> <p>Include reference to the Gifts and Doantions Declaration Form being completed and submitted to Governance within 14 days of receiving a series of token gifts, or within 14 days of the receipt of a non-token gift or donation.</p>
<p><b>29D. Information to be included in register</b></p>	<p>For the purposes of section 56B(2)(c) of the Act, the register is to contain the following information:</p> <p>(a) the name of the donor of the gift or donation, if known;</p> <p>(b) the councillor's relationship to the donor, if known;</p> <p>(c) the suburb or locality where the donor resides, if known;</p> <p>(d) the date on which the gift or donation was received;</p> <p>(e) the estimated monetary value of the gift or donation.</p>	<p><b><u>Gifts and Benefits Register</u></b></p> <p><b>Change the title to "Gifts and Donations Register"</b></p> <p>Add columns to include the following:</p> <ul style="list-style-type: none"> <li>• The alderman's or employee's relationship to the donor, if known</li> <li>• The suburb or locality where the donor resides, if known</li> </ul> <p>Remove the following column that is currently included as it not a requirement of the amendments:</p> <ul style="list-style-type: none"> <li>• Description of benefit</li> </ul>

In addition to the above, the Director of Local Government has also advised, that whilst there is currently no legislative requirement for the gifts and donations register to be made public, it is expected that councils will publish the register on their website in the interests of good governance and transparency. Therefore, it is suggested that Clause 7 in the Gifts and Donations policy be changed from, "The Register will be available for public inspection" to, "The Register will be available on Council's website for public inspection".

**COMMUNITY ENGAGEMENT**

There was no community engagement as a result of this report.

**FINANCIAL IMPLICATIONS**

There are no financial implications as a result of this report.

### RISK IMPLICATIONS

- Legal Compliance  
Failure to disclose gifts and benefits above the prescribed amount would be a contravention of both the *Local Government Act 1993* and Council's Code of Conduct (both Alderman and Employee). Dismissal from office, termination of employment and financial penalties may result for breaches of the Policy.
- Risk Management Practices  
In the interests of compliance and transparency, the disclosure of receipt of gifts and benefits above the prescribed amount, supports effective risk management, and ensures the integrity of Council decision making and its reputation as an accountable and impartial decision maker.

### CONCLUSION

It is imperative that Council's Gifts and Donations Policy and Gifts and Donations Register comply with relevant legislation in order to ensure effective governance, and to support sound and accountable decision making.


### ATTACHMENTS

- [1.](#) Draft Gifts & Benefits Policy - REVIEW 2018

### RECOMMENDATION

That the report on the Gifts and Donations Policy be received and noted and Council determine to adopt the recommended changes to the Gifts and Donations Policy, Register and Declaration Form with immediate effect, and to include the publication of the Register on Council's website.

Author:	Jacqui Surtees	Endorsed By:	Paul West
Position:	Executive Officer	Position:	General Manager

	<h2>GIFTS &amp; DONATIONS POLICY</h2>		
POLICY TYPE	POLICY ADOPTED (DATE)	MINUTE NUMBER	POLICY DOCUMENT NUMBER (TRIM):
Council	22 June 2015	116/15	D373862
DOCUMENT CONTROLLER	RESPONSIBLE MANAGER	STRATEGIC PLAN 2009-2030 (STRATEGY REFERENCE)	DATE OF NEXT REVIEW
Executive Manager Organisational Performance	General Manager	5.3.1 – Review and amend governance structures, policies and procedures to adapt to changing circumstances	October 2018
<b>PURPOSE</b>	<p>The purpose of this policy is to:</p> <ul style="list-style-type: none"> <li>outline obligations and responsibilities relating to the receipt of gifts or donations; and</li> <li>assist both Aldermen and staff to avoid being placed in a situation where they may become vulnerable to undue influence or threaten community confidence in the fairness, impartiality and integrity of the Council.</li> </ul> <p>Council officials are defined as the Mayor, Aldermen, staff (including staff engaged through an employment agency), Council committee members and volunteers.</p> <p>The policy applies to all gifts and donations offered to or received by all Council officials in their respective role.</p> <p>In a private context gifts are usually unsolicited and meant to convey a feeling on behalf of the giver such as gratitude. There is ordinarily no expectation of repayment. Gifts given in a private context are not the focus of this policy.</p> <p>Gifts and donations may also be offered to individuals in the course of business relationships. Such gifts and donations are often given for commercial purposes and serve to create a feeling of obligation in the receiver. Gifts and donations given in the course of business relationships is the focus of this policy.</p>		
<b>SCOPE</b>	The policy is to be applied in conjunction with provisions in the Council's Codes of Conduct and other relevant Council policies and procedures.		
<b>POLICY</b>	<p><b>1. General</b></p> <p>Council officials at all times and in all circumstances must be seen to be fair, impartial and unbiased.</p> <p>Council officials should actively discourage offers of gifts and donations and must not solicit gifts or donations.</p> <p>Council officials must not take advantage of their official position to secure an unreasonable personal profit or advantage.</p> <p>People doing business with the Council should be encouraged to understand that they do not need to give gifts or donations to Council officials to get high quality service.</p>		

From time to time Council officials may be offered gifts or donations. In some limited circumstances gifts and donations may be accepted. Token gifts of nominal value may generally be received. Non-token gifts of significant value should not be accepted.

Council officials should at all times be aware of the wider situation in which an offer of a gift or donation is being made. For example, Council officials should consider whether the donor is in or may be seeking to enter into a business relationship with Council or may be applying to Council in relation to the exercise of Council's functions.

Council officials must avoid situations that suggest that a person or body, through the provision of gifts or donations, is attempting to secure favourable treatment from Council.

When deciding whether to accept or decline a gift or donation, consideration should be given to both the value of the gift or donation and also the intent of the gift or donation being offered.

As education programs are identified to be relevant to this policy, they will be offered to Council officials.

## **2. Acceptable gifts and donations:**

Gifts or donations of a token nature at or below nominal value may generally be accepted by Council officials without the need for formal disclosure.

That said, Council officials who receive a series of token gifts or donations from the same donor where the aggregated monetary value is equal to or more than the nominal value, in a specified period, must disclose that fact in the gifts and donations register.

If a Council official has any doubt if a gift or donation is token or of nominal value they should discuss it with the General Manager or Mayor (in the case of Aldermen).

### **2.1. Token gifts and donations**

Gifts or donations of a token nature do not create the appearance of a conflict of interest and include:

- o Items with a company logo on them, ties, scarves, coasters, diaries, chocolates, flowers;
- o Books given to individuals at functions, public occasions or in recognition of exceptional work done;
- o Gifts of single bottles of reasonably priced alcohol given to individuals at functions, public occasions or in recognition of exceptional work done;
- o Free or subsidised meals of a modest nature and/or beverages provided infrequently (and or reciprocally) that have been arranged for or in connection with the discussion of official business;
- o Free meals of a modest nature and or beverages provided to Council officials who formally represent Council at work

related events such as training, education sessions and workshops;

- o Invitations to approved social functions organised by groups such as Council Committees and community organisations.

## **2.2. Nominal Value**

For the purpose of this policy the current nominal value limit is identified in section 11.

## **3. Non acceptable gifts and donations:**

Accepting gifts of money is prohibited.

Council officials should not accept gifts or donations that appear to be non-token in nature or more than of a nominal value.

If a gift or donation of a non-token nature or above nominal value is offered and cannot reasonably be refused (as this action may cause embarrassment), the offer and receipt of the gift or donation must be declared by completion of a Gifts and Donations Declaration Form, (at Attachment 1) ,within 14 days of receipt, and the details must be recorded on the Council's Gifts and Donations Register (refer Attachment 2).

If a Council official refuses a gift or donation because they believe that the gift was a deliberate attempt to receive "special treatment", then such instances are to be reported immediately to the General Manager or Mayor.

### **3.1. Non token gifts and donations**

Gifts or donations of a non-token nature include:

- o Free or discounted travel;
- o Use of holiday homes;
- o Tickets to major sporting events;
- o Corporate hospitality at a corporate facility or sporting venue;
- o Free training excursions;
- o Access to confidential information;
- o Discounted products for personal use;
- o Goods and services provided via a determination in a Will.

At times a gift of a non-token nature may be given from one authority to another. Such gifts are often provided to a host authority. These gifts may be given as an expression of gratitude without obligation on the receiver to respond. The gratitude usually extends to the work of several people in the authority and

therefore the gift is considered to be for the authority, not a particular individual.

### **3.2. Significant Value**

For the purpose of this policy a gift or donation with significant value has a value above the specified nominal value limit.

#### **4. Actual or perceived effect of the gift or donation:**

Accepting gifts where a reasonable person could consider that there may be influence applied as a result of accepting the gift or donation is prohibited (gift of influence).

Where it is suspected that a gift or donation has been offered for the purpose of influencing the behaviour of someone acting in their official capacity, the gift or donation must be declined and the matter should be reported immediately to the General Manager or Mayor.

#### **5. Bribes:**

Council officials must not offer or seek a bribe. A person offered a bribe should refuse it and report the incident immediately to the General Manager or the Mayor. Council will take steps to report the matter to Police immediately.

Receiving a bribe is an offence under both the common law and Tasmanian Legislation.

#### **6. Family Members:**

Council officials must take all reasonable steps to ensure that immediate family members do not receive gifts or donations of a non-token nature or gifts or donations above the nominal value. Immediate family members include parents, spouses, children and siblings.

#### **7. Records – Gifts and Donation Register:**

Council officials, who receive a series of token gifts or donations near the nominal value limit from the same person or organisation, (cumulative gift) must disclose that fact on the Gifts and Donations Declaration Form(Attachment 1), and forward it to the Governance Department within 14 days of receipt of the final gift. Governance will add the details to the Gifts and Donations Register (Attachment 2)

If a Council official receives a non-token gift or donation in circumstances where it cannot reasonably be refused or returned, the receipt of the gift or donation should be disclosed using the Gifts and Donations Declaration Form, which should be forwarded to the Governance Department within 14 days of the receipt of the gift or donation (Attachment 1). The Governance Department will then record the details in the Gifts and Donations Register (at Attachment 2).

The Register will be available on Council's website for public inspection.

The content of the Register will be monitored by the General Manager on a quarterly basis.

**8. Disposal of gifts:**

The General Manager will determine whether a gift or donation of a non-token nature should be disposed of.

There are options for the disposal of gifts that have been accepted because they could not reasonably be refused, but should not be retained by an individual. Examples of such circumstances where gifts or donations may be received include:

- o Gifts accepted for protocol or other reasons, where returning it would be inappropriate;
- o Anonymous gifts (received through the mail or left without a return address);
- o A gift received in a public forum where attempts to refuse or return it would cause significant embarrassment;
- o A gift or donation of significant value provided to a Council official through a Will, where the relationship between the giver and recipient was essentially a council related business relationship.

Options for disposal include:

- o Surrendering the gift to Council for retention;
- o Distributing the gift or donation amongst a selection of Council's officials - where a reasonable person would agree that the allocation was appropriate, (public perception);
- o Donating the gift to an appropriate charity.

**9. Breaches of Policy:**

All Council officials are obliged to comply with this policy and sanctions may be applied if the policy is breached.

Any person may report an alleged breach of this policy by an official of the Council to the General Manager or Mayor as appropriate, who shall investigate any report received and take such action as is considered necessary.

If this policy has been breached, such action may include counselling, censure motions, disciplinary action (including termination of employment), the laying of charges and the taking of civil action.

**10. Review process and endorsement:**

This policy, including the amounts and frequencies specified, may be varied by resolution of the Council. When varied, the amounts and frequencies that apply to the policy must be updated and included in section 11.

This policy should be reviewed as required, but at least every four years following the conduct of Local Government elections.

**11. Details of amounts and frequencies specified in the policy:**

For the purpose of this policy the current nominal value limit is \$50.00.



Council officials who receive a series of gifts or donations from the same donor, where the aggregate monetary value of the series of gifts or donations in a financial year is \$50 or more, must disclose the receipt of each gift, regardless of the individual monetary value.

## 12. Definitions:

**Council official** – Mayor, Aldermen, Council staff (including staff engaged through an employment agency), Council Committee members and volunteers.

**Gift** – is usually a tangible item provided at no charge. Gifts may include, but are not limited to items such as cash, property (real or otherwise), goods and services made available at heavily discounted prices, alcohol, clothes, products, invitations to social functions and tickets to sporting, theatrical or music events.

**Cumulative gift** – a series of gifts of nominal value from the same person or organisation over a specified period which may have an aggregate value that is significant.

**Donation – an act or instance of presenting something as a gift, grant or contribution.**

**Gift of influence** – a gift that is intended to generally ingratiate the giver with the recipient for favourable treatment in the future.

**Gift of gratitude** – a gift offered to an individual or department in appreciation of performing specific tasks or for exemplary performance of duties. Gifts to staff who speak at official functions may be considered an example of gifts of gratitude.

**Benefit** – a non-tangible item which is believed to be of value to the receiver (i.e. preferential treatment such as queue jumping, access to confidential information and hospitality).

**Hospitality** – the provision of accommodation, meals, refreshments or other forms of entertainment.

**Bribe** – a gift or benefit given specifically for the purpose of winning favours or to influence the decision or behaviour of a Council official to benefit someone or something.

**Cash** – money or vouchers which are readily convertible.

**Nominal value** – is the monetary limit of the value of gifts or donations that may be accepted (i.e. total value of gift or donation received). A gift or donation is of nominal value when it has no significant or lasting value.

**Significant value** – a gift or donation that has a value above the nominal value limit.

**Token** - often mass produced (i.e. pens, calendars, ties or items with a company logo on them), offered in business situations to individuals. Usually have a value under the nominal value limit.

**Non-token** – items that are of a more individual nature, with a value above the nominal value limit. Items may include, free or discounted travel; use of holiday homes; corporate hospitality at major sporting events; free training excursions; tickets to major events and access to confidential information.

**Conflict of interest** – any situation in which an individual or corporation (either private or government) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit.

	<p><b>Public perception</b> – the perception of a fair-minded person in possession of the facts.</p> <p><b>Gifts and Donations Declaration Form</b> – a form to be completed (refer Attachment 1), when an individual receives a gift or donation of a non-token nature above the nominal limit or receives a series of token gifts or donations in a specified time that may have significant aggregate value (Cumulative Gift).</p> <p><b>Gifts and Donations Register</b> – a register maintained by Council of all declared gifts and donations (Attachment 2).</p>
<b>LEGISLATION AND RELATED DOCUMENTS</b>	<p><i>Local Government Act 1993</i> (S339A specifies penalties in relation to the misuse of office by Councillors and employees; S28E deals with the Code of Conduct for Councillors; and S62 identifies the functions and powers of the general manager)</p> <p><i>Local Government (General) Amendment Regulations 2018</i></p>
<b>ATTACHMENT/S (IF APPLICABLE)</b>	<p>Gifts &amp; Donations Declaration Form (Aldermen and Staff)</p> <p>Gifts &amp; Donations Register</p>



DCC GIFTS AND ~~BENEFITS-DONATIONS~~ DECLARATION FORM - ALDERMEN

**RECIPIENT DETAILS:**

Name: ..... Position:.....

Relationship to Donor: .....

**DETAILS OF THE GIFT OR ~~BENEFIT-DONATION~~:**

Name of Donor: .....

Suburb or locality where donor resides (if known): .....

Date received: .....

Value (Estimate if unknown) (\$): .....

Description of gift/~~benefit-donation~~: .....

Circumstances of gift/~~benefit-donation~~ (reason/s for granting):.....

Was gift/~~benefit-donation~~ received or declined? (please circle)

Reasons for determination (why received or declined)? .....

If gift/~~benefit-donation~~ accepted, was gift/~~benefit-donation~~ retained by the Alderman or the organisation? (please circle)

Name and position who ~~authorized-authorized~~ acceptance of gift/~~benefit-donation~~:

Signature: ..... (Recipient of gift/~~benefit-donation~~)

Date:.....

Signature: ..... (Person ~~authorizing-authorising~~ receipt of gift/~~benefit-donation~~)

Date:.....

Please forward completed form to ~~Governance Coordinator~~ or Governance Officer or Executive Officer, within 14 days of receipt of gift or benefit



**DCC GIFTS AND ~~BENEFITS~~ DONATIONS DECLARATION FORM - STAFF**

**RECIPIENT DETAILS:**

Name: ..... Position: .....

Department: .....

Relationship to Donor: .....

**DETAILS OF THE GIFT OR ~~BENEFIT~~ DONATION:**

Name of Donor: .....

Suburb or locality where donor resides (if known): .....

Date received: ..... Date notified Manager/Supervisor: .....

Value (Estimate if unknown) (\$): .....

Description of gift/~~benefit~~ donation: .....

Circumstances of gift/~~benefit~~ donation (reason/s for granting): .....

Was gift/~~benefit~~ donation received or declined? (please circle)

Reasons for determination (why received or declined)? .....

If gift/~~benefit~~ donation accepted, was gift/~~benefit~~ donation retained by employee or the organisation? (please circle)

Name and position who authorized acceptance of gift/~~benefit~~ donation: .....

Signature: ..... (Recipient of gift/~~benefit~~ donation)

Date: .....

Signature: ..... (Person authorizing receipt of gift/~~benefit~~ donation)

Date: .....

Please forward completed form to ~~Governance Coordinator~~ Governance Officer or Executive Officer within 14 days of receipt of gift or benefit



## 5.4 TENDER REPORT CONTRACT 1325 MONEY COLLECTION SERVICE

File: 26625-04 D538822

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

- Strategy 5.5.1 Provide financial services to support Council's operations and meet reporting and accountability requirements

### SUMMARY

This report seeks Council's approval to award contract 1325 Money Collection Service to Southern Cross Protection.

### BACKGROUND

Council has an existing agreement for the collection, escorting and counting of all money from Council's buildings and facilities including the parking meters and car park machines. The contract includes the following locations:

- paranaple centre
- paranaple arts centre
- Meters at Recreation Centres
- Transfer Station
- Bass Strait Maritime Centre
- Parking Meters & Machines

Included in the contract are provisional items to supply and install a safe, collection of coins from meters at the Recreation Centres, an hourly rate for money collection at events and to provide security to monitor the cash management at events.

### STATUTORY REQUIREMENTS

Council is required to comply with Section 333 of the *Local Government Act 1993* and its adopted Code for Tenders and Contracts when considering awarding tenders.

### DISCUSSION

In accordance with Council's Code of Tenders and Contracts, a Tender Planning and Evaluation Committee was formed to evaluate the tenders received.

Tenders were received from three companies. All tenders received were conforming tenders and are summarised in table 1

**TABLE 1**

No.	Tender	Status	Estimated Annum Sum Excluding GST
1	Southern Cross Protection	Conforming	\$ 64,300
2	Thomas Paul Security Services Pty Ltd	Conforming	\$ 79,855
3	Prosegur Australia Pty Ltd	Conforming	\$250,380

As highlighted in the above table, Southern Cross Protection estimated annual sum of \$64,300 is the lowest priced.

The Tender Planning and Evaluation Committee have considered the tenders against each of the selection criteria, these being:

- Relevant Experience/Service
- Quality, Safety and Environmental Management
- Price

The evaluation by the Committee indicates that Southern Cross Protection scored highest overall against the selection criteria and therefore offers Council the best value for money.

The Tender Planning and Evaluation Committee minutes were prepared, and confidential copies can be made available upon request by Aldermen.

### COMMUNITY ENGAGEMENT

A public advertisement calling for tenders was placed in the Advocate Newspaper on 14 July 2018 and tenders were also advertised on Council's website.

### FINANCIAL IMPLICATIONS

Council's 2018/19 Operational Budget includes an allocation of \$59,500 for money collection.

The current contract has been operational for two years and will expire on 3 September 2018. The new contract is for a one-year period ending 3 September 2019 with an option to extend the contract for three further one-year extensions, based on satisfactory performance by the contractor and includes an annual CPI increase. This contract will commence on 4 September 2018.

### RISK IMPLICATIONS

To minimise risk, the tender administration processes related to this contract complies with Council's Code for Tenders and Contracts which was developed in compliance with Section 333 of the *Local Government Act 1993*.

### CONCLUSION

Considering the selection criteria assessment and the tendered rates, the Tender Planning and Evaluation Committee has determined that Southern Cross Protection meets Council's requirements and is therefore most likely to offer "best value" in relation to Contract 1325.

### ATTACHMENTS

Nil

### RECOMMENDATION

That in relation to Contract 1325 Money Collection Service, Council:

- award the contract to Southern Cross Protection for the schedule of rates estimated sum of \$64,300 (ex GST).
- note estimated additional expenditure above the budget of up to \$4,800 (ex GST).  
note the contract conditions allow for three, one-year extensions based on a consumer price index adjustment and subject to satisfactory performance by the contractor.

Author:	Shannon Eade	Endorsed By:	Jeffrey Griffith
Position:	Project Management Officer	Position:	Executive Manager Corporate Services

## 6.0 INFORMATION

### 6.1 WORKSHOPS AND BRIEFING SESSIONS HELD SINCE THE LAST COUNCIL MEETING

Council is required by Regulation 8(2)(c) of the *Local Government (Meeting Procedures) Regulations 2015* to include in the Agenda the date and purpose of any Council Workshop held since the last meeting.

Date	Description	Purpose
06/08/2018	Bass Strait Maritime Centre Café	Update on operations, including discussion on future operating models.
	Julie Burgess Business Plan	Discussion on draft 2018-19 Julie Burgess Business Plan and investigation of future operations of the vessel. Agreed that members of the Julie Burgess be invited to meet with the new Council after the election.
	Artlands 2020	Consideration of whether to place an expression of interest for the presentation of Artlands 2020.
	Devonport Regional Gallery Update	A brief update was provided to Aldermen re branding and room naming convention of the Devonport Regional Gallery.
	Mersey Bluff SeaWalk	Consideration of email from the Rotary Club relating to the SeaWalk proposal.
	Waste Management Strategies	Discussion on specific waste minimisation strategies.
	Curr Street	Discussions held on traffic concerns in Curr Street.

## RECOMMENDATION

That the report advising of Workshop/Briefing Sessions held since the last Council meeting be received and the information noted.

Author: Position:	Robyn Woolsey Executive Assistant Management General	Endorsed By: Position:	Paul West General Manager
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## 6.2 MAYOR'S MONTHLY REPORT

File: 22947 D498990

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.3.2 Provide appropriate support to elected members to enable them to discharge their functions

### SUMMARY

This report details meetings and functions attended by the Acting Mayor.

### BACKGROUND

This report is provided regularly to Council, listing the meetings and functions attended by the Acting Mayor.

### STATUTORY REQUIREMENTS

There are no statutory requirements which relate to this report.

### DISCUSSION

In her capacity as Acting Mayor, Alderman Annette Rockliff attended the following meetings and functions during July 2018:

- Council meeting, Various Council Committee, Special Interest Group and Working Group meetings as required.
- Met with Ratepayers
- Media interviews with Martin Agatyn (x2), Darren Kerwin (x2), Belinda King (x2), The Advocate, Sarah Gilman (ABC), Coastal FM
- DCCI lunch
- Cradle Coast Authority Board meeting
- Spoke to two groups of Children's University participants at Home Hill
- Hosted WomenCan session
- Attended flag raising for NAIDOC Week at Tiagarra
- Cradle Coast Authority - Tourism discussion
- Announcement of Federal funding for Waterfront Precinct
- Attended LGAT Annual General Meeting, General Meeting and Conference
- Attended several Jazz Festival events
- RU OK Conversation Convoy event
- Cradle Coast Authority Tourism Strategy report
- Grade 4/5 East Ulverstone Primary School
- Devonport Warriors Awards Dinner
- Mary Binks Memorial Service
- NW Suicide Prevention Trial Working Group
- TasWater briefing
- Dave Race - Manager Devonport Airport
- YFCC Homelessness Week event
- Trophy and Jumper Presentation Byard Park - Auskick
- Arboretum Committee
- Darren Batty - Qantas Regional Manager
- Cradle Coast Authority Board - NRM discussion
- paranapple Centre Sneak Peek
- Vietnam Veterans' Day service

**ATTACHMENTS**

Nil

**RECOMMENDATION**

That the Mayor's monthly report be received and noted.

## 6.3 GENERAL MANAGER'S REPORT - AUGUST 2018

File: 29092 D498972

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

- Strategy 5.8.2 Ensure access to Council information that meets user demands, is easy to understand, whilst complying with legislative requirements

### SUMMARY

This report provides a summary of the activities undertaken by the General Manager, 19 July to 22 August 2018. It also provides information on matters that may be of interest to Aldermen and the community.

### BACKGROUND

A monthly report provided by the General Manager to highlight management and strategic issues that are being addressed by Council. The report also provides regular updates in relation to National, Regional and State based local government matters as well as State and Federal Government programs.

### STATUTORY REQUIREMENTS

Council is required to comply with the provisions of the *Local Government Act 1993* and other legislation. The General Manager is appointed by the Council in accordance with the provisions of the *Act*.

### DISCUSSION

#### 1. COUNCIL MANAGEMENT

- 1.1. Attended and participated in several internal staff and management meetings.
- 1.2. Attended Workshops, Section 23 Committee and Council Meetings as required.
- 1.3. Attended a meeting of the Shared and Devonport Audit Panel. The minutes for the meeting will be provided to the next meeting of the Governance, Finance & Community Services Committee.

#### 2. LIVING CITY

- 2.1. Participated in a LIVING CITY Working Group meeting. This is a regular meeting where Council officers and representatives of P+i Group discuss progress and activities associated with the project.
- 2.2. With the imminent opening of the paranapple centre, participated in a number of staff briefings and introduction sessions for the building.
- 2.3. Attended the public 'sneak peek' session on Friday 17 August. It is estimated that 4,000+ people took the opportunity to visit the building. The activity was a joint initiative of Council, Libraries Tasmania and Service Tasmania.
- 2.4. Final arrangements for the permanent relocation to the paranapple centre from the Fenton Way building is continuing. All services will be fully relocated from Monday 3 September.
- 2.5. The Harris Scarfe fitout of 17 Fenton Way for the relocation of their Devonport store is underway.

- 2.6. The Deputy Prime Minister, Michael McCormack and Tasmanian Senator, Steve Martin announced \$10M in funding for the LIVING CITY Waterfront Precinct on Monday 23 July. The announcement was made to a large media contingent on level three of the parliament centre. Since being elected to Federal Parliament, Senator Martin has been active in promoting LIVING CITY within the government and played a critical role in securing the funds. Council has previously engaged Lyons architects to develop the endorsed concept design through to development application stage and this is anticipated to be completed by September 2018. Tenders will need to be called from suitable firms to complete the detailed design phases prior to tendering for construction works.

3. COMMUNITY ENGAGEMENT (RESIDENTS & COMMUNITY GROUPS)

- 3.1. Met with a consultant interested in providing immunisation services on behalf of Council.
- 3.2. At the request of the Chair of the Tasmanian Community Fund, agreed to participate as an independent member on an interview panel for the appointment of a new North West Board Member.
- 3.3. Met with representatives of the Devonport Chamber of Industry & Commerce to discuss the recently endorsed Retail Strategy.
- 3.4. Met with owners of property located in the landslip zone at East Devonport.
- 3.5. Had a discussion with a member of the public who is interested in the upcoming Council election.
- 3.6. Met with developer to discuss opportunities for future development in Devonport.
- 3.7. Met with a local business operator.

4. NATIONAL, REGIONAL AND STATE BASED LOCAL GOVERNMENT

- 4.1. The State Government recently implemented changes to the *Local Government (General) Regulations 2015*. In particular the changes relate to:
- Gifts and Donations Register
  - Electoral Changes
  - Declaration of Office

A copy of the information sheets provided by the Local Government Division relating to the changes are provided as an attachment.

- 4.2. The Minister for Local Government announced that the State Government would be undertaking a major review of Tasmania's local government legislation. The Review is to develop, in close collaboration with the local government sector, a best practice 21<sup>st</sup> century legislative framework that:
- supports greater innovation, flexibility and productivity;
  - minimises red tape;
  - enhances accountability and transparency; and
  - increases community engagement, participation and confidence.

A copy of the Minister's letter together with the Draft Terms of Reference are attached for the information of Aldermen. The Terms of Reference are broad and therefore it is not proposed that any comment be provided at this stage.

5. STATE AND FEDERAL GOVERNMENT PROGRAMS

- 5.1. With the Acting Mayor, met with the Hon Roger Jaensch MP. This was an opportunity for a 'catch-up' discussion with the Minister on matters relevant to his portfolio responsibilities.

**COMMUNITY ENGAGEMENT**

The information included above details any issues relating to community engagement.

**FINANCIAL IMPLICATIONS**

Any financial or budgetary implications related to matters discussed in this report will be separately reported to Council.

There is not expected to be any impact on the Councils' operating budget as a result of this recommendation.

**RISK IMPLICATIONS**

Any specific risk implications will be outlined in the commentary above. Any specific issue that may result in any form of risk to Council is likely to be subject of a separate report to Council.

**CONCLUSION**

This report is provided for information purposes only and to allow Council to be updated on matters of interest.

**ATTACHMENTS**

- 1. Review of Tasmania's local government legislation
- 2. Current and Previous Minute Resolutions Update - August 2018
- 3. CONFIDENTIAL - Current and Previous Minute Resolutions Update - Confidential August 2018

**RECOMMENDATION**

That the report of the General Manager be received and noted.

Author:	Paul West
Position:	General Manager

07/08/2018 D539411

**Treasurer  
Minister for Local Government  
Minister for State Growth**

Level 9 15 Murray Street HOBART TAS 7000 Australia  
GPO Box 123 HOBART TAS 7001 Australia  
Ph: +61 3 6165 7670  
Email: [treasurersoffice@dpac.tas.gov.au](mailto:treasurersoffice@dpac.tas.gov.au)



6 August 2018

Ald Annette Rockliff  
Acting Mayor  
Devonport City Council  
PO Box 604  
DEVONPORT TAS 7310

Dear Acting Mayor

On 26 June 2018, I announced that the Tasmanian Government would be undertaking a major review of Tasmania's local government legislation. I am pleased to provide the Review's Draft Terms of Reference for your Council's feedback.

The Review will develop, in close collaboration with the local government sector, a best practice, 21<sup>st</sup> century legislative framework that:

- supports greater innovation, flexibility and productivity;
- minimises red tape;
- enhances accountability and transparency; and
- increases community engagement, participation and confidence.

While the scope of the Review will be broad, I would like to emphasise that it will not consider council amalgamations or changes to existing municipal boundaries.

The Review will be undertaken by a dedicated Project Team in the Department of Premier and Cabinet's Local Government Division. Once the Government has considered stakeholder and community feedback on the draft Terms of Reference, a Final Terms of Reference will be issued, which will include governance arrangements, consultation processes and key milestones and associated timeframes.

The Review will provide multiple opportunities for formal public consultation, including written and verbal submissions. As the first stage in this process, the Government will be releasing a public consultation paper on the Review before the end of 2018.

The Review will actively encourage, via its governance arrangements and consultation strategy, the participation and engagement of a broad range of stakeholders, both within and external to the local government sector, to ensure that a diverse range of voices from across the community are heard.

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Given its ambitious scope, it is anticipated that the Review will take approximately two years from the establishment of the Review Project Team to the introduction of a new legislative framework into the Tasmanian Parliament. The goal is to have new legislation in place by 2020, to allow adequate time for transition and implementation to occur in a smooth and staged manner before the October 2022 local government elections.

Please provide your Council's feedback on the Draft Terms of Reference by no later than **20 September 2018** to the Local Government Division, either by post to GPO Box 123, Hobart, Tasmania, 7001 or by email at [lgd@dpac.tas.gov.au](mailto:lgd@dpac.tas.gov.au).

In the meantime should your Council require any further information about the Review, please contact the Local Government Division by telephone on 6232 7022 or by email.  
Yours sincerely



Peter Gutwein MP  
**Minister for Local Government**

Attachment: Review of Tasmania's Local Government Legislation – Draft Terms of Reference

# Review of Tasmania's Local Government Legislation

## Draft Terms of Reference

### 1. Context

On 26 June 2018, the Minister for Local Government, the Hon Peter Gutwein MP, announced a major review into Tasmania's local government legislation.

Local government has a crucial – and increasingly demanding – role in serving and representing local Tasmanian communities. The legislative and regulatory framework that governs the Tasmanian local government sector needs to reflect and support what communities expect from their local councils. It also needs to support councils to be able to meet these expectations now, and into the future.

2018 marks the 25th anniversary of the introduction of the *Local Government Act 1993* (the Act). The past quarter of a century has seen unprecedented social, economic and technological change. The role of councils and community expectations have expanded in line with these changes.

The Act has been amended and updated a number of times in recent years in an effort to keep pace in response to a range of emerging issues. A number of provisions have become outmoded or made redundant by more recent advances in telecommunications and digital technologies.

The current legislative framework has reached the point where continuous, reactive amendments are no longer desirable, efficient or sustainable. A fresh, contemporary approach is needed.

### 2. Purpose

The purpose of the Review is to deliver a contemporary, best-practice legislative framework for the Tasmanian local government sector which:

1. Supports greater innovation, flexibility and productivity in the sector, to improve the overall efficiency and effectiveness of the services that councils provide to the Tasmanian community;



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2. Minimises the red tape and administrative burden on councils, business and the broader community;
3. Enhances accountability and transparency across the sector; and
4. Increases democratic and community engagement, participation and confidence in local government.

### 3. Guiding Principles

The new legislative framework for the local government sector will:

1. To the greatest extent that is possible and practical, be outcomes-focused;
2. Be flexible and robust to future structural, technological and social change;
3. Strike an appropriate balance between ensuring councils have sufficient operational and decision-making autonomy on the one hand, and having in place adequate checks and balances on the other;
4. Establish clear accountabilities and provide for efficient and effective risk-based monitoring, compliance and enforcement activities;
5. Be guided by best-practice regulatory, governance and legislative approaches and, where relevant and appropriate, lessons and outcomes from reviews of local government legislation in other jurisdictions; and
6. Be drafted and presented in a way that is logically structured and easily understood by councils, business, and the broader Tasmanian community.

### 4. Scope

The scope of the Review will be broad, to ensure it is flexible enough to give due consideration to ideas and initiatives that emerge through consultation with the sector, other key stakeholders, and the Tasmanian community at large.

The Review will focus primarily on a new Local Government Act (or Acts) but will also identify any necessary consequential or supporting amendments to other Acts. The Review will seek to streamline and consolidate legislative provisions, as well as deal with anachronistic or legacy provisions that are no longer relevant to the core business of the local government sector.

The Review will **not** consider:

- Council amalgamations, or consideration of changes to existing municipal boundaries. However, the new legislative framework will need to be flexible enough to deal with potential future structural changes that might occur over the next 20-30 years.

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- The roles and functions of mayors, deputy mayors and councillors. These matters were considered in some detail as part of the 2015-2017 Targeted Review process and are considered contemporary for the broad remit and expectations of councils.
- The suite of contemporary council planning and financial management arrangements that were introduced in 2014.
- The local government Code of Conduct framework. The framework was introduced in 2016 and has recently been reviewed to ensure that it is operating as intended.

*The Review is to consider the following:*

1. Appropriate legislation to support the transparent setting, levying, and collection of council revenue, rates and charges;
2. Local government electoral provisions, including options for enhancing both voter and candidate participation in local government elections;
3. Provisions that support efficient and high-quality council operations and service delivery;
4. Performance monitoring, including financial sustainability, governance and other relevant reporting;
5. Council governance and decision-making practices arrangements, including options for community engagement, representation, and democratic participation;
6. Provisions that support public confidence in the integrity, transparency and accountability of local government; and
7. The roles, functions, powers and operation of statutory bodies that oversee local government compliance and reform.

## Current and Previous Minute Resolutions Update

<b>OPEN SESSION Current Resolutions</b>	
<b>Resolution Title:</b>	<b>Dedication – Mary Binks – Notice of Motion – Ald A J Jarman (D535745)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	124/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	General Manager
<b>Officers Comments:</b>	Scheduled to be discussed at workshop on 3 September 2018.
<b>Resolution Title:</b>	<b>Review of Parking Permit System – Notice of Motion – Ald T M Milne (D535825)</b>
<b>Date:</b>	23 July 2018
<b>Minutes No.</b>	125/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	General Manager
<b>Officers Comments:</b>	Listed for discussion at workshop on 3 September 2018
<b>Resolution Title:</b>	<b>Tender Report Contract CT0220 Southern Rooke Street Renewal (D532429)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	126/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Deputy General Manager
<b>Officers Comments:</b>	Contract awarded.
<b>Resolution Title:</b>	<b>Financial Assistance Grant Request Mersey Yacht Club Oceania and Australian Laser Championships (D535634)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	127/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Awaiting contact from representatives of Mersey Yacht Club to formalise agreement.
<b>Resolution Title:</b>	<b>State Emergency Services – Memorandum of Understanding (GFC 37/18 – 16 July 2018)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	131/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Risk and Compliance Coordinator
<b>Officers Comments:</b>	SES are arranging signatures by Director of SES and General Managers Latrobe and Devonport. Expect completion approximately end of August.

<b>Resolution Title:</b>	<b>Environment Strategy 2019-2024 (GFC 38/18 – 16 July 2018)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	131/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Strategy available on Council's website
<b>Resolution Title:</b>	<b>Regional Youth Strategy 2019-2024 (GFC 39/18 – 16 July 2018)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	131/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments</b>	Strategy available on Council's website
<b>Resolution Title:</b>	<b>Devonport Retail Strategy 2019-2024 (GFC 40/18 – 16 July 2018)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	131/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Strategy available on Council's website
<b>Resolution Title:</b>	<b>Minutes of Council's Special Interest Groups and Advisory Boards (GFC 42/18 – 16 July 2018)</b>
<b>Date:</b>	23 July 2018
<b>Minute No.:</b>	131/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Actions noted and completed

Previous Resolutions Still Being Actioned	
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<b>Resolution Title</b>	<b>Mersey Bluff Precinct (D504218)</b>
<b>Date:</b>	18 December 2017
<b>Minute No.:</b>	248/17
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	City Engineer on behalf of Executive Manager Organisational Performance
<b>Officers Comments:</b>	Report considered at August Infrastructure Works and Development Committee meeting.

<b>Resolution Title:</b>	<b>Disability/Equal Access and Inclusion (D491448)</b>
<b>Date:</b>	25 September 2017
<b>Minute No.:</b>	181/17
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Feedback received on proposed draft actions - Strategy to be finalised
<b>Resolution Title:</b>	<b>Funding &amp; Assistance - Home Hill - NOM - Ald Laycock</b>
<b>Date:</b>	26 September 2016
<b>Minute No.:</b>	170/16
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Convention and Arts Centre Director
<b>Officers Comments:</b>	Landscape Management Plan workshopped with Aldermen 4 June 2018. Comment provided to landscape architects. Awaiting revised costing of implementation plan.

**7.0 SECTION 23 COMMITTEES****7.1 PLANNING AUTHORITY COMMITTEE MEETING - 13 AUGUST 2018**

File: 29133 D540243

**RELEVANCE TO COUNCIL'S PLANS & POLICIES**

Council's Strategic Plan 2009-2030:

Strategy 5.3.2 Provide appropriate support to elected members to enable them to discharge their functions

**SUMMARY**

The purpose of this report is to receive the minutes and endorse the recommendations provided to Council by the Planning Authority Committee meeting held on Monday, 13 August 2018.

**ATTACHMENTS**

[1.](#) Minutes - Planning Authority Committee - 2018/08/13

**RECOMMENDATION**

That the minutes of the Planning Authority Committee meeting held on Monday, 13 August 2018 be received and the decisions determined be noted.

PAC 06/18 Planning Applications approved under Delegated Authority 29 May 2018 - 31 July 2018

PAC 07/18 PA2018.0112 Service Industry (car servicing) - 90 William Street Devonport

PAC 08/18 PA2018.0108 Permitted: Residential (Multiple Dwellings and Communal Residence) & Community Meeting and Entertainment (Community Centre) including the demolition of existing buildings.

Discretions: Reliance on Performance Criteria for Development Standards:  
10.4.3 – Site Coverage and Private Open Space for Units 4-8 (Inclusive),  
E9.5.1 – Provision for Parking (Fewer Parking Spaces than Required for Community Centre + Communal Residence\_ and E9.6.1 – Design of Vehicle Parking and Loading Areas (Parking Layout for Residential Component of Development) – 108 Tarleton Street, East Devonport.

Author: Position:	Robyn Woolsey Executive Assistant Management	General	Endorsed By: Position:	Paul West General Manager
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**MINUTES OF A PLANNING AUTHORITY COMMITTEE MEETING OF THE DEVONPORT CITY  
COUNCIL HELD IN THE COUNCIL CHAMBERS ON MONDAY, 13 AUGUST 2018  
COMMENCING AT 5:15PM**

**PRESENT:** Ald A L Rockliff (Acting Mayor) in the Chair  
Ald C D Emmerton  
Ald G F Goodwin  
Ald J F Matthews  
Ald T M Milne  
Ald L M Perry

**Aldermen in Attendance:**

Ald A J Jarman  
Ald L M Laycock

**Council Officers:**

General Manager, P West  
Deputy General Manager, M Atkins  
Manager Development and Health Services, B May  
Planning Coordinator, S Warren

**Audio Recording:**

All persons in attendance were advised that it is Council policy to record Council meetings, in accordance with Council's Audio Recording Policy. The audio recording of this meeting will be made available to the public on Council's website for a minimum period of six months.

**1.0 APOLOGIES**

There were no apologies received.

**2.0 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**3.0 DELEGATED APPROVALS**

**3.1 PLANNING APPLICATIONS APPROVED UNDER DELEGATED AUTHORITY 29 MAY 2018 - 31 JULY 2018 (D537096)**

**PAC 06/18 RESOLUTION**

MOVED: Ald Matthews  
SECONDED: Ald Goodwin

That the list of delegated approvals be received.

	For	Against		For	Against
Ald Rockliff	✓		Ald Matthews	✓	
Ald Emmerton	✓		Ald Milne	✓	
Ald Goodwin	✓		Ald Perry	✓	

CARRIED UNANIMOUSLY

**4.0 DEVELOPMENT REPORTS****4.1 PA2018.0112 SERVICE INDUSTRY (CAR SERVICING) - 90 WILLIAM STREET DEVONPORT (D538589)****PAC 07/18 RESOLUTION**

MOVED: Ald Matthews

SECONDED: Ald Milne

That the Planning Authority, pursuant to the provisions of the *Devonport Interim Planning Scheme 2013* and Section 57 of the *Land Use Planning and Approvals Act 1993*, approve application PA2018.0112 and grant a Permit to use and develop land identified as 90 William Street, Devonport for the following purposes:

- Service Industry (car servicing)

Subject to the following conditions:

**Council Conditions**

1. Unless prescribed by subsequent conditions, the Use and Development is to proceed generally in accordance with the submitted plans referenced as Tasman.dwg, dated 02.07.2018 by Rendao Xiao, copies of which are attached and endorsed as documents forming part of this Planning Permit.
2. All compressors, generators and pumps to be installed as part of the occupation of the property are to be installed within an area which located as to prevent noise emission to adjacent occupiers of other premises and residential dwellings.
3. Concentrated stormwater discharge is to be disposed of in accordance with the requirements of the current National Construction Code.
4. The existing driveway access is to be used for the purposes of this proposed development.
5. Prior to the occupation of the site, an amended car parking plan is to be submitted to Council and be approved by Council's Development Manager. The amended parking plan is to incorporate a delineated turning bay for vehicles and demonstrate the parking layout is in accordance with AS/NZ2890.1 (2004) - *Parking Facilities – Off Street Car Parking* (refer to note).
6. Any existing Council infrastructure impacted by the works is to be reinstated in accordance with the relevant standards.

**TasWater Condition**

7. The developer is to comply with the conditions contained in the Submission to Planning Authority Notice which TasWater has required to be included in the planning permit, pursuant to section 56P(1) of the *Water and Sewerage Industry Act 2008* – refer to **Attachment 3**.

Note: The following is provided for information purposes.

The vehicle turning bay is suggested to be located on the southern side boundary adjacent to the existing dwelling (see condition 5).



During the use of these facilities all measures are to be taken to prevent nuisance. Air, noise and water pollution matters are subject to provisions of the Building Regulations or the *Environmental Management and Pollution Control Act 1994*.

**THIS IS NOT A BUILDING PERMIT.**

Prior to commencing any development works or occupation of the premises you are required to:

Contact a Tasmanian registered Building Surveyor to determine the category of building approval required.

If any additional plumbing fixtures are proposed a plumbing permit may be applicable. Please contact Council's Plumbing Department in relation to this.

In regard to condition 7 the applicant should contact TasWater – Ph 136 992 with any enquiries.

In regard to conditions 3 - 6 the applicant should contact Council's City Infrastructure Department – Ph 6424 0511 with any enquiries.

Enquiries regarding other conditions can be directed to Council's Development Department – Ph 6424 0511.

**4.2 PA2018.0108 PERMITTED: RESIDENTIAL (MULTIPLE DWELLINGS AND COMMUNAL RESIDENCE) & COMMUNITY MEETING AND ENTERTAINMENT (COMMUNITY CENTRE) INCLUDING THE DEMOLITION OF EXISTING BUILDINGS.**

**DISCRETIONS: RELIANCE ON PERFORMANCE CRITERIA FOR DEVELOPMENT STANDARDS: 10.4.3 - SITE COVERAGE AND PRIVATE OPEN SPACE FOR UNITS 4-8 (INCLUSIVE), E9.5.1 - PROVISION FOR PARKING (FEWER PARKING SPACES THAN REQUIRED FOR COMMUNITY CENTRE + COMMUNAL RESIDENCE) AND E9.6.1 - DESIGN OF VEHICLE PARKING AND LOADING AREAS (PARKING LAYOUT FOR RESIDENTIAL COMPONENT OF DEVELOPMENT) - 108 TARLETON STREET EAST DEVONPORT (D539408)**

**PAC 08/18 RESOLUTION**

MOVED: Ald Goodwin

SECONDED: Ald Milne

That the Planning Authority, pursuant to the provisions of the *Devonport Interim Planning Scheme 2013* and Section 57 of the *Land Use Planning and Approvals Act 1993*, approve application PA2018.0108 and grant a Permit to use and develop land identified as 108 Tarleton Street, East Devonport

- Permitted: Residential (multiple dwellings and communal residence) & Community meeting and entertainment (community centre) including the demolition of existing buildings

- Discretions: Reliance on Performance Criteria for development standards: 10.4.3 - Site coverage and private open space for units 4-8 (inclusive), E9.5.1 - Provision for parking (fewer parking spaces than required for community centre + communal residence) and E9.6.1 - Design of vehicle parking and loading areas (parking layout for residential component of development)

Subject to the following conditions:

### **Council Conditions**

1. The Use and Development is to proceed generally in accordance with the endorsed plans and supporting documentation referenced as:
  - Project: 108 Tarleton Street, East Devonport, dated 27/06/2018 by Cykel Architecture: and
  - Planning Submission including supporting appendixes, dated 29/06/2018 by JMG Engineers and Planners.

Copies of which are attached and endorsed as documents forming part of this Planning Permit.

2. The proposed stormwater main is to be connected to Council's existing stormwater main in Wright Street, in this regard:
  - a) The proposed stormwater main and associated infrastructure is to be designed and constructed in accordance with the relevant municipal standards for handing over to Council. Design drawings marked "for construction" are to be submitted to Council for approval prior to the submission any subsequent building permit application.
  - b) The developer must obtain permission from affected parties before proceeding to their subsequent building permit application. Proof of agreement must be supplied as part of the Developers' building permit application.
  - c) All required works must be undertaken by a contractor engaged by the developer.
  - d) All reinstatement works must be undertaken in accordance with current municipal standards and be to the satisfaction of Council.
3. Stormwater discharge from the proposed development is to be adequately hydraulically detailed and designed by a suitably qualified hydraulic engineer, for all storm events up to and including a 100-year Average Recurrence Interval (ARI), and for a suitable range of storm durations to adequately identify peak discharge flows. As part of their design the hydraulic engineer is to limit stormwater discharge from the proposed development, by utilising a combination of pipe sizing and/or on-site detention, to that capable of being contained within the proposed stormwater main and to the equivalent of 50% of the total development area being impervious. All design calculations are to be submitted as part of subsequent building and plumbing permit application.
4. A concrete dual driveway access is to be provided to Tarleton Street generally in accordance with Tasmanian Standard Drawings TSD-R09,

TSD-R14 and TSD-R17. The developer is to demonstrate that the proposed driveway can accommodate a class "B99" vehicle as required in Note 4 of TSD-R09. Reinstatement of footpaths, barrier kerb and/or nature strip to match the adjoining infrastructure and otherwise in accordance with the relevant Tasmanian Standard Drawings. Due to the size of the development it will be necessary for the developer to adequately design and submit plans for approval, prior to lodging any subsequent building permits.

5. Internal driveway and parking is to be designed in accordance with the relevant off-street parking standard AS2890. Vehicular turning movements are to be demonstrated to meet the requirements of this standard, and clearly shown on the drawings submitted in subsequent building permit applications.
6. Any existing redundant driveways are to be demolished and appropriately reinstated to match the adjoining streetscape.
7. Any existing Council infrastructure impacted by the works are to be reinstated in accordance with the relevant standards.
8. A permit to work within the road reserve must be sought and granted prior to any works being undertaken within the road reserve.

#### **TasWater Condition**

9. The developer is to comply with the conditions contained in the Submission to Planning Authority Notice which TasWater has required to be included in the planning permit, pursuant to section 56P(1) of the *Water and Sewerage Industry Act 2008* – refer to **Attachment 2**.

Note: The following is provided for information purposes.

The developer/future site owner is recommended to explore options with Council in obtaining an agreement to utilise the carpark at 73-75 Murray Street as a formal access to the East Devonport Shopping Precinct.

It is likely the developer will be required to adhere to the titles before any works commence on the site. The developer will need to liaise with their registered building surveyor or Council's Plumbing Inspector regarding this matter.

#### **THIS IS NOT A BUILDING OR PLUMBING PERMIT.**

Prior to commencing any building or plumbing work you are required to:

Contact a Tasmanian registered Building Surveyor to determine the category of building approval required, and

Contact the Council Permit Authority to determine the category of plumbing approval required.

In regard to condition 9 the applicant/developer should contact TasWater – Ph 136 992 with any enquiries.

In regard to conditions 2-8 the applicant should contact Council's City Infrastructure Department – Ph 6424 0511 with any enquiries.

Enquiries regarding other conditions can be directed to Council's Development & Health Services Department – Ph 6424 0511.

With no further business on the agenda the Chairman declared the meeting closed at 5:21pm.

Confirmed

Chairman

## 7.2 INFRASTRUCTURE WORKS AND DEVELOPMENT COMMITTEE MEETING - 13 AUGUST 2018

File: 29528 D540244

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.3.2 Provide appropriate support to elected members to enable them to discharge their functions

### SUMMARY

The purpose of this report is to receive the minutes and endorse the recommendations provided to Council by the Infrastructure Works and Development Committee meeting held on Monday, 13 August 2018.

### ATTACHMENTS

[1](#). Minutes - Infrastructure Works and Development Committee - 2018/08/13

### RECOMMENDATION

That the minutes of the Infrastructure Works and Development Committee meeting held on Monday, 13 August 2018 be received and the recommendations contained therein be adopted.

IWC 29/18 Mersey Bluff Precinct - Pedestrian, Parking and Traffic Study

IWC 30/18 Public Lighting Strategy - Year 4 Status

IWC 31/18 Road Network Strategy - Year 3 Status

IWC 32/18 North West Coastal Pathway - Project Update

IWC 33/18 Transport Asset Management Plan

IWC 34/18 Development and Health Services Report

IWC 35/18 Infrastructure and Works Report

Author:	Robyn Woolsey	Endorsed By:	Paul West
Position:	Executive Assistant General Management	Position:	General Manager

**MINUTES OF AN INFRASTRUCTURE WORKS AND DEVELOPMENT COMMITTEE MEETING OF THE  
DEVONPORT CITY COUNCIL HELD IN THE COUNCIL CHAMBERS  
ON MONDAY, 13 AUGUST 2018 COMMENCING AT 5:30PM**

**PRESENT:** Ald L M Perry (Chairman)  
Ald G F Goodwin  
Ald A J Jarman  
Ald L M Laycock  
Ald J F Matthews  
Ald A L Rockliff

**Aldermen in Attendance:**  
Ald C D Emmerton  
Ald T M Milne

**Council Officers:**  
General Manager, P West  
Deputy General Manager, M Atkins  
Manager Development, B May  
Infrastructure and Works Manager, K Lunson

**Audio Recording:**  
All persons in attendance were advised that it is Council policy to record Council meetings, in accordance with Council's Audio Recording Policy. The audio recording of this meeting will be made available to the public on Council's website for a minimum period of six months.

**1.0 APOLOGIES**

There were no apologies received.

**2.0 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**3.0 PROCEDURAL**

**3.1 PUBLIC QUESTION TIME**

Nil

**3.2 QUESTIONS FROM ALDERMEN**

Nil

**3.3 NOTICES OF MOTION**

Nil

**4.0 TENDERS**

Nil

<b>5.0 INFRASTRUCTURE AND WORKS REPORTS</b>
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**5.1 MERSEY BLUFF PRECINCT - PEDESTRIAN, PARKING AND TRAFFIC STUDY (D533282)****IWC 29/18 RESOLUTION**

MOVED: Ald Goodwin

SECONDED: Ald Jarman

That it be recommended to Council that the report of the City Engineer be noted and that:

1. Council utilise the funding available in 2018-19 to undertake initiatives recommended in the Study, and;
2. Council consider during the 2019/20 budget deliberations, the allocation of funding in the 5 year forward works program for the remaining study initiatives.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Matthews	✓	
Ald Jarman	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

**5.2 PUBLIC LIGHTING STRATEGY - YEAR 4 STATUS (D533284)****IWC 30/18 RESOLUTION**

MOVED: Ald Matthews

SECONDED: Ald Laycock

That it be recommended to Council that the report of the City Engineer be received and Council note the status of actions listed in the Devonport City Council Public Lighting Strategy.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Matthews	✓	
Ald Jarman	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

**5.3 ROAD NETWORK STRATEGY - YEAR 3 STATUS (D533285)****IWC 31/18 RESOLUTION**

MOVED: Ald Matthews

SECONDED: Ald Goodwin

That it be recommended to Council that the report of the City Engineer be received and that the status of actions listed in the Road Network Strategy 2016 be noted.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Matthews	✓	
Ald Jarman	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

**5.4 NORTH WEST COASTAL PATHWAY - PROJECT UPDATE (D534933)****IWC 32/18 RESOLUTION**

MOVED: Ald Rockliff  
 SECONDED: Ald Matthews

That it be recommended to Council that the report of the City Engineer on the status of the North West Coastal Pathway be noted.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Matthews	✓	
Ald Jarman	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

**5.5 TRANSPORT ASSET MANAGEMENT PLAN (D538435)****IWC 33/18 RESOLUTION**

MOVED: Ald Goodwin  
 SECONDED: Ald Laycock

That it be recommended to Council that in relation to the Transport Asset Management Plan 2017:

- a) it be noted that no modifications to the original document have been made as a result of community feedback; and
- b) the Plan be adopted.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Matthews	✓	
Ald Jarman	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

**6.0 INFRASTRUCTURE AND WORKS BI-MONTHLY UPDATE****6.1 DEVELOPMENT AND HEALTH SERVICES REPORT (D533000)****IWC 34/18 RESOLUTION**

MOVED: Ald Goodwin  
 SECONDED: Ald Matthews

That it be recommended to Council that the Development and Health Services Report be received and noted.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Matthews	✓	
Ald Jarman	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY



**6.2 INFRASTRUCTURE AND WORKS REPORT (D533281)**

**IWC 35/18 RESOLUTION**

MOVED: Ald Rockliff  
 SECONDED: Ald Laycock

That it be recommended to Council that the Infrastructure and Works report be received and noted.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Matthews	✓	
Ald Jarman	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

**7.0 CLOSURE**

There being no further business on the agenda the Chairman declared the meeting closed at 6:04pm.

Confirmed

Chairman

## 8.0 CLOSED SESSION

### RECOMMENDATION

That in accordance with Regulation 15 of the *Local Government (Meeting Procedures) Regulations 2015*, the following be dealt with in Closed Session.

<b>Item No</b>	<b>Matter</b>	<b><i>Local Government (Meeting Procedures) Regulations 2015 Reference</i></b>
8.1	Confirmation of Closed Minutes - Council Meeting - 23 July 2018	15(2)(g)
8.2	Application for Leave of Absence	15(2)(i)
8.3	Unconfirmed Minutes - Joint Authorities	15(2)(g)

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## OUT OF CLOSED SESSION

### RECOMMENDATION

That Council:

- (a) having met and dealt with its business formally move out of Closed Session; and
- (b) resolves to report that it has determined the following:

Item No	Matter	Outcome
8.1	Confirmation of Closed Minutes - Council Meeting - 23 July 2018	Confirmed
8.2	Application for Leave of Absence	Noted
8.3	Unconfirmed Minutes - Joint Authorities	Noted

## 9.0 CLOSURE

There being no further business the Mayor declared the meeting closed at <insert time> pm.

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