The City with Spirit

NOTICE OF MEETING

Notice is hereby given that an **Ordinary Council** meeting of the Devonport City Council will be held in the Council Chambers, on Monday 18 December 2017, 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

13 December 2017

January 2018

Meeting	Date	Commencement Time
Council	29 January 2018	5:30pm

AGENDA FOR AN ORDINARY MEETING OF DEVONPORT CITY COUNCIL HELD ON MONDAY 18 DECEMBER 2017 AT THE COUNCIL CHAMBERS AT 5:30PM

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Agenda of an ordinary meeting of the Devonport City Council to be held at the Council Chambers, Fenton Way, Devonport on Monday, 18 December 2017 commencing at 5:30pm.

PRESENT

		Present	Apology
Chair	Ald S L Martin (Mayor)		
	Ald A L Rockliff (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		
	Ald L M Perry		

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

2.0 DECLARATIONS OF INTEREST

3.0 PROCEDURAL

3.1 CONFIRMATION OF MINUTES

3.1.1 COUNCIL MEETING - 27 NOVEMBER 2017

RECOMMENDATION

That the minutes of the Council meeting held on 27 November 2017 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: 32161 D503680

Responses to questions raised at prior meetings are attached.

ATTACHMENTS

1. Letter - Response - Questions Asked - Council Meeting - 27 November 2017 – Mr Malcolm Gardam
2. Letter - Response - Questions Asked - Council Meeting - 27 November 2017 – Mr Douglas Janney
3. Letter - Response - Questions Asked - Council Meeting - 27 November 2017 - Mr Trevor Smith

RECOMMENDATION

That the responses to questions from Mr Malcolm Gardam, Mr Doug Janney and Mr Trevor Smith at the 27 November 2017 Council meeting be noted.

Author:	Paul West
Position:	General Manager

DEVONPORT CITY COUNCIL
ABN: 47 611 446 016
PO Box 604 Devonport TAS 7310 – 17 Fenton Way Devonport
Telephone 03 6424 0511
Email council@devonport.tas.gov.au Web www.devonport.tas.gov.au

29 November 2017

In reply please quote:
File 32161

Mr Malcolm Gardam
4 Beaumont Drive
MIANDETTA TAS 7310

Email: mgardam@outlook.com.au

Dear Mr Gardam

QUESTIONS ASKED – 27 NOVEMBER 2017 COUNCIL MEETING

I refer to your questions raised at the 27 November 2017 Council meeting and provide the following responses.

Q1 In response to my Question 1 dated 20th November 2017, relating to the composition of the $1,993,626 payment made to Projects and Infrastructure, in the 2016-2017 F/Y, being the council appointed Living City Development Manager, the General Manager has responded "*In relation to all parts of the above question, Council will not be providing any further detail in relation to the contractual arrangements with its Development Managers, P+i Group. Information relating to the payments made to P+i will be published in Council's Annual Report each year in line with its normal statutory reporting.*" Accordingly, will the General Manager clarify that the "*normal statutory reporting*" equates to similar to the last financial year and ratepayers are never to know the exact nature of the payments?

Response
The reporting referred to in the previous response will be of a similar nature to that which was provided in the 2017 Annual Report.

Q2. In response to Q2 dated 26th October 2017, relating to "availability of land" being a limiting factor in a more timely commencement of the Waterfront Hotel and earlier utilisation of the new Conference Centre based on supposed high levels of interest pre Stage 1 approval, council responded "*To my knowledge Council has not claimed that the availability of land is an inhibiting factor. Harris Scarfe are currently trading on the site. The land is not available until they relocate and hence this is but one factor in determining likely hotel timeframes.*"

Noting an earlier response from Council stating in relation to the waterfront hotel "*Considering the project planning, **availability of land**, design, permits and construction timeframes for a project of this complexity, 2020/21 is considered to be the earliest possible opening time*." will Council please explain just what "*availability of land*" was referring to if not the need for Harris Scarfe to relocate from the site?

Response
As previously advised Harris Scarfe are currently trading on the site. The previous comment regarding 'availability of land' was simply that the land will not be available for the construction of the hotel until Harris Scarfe have relocated.

Yours sincerely

Paul West
GENERAL MANAGER

Enquiry Officer: Paul West
Direct Line: 6424 0523

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29 November 2017

In reply please quote:
File 32084

Mr Douglas Janney
23 Watkinson Street
DEVONPORT TAS 7310

Via email: djanney39@gmail.com

Dear Mr Janney

QUESTION ASKED – 27 NOVEMBER 2017 COUNCIL MEETING

I refer to your question raised at the 27 November 2017 Council meeting and provide the following response:

Q What is the Council going to do to correct these AGM minutes in accordance with the foregoing statement?

Response
The structure of the Minutes of the Annual General Meeting follows the table of contents included in the actual Agenda which were:

1. Apologies
2. Confirmation of Minutes
3. Receipt of Annual Report
4. Notice of Motions
5. Public Questions/Comments
6. Closure

The Notice of Motions section of the Agenda reflected that **Nil** Motions had been received at the time the Agenda was compiled, which was what was subsequently included in the Minutes.

As a record of the meeting the Minutes are sequential as the items occur. I do however understand your point in that the 'Motions from the Floor' have been included under the heading of Public Questions/Comments. It would be more appropriate if that heading stated Public Questions/Comments/Motions from the Floor.

I will ensure that for the 2018 Annual General Meeting that the agenda clearly identifies that there is an opportunity for 'Motions from the Floor'.

Yours sincerely

Paul West
GENERAL MANAGER

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29 November 2017

In reply please quote:
File 26232 X 27738

Mr Trevor Smith
7 Glen Court
DEVONPORT TAS 7310

Dear Mr Smith

QUESTIONS RAISED – 27 NOVEMBER 2017 COUNCIL MEETING

I refer to your questions raised at the 27 November 2017 Council meeting and provide the following responses.

Q1 At last month's meeting, 23-10-2017, Alderman Tammy Milne asked to see the list of properties which are to be put up for sale? Can I have a copy of the same list, as I have a right as a ratepayer to see it?

Response:
No.

The information referred to by Ald Milne was an internal working document that was discussed with Aldermen at a Workshop at which she was absent.

Q2 With regard to file 27738, the footpath issue at 55 Hillcrest Road I contacted Telstra the next day, after the Council meeting on 23-10-2017. I was told the job had been with them since July, the next day after complaining to them, the reinstatement was completed! What is the difference between me making a call to Telstra and your supervisors, trying since July to have the job completed? Maybe I should be put on your payroll to activate issues a lot quicker?

Response:
Council records indicate that the footpath to which you refer was reinstated by Council workers following the lifting of the Telstra pit on 2 November 2017.

Yours faithfully

Paul West
GENERAL MANAGER

3.2.2 QUESTIONS ON NOTICE FROM THE PUBLIC

File: 27452 D454173

At the time of compilation of the agenda no questions on notice from the public were received.

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 on notice from Aldermen were received.

3.4 NOTICES OF MOTION

3.4.1 LOBBY FOR LEGISLATION - POKER MACHINES - NOTICE OF MOTION - ALD T M MILNE

File: 32173 D502123

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

ATTACHMENTS

⇩1. Email - Poker Machines in Devonport - Meg Webb

MOTION

"That the Devonport City Council lobby the Liberal Government and the Labor Opposition by forwarding the information contained in this preamble and motion to the Premier and Opposition Leader to ask them to legislate to hand control over numbers and placement of poker machines in the Devonport City Local Government area to the Devonport City Council. It is this local community most affected by the negative impacts of poker machines and it should be the leaders of this Local Government area who determine the number and placement of these addictive machines in our community.

That a copy of this motion be forwarded to the leaders of other parties, including the Tasmanian Greens, who will be contesting the next State election."

SUPPORT

I want to give control back to people in our city to say when and where poker machines can be installed.

These are the facts:

Every time the population has been polled about poker machines, 80% have said they believe poker machines cause harm and they want fewer or no poker machines in their local communities." (Social Action Research, December 2016).

Studies show that pokies cause significant harm to communities and the pokies industry has targeted communities that are socially and economically disadvantaged. Devonport is one of those communities!

In the City of Devonport there are 230 poker machines. Each of these machines drains $52,597 from our community every year. That is $11,000 more than the average wage earned by people in this city. The total annual loss to this community is $12.09 million. That's $12.09 million dollars out of our city every year.

So that is why I am calling for the Devonport City Council to vote on the above motion.

OFFICER'S COMMENTS

A motion was submitted to the Local Government Association of Tasmania's (LGAT) General meeting in July 2016 to review the approach to gaming machines, particularly poker machines in the Tasmanian community:

Brighton Council/Glenorchy City Council

That LGAT formally take the position that the terms of reference for the State Government's Joint Select Committee Review into gaming in Tasmania be expanded to include whether or not electronic gaming machines should be allowed outside casinos at all and that as part of the Select Committee Review process, the Tasmanian community be polled to determine its view on this critical question.

That LGAT formally take the position that the Gaming Act should be reviewed particularly to remove its power to over-ride other acts.

That LGAT convey this position to the Government, Opposition and Green parties and to all Members of the Legislative Council.

Carried

Council has not previously determined a formal position in relation to gaming machines.

As a result of media reporting that this motion was to be considered by Council, Meg Webb, Manager Social Action and Research Centre, Anglicare Tasmania provided the attached information to the Mayor.

From: Meg Webb [mailto:megw@anglicare-tas.org.au]
Sent: Thursday, 30 November 2017 12:30 PM
To: Mayor Steve Martin <smartin@devonport.tas.gov.au>
Subject: Poker machines in Devonport

Hello Steve

I am the manager of Anglicare Tasmania's Social Action and Research Centre, and I am writing to you as Mayor of Devonport Council because you are considering a notice of motion at your upcoming meeting that relates to poker machines in your community.

For the past few years, we have been campaigning hard to see poker machines removed from Tasmanian pubs and clubs when the current licence expires. Evidence has found that pokies are designed to addict and are causing significant harm to Tasmanians, and we would like to see communities freed of these machines.

We are also part of a coalition of 58 organisations and groups called Community Voice on Pokies Reform. This coalition is comprised of community sector organisations, professional associations, unions, church groups, grass-roots community groups and includes six local councils. Many of the coalition member organisations are based in or have a presence in the NW region.

People often have questions about a range of issues relating to poker machines, and we are happy to provide you with any information that you may find helpful. As a start, I have attached a short fact sheet on some of the key issues and a map with up to date facts and figures about poker machines in the Devonport LGA.

I would also be happy to discuss this issue with you. I will be in Devonport on Tuesday 12 and Wednesday 13 December, if you would like to make a time to have a chat.

Regards,
Meg

Meg Webb
Manager
Social Action and Research Centre (SARC)

Anglicare Tasmania Inc.
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Poker machines in Devonport

Number of poker machines: **230**

Number of poker machine venues: **8**

Total annual loss: **$10.6 million**

Average annual loss per adult: **$565**

Annually, each machine takes **$46,151**

Devonport has the highest poker machine losses per adult in the state.

Poker machines are designed to addict and rigged to win. They are the most common source of gambling addiction in Tasmania.

One in three Tasmanians personally know someone with a serious problem gambling on poker machines.
For every person with a poker machine addiction, the lives of five to ten other people are affected.

Accessibility is the biggest risk factor for developing an addiction to poker machines. They do not belong in local communities.

Poker machines contribute very little to Tasmania's economy and create very few jobs. Removing them from hotels and clubs would boost the Tasmanian economy by $110 million per year and create up to 670 new fulltime jobs.

With a decision on the future of poker machines in Tasmania due soon, this is a real opportunity to make a positive change for our state. That change would come into effect in 2023, which gives the small number of businesses affected a generous timeframe for transition.

The Tasmanian government is not reliant on taxes from poker machines in hotels and clubs – they are less than 1% of State revenue (around $30 million per year). Government research says that the social harm caused by poker machines costs Tasmania $50-$140 million per year.

Right now, we have a once-in-a-lifetime opportunity to free our communities of poker machines and have them only in casinos - just like they do in Western Australia. With one decision, we can choose happier, healthier, thriving Tasmanian communities.

For more information:

- www.socialactionresearchcentre.org.au
- www.pokiescauseharm.org.au
- Prof John Mangan's economic report on poker machines in Tasmania – *Removing poker machines from hotels and clubs in Tasmania: Economic considerations*

COMMUNITY **VOICE** ON POKIES **REFORM**

Poker machines are designed to addict people.

Poker machines are designed to excite and entice using flashing lights and sound effects. The frequent small returns of money trick people into thinking they are winning when they are losing. One in six people who use a poker machine regularly are likely to develop a gambling problem.

Poker machines are programmed to win.

Poker machines are computers that are programmed to pay out prizes at random intervals while keeping a percentage of the money put into them. The machines are programmed to make money for their owners.

The more you use a poker machine the more you lose.

Every time the button is pressed on a poker machine, the machine is programmed to keep on average, 15 per cent of the amount bet. So for a bet of $1 the person will get, on average, 85 cents back. This seems like a "win" as you get some money back, but you have actually lost 15 cents from your original dollar. Bets up to $5 can be made every 3 seconds.

We haven't always had poker machines in our suburbs and towns.

Poker machines were introduced into Tasmania's casinos in 1986. They were extended into hotels and clubs in 1997 because the Government thought they would make more money from taxes. The community has never been asked if they want poker machines.

Our government doesn't need the revenue from poker machines.

The money the State Government receives from poker machines is less than 1 per cent of the State's revenues. The Treasurer has said that "any decisions will be made with the best interests of Tasmanians at the centre, not be driven by tax revenue".

Our government has a responsibility to ensure our communities are safe.

The Tasmanian Government legislated for poker machines to be introduced into our communities without seeking community opinion. Every study into the effects of poker machines in Tasmania shows a large social and economic harm. The license for poker machines and the casinos expires in June 2018, with an optional 5-year renewal. The Tasmanian Government has the right to require poker machines to be withdrawn given the harm they cause in the Tasmanian community.

Removing poker machines from suburbs and towns is the responsible thing to do.

Poker machines are a dangerous product designed to addict and programmed to take money from users. As a community we choose to put restrictions on the availability of a range of dangerous products and activities. Locating poker machines only in casinos and with stronger consumer protection is a reasonable restriction to apply to a dangerous product.

Most businesses in Tasmania do not financially benefit from poker machines.

There are more than 37,000 small businesses in Tasmania. There are less than 90 small businesses with poker machines. The Tasmanian Government provided all poker machine businesses with a subsidy when it offered the monopoly gambling license for free. The special treatment received by the gambling industry is not shared by other small businesses in local communities.

Removing poker machines will not affect employment overall.

Victorian and Tasmanian research found that for every million dollars spent on gambling, just over three jobs are created, compared to eight jobs per million spent on beverage sales and 20 jobs per million spent on restaurant and take-away meals. The Productivity Commission found that the impact of the gambling industry on employment is neutral because if the gambling industry did not exist or was smaller, money would be spent in other industries where employment would be created. A 2017 Tasmanian study confirmed this would be the case.

Most sports teams and community groups do not rely on funding from gambling.

Only a few sports clubs and community groups are sponsored by the gambling industry or apply for grants through the community support levy that is charged on the profits from poker machines in hotels and clubs.

Poker machines are a much bigger problem than sports betting.

Sports betting and online gambling are currently minor forms of gambling with just 7 per cent of Tasmanian adults gambling online. Tasmanian Government surveys show that most people who currently use a poker machine would not reallocate their money to other gambling if they were not able to access poker machines and instead they would spend their money on food, entertainment, family expenses, etc. Sports betting and online gambling do, however, need to be closely monitored for harm.

Contact the Social Action and Research Centre if you want a referenced version of this fact sheet: m.law@anglicare-tas.org.au or go to www.pokiescauseharm.org.au

Community Voice on Pokies Reform is a coalition of community organisations that formed in 2015 to call on the Tasmanian Parliament to remove poker machines from hotels and clubs and make the poker machines that would remain in our casinos safer. At Nov 2017, there are 58 members of Community Voice on Pokies Reform.

3.4.2 ADVENTURE 'NATURE-BASED' PLAYGROUND - NOTICE OF MOTION - ALD A L ROCKLIFF

File: 26210 D504424

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

ATTACHMENTS

Nil

MOTION

"That Council seek opportunities to include aspects of a 'nature-based' playground into the concepts being developed for the Devonport Waterfront precinct."

SUPPORT

Having viewed a proposal for a nature -based playground in Cairns, I believe that some of the concepts would be appropriate for inclusion in the concepts being developed for the Devonport Waterfront precinct. Some images that describe what I am asking for are (reference http://www.cairns.qld.gov.au/__data/assets/pdf_file/0006/178809/Centenary-Lakes-nature-play.PDF)

OFFICER'S COMMENTS

In developing the Waterfront Park opportunities for including playground equipment/ experiences will be included. If Council is supportive of the proposal for a nature-based experience being incorporated this can be further investigated.

4.0 PLANNING AUTHORITY MATTERS

There are no items in this agenda to be considered by Council in its capacity as a Planning Authority.

5.0 REPORTS

5.1 BUSHFIRE MANAGEMENT PLANS - DON RESERVE AND KELCEY TIER GREENBELT

File: 27452 D474248

RELEVANCE TO COUNCIL'S PLANS & POLICIES
Council's Strategic Plan 2009-2030:

Strategy 2.3.4 Provide accessible and sustainable parks, gardens and open spaces to appropriate standards

SUMMARY
To present the Bushfire Management Plans for the Don Reserve and Kelcey Tier Greenbelt to Council for endorsement.

BACKGROUND
Fire management plans were prepared for Council for the Don Reserve and Kelcey Tier Greenbelt in 2005 (AVK Environmental Management 2005). A review has been conducted by an appointed consultant, Eco Logical Australia, given the considerable property development around both reserves since the first plans were prepared. Therefore, the bushfire risk has changed and revised strategies are required. Each plan guides the fire management activities for the next ten years, stating the required actions by Council and other responsible parties.

STATUTORY REQUIREMENTS
In 2014 the Tasmanian Government initiated a new program of strategic fuel reduction burning across the State. Strategic bushfire risk assessment at the State-wide (State Fire Management Council 2014) and sub-region levels (State Fire Management Council 2016) is used to guide the prioritisation of burning in this new program. Through these risk assessments, Don Reserve and Kelcey Tier Greenbelt have been identified as a priority area for strategic burning and resources now contribute to the burning operations that were not previously available.

In a hierarchical sense, the bushfire management plans sit under the Fire Protection Plan for the Central North Fire Management Area (State Fire Management Council 2016). Therefore, it is important that these plans are consistent and complementary.

DISCUSSION
The Don Reserve and Kelcey Tier Greenbelt have important conservation values, provide recreational opportunities and social amenity, but are also a bushfire risk to neighbouring residents and community assets.

The objectives of both plans are to:

1. Facilitate the suppression of fire to reduce the threat to human life and property, impact on the environment and culturally significant assets;
2. Provide access for fire suppression and property protection;
3. Maintain fire regimes within biodiversity threshold guidelines for plant communities; and

4. Facilitate cooperative and complementary fire management strategies with neighbouring land holders and the Tasmanian Fire Service.

Each plan contains background information to set the context; summarises built, community and environmental values; underpinning risk assessments and fire modelling; and provides a series of recommended guidelines and activities grouped in five tables:

1. Recommended fire regimes to maintain biodiversity;
2. Planned burning schedule aimed at asset protection and maintain ecological diversity;
3. Guidelines for persons responsible for planning and conducting individual planned burns;
4. Monitoring and evaluation of fire plan strategies; and
5. Action Plan

COMMUNITY ENGAGEMENT

A working group of Council officers was established to assist and guide Eco Logical Australia in the development of each plan. Further consultation was undertaken with the Tasmanian Fire Service as well as the broader community. A community drop in session was held on 22 February 2017 with two stakeholders attending: the Devonport Christian School and the Friends of Kelcey Tier. Public feedback was also sought through Speak Up Devonport with no responses received.

The draft plans were then developed and made available for public comment from 20 November – 4 December 2017. One submission on the Kelcey Tier Greenbelt Bushfire Management Plan was received from Peter Sims, adjacent property owner and representative of the Friends of Kelcey Tier. The submission and Council response, included changes to the draft bushfire management plan are as follows.

Section	Comments	DCC Response
2.5	The Williams Reservoir is empty – do not rely on for firefighting purposes Built assets include signage and track markers many of which are wooden New mountain biking trails may be considered built infrastructure	Noted. No change to document. Added the following text to section 2.5: 'The mountain bike trails, walking tracks, track markers and signs are all built assets that could be damaged by bushfires.'
4.1.2	Bushfire risk awareness program – who will deliver 'it' TFS should collaborate, or have greater proactive consultation outside of the fire season, with adjoining residents re fire abatement.	Awareness program to be delivered by TFS and DCC, reflected in Table 5 Action Plan. TFS provide this service generally on their website and with local staff to priority areas TFS could advise and or collaborate with Council.

Section	Comments	DCC Response
4.3	Firebreak created by Tasfire in 2017 – what is the purpose – is this permanent It is stated that 'no new fire trails are proposed' – this one has not been mapped and is concerning as has resulted in the removal of threatened vegetation communities – *Melaleuca ericifolia* and *Eucalyptus ovata*	TFS recommends that these firebreaks become permanent features – there are 3 new tracks on or near the Kelcey Tier Greenbelt boundary with tracks crossing private land. The following text has been added to section 4.3: 'New control lines were created in 2017 on or near the boundary of KTG to facilitate the fuel reduction burning operation for unit KTG3 (Map 7). Subject to agreement between Council and the relevant landowners, these should be maintained as permanent fire trails.' The 3 tracks have also been added to Map 3.
Table 2	KTG4 – Note private water pipes run through this area	Noted. No change to document.
Table 3	4. Central North Field Naturalists and Friends of Kelcey Tier and two community groups that should be consulted 8. Emphasise importance of Swift Parrot habitat	Noted for future consultation. No change to document.
Table 4	6. Central North Field Naturalists may be able to assist with Swift Parrot habit monitoring	Noted for future assistance. No change to document.
Table 5	Hazard management action 3. Responsibility should also include higher risk properties in consultation with TFS and DCC	TFS provide detailed advice on their website and may be able to advise at community forums etc via their Bushfire-Ready Neighbourhoods program, although Kelcey Tier/ Devonport is not currently identified as a priority area for the program.
Map 5a	Note that this is only one scenario	Text added in section 2.7: '….as indicative high risk bushfire scenarios. Other scenarios are possible with differing ignition points, wind direction and fire weather conditions which would produce different spread patterns and impacts.'

FINANCIAL IMPLICATIONS

Recommended actions require resourcing from a range of sources. Some actions may require an allocation in future operational budgets that will be considered on an annual basis as part of Council's budgetary process.

RISK IMPLICATIONS

- Asset & Property Infrastructure
  The plans allow Council to lessen the impact of bushfire to community, cultural and private property assets.
- Environmental Sustainability
  Hazard management has been considered in the context of the ecological health of both reserves.
- Risk Management Practices
  A risk management approach has been utilised to develop the actions outlined in both plans with the aim of reduce the impact of bushfire.

CONCLUSION

The revised Don Reserve and Kelcey Tier Greenbelt Bushfire Management Plans will guide Council and other key stakeholders in reducing the bushfire risk in those areas. Action plans will be reviewed annually with a full review of each plan to occur in 10 years.

ATTACHMENTS

⇩1. Don Reserve Bushfire Management Plan

⇩2. Kelecy Tier Greenbelt Bushfire Management Plan

RECOMMENDATION

That the report of the Executive Officer Community Services relating to the Don Reserve and Kelcey Tier Greenbelt Bushfire Management Plans be received and noted and Council adopt both plans.

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Don Reserve Bushfire Management Plan

Prepared for
Devonport City Council

14 November 2017

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Glossary of Terms

Term	Description
Bushfire	Unplanned vegetation fire. A generic term which includes grass fires, forest fires and scrub fires both with and without a suppression objective.
Bushfire Attack Level (BAL)	A means of measuring the severity of a building's potential exposure to ember attack, radiant heat and direct flame contact, using increments of radiant heat expressed in kilowatts per metre squared, which is the basis for establishing the requirements for construction to improve protection of building elements from attack by bushfire.
Fire regime	The history of fire in a particular vegetation type or area including the frequency, intensity and season of burning. It may also include proposals for the use of fire in a given area.
Fuel hazard	Fine fuels in bushland that burn in the continuous flaming zone at the fire's edge. These fuels contribute the most to the fire's rate of spread, flame height and intensity. Typically, they are dead plant material, such as leaves, grass, bark and twigs thinner than 6 mm thick, and live plant material thinner than 3 mm thick.
Fuel reduction burning	The planned application of fire to reduce hazardous fuel quantities; undertaken in prescribed environmental conditions within defined boundaries.
Head fire	The part of the fire where the rate of spread, flame height and intensity are greatest, usually when burning downwind or upslope.
Intensity	The rate of energy release per unit length of fire front usually expressed in kilowatts per metre (Kw/m).
Overall fuel hazard rating	A fuel hazard rating based on the sum of influences of bark hazard, elevated fine fuel hazard, near-surface hazard and surface hazard.
Planned burning	The controlled application of fire under specified environmental conditions to a predetermined area and at the time, intensity, and rate of spread required to attain planned resource management objectives

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Abbreviations

Abbreviation	Description
BAL	Bushfire Attack Level
CSMS	Coordinated Smoke Management Strategy
DCC	Devonport City Council
FFDI	Forest Fire Danger Index
TFS	Tasmania Fire Service

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1 Introduction

1.1 Purpose of plan

The Don Reserve is 76 hectares of predominantly natural bushland owned and managed by Devonport City Council (DCC) located on the western boundary of the Devonport urban area. The bushland has important conservation values, provides recreational opportunities and social amenity, but is also a bushfire risk to neighbouring residents and community assets.

The plan guides Devonport City Council in the fire management activities in this area for the next ten years, it includes actions required by Council and other responsible parties.

1.2 Objectives

The plan objectives are to:

i. Facilitate the suppression of fire in order to reduce the threat to human life and property, impact on the environment and culturally significant assets;
ii. Provide access for fire suppression and property protection;
iii. Maintain fire regimes within biodiversity threshold guidelines for plant communities; and
iv. Facilitate cooperative and complementary fire management strategies with neighbouring land holders and the Tasmanian Fire Service.

1.3 Fire planning context

A fire plan was prepared for Devonport City Council for Don Reserve in 2005 (AVK Environmental Management 2005). Considerable urban development has occurred on the southeast boundary of Don Reserve since that plan was prepared. Therefore, the bushfire risk has changed and revised strategies are required. However much of the background information in the earlier plan remains relevant.

In 2014 the Tasmanian state government initiated a new program of strategic fuel reduction burning across the State. Strategic bushfire risk assessment at the state-wide (State Fire Management Council 2014) and sub-region levels (State Fire Management Council 2016) is used to guide the prioritisation of burning in this new program. Through these risk assessments, Don Reserve has been identified as a priority area for strategic burning and resources now contribute to the burning operations that were not previously available.

In a hierarchical sense, this bushfire management plan for Don Reserve sits under the Fire Protection Plan for the Central North Fire Management Area (State Fire Management Council 2016). Therefore, it is important that these plans are consistent and complementary.

1.4 Plan Format

The Bushfire Management Plan focuses on fire management actions on the A3 maps and tables at the end of this plan; providing a succinct document for Devonport City Council and other parties responsible for implementation. Background information sets the context, summarises built, community and environmental values and the underpinning risk assessments.

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1.5 Legislation and Policy

The actions in this plan must be undertaken in consideration of the following state legislation:

- Aboriginal Relics Act 1975
- Environmental Management and Pollution Control Act 1994
- Fire Service Act 1979
- Forest Practices Act 1985
- Historic Cultural Heritage Act 1995
- Land Use Planning and Approvals Act 1993
- Threatened Species Protection Act 1995
- Water Management Act 1999 / State Policy on Water Quality Management 1997
- Work Health and Safety Act 2012.

Some management activities may also need to consider federal jurisdiction under the Environmental Protection and Biodiversity Act, 1999.

A number of Council documents that are relevant to fire management of Don Reserve are available on the website of the Devonport City Council:

- Devonport City Council Strategic Plan 2009-2030 (provides a high level vision for management of the natural environment)
- Don Reserve Environmental Management Plan 2015-2020
- Open Space Strategy
- Risk Management Framework.

2 Bushfire Risk Assessment

2.1 Landscape context

Located between the Don River tidal estuary and the Devonport urban area, the 76 ha Don Reserve delineates the western boundary of the City. This mostly flat littoral zone is covered in eucalypt forest, much of which has an understorey of coast paperbark, with a network of recreational tracks and the Don River Railway tourist attraction running through the entire length of the Reserve (**Map 1**).

Over the last 12 years suburban housing has filled in the rural area on the south-east perimeter of the Don Reserve. The newest neighbouring housing is built to contemporary Tasmanian bushfire planning standards, but as the remainder do not they are likely to be exposed to a higher bushfire risk.

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2.2 Fire climate

The temperate and maritime climate of Devonport ameliorates the potential bushfire conditions compared to some parts of Tasmania, although significant fire weather and fuel dryness conditions can be expected in summer months. The mean annual rainfall at Devonport Airport is 773 mm although the summer months are much drier than winter months. The most significant fire weather in summer is associated with south-westerly to westerly winds, low humidity and High fire danger (SFMC 2014). **Figure 1** indicates that Very High fire danger may occur approximately two days every three years over the worst months of January and February. Days of Severe, Extreme or Catastrophic fire danger are extremely rare; only one such day was recorded from 2006 to 2016 (**Figure 1**).

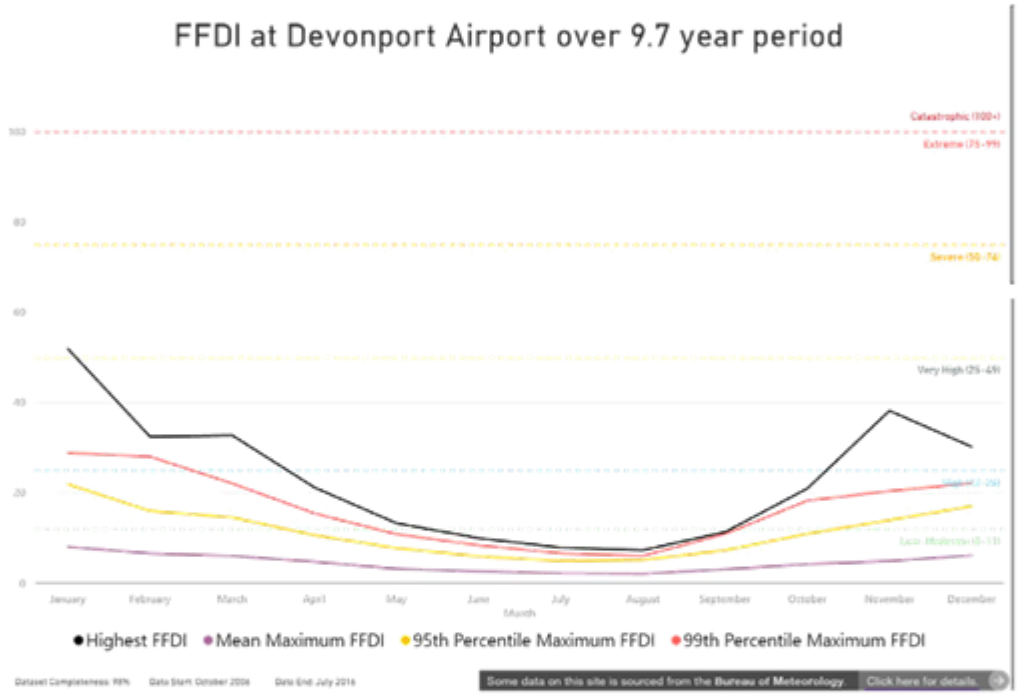

Figure 1: Forest Fire Danger Index (FFDI) at Devonport Airport. 99th percentile is shown per calendar month, which means approximately one day per three years. Source: State Fire Management Council.

2.3 Fuel hazard and fire behaviour

The eucalypt forests and woodlands of Don Reserve are highly flammable. The 'Overall Fuel Hazard' (Hines et al. 2010) rating in 2017 generally varies from Moderate to Very High. Areas burnt by plan burns in 2015 and 2016 or recently mown have a Low fuel hazard. The bark fuels on the black peppermint (*Eucalyptus amygdalina*), black gum (*E. ovata*) and coast paperbark (*Melaleuca ericifolia*) trees within the Reserve have the potential to produce significant numbers of embers and spot fires under High to Very High fire danger conditions.

Under High fire danger conditions in areas with a Very High fuel hazard, bushfires are likely to be difficult to control and embers will present a significant bushfire attack on nearby houses.

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2.4 Fire history

No significant bushfires (i.e. unplanned fires) have been mapped in the Don Reserve since 2005 (Tasmania Fire Service records), although small fires were common from 1993 to 2004 (AVK Environmental Management 2005) and this pattern may have continued. Deliberate human ignitions are probably the greatest risk but accidental ignitions are also possible. The likelihood of such ignitions cannot be determined from fire history; however, it is reasonable to consider them a genuine risk in most years. Response time by TFS brigades is likely to be less than 20 minutes given the proximity of the Reserve to urban fire-fighting resources and therefore fires would be contained quickly. Planned burns were conducted in 2015 and 2016 (**Map 2**).

2.5 Built assets and community

Suburban housing borders the Don Reserve along the full length of the eastern and northern boundaries. The Don River estuary separates the Don Reserve from the farmland and township of Don on the western side. The Don College is close to the border of the Reserve and the Splash Devonport Aquatic and Leisure Centre is located in the middle of the Reserve, as are other buildings in the same precinct (**Map 1**). There is a network of walking tracks through the Don Reserve which are used frequently by residents. The Don River Railway is a tourist attraction that is operated by a volunteer group. More details on recreation and community values can be found in the Don Reserve Environmental Management Plan 2015-2020.

All of the built assets within and neighbouring the Reserve are vulnerable to bushfire attack and damage (**Map 1**).

2.6 Fire Protection Plan

Under the Fire Service Act 1979, the Fire Management Area Committee for the Central North Fire Management Area is responsible for preparing and annually updating a Fire Protection Plan (State Fire Management Council 2016). The Don Reserve sits within this area and has been identified in the current Fire Protection Plan as an area of bushfire risk to Don College and neighbouring residents.

The Fire Protection Plan presents the results of computer bushfire risk modelling that has been conducted by the Fuel Reduction Unit of the Tasmania Fire Service for the broader landscape that includes the Don Reserve. This model called Phoenix RapidFire, illustrates where ignition points under High fire danger conditions with a west to south-west wind would most impact on built areas (mapped as 'human settlement areas' in the model; see also State Fire Management Council 2014). The results suggest that under current fuel conditions a bushfire starting within the Reserve presents some bushfire risk, but this risk is relatively low compared to other bushland areas near Devonport (for example, Kelcey Tier). The modelling also shows that bushfires are unlikely to enter the Don Reserve from outside, thus, only ignitions that occur within the Reserve are a threat to community and built assets (**Map 3**).

2.7 Fire simulation modelling

A computer bushfire simulator called SPARK (https://research.csiro.au/spark/) was used for this bushfire plan to examine the spread of fires under several ignition scenarios. These simulations utilised a scenario that matches the 99th percentile for fire weather (**Figure 1**) and under a west to southwest wind direction as used in the Phoenix RapidFire simulations (Section 2.6; State Fire Management Council 2014). The ignition points were selected to maximise fire development and size with the given wind direction.

The simulations illustrate that fires that start within the Don Reserve would arrive at neighbouring assets with a head fire 400 metres or more in width and a fire intensity up to 10,000 kW/m (**Map 4**). This intensity is considered sufficient to cause damage to built assets (State Fire Management Council 2014). Within

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the Reserve a bushfire is unlikely to travel more than 800 m and this limits the size of fire that can develop and the magnitude of a bushfire attack. The narrow width of the Don Reserve at the northern and southern ends will further limit the size of fire that can develop.

2.8 Duty of care

Devonport City Council has a duty to take reasonable care to keep fire on the land it manages to prevent harm to neighbours. This principle comes from common law but what obligation Council (or any other landowner) has to manage vegetation fuel hazard prior to the ignition of a fire started by a third party is untested in an Australian court (Eburn and Cary 2016). A reasonable standard of care in terms of managing fuels requires consideration of the following factors:

i. The level of risk in terms of consequences (e.g. proximity of houses at risk) and likelihood (e.g. fuels, climate, ignition history, access);
ii. The cost of managing the fuels;
iii. Meeting wider community expectations beyond what may be unambiguous legal requirements.

3 Fire and Natural Values

3.1 Vegetation and Threatened Species

The vegetation and fauna of the Don Reserve is described in the Don Reserve Environmental Management Plan 2015-2020 and the vegetation mapping from the 2005 fire plan (AVK Environmental Management 2005) is shown on Map 5. Ground truthing indicated that the 2005 mapping is more accurate than the latest version of the state-wide vegetation map TASVEG (Kitchener and Harris 2013). Forests dominated by black gum (*Eucalyptus ovata*) and black peppermint (*E. amygdalina*) are the most widespread in the Don Reserve, while the former includes extensive areas of coast paperbark (*Melaleuca ericifolia*) forming a secondary tree canopy.

Threatened native vegetation communities listed under the Nature Conservation Action 2002 and present in the Don Reserve are:

- *Eucalyptus ovata* forest and woodland
- *Melaleuca ericifolia* swamp forest

There is only one plant species listed under the Threatened Species Protection Act recorded and mappable from Don Reserve, lance beardheath (*Leucopogon affinis*) which is listed as rare, and this record is from one location. The Natural Values Atlas has records for northern pinkbells (*Tetratheca ciliata*) and curved riceflower (*Pimelea curviflora*) from Don Reserve which cannot be mapped with any accuracy, but these species may also be present.

Threatened fauna recorded in Don Reserve (Don Reserve Environmental Management Plan 2015-2020 and Natural Values Atlas) include:

- Central North burrowing crayfish (*Engaeus granulatus*)
- eastern barred bandicoot (*Perameles gunnii*)
- giant freshwater crayfish (*Astacopsis gouldi*)
- masked owl (*Tyto novaehollandiae*)
- swift parrot (*Lathamus discolor*)

However, no raptor nests are recorded from the Don Reserve.

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The vegetation mapping, descriptions and other information on flora and fauna in the earlier fire plan for Don Reserve (AVK Environmental Management 2005) are still useful references.

3.2 Appropriate Fire Regimes

To maintain biodiversity, the aim should be to provide appropriate fire regimes that will facilitate the persistence of species and habitat. To achieve this planned burning may be required at appropriate intervals, seasons and intensity in some vegetation communities. Maintenance of habitat such as large, old trees is important for fauna. **Table 1** summarises the recommended fire regimes for biodiversity maintenance objectives. Care should be taken to ensure appropriate fire regimes are maintained in threatened native vegetation communities (section 3.1).

The vegetation of much of Don Reserve is amenable to planned burning, although the ideal fire regimes are not documented in any evidence-based publication. Therefore, what are considered to be appropriate fire regimes for the vegetation communities of Don Reserve are recommendations that will need to be reviewed following monitoring over many decades, in other words, by applying the adaptive management model (see AFAC 2016).

To manage fuel loads at levels that will reduce bushfire risk, planned burning may be required at intervals shorter than recommended in **Table 1** in some areas and therefore may not be optimal for biodiversity. In the Don Reserve there is a dilemma for areas with a dense canopy of coast paperbark (*Melaleuca ericifolia*) in that from an ecological perspective fire should be avoided in these areas and they are listed threatened vegetation communities (section 3.1), but they present a bushfire risk to Don College and Surrey Street (**Map 4**).

4 Fire Management and Hazard Reduction

4.1 Hazard management at reserve boundaries

4.1.1 Fire breaks

Firebreaks at the boundary of Don Reserve will reduce the risk of a fire exiting the Reserve and affecting neighbouring properties. Fuels nearest to houses will contribute the most to ember attack and access at the boundary provides advantage for bushfire control. The width of the fire breaks should be sufficient to provide safe access for fire tankers.

Some Don College buildings are within metres of fire prone vegetation in the Don Reserve and could not be defended from bushfire except under very mild weather conditions. No fuel management is proposed in this area, because of the environmental impact that this would cause to the Don Reserve, but adequate evacuation plans and a clear understanding of the risk is required (section 4.5.2).

Based on the risk assessments, current landscape context, practical considerations and applying the TFS guidelines for Management (Class 1) standard calculations (Tasmania Fire Service 2016), the maintenance of fire breaks at the boundary of Don Reserve is required at the locations shown on **Map 6**, adjacent to houses on some sections of the following streets: Heath Court, Surrey Street, Pine Place, Georgiana Street, Valkyrie Close, Erskine Way and Jiloa Way. These fire breaks should be the width indicated on Map 6, as measured from the property boundaries, and maintained to the standards indicated in the TFS fuel break guidelines (Tasmania Fire Service 2016), including the provision of access points and drivable by four-wheel drive light tankers.

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4.1.2 Hazard management on neighbouring properties

Some houses bordering Don Reserve have either a bush fuel hazard actually on their properties, poorly designed/maintained buildings or gardens/landscaping (or a combination of these) that exacerbate their bushfire risk. The most effective reduction of bushfire risks to life and property on neighbouring land occurs within the hazard immediately abutting built assets, with management of the fuel hazard in the adjoining Reserve an important complementary risk reduction measure.

To maximise the reduction of risks to life and property a bushfire risk awareness program with neighbours is required; it will provide advice on the following:

- Clarification of the level of risk (likelihood and consequence)
- Removal/modification of fuel hazard in gardens and around houses to maintain a hazard management area.
- Ensuring garden plantings are consistent with providing a hazard management area.
- For houses that are not constructed to a level appropriate to their Bushfire Attack Level (BAL), retrofitting measures that can reduce their risk.

Much of this information is readily available on the TFS website and can be downloaded. The awareness program will also provide neighbours with information about the risk reduction measures being undertaken within Don Reserve.

4.1.3 Future development

It is important that all future housing, subdivisions and other development neighbouring Don Reserve complies with contemporary bushfire planning standards (Australian Standard 3959-2009) and local government regulation. While this is now normal practice for subdivision and building approval, it is important that Council maintains diligence to minimise the cost burden on ratepayers and environmental impact of fuel management within Don Reserve that may be incurred by further development.

4.2 Planned Burning

Planned burning units are indicated on **Map 6** and categorised by the primary burning objectives as follows:

- *Asset Protection* – for each individual burn, reduce the Overall Fuel Hazard rating to Low over 80% of the target burn area; burn at intervals to maintain, as far as feasible with available resources, an Overall Fuel Hazard rating of Moderate or less; increase burn intervals if there is measured evidence of degradation of important habitat.
- *Ecological* - Maintain a fire regime, particularly fire intervals (see **Table 1**), that will maintain species diversity.

Considerations for the design of the burning units and schedule (**Table 2**) were as follows:

- The bushfire risk as described in section 2
- The fire history and current fuel hazard
- The vegetation communities and what is currently believed to be an ecologically appropriate fire regime
- Practical fire boundaries
- Maintenance of a mosaic of post-fire habitat age across the area
- Likely available resources.

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Burn scheduling is subject to priorities and resources allocated by TFS. No schedule is indicated for ecological burning units because no resources are currently available to conduct these burns; all should be burnt in the next 10 years if resources become available. If the mowing / slashing of bushland around Steele Street, the aquatic centre and near Jiloa Way is discontinued the need for Asset Protection burning of this area should be assessed.

Burning operations should consider the guidelines in **Table 3**.

4.3 Fire Trails and other access

The Don Reserve does not have any fire trails although the walking tracks, particularly the main sealed track, provide good access for fire control and planned burning.

4.4 Water supply for fire-fighting

Reticulated water and fire plugs are located in streets neighbouring Don Reserve (**Map 1**). No new water infrastructure is proposed.

4.5 Bushfire preparedness and response

4.5.1 Season preparedness

Suppression response within the Don Reserve is the responsibility of TFS. Annual pre-season briefing between Council staff and TFS district staff and brigades is required to ensure that TFS are aware of issues that will affect their capacity to respond, for example:

- Condition of tracks
- Location of access points, locked gates and provision of keys
- Recent fuel management
- Sharing of contact details and names of key officers
- Sharing of mapped information.

4.5.2 Emergency response plans

Emergency response plans are desirable for schools neighbouring the Don Reserve: Don College and Devonport Christian School; the Don Cricket Club, the Rugby Club and the aquatic and leisure centre. These plans, which should be developed in consultation with the TFS, should identify evacuation procedures in the event of a bushfire occurring in the Don Reserve. The preparation and maintenance of these plans is the responsibility of the schools and organisations. While it is not known if these plans already exist, Council will discuss the matter with the organisations in the context of this bushfire management plan.

4.5.3 Don River Railway

The Don River Railway are responsible for maintaining adequate risk assessment and plans to ensure that the risk of bushfire starting from trains is minimised. Factors to consider include:

- History of ignitions from trains
- Potential sources of ignition from locomotives and rolling stock
- Maintenance requirements of rail easement
- If there is any history of ignitions, suspension of operation on forecast days of FFDI >= 20, at least for steam locomotives.

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4.5.4 Response

Appropriate Council staff should be available to provide liaison for TFS during suppression operations to ensure that information is provided on assets and natural and cultural values that may affect suppression strategies or tactics, for example:

- minimise damage to large habitat trees
- sensitivity with earth moving equipment, for example: *Eucalyptus ovata* forest and woodland; *Melaleuca ericifolia* swamp forest; swift parrot habitat (**Map 5**)
- avoidance of occupied swift parrot habitat (if known).

The above considerations will always be limited by the overall objectives of fire suppression and practical constraints.

5 Monitoring and Evaluation

The effectiveness of the strategies and actions listed in the plan are to be monitored and evaluated. Whilst management of access, neighbour awareness and other risk factors are important, it is worth elaborating on the key bushfire risk management strategy which is fuel and fire regime management.

The success of planned burning depends on the extent to which completed operations achieve the intended objectives. Typically, it is necessary to be able to answer the following questions:

- Was the fuel hazard reduced to the targeted level?
- Has the burning contributed to a fire regime that is maintaining natural values?

If the answer to either of these questions is no, then adjustments to burning prescriptions and or the planned fire regimes need to be made.

The recommended fire intervals (**Table 1**) are based on a general knowledge of the ecology of the plants in Don Reserve and expert judgement, but in reality there is little detailed underpinning evidence at the local scale. The thresholds of 15 and 25 years may be too high, too low, or unhelpful to determine the best fire regime for maintaining biodiversity. From the perspective of bushfire risk management, it would be beneficial to validate whether or not the minimum threshold can be reduced, because there is an apparent discrepancy at the present time in understanding of fire intervals best suited for fuel reduction verses biodiversity management.

Given that the Reserve contain thousands of native species of higher and lower plants, mammals, reptiles, birds and invertebrates, we will never have knowledge of the fire ecology requirements for all individual species. It is possible, however, to monitor some indicators of vegetation health and species diversity.

This actions required to assess fuel loads and monitor vegetation and species diversity are specified in **Table 4**.

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Tables

Table 1: Recommended fire regimes to maintain biodiversity.

Vegetation Community	Recommended fire interval	Comment for this fire plan period
coastal Eucalyptus amygdalina forest *coastal Eucalyptus viminalis forest* *Eucalyptus ovata* forest (without *Melaleuca ericifolia* canopy) *Eucalyptus ovata / E. obliqua / E. amygdalina* forest	15-25 years	Avoid burning in spring if swift parrots present
Acacia sophorae scrub	20-50 years	No burning required
Melaleuca ericifolia forest *Eucalyptus ovata* forest (with *Melaleuca ericifolia* canopy)	100-200 years	Avoid burning
graminoid saltmarsh	No fire	
Eucalyptus amygdalina over parkland *Eucalyptus obliqua / E. amygdalina* over parkland	No fire	These areas are mown

Table 2: Planned burning schedule.

Unit Code	Objective	Ideal Burn Year	Area (ha)	Notes
DR1	Asset protection	2027	8.9	Burn when Overall Fuel Hazard reaches High
DR2	Ecological		2.1	Burn if resources are available
DR3	Ecological		4.2	Burn if resources are available
DR4	Asset protection	2018	2.8	Burn when Overall Fuel Hazard reaches High
DR5	Ecological		2.2	Burn if resources are available

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Table 3: Guidelines for persons responsible for planning and conducting individual planned burns.

Planned Burn Guidelines
1. Prescriptions for planned burning should follow the Tasmanian operational burning guidelines (Marsden-Smedley 2009).
2. A detailed written operational burn plan is required for each individual burn. To prepare this plan, field inspection will be required to assess fuels, internal areas that should be excluded (if practical) and condition of boundaries. Some other factors to consider are noted below. The boundaries of units may be modified from those indicated on Map 6 where necessary.
3. The impact of smoke on neighbours should be managed in accordance with best practice as guided by Tasmania's Co-ordinated Smoke Management Strategy (CSMS): http://epa.tas.gov.au/Pages/Management-of-Planned-Burning.aspx.
4. Consult neighbours, user groups and community groups when preparing the operational burn plan to identify any issues that may impact the burn operation.
5. Consult weed managers to plan any pre-burn and post-burn weed treatment. Spanish heath (*Erica lusitanica*) and gorse (*Ulex europaeus*) are of particular concern.
6. Dense coast paperbark (*Melaleuca ericifolia*) stands in burning units with an ecological objective should be excluded from burning within the unit by setting prescriptions that utilise the fuel moisture differential between the stands and surrounding vegetation. Typically target fuels will dry out faster than non-target fuels following rain events.
7. Large old trees should be protected from burning as far as practical (e.g. clearing fuels, wetting down) to protect habitat. Concerned community groups may assist in identifying the location of these.
8. If swift parrots are present in the burn unit then do not burn in spring or summer.
9. If major bushfires occur in the area then the burn schedule will require revision, taking into account the reduction in future bushfire risk and recommended fire regimes.

Table 4: Monitoring and evaluation of fire plan strategies.

Action	When
1. Fire history: record all fire perimeters, both planned and unplanned, in a GIS database, including categorical estimates of the fire intensity and post-fire fuel status: surface, near surface, elevated and bark fuel hazard ratings. This is a key element of monitoring and the highest priority because it enables fire managers and researchers (e.g. university students) to undertake investigations at any time in the future that may inform adjustment of the planned fire regimes.	After each fire event
2. Conduct tree risk assessment due to potential hazard of falling limbs and trees.	After each fire event
3. Fuel hazard: estimate Overall Fuel Hazard rating in Asset Protection burn units (Map 6).	Annually from 7 years post-burn onwards
4. Understorey shrubs: select several species to monitor at specific monitoring points and record estimates of cover and abundance over a specified area. At least 6 monitoring points.	Once per burn cycle: ideally 5 years post-burn
5. Forest structure: utilise photographic monitoring points to monitor change in density, age and cover of tree and shrubs. Include categorical descriptions of tree and shrub health. At least 6 monitoring points including at least 3 in Asset protection burn units.	Once per burn cycle: ideally 5 years post-burn

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Action	When
6. Swift parrot habitat: subject to available resources, record and map the utilisation of habitat (foraging and nesting) over successive seasons, to assess the impact of burning, or absence of fire, on parrots.	Annually in early summer
7. Record all species monitoring data in a Council database linked to GIS.	As available

Table 5: Action Plan

Strategy	Action	When	Responsibility
Hazard management at Reserve boundaries in accordance with the TFS Fuel Break Guidelines (Map 6)	1. Undertake and then annually review a risk assessment of recommended fire breaks to determine extent of works required	- Staged approach	- DCC
	2. Boundary fire breaks slashed	- Annually	- DCC
	3. Appropriate hazard management areas maintained within private properties around houses	- Annually	- Neighbouring property owners
	4. Bushfire awareness program to inform neighbours	- Every 2 years	- DCC
	5. Future development neighbouring Don Reserve managed	- Ongoing	- DCC
Planned burning (Map 6)	Planned burns conducted in accordance with schedule (Table 2) and guidelines (Table 3)	Autumn / spring of planned year	TFS with support and advice from DCC
Preparedness and response	1. Pre-season briefing and sharing of information (e.g. at multi-agency pre-season briefing)	- Oct-Nov each year	- DCC and TFS
	2. Emergency response plans for schools, relevant community organisations and aquatic centre include evacuation procedures for bushfire	- Reviewed annually	- Schools, relevant community organisations and aquatic centre with advice from TFS
	3. Don River Railway has plans that mitigate risk of trains starting bushfires	- Reviewed annually	- Don River Railway
	4. Response	- Every bushfire	- TFS with liaison and advice from DCC
Monitoring & evaluation (Table 4)	Evaluate result of burns. Monitor fuels, vegetation health and species diversity.		DCC and TFS

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Maps

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Map 1: Don Reserve

Don Reserve boundary, significant Assets: high and low voltage powerlines, schools, aquatic centre, buildings, railway lines, Walking tracks, Fire hydrants

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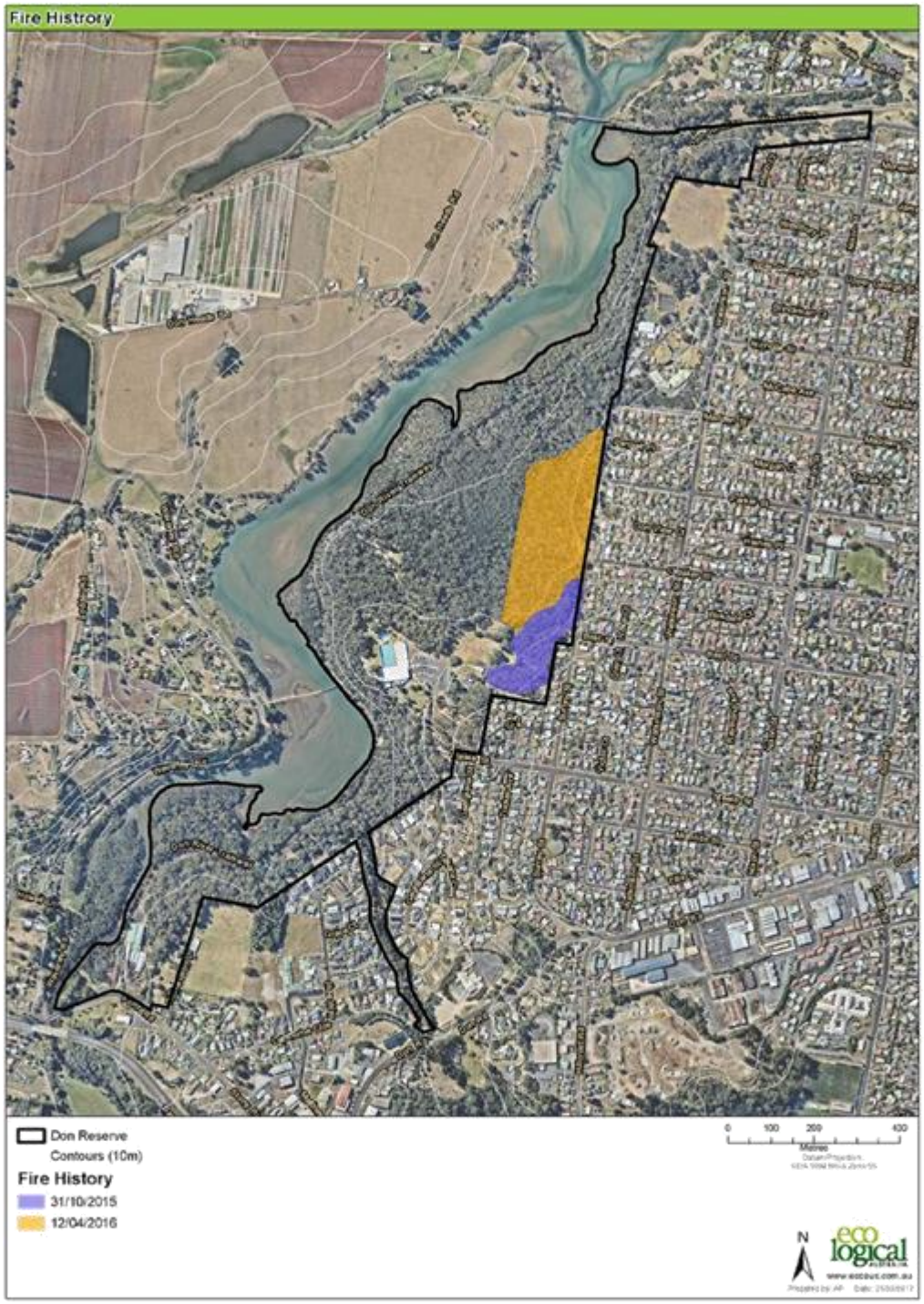

Map 2: Fire history since 2015

Fire history showing ignition cause.

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Map 3: Phoenix Modelling Risk Assessment

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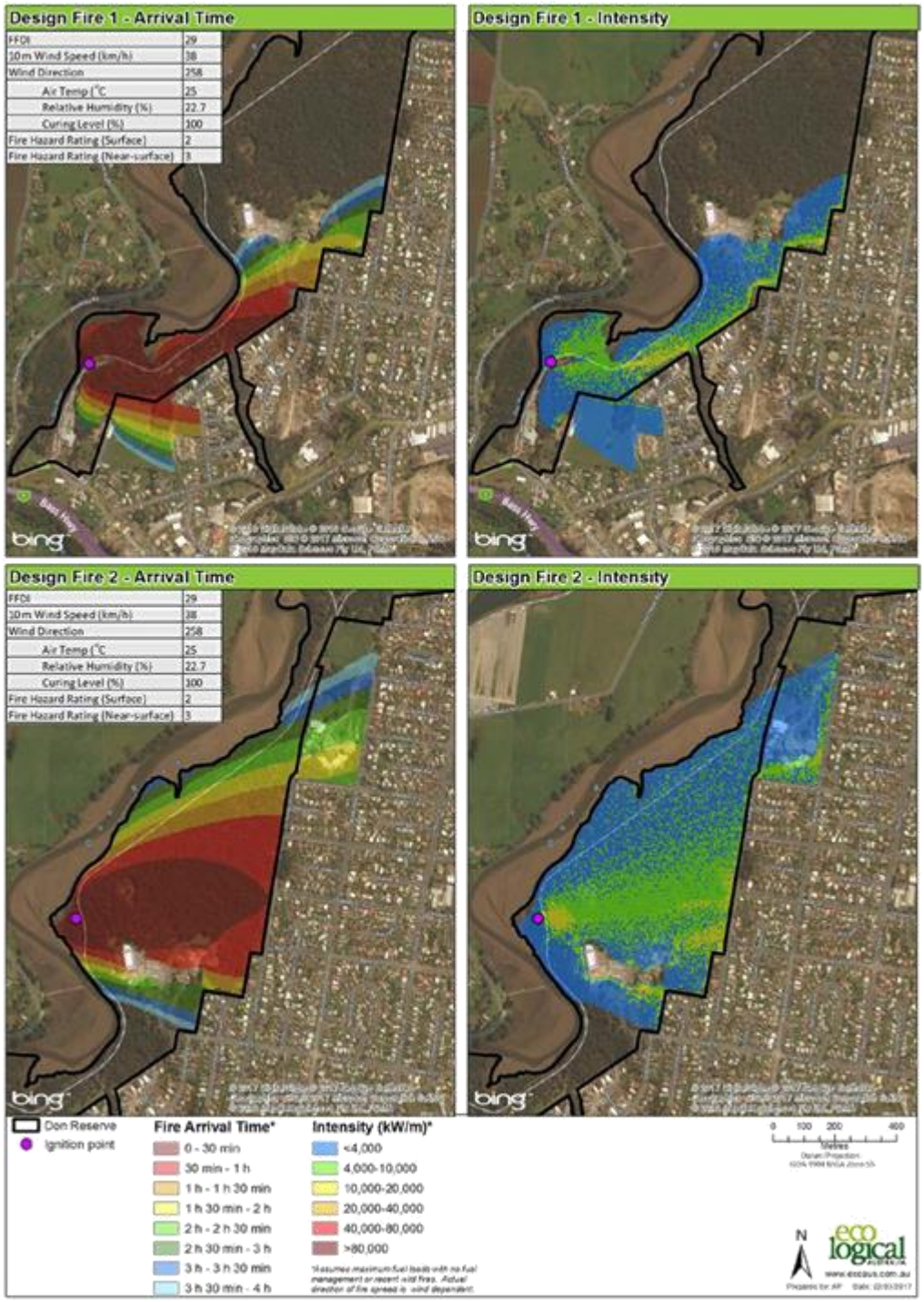

Map 4: Spark Simulations

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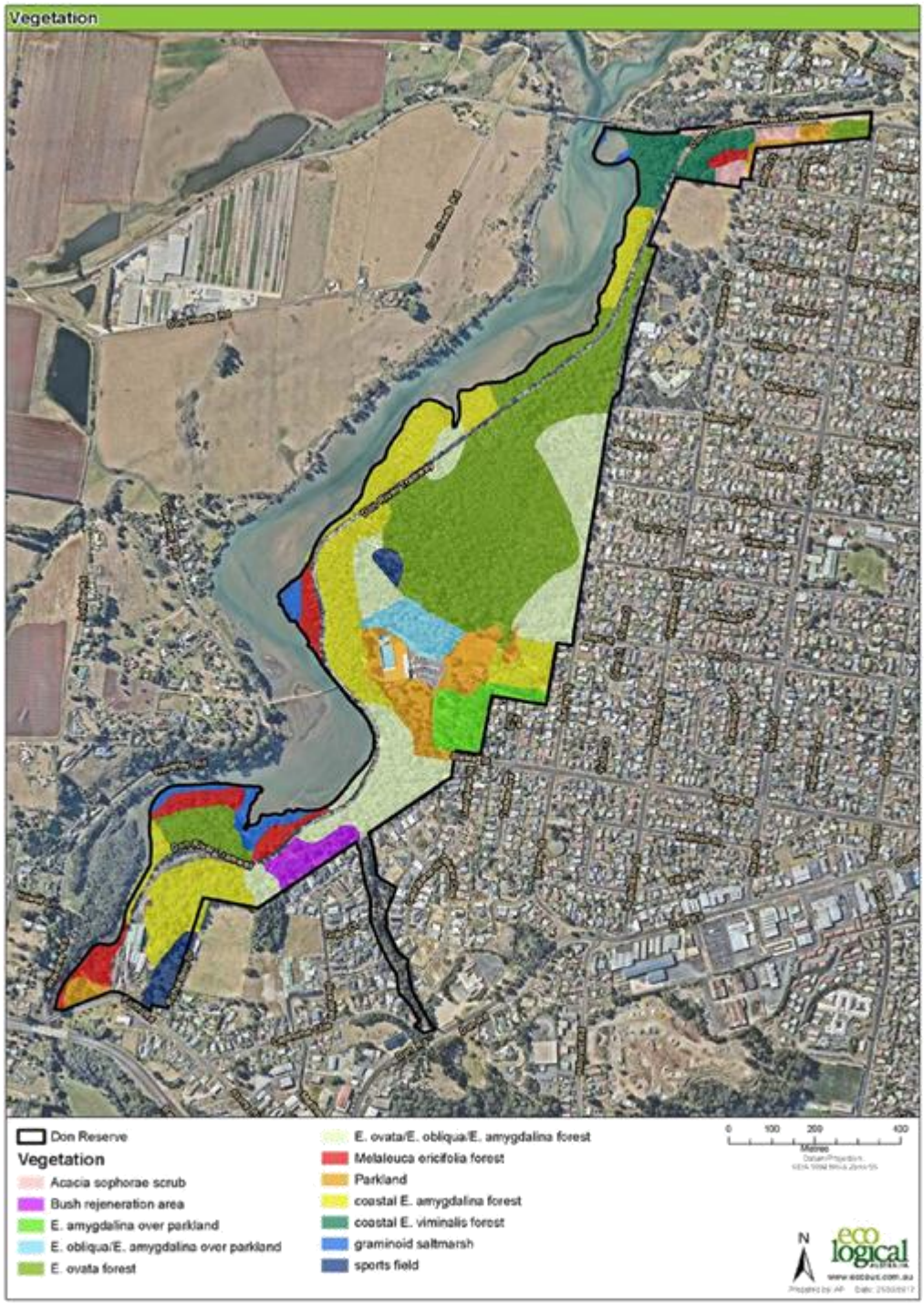

Map 5: Vegetation

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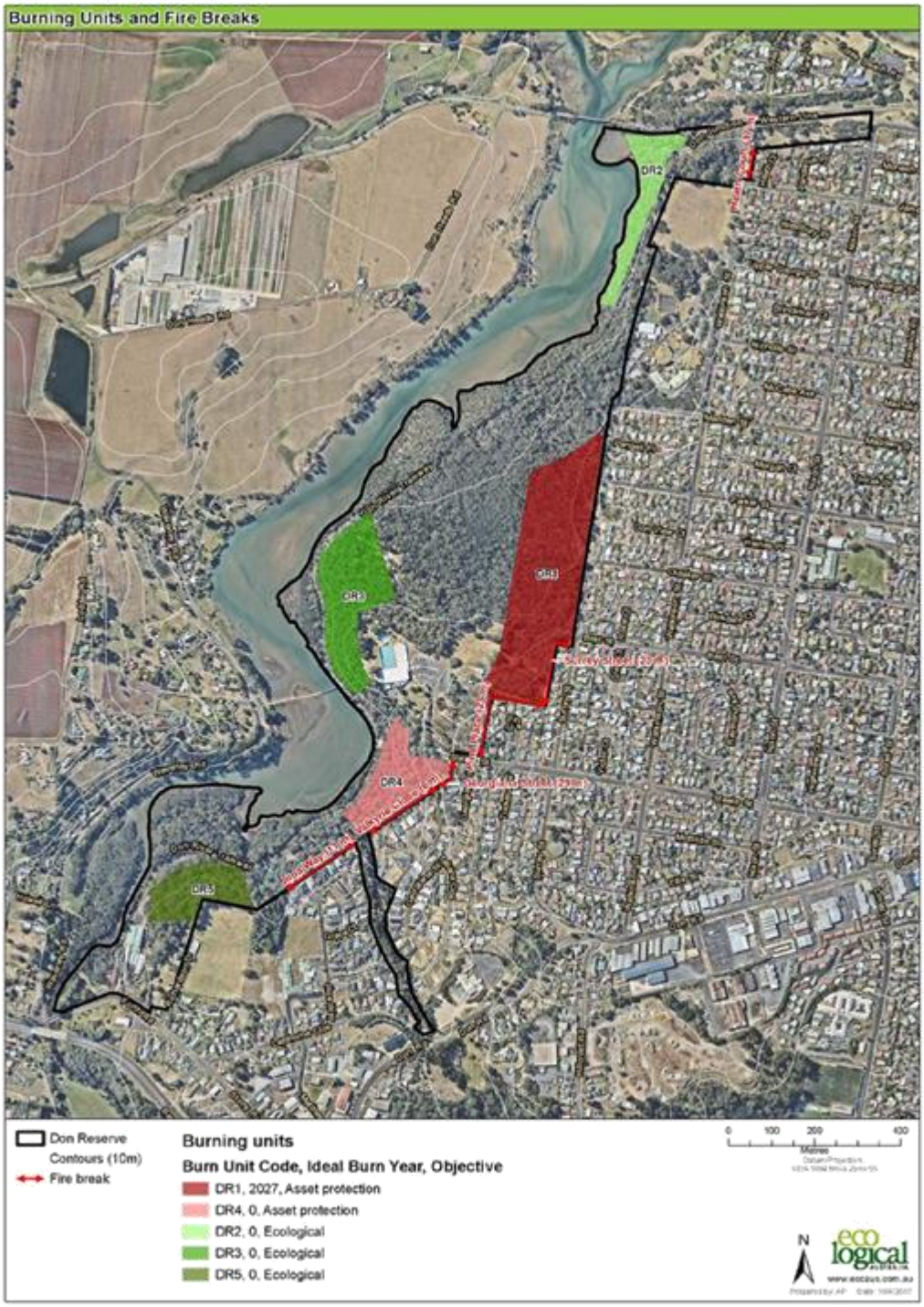

Map 6: Burning Units and Fire Breaks

Burning units showing code (unit name), ideal burn year and objective (colour: Asset protection or Ecological); Fire breaks indicating width.

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Kelcey Tier Greenbelt Bushfire Management Plan

Prepared for
Devonport City Council

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Glossary of Terms

Term	Description
Bushfire	Unplanned vegetation fire. A generic term which includes grass fires, forest fires and scrub fires both with and without a suppression objective.
Bushfire Attack Level (BAL)	A means of measuring the severity of a building's potential exposure to ember attack, radiant heat and direct flame contact, using increments of radiant heat expressed in kilowatts per metre squared, which is the basis for establishing the requirements for construction to improve protection of building elements from attack by bushfire.
Fire regime	The history of fire in a particular vegetation type or area including the frequency, intensity and season of burning. It may also include proposals for the use of fire in a given area.
Fuel hazard	Fine fuels in bushland that burn in the continuous flaming zone at the fire's edge. These fuels contribute the most to the fire's rate of spread, flame height and intensity. Typically, they are dead plant material, such as leaves, grass, bark and twigs thinner than 6 mm thick, and live plant material thinner than 3 mm thick.
Fuel reduction burning	The planned application of fire to reduce hazardous fuel quantities; undertaken in prescribed environmental conditions within defined boundaries.
Head fire	The part of the fire where the rate of spread, flame height and intensity are greatest, usually when burning downwind or upslope.
Intensity	The rate of energy release per unit length of fire front usually expressed in kilowatts per metre (Kw/m).
Overall fuel hazard rating	A fuel hazard rating based on the sum of influences of bark hazard, elevated fine fuel hazard, near-surface hazard and surface hazard.
Planned burning	The controlled application of fire under specified environmental conditions to a predetermined area and at the time, intensity, and rate of spread required to attain planned resource management objectives

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Abbreviations

Abbreviation	Description
BAL	Bushfire Attack Level
CSMS	Coordinated Smoke Management Strategy
DCC	Devonport City Council
FFDI	Forest Fire Danger Index
KTG	Kelcey Tier Greenbelt (the area covered by this plan)
TFS	Tasmania Fire Service

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1 Introduction

1.1 Purpose of plan

The Kelcey Tier Greenbelt (KTG) is 185 hectares of predominantly natural bushland owned and managed by Devonport City Council (DCC) located on the southern outskirts of the expanding urban development of Devonport. This Council reserve is completely surrounded by private properties, many of which have contiguous bushland. The bushland has important conservation values, provides recreational opportunities and social amenity, but is also a bushfire risk to neighbouring residents and community assets.

This plan guides Devonport City Council in the fire management activities for the next ten years, stating the required actions by Council and other responsible parties.

1.2 Objectives

The plan objectives are to:

i. Facilitate the suppression of fire in order to reduce the threat to human life and property, impact on the environment and culturally significant assets;
ii. Provide access for fire suppression and property protection;
iii. Maintain fire regimes within biodiversity threshold guidelines for plant communities; and
iv. Facilitate cooperative and complementary fire management strategies with neighbouring land holders and the Tasmanian Fire Service.

1.3 Fire planning context

A fire plan was prepared for Devonport City Council for Kelcey Tier Greenbelt in 2005 (AVK Environmental Management 2005). Considerable urban and semi-rural property development has occurred around the reserve since that plan was prepared. Therefore, the bushfire risk has changed and revised strategies are required. However much of the background information in the earlier plan remains relevant.

In 2014 the Tasmanian state government initiated a new program of strategic fuel reduction burning across the State. Strategic bushfire risk assessment at the state-wide (State Fire Management Council 2014) and sub-region levels (State Fire Management Council 2016) is used to guide the prioritisation of burning in this new program. Through these risk assessments, Kelcey Tier has been identified as a priority area for strategic burning and resources now contribute to the burning operations that were not previously available.

In a hierarchical sense, this bushfire management plan for Kelcey Tier Greenbelt sits under the Fire Protection Plan for the Central North Fire Management Area (State Fire Management Council 2016). Therefore, it is important that these plans are consistent and complementary.

1.4 Plan Format

The Bushfire Management Plan focuses on fire management actions on the A3 maps and tables at the end of this plan; providing a succinct document for Devonport City Council and other parties responsible for implementation. Background information sets the context, summarises built, community and environmental values and the underpinning risk assessments.

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1.5 Legislation and Policy

The actions in this plan must be undertaken in consideration of the following state legislation:

- Aboriginal Relics Act 1975
- Environmental Management and Pollution Control Act 1994
- Fire Service Act 1979
- Forest Practices Act 1985
- Historic Cultural Heritage Act 1995
- Land Use Planning and Approvals Act 1993
- Threatened Species Protection Act 1995
- Water Management Act 1999 / State Policy on Water Quality Management 1997
- Work Health and Safety Act 2012.

Some management activities may also need to consider federal jurisdiction under the Environmental Protection and Biodiversity Act, 1999.

A number of Council documents that are relevant to fire management of Kelcey Tier Greenbelt are available on the website of the Devonport City Council:

- Devonport City Council Strategic Plan 2009-2030 (provides a high level vision for management of the natural environment)
- Open Space Strategy
- Risk Management Framework.

2 Bushfire Risk Assessment

2.1 Landscape context

Located approximately 3 km southwest of the urban centre of Devonport, the Kelcey Tier Greenbelt (KTG) is 185 hectares in area and provides a visible bush skyline on the south side of the City. The low hills are covered in eucalypt forest, with a network of fire trails, mountain bike trails and increasingly surrounded by houses (**Map 1**).

Over the last 12 years suburban housing has filled in the rural area on the northern perimeter of the KTG, with houses within 10 m of the bushland boundary on Leary Avenue. Larger block subdivisions are now along the entire western boundary, although to date, the setback of houses is greater from the KTG than on Leary Avenue. A semi-rural subdivision extends to the south along Wrenswood Drive and the subdivision on Racecourse Road is on the eastern boundary. The newest neighbouring housing is built to contemporary Tasmanian bushfire planning standards, but as the remainder do not they are likely to be exposed to a higher bushfire risk.

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2.2 Fire climate

The temperate and maritime climate of Devonport ameliorates the potential bushfire conditions compared to some parts of Tasmania, although significant fire weather and fuel dryness conditions can be expected in summer months. The mean annual rainfall at KTG is probably greater than 1000 mm (AVK Environmental Management 2005) although the summer months are much drier than winter months. The most significant fire weather in summer is associated with south-westerly to westerly winds, low humidity and High fire danger (SFMC 2014). Figure 1 indicates that Very High fire danger may occur approximately two days every three years over the worst months of January and February. Days of Severe, Extreme or Catastrophic fire danger are extremely rare; only one such day was recorded from 2006 to 2016 (**Figure 1**).

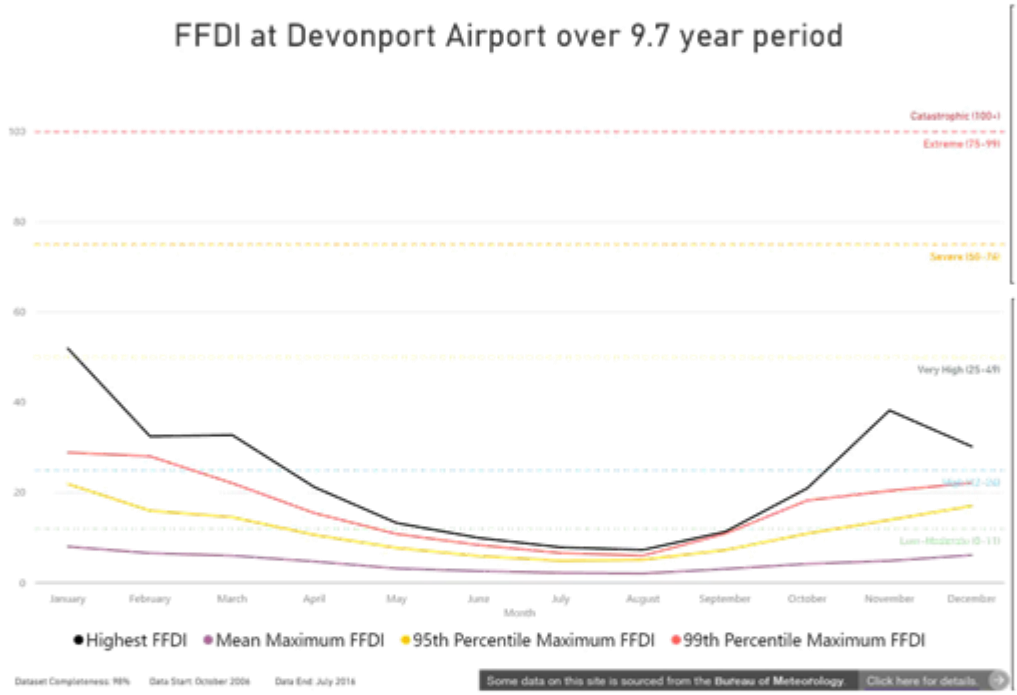

Figure 1: Forest Fire Danger Index (FFDI) at Devonport Airport. 99th percentile is shown per calendar month, which means approximately one day per three years. Source: State Fire Management Council.

2.3 Fuel hazard and fire behaviour

The eucalypt forests and woodlands of KTG are highly flammable. The 'Overall Fuel Hazard' (Hines et al. 2010) rating for most of the area is Very High. Areas burnt by plan burns from 2014 to 2016 have a Low fuel hazard. The understorey typically has dense shrubs, bracken and sedges up to 1.5 m high; these near surface and elevated fuels are conducive to fast spreading, intense fires. The bark fuels on the dominant stringy bark (*Eucalyptus obliqua*) and black peppermint (*E. amygdalina*) trees within the KTG have the potential to produce significant numbers of embers and spot fires under Moderate to Very High fire danger conditions.

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Under High fire danger conditions in areas with a Very High fuel hazard, bushfires are likely to be very difficult to control and embers will present a significant bushfire attack on nearby houses.

2.4 Fire history

Bushfires of undetermined cause burnt the western side of the KTG in 2004 and 2006 but the fuel hazard in these areas has now returned to Very High levels. Planned burns on the northern and eastern boundaries of KTG were conducted in 2014, 2015 and 2016. The entire KTG reserve was burnt at least once by various bushfires in the 1980s and 1990s (AVK Environmental Management 2005). Planned and unplanned fires from 2004 onwards are indicated on **Map 2**.

2.5 Built assets and community

Urban and semi-rural housing borders KTG on all sides. Recent subdivisions are infilling on the northern and western boundaries (**Map 1**). The houses assessed as being most at risk from bushfires in KTG at the present time are located on Leary Avenue.

A high voltage powerline easement extends across the northern end of the reserve while a transmission line easement is located in the southeast corner. A major water storage facility, the Williams Reservoir, is located at the northern end of KTG although this land is managed by TasWater.

All of the built and infrastructure assets within and neighbouring the KTG are vulnerable to bushfire attack and damage, along with nearby communications towers on private property.

Facilitated by the network of trails (**Map 3**), the KTG is used by the public for recreation activities including running, mountain biking and bushwalking; these users are at risk from bushfires on days of High fire danger. The mountain bike trails, walking tracks, track markers and signs are all community assets that could be damaged by bushfires.

2.6 Fire Protection Plan

Under the Fire Service Act 1979, the Fire Management Area Committee for the Central North Fire Management Area is responsible for preparing and annually updating a Fire Protection Plan (State Fire Management Council 2016). The KTG sits within this area and has been identified in the current Fire Protection Plan as an area of strategic importance and high priority for fuel treatment. The plan also identifies the need for a fire break between KTG and houses on Leary Avenue.

The Fire Protection Plan presents the results of computer bushfire risk modelling that has been conducted by the Fuel Reduction Unit of the Tasmania Fire Service for the broader landscape that includes KTG. This model called Phoenix RapidFire, illustrates where ignition points under High fire danger conditions with a west to south-west wind would most impact on built areas (mapped as 'human settlement areas' in the model; see also State Fire Management Council 2014). The results indicate that under current fuel conditions bushfires starting in bushland to the west and southwest of the KTG present significant bushfire risk to built areas, while a bushfire starting within KTG is also a risk (**Map 4**).

2.7 Fire simulation modelling

A computer bushfire simulator called SPARK (https://research.csiro.au/spark/) was used for this bushfire plan to examine the spread of fires under several ignition scenarios. These simulations utilised a scenario that matches the 99th percentile for fire weather (**Figure 1**) and under a west to southwest wind direction as used in the Phoenix RapidFire simulations (Section 2.6; State Fire Management Council 2014). The simulations illustrate the size and intensity of fire that could be expected from different ignition points and

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therefore the length of the impact zone when these fires reach built areas (**Map 5a, 5b and 5c**). The ignition points were selected to maximise fire development and size over KTG with the given wind direction as indicative high risk bushfire scenarios. Other scenarios are possible with differing ignition points, wind direction and fire weather conditions which would produce different spread patterns and impacts.

The simulations illustrate the significant bushfire potential in KTG. It is conceivable that the entire KTG could burn within several hours and that the fire intensity could exceed 10,000 kW/m at the urban interface such as at Leary Avenue (**Map 5a and 5b**); an intensity considered sufficient to cause damage to built assets (State Fire Management Council 2014).

2.8 Duty of care

Devonport City Council has a duty to take reasonable care to keep fire on the land it manages to prevent harm to neighbours. This principle comes from common law but what obligation Council (or any other landowner) has to manage vegetation fuel hazard prior to the ignition of a fire started by a third party is untested in an Australian court (Eburn and Cary 2016). A reasonable standard of care in terms of managing fuels requires consideration of the following factors:

i. The level of risk in terms of consequences (e.g. proximity of houses at risk) and likelihood (e.g. fuels, climate, ignition history, access).
ii. The cost of managing the fuels.
iii. Meeting wider community expectations beyond what may be unambiguous legal requirements.

3 Fire and Natural Values

3.1 Vegetation and Threatened Species

The vegetation of Kelcey Tier Greenbelt (KTG) is mostly shrubby eucalypt forest dominated by stringy bark (*Eucalyptus obliqua*), black peppermint (*E. amygdalina*) and black gum (*E. ovata*). Ground truthing indicated that the latest version of the state-wide vegetation map TASVEG (Kitchener and Harris 2013) is inaccurate and therefore the more accurate map from the 2005 plan is used in this plan (AVK Environmental Management 2005) (**Map 6**). Much of the forest in KTG is intermediate between wet and dry eucalypt forest and while small areas of typical wet eucalypt forest are present, particularly on the eastern side, the understorey structure is closer to dry forest over most areas.

Threatened native vegetation communities listed under the Nature Conservation Action 2002 and present in KTG include:

- *Eucalyptus ovata* forest and woodland
- *Eucalyptus viminalis* wet forest

There are several areas of these threatened communities within KTG, although these are not all indicated on the latest TASVEG map. Paperbark (*Melaleuca ericifolia*) is present in some areas of KTG as either a shrub or sub-dominant tree in the understorey beneath eucalypts but does not form a swamp forest as listed under the Nature Conservation Action 2002.

No threatened flora species have been recorded for KTG. Threatened fauna recorded in KTG (AVK Environmental Management 2005 and Natural Values Atlas) include:

- Central North burrowing crayfish (*Engaeus granulatus*)

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- eastern barred bandicoot (*Perameles gunnii*)
- grey goshawk (*Accipiter novaehollandiae*)
- masked owl (*Tyto novaehollandiae*)
- spotted-tailed quoll (*Dasyurus maculatus*)
- swift parrot (*Lathamus discolor*)
- tasmanian devil (*Sarcophilus harrisii*)

However, no raptor nests are recorded from the KTG.

The vegetation mapping and descriptions and other information on flora and fauna in the earlier fire plan for KTG (AVK Environmental Management 2005) is still a useful reference, including citation of the vegetation survey conducted by Louise Gilfedder in 1992.

3.2 Appropriate Fire Regimes

To maintain biodiversity, the aim should be to provide appropriate fire regimes that will facilitate the persistence of species and habitat. To achieve this planned burning is required at appropriate intervals, seasons and intensity. Maintenance of habitat such as large, old trees is important for fauna. **Table 1** summarises the recommended fire regimes for biodiversity maintenance objectives. Care should be taken to ensure appropriate fire regimes are maintained in threatened native vegetation communities (section 3.1).

The vegetation of most areas of KTG is amenable to planned burning, although the ideal fire regimes for KTG forests and woodlands are not documented in any evidence-based publication. Therefore, what are considered to be appropriate fire regimes for the vegetation communities of KTG are recommendations that will need to be reviewed following monitoring over many decades, in other words, by applying the adaptive management model (see AFAC 2016).

To manage fuel loads at levels that will reduce bushfire risk, planned burning may be required at intervals shorter than recommended in **Table 1** in some areas and therefore may not be optimal for biodiversity.

4 Fire Management and Hazard Reduction

4.1 Hazard management at reserve boundaries

4.1.1 Fire breaks

Firebreaks at the boundary of Kelcey Tier Greenbelt (KTG) will reduce the risk of a fire exiting the reserve and affecting neighbouring properties. Fuels nearest to houses will contribute the most to ember attack and access at the boundary provides advantage for bushfire control. The width of the fire breaks should be sufficient to provide safe access for fire tankers.

Based on the risk assessments, current landscape context, practical considerations and applying the TFS guidelines for Management (Class 1) standard calculations (Tasmania Fire Service 2016), the maintenance of fire breaks at the boundary of KTG is required at the locations shown on **Map 7**, adjacent to houses on sections of Hedstrom Drive and Leary Avenue. These fire breaks should be the width indicated on **Map 7**, as measured from the property boundaries, and maintained to the standards indicated in the TFS fuel break guidelines (Tasmania Fire Service 2016), including the provision of access points and drivable by four-wheel drive light tankers. Cooperation with TasWater is required for the maintenance of the fire break on Leary Avenue.

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4.1.2 Hazard management on neighbouring properties

Some houses bordering KTG have either a bush fuel hazard actually on their properties, poorly designed/maintained buildings or gardens/landscaping (or a combination of these) that exacerbate their bushfire risk. The most effective reduction of bushfire risks to life and property on neighbouring land occurs within the hazard immediately abutting built assets, with management of the fuel hazard in the adjoining KTG an important complementary risk reduction measure.

To maximise the reduction of risks to life and property a bushfire risk awareness program with neighbours is required; it will provide advice on the following:

- Clarification of the level of risk (likelihood and consequence)
- Removal/modification of fuel hazard in gardens and around houses to maintain a hazard management area.
- Ensuring garden plantings are consistent with providing a hazard management area.
- If reticulated water is not connected to the property, provision of personal water supply.
- For houses that are not constructed to a level appropriate to their Bushfire Attack Level (BAL), retrofitting measures that can reduce their risk.

Much of this information is readily available on the TFS website and can be downloaded. The awareness program will also provide neighbours with information about the risk reduction measures being undertaken within KTG.

4.1.3 Future development

It is important that all future housing, subdivisions and other development surrounding KTG complies with contemporary bushfire planning standards (Australian Standard 3959-2009) and local government regulation. While this is now normal practice for subdivision and building approval, it is important that Council maintains diligence to minimise the cost burden on ratepayers and environmental impact of fuel management within KTG that may be incurred by further development.

4.2 Planned Burning

Planned burning units are indicated on **Map 7** and categorised by the primary burning objective as follows:

- *Asset Protection* – for each individual burn, reduce the Overall Fuel Hazard rating to Low over 80% of the target burn area; burn at intervals to maintain, as far as feasible with available resources, an Overall Fuel Hazard rating of Moderate or less; increase burn intervals if there is measured evidence of degradation of important habitat.

Considerations for the design of the burning units and schedule (**Table 2**) were as follows:

- The bushfire risk as described in section 2 and the Central North Fire Management Area Fire Protection Plan (State Fire Management Council 2016)
- The burning program of the Fuel Management Unit, Tasmania Fire Service which is guided by the Fire Protection Plan
- The fire history and current fuel hazard
- The vegetation communities and what is currently believed to be an ecologically appropriate fire regime (**Table 1**)
- Practical fire boundaries
- Likely available resources.

Burn scheduling is subject to priorities and resources allocated by TFS. Burning operations should consider the guidelines in **Table 3**.

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4.3 Fire Trails and other access

The KTG has a network of fire trails that provide access for fire-fighting as well as boundaries for planned burning units. The standard of these fire trails is adequate for small four-wheel drive fire-fighting appliances up to class 5 size (<1000 litres water capacity).

The fire trails indicated on **Map 3** should be maintained to ensure they continue to be trafficable. Fire trails should be inspected at least annually in spring and maintenance undertaken as required such as removal of fallen trees, slashing and erosion control.

New control lines were created in 2017 on or near the boundary of KTG to facilitate the fuel reduction burning operation for unit KTG3 (Map 7). Subject to agreement between Council and the relevant landowners, these should be maintained as permanent fire trails.

Signage is important for fire trails because it facilitates efficient access by fire crews during fire operations and reduces the safety risk to fire-fighters. Therefore, good signage should be maintained throughout KTG utilising the fire trail numbers indicated on **Map 3**.

4.4 Water supply for fire-fighting

Reticulated water and fire plugs are located in subdivisions surrounding KTG. Two dams are located near the western end of Durkins Road on private property that are suitable for fire appliances to draw water (**Map 3**). No new water infrastructure is proposed.

4.5 Bushfire preparedness and response

4.5.1 Season preparedness

Suppression response within the KTG is the responsibility of TFS. Annual pre-season briefing between Council staff, TasWater and TFS district staff and brigades is required to ensure that TFS are aware of issues that will affect their capacity to respond, for example:

- Condition of fire trails
- Location of access points, locked gates and provision of keys
- Recent fuel management
- Sharing of contact details and names of key officers
- Sharing of mapped information.

Appropriate Council staff should be available to provide liaison for TFS during suppression operations to ensure that information is provided on known natural and cultural values that may affect suppression strategies or tactics, for example:

- minimise damage to large habitat trees
- sensitivity with earth moving equipment, for example: *Eucalyptus ovata* forest and woodland; *Eucalyptus* viminalis wet forest; swift parrot habitat (**Map 6**)
- avoidance of occupied swift parrot habitat (if known).

The above considerations will always be limited by the overall objectives of fire suppression and practical constraints.

4.5.2 Emergency response plans

An emergency response plan is desirable for the regular activities of community organisations (e.g. mountain bike club). These plans, which should be developed in consultation with the TFS, should identify

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the Forest Fire Danger Index trigger above which activities are suspended and evacuation procedures in the event of a bushfire occurring in the KTG. The preparation and maintenance of these plans is the responsibility of the community organisations. While it is not known if such plans already exist, Council will discuss the matter with the organisations in the context of this bushfire management plan.

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5 Monitoring and Evaluation

The effectiveness of the strategies and actions listed in the plan are to be monitored and evaluated. Whilst management of access, neighbour awareness and other risk factors are important, it is worth elaborating on the key bushfire risk management strategy which is fuel and fire regime management.

The success of planned burning depends on the extent to which completed operations achieve the intended objectives. Typically, it is necessary to be able to answer the following questions:

- Was the fuel hazard reduced to the targeted level?
- Has the burning contributed to a fire regime that is maintaining natural values?

If the answer to either of these questions is no, then adjustments to burning prescriptions and or the planned fire regimes need to be made.

The recommended fire intervals (**Table 1**) are based on a general knowledge of the ecology of the plants in Kelcey Tier Greenbelt (KTG) and expert judgement, but in reality there is little detailed underpinning evidence at the local scale. The thresholds of 15 and 25 years may be too high, too low, or unhelpful to determine the best fire regime for maintaining biodiversity. From the perspective of bushfire risk management, it would be beneficial to validate whether or not the minimum threshold can be reduced, because there is an apparent discrepancy at the present time in understanding of fire intervals best suited for fuel reduction verses biodiversity management.

Given that the KTG contains thousands of native species of higher and lower plants, mammals, reptiles, birds and invertebrates, we will never have knowledge of the fire ecology requirements for all individual species. It is possible, however, to monitor some indicators of vegetation health and species diversity.

The actions required to assess fuel loads and monitor vegetation and species diversity are specified in **Table 4**.

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Tables

Table 1: Recommended fire regimes to maintain biodiversity.

Vegetation Community	Recommended fire interval	Comment for this fire plan period
Eucalyptus obliqua dry forest *Eucalyptus obliqua - E. amygdalina* damp sclerophyll forest *Eucalyptus ovata* forest and woodland	15-25 years	Some areas may require burning at 8-10 year intervals to manage bushfire risk.
Grassy *Eucalyptus ovata* woodland Grassy *Eucalyptus viminalis* woodland	5-20 years	Avoid burning in spring if swift parrots present
Eucalyptus obliqua forest with dense *Melaleuca ericifolia*	25-100 years	Avoid burning
Eucalyptus obliqua wet forest *Eucalyptus viminalis* wet forest	25-100 years	Avoid burning

Table 2: Planned burning schedule.

Unit Code	Objective	Ideal Burn Year	Area (ha)	Notes
KTG1	Asset Protection	2026	11.4	Burn when Overall Fuel Hazard reaches High
KTG2	Asset Protection	2019	6.0	
KTG3	Asset Protection	2018	143.7	Exclude the areas burnt in 2014
KTG4	Asset Protection	2021	1.4	Consult neighbours about water infrastructure
KTG5	Asset Protection	2027	9.8	Burn when Overall Fuel Hazard reaches High
KTG6	Asset Protection	2020	15.7	The inclusion of neighbouring private land in the burn unit should be considered

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Table 3: Guidelines for persons responsible for planning and conducting individual planned burns.

Planned Burn Guidelines
1. Prescriptions for planned burning should follow the Tasmanian operational burning guidelines (Marsden-Smedley 2009).
2. A detailed written operational burn plan is required for each individual burn. To prepare this plan, field inspection will be required to assess fuels, internal areas that should be excluded (if practical) and condition of boundaries. Some other factors to consider are noted below. The boundaries of units may be modified from those indicated on Map 7 where necessary.
3. The impact of smoke on neighbours should be managed in accordance with best practice as guided by Tasmania's Co-ordinated Smoke Management Strategy (CSMS): http://epa.tas.gov.au/Pages/Management-of-Planned-Burning.aspx.
4. Consult neighbours, user groups and community groups when preparing the operational burn plan to identify any issues that may impact the burn operation.
5. Consult weed managers to plan any pre-burn and post-burn weed treatment. Spanish heath (*Erica lusitanica*) and gorse (*Ulex europaeus*) are of particular concern.
6. Wet eucalypt forest and dense *Melaleuca ericifolia* stands should be excluded from burning within burn units by setting prescriptions that utilise the fuel moisture differential between the stands and surrounding vegetation. Typically target fuels will dry out faster than non-target fuels following rain events.
7. Large old trees should be protected from burning as far as practical (e.g. clearing fuels, wetting down) to protect habitat. Concerned community groups may assist in identifying the location of these.
8. If swift parrots are present in the burn unit then do not burn in spring or summer.
9. If major bushfires occur in the area then the burn schedule will require revision, taking into account the reduction in future bushfire risk and recommended fire regimes.

Table 4: Monitoring and evaluation of fire plan strategies.

Action	When
1. Fire history: record all fire perimeters, both planned and unplanned, in a GIS database, including categorical estimates of the fire intensity and post-fire fuel status: surface, near surface, elevated and bark fuel hazard ratings. This is a key element of monitoring and the highest priority because it enables fire managers and researchers (e.g. university students) to undertake investigations at any time in the future that may inform adjustment of the planned fire regimes.	After each fire event
2. Conduct tree risk assessment due to potential hazard of falling limbs and trees.	After each fire event
3. Fuel hazard: estimate Overall Fuel Hazard rating in Asset Protection burn units (Map 7).	Annually from 7 years post-burn onwards
4. Understorey shrubs: select several species to monitor at specific monitoring points and record estimates of cover and abundance over a specified area. At least 6 monitoring points.	Once per burn cycle: ideally 5 years post-burn
5. Forest structure: utilise photographic monitoring points to monitor change in density, age and cover of tree and shrubs. Include categorical descriptions of tree and shrub health. At least 6 monitoring points including at least 3 in Asset protection burn units.	Once per burn cycle: ideally 5 years post-burn
6. Swift parrot habitat: subject to available resources, record and map the utilisation of habitat (foraging and nesting) over successive seasons.	Annually in early summer
7. Record all species monitoring data in a Council database linked to GIS.	Every year

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Table 5: Action Plan

Strategy	Action	When	Responsibility
Hazard management at KTG boundaries in accordance with the TFS Fuel Break Guidelines (Map 7)	1. Undertake and then annually review a risk assessment of recommended fire breaks to determine extent of works required	Staged approach	DCC
	2. Boundary fire breaks slashed	Annually	DCC
	3. Appropriate hazard management areas maintained within private properties around houses	Annually	Neighbouring property owners
	4. Bushfire awareness program to inform neighbours	Every 2 years	DCC and TFS
	5. Future development surrounding KTG managed	Ongoing	DCC
Planned burning (Map 7)	Planned burns conducted in accordance with schedule (Table 2) and guidelines (Table 3)	Autumn / spring of planned year	TFS with support and advice from DCC
Fire trails (Map 3)	Tree clearing, slashing and surface maintenance	Checked each spring and maintain as required	DCC
Preparedness and response	1. Pre-season briefing and sharing of information (e.g. at multi-agency pre-season briefing)	Oct-Nov each year	DCC and TFS
	2. Emergency response plans for relevant community organisations to include evacuation procedures for bushfire	Every bushfire	relevant community organisations with advice from TFS (e.g. Mountain Bike Club
	3. Response	Every bushfire	TFS with liaison and advice from DCC

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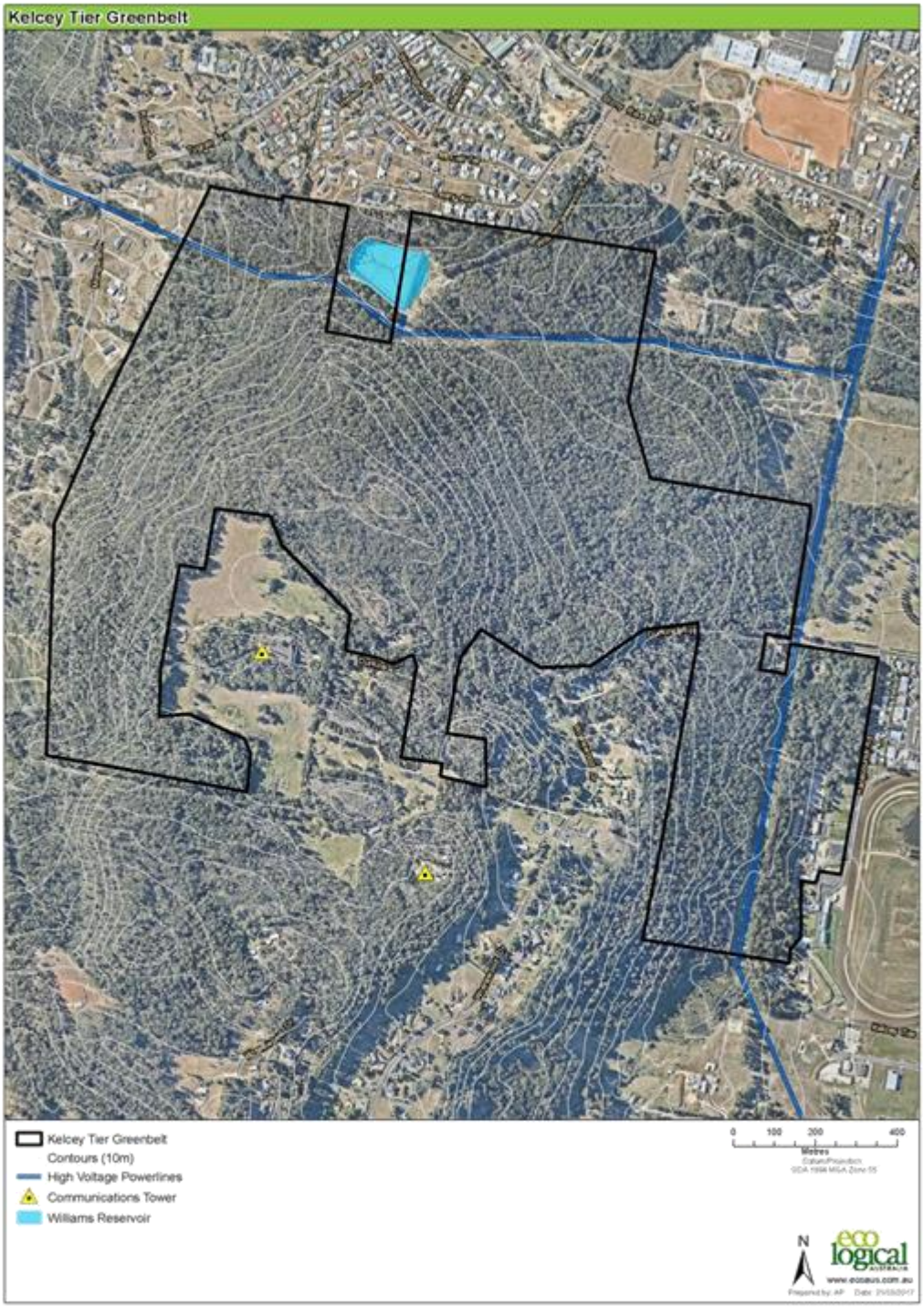
Maps



Map 1: Kelcey Tier Greenbelt

Kelcey Tier Greenbelt boundary; Significant Assets: high voltage powerlines, communications towers, Williams Reservoir

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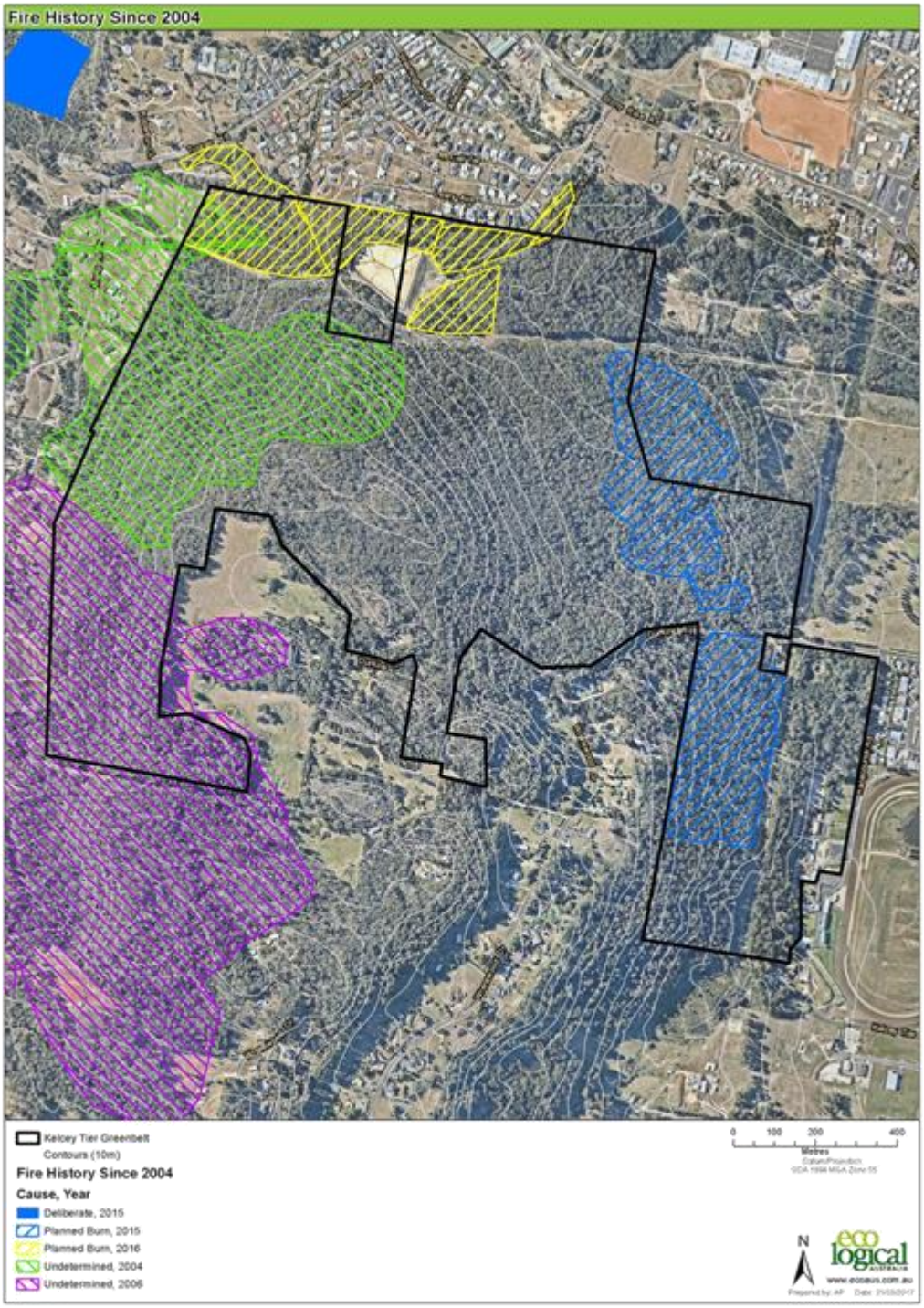

Map 2: Fire history since 2004
Fire history showing ignition cause

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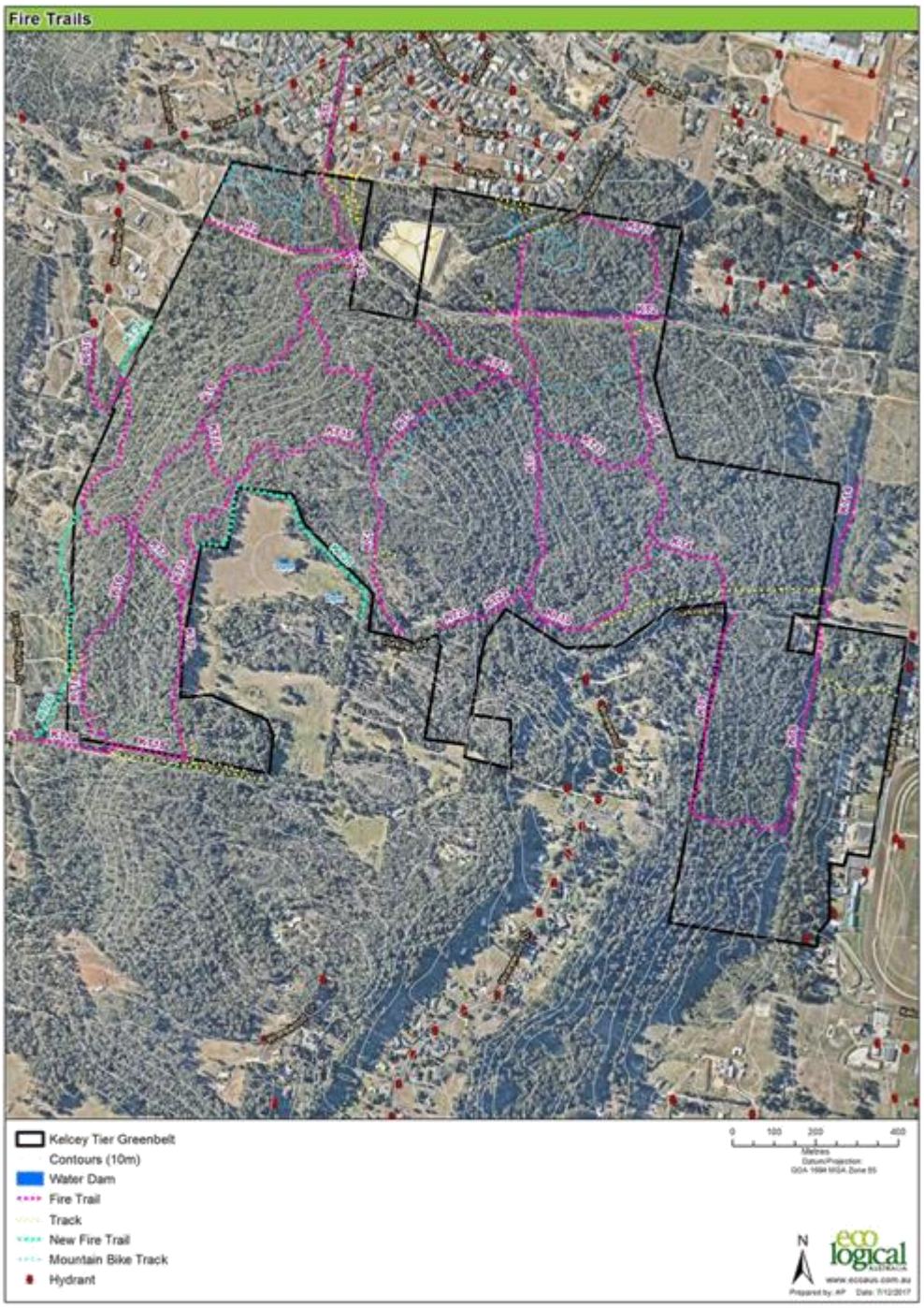

Map 3: Fire trails and water points

Fire trail numbers; Water dams; Fire hydrants

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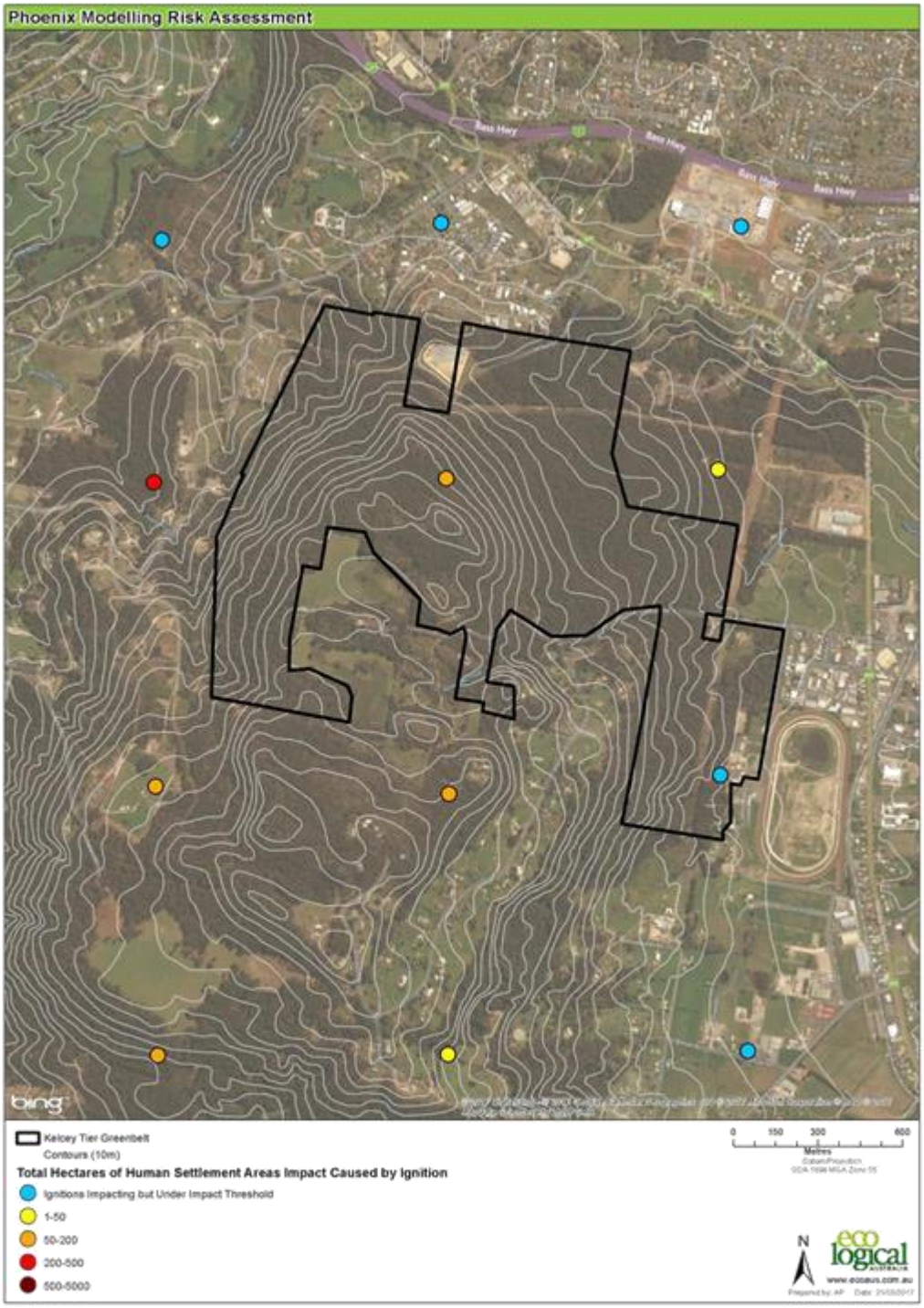

Map 4: Phoenix Modelling Risk Assessment

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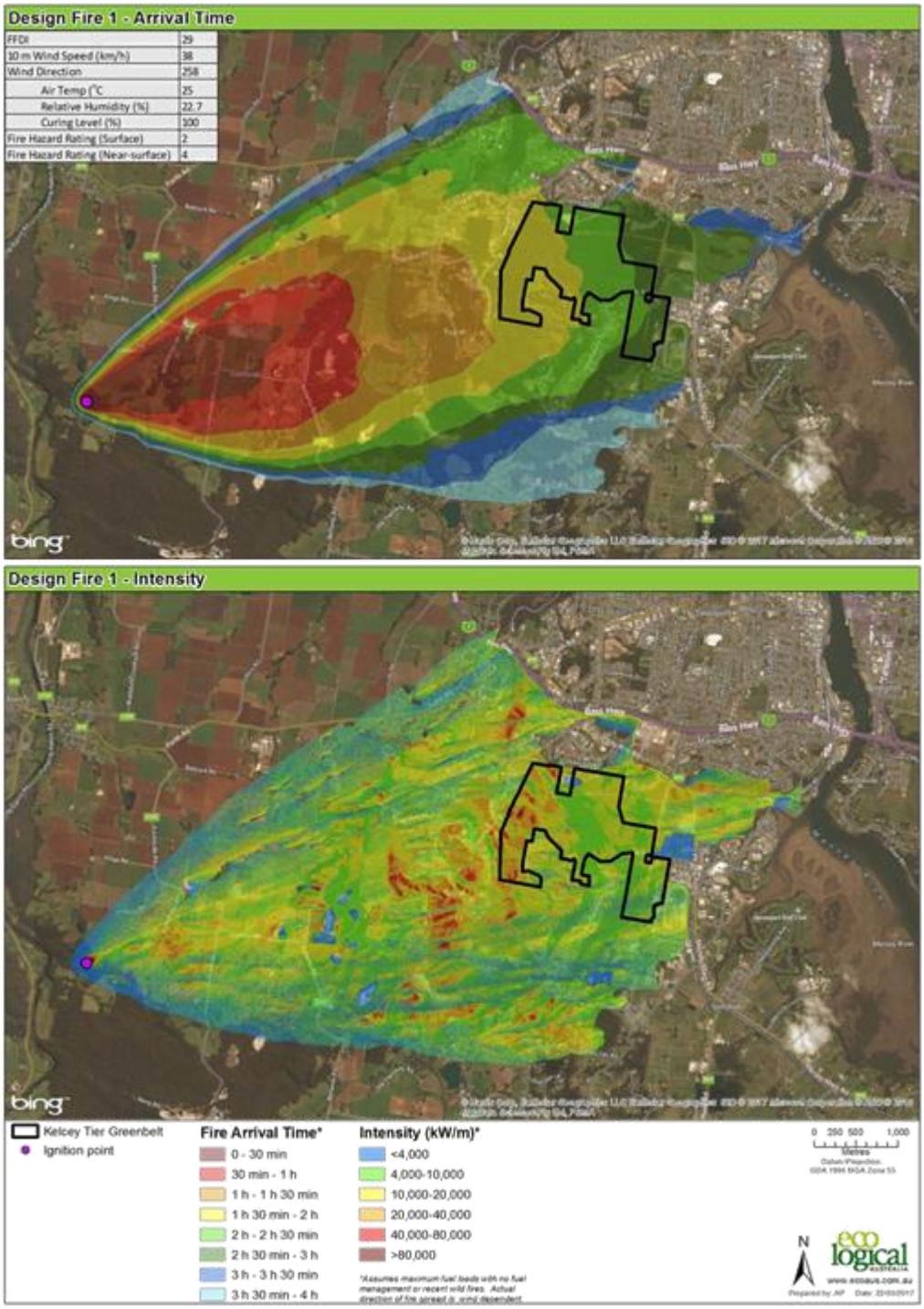

Map 5a: Spark Simulation (Design Fire 1)

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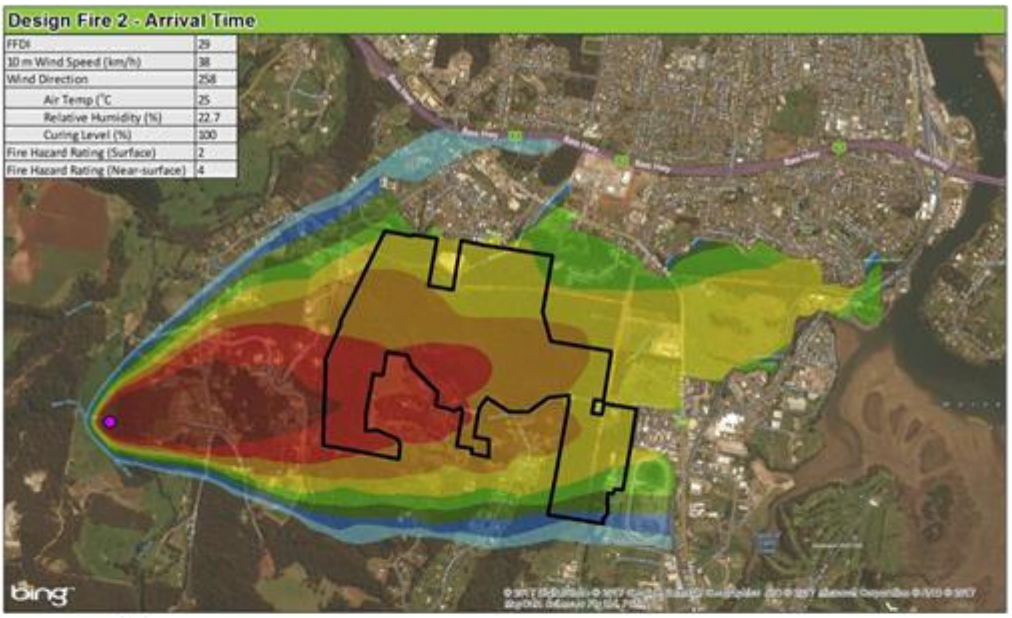
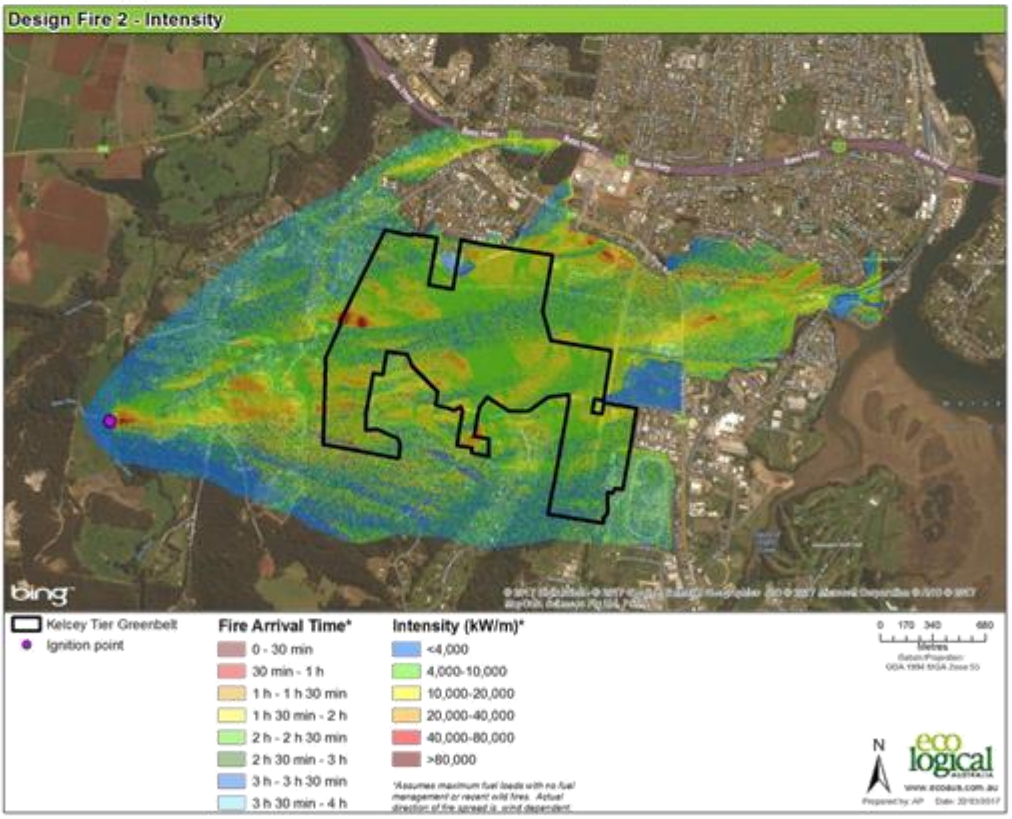
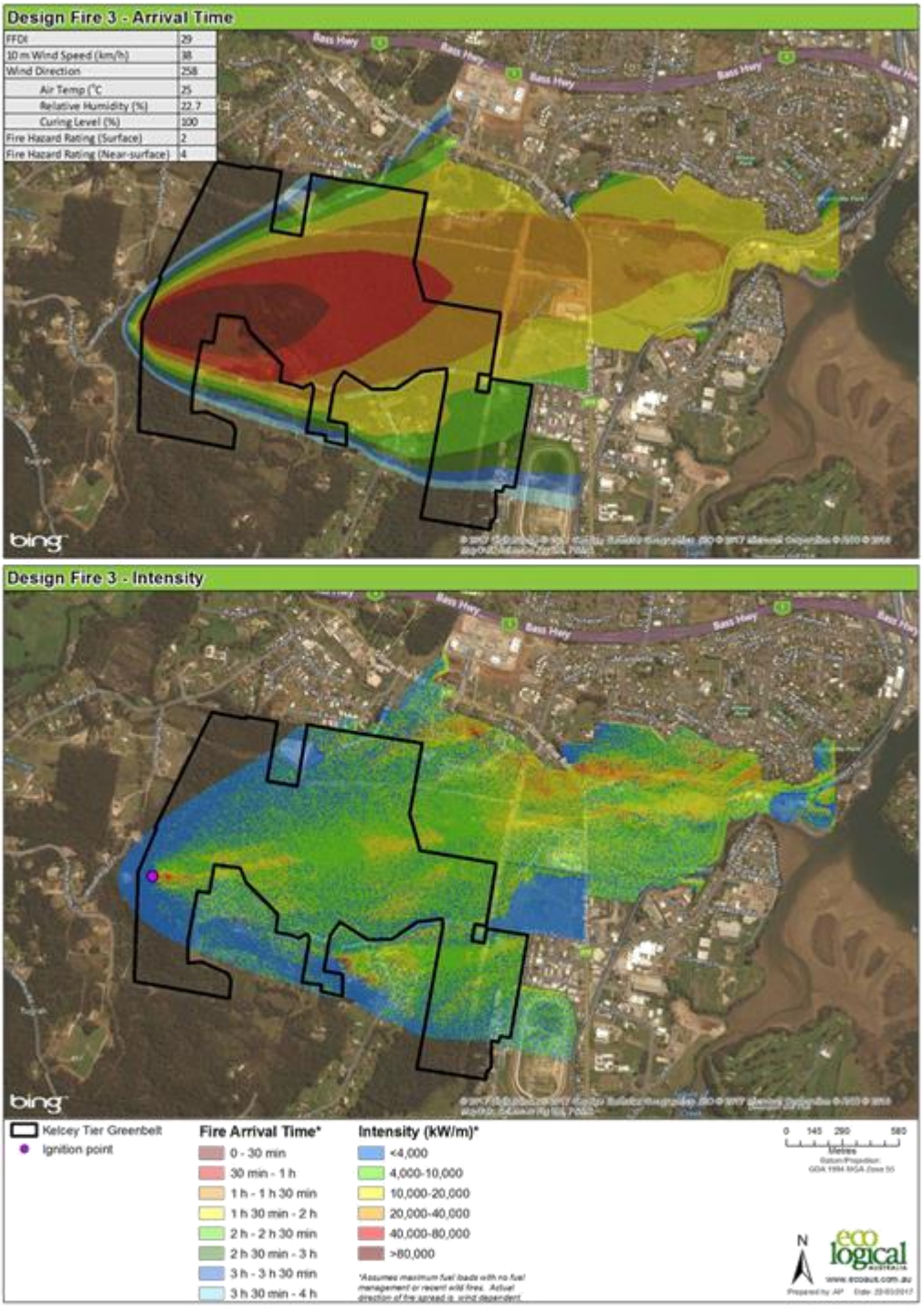
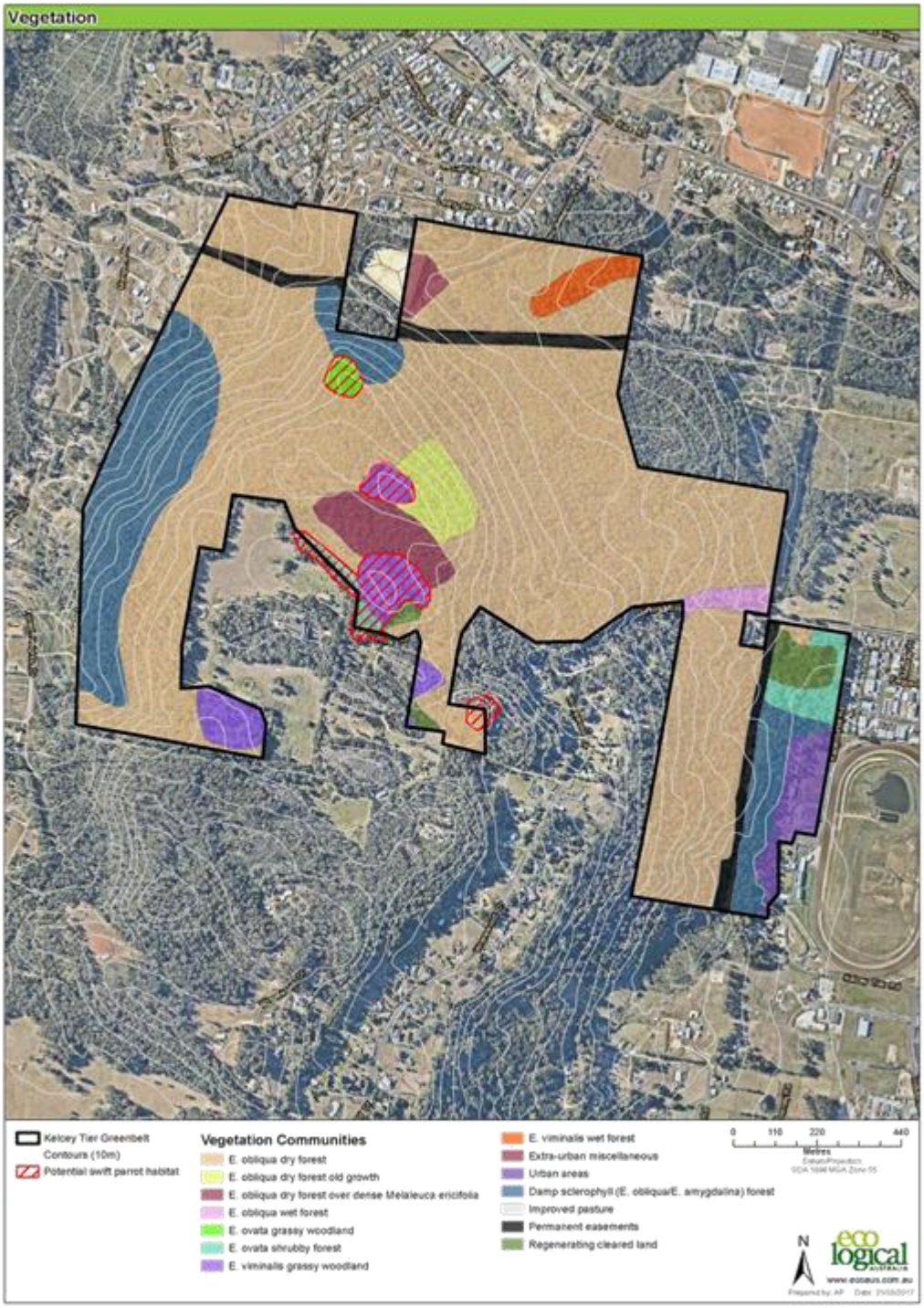




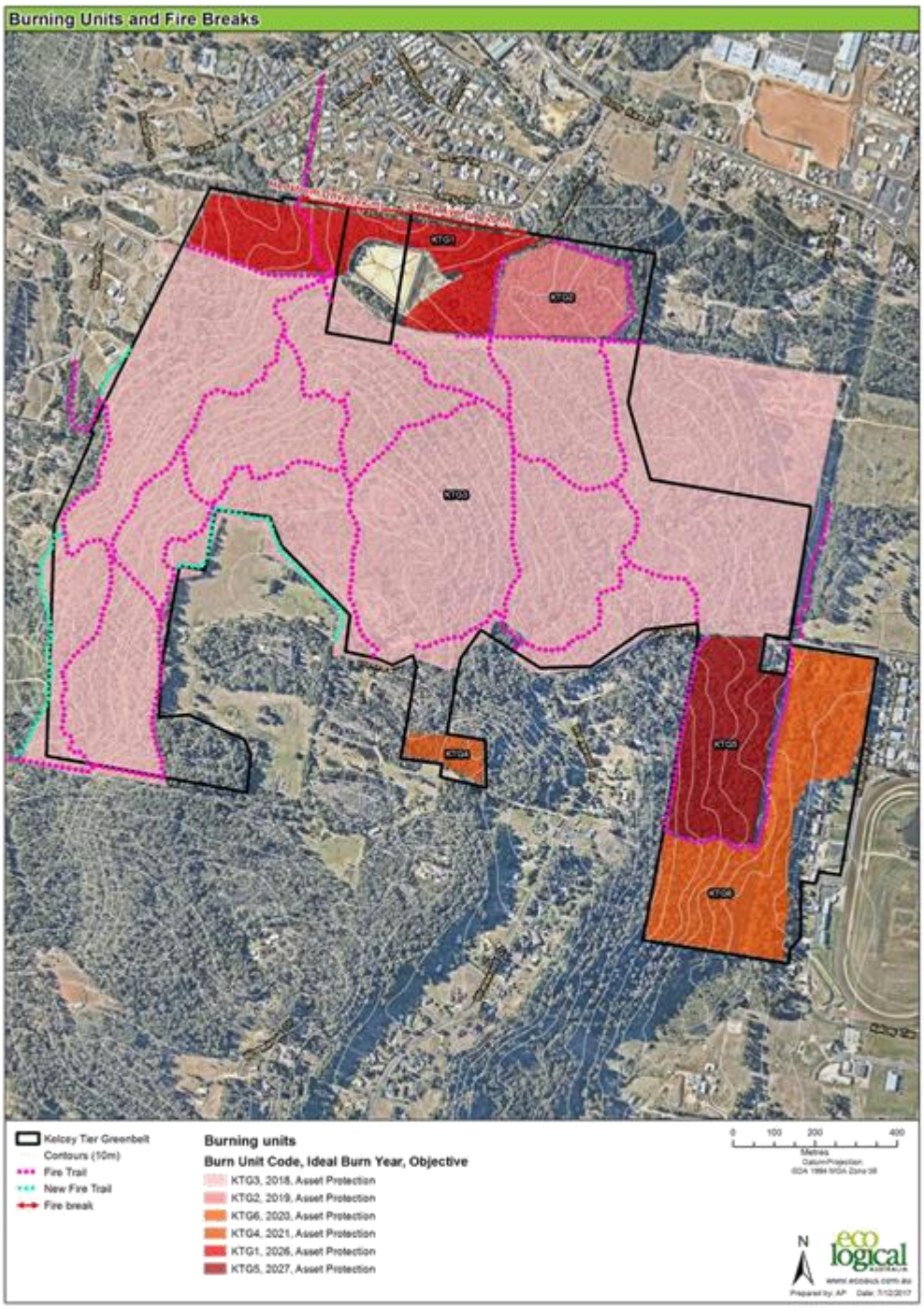
Map 5b: Spark Simulation (Design Fire 2)



Map 5c: Spark Simulation (Design Fire 3)



Map 6: Vegetation



Map 7: Burning Units and Fire Breaks

Burning units showing code (unit name), ideal burn year and objective (colour: Asset protection or Ecological); Fire breaks indicating width.

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5.2 CRADLE COAST SHARED SERVICES REPORT - FINAL

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RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.1.2 Pursue opportunities for cooperative initiatives including resource sharing with other councils, organisations and community groups

SUMMARY

This report is provided to assist Council in considering its response to the Shared Services Report prepared on behalf of the nine Cradle Coast Councils.

BACKGROUND

In November 2014, the Minister for Planning and Local Government, The Hon Peter Gutwein wrote to all Tasmanian Mayors and advised them of the State Government's desire to develop a relationship with local government that would assist in making Tasmania the most competitive and attractive jurisdiction in the country to live, work and invest.

The Minister indicated that "*A conversation around voluntary amalgamations and resource sharing is a good starting point in pursuing that objective*".

The Minister suggested that councils needed to take the initiative and seriously consider how they could improve their strategic capacity, financial sustainability and service delivery.

Despite Devonport Council's interest in considering voluntary amalgamations there was little appetite in the rest of the region. After lengthy discussion and debate the Council at its meeting on 18 January 2016 determined:

That the report of the General Manager relating to the proposed Shared Services Study in the Cradle Coast Region be received and noted and that Council:

1. *endorse the Memorandum of Understanding (MOU) between the Tasmanian Government and the nine Cradle Coast Councils to formalise the arrangements for the development of a feasibility study regarding a strategic shared services initiative between all Cradle Coast Councils;*
2. *endorse the Project Steering Committee responsible for the management of the MOU, being:*
   - *Mayor Anita Dow, Burnie City Council*
   - *Mayor Jan Bonde, Central Coast Council*
   - *Mayor Duncan McFie, King Island Council*
   - *Paul West, General Manager, Devonport City Council*
   - *Michael Stretton, General Manager, Waratah-Wynyard Council*
   - *Brett Smith, CEO, Cradle Coast Authority;*
3. *note that the estimated cost of the proposed feasibility study has been set at a maximum $200,000 and is conditional upon a 50 per cent State Government contribution; and*
4. *agree to contribute Devonport Council's share of the project cost on the same formula used to determine Cradle Coast Authority subscriptions.*

Following a formal tender process, the consulting firm Third Horizon was appointed to undertake the study and to provide a report, including recommendations for the future.

Following Third Horizon's appointment in October 2016, there were a number of workshops and discussions with the various member councils which helped them to form the recommendations contained within the report. Unfortunately, the process for undertaking the assignment and finalising the report took far longer than initially indicated, however the final report was provided to the Cradle Coast Authority on 8 September 2017.

A briefing on the final Report by the lead consultant, Rob Kelly was provided for elected members and senior council staff on 13 November 2017.

STATUTORY REQUIREMENTS

There are no specific statutory requirements relating to the content of this report.

DISCUSSION

A copy of the Shared Services Report has previously been provided to Aldermen under separate cover and is also available on Council's website at www.devonport.tas.gov.au. A copy is also provided as an attachment to this report.

The Executive Summary in the Report summarises the findings of Third Horizon as follows:

For over two decades the local councils in the Cradle Coast have been collaborating in various forms. Although some sharing exists, and there are instances of broader regional and sub-regional sharing, there is not a whole of Cradle Coast shared services strategy or model in place. Third Horizon's assessment concludes that significant benefits can be realised through a broader application of shared services arrangements across the Authority councils.

Third Horizon was engaged to provide an objective and independent point of view on whether benefits existed for further sharing arrangements across the nine Cradle Coast Authority Councils. This took the form of identifying functions which are suitable for sharing and making a recommendation on which shared services model would best suit each functional area. Third Horizon applied a range of high-level quantitative and qualitative assessments on the functions performed by Cradle Coast Councils. A series of recommended shared service model options and high level implementation strategies were developed for shared services candidates.

The completion of this engagement, however, proved to be a challenge on multiple levels. From the beginning there was frank recognition of the tension between different councils and that this tension would come into play and limit agreement on possible sharing arrangements. Furthermore, the level and useability of data provided by councils varied. Some councils provided minimal data, others expressed little confidence in their data, while some councils had limited participation in interview and meetings.

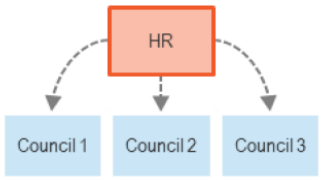
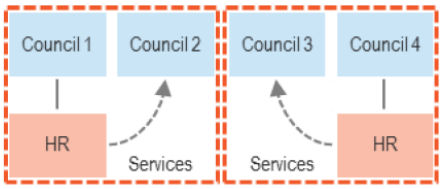
As a result two truths need to be acknowledged. First, many service areas would benefit from shared services arrangements. Second, it may be difficult for any party to let go of local interest on behalf of a shared vision and shared action for the Cradle Coast region as a whole.

Third Horizon recommendations

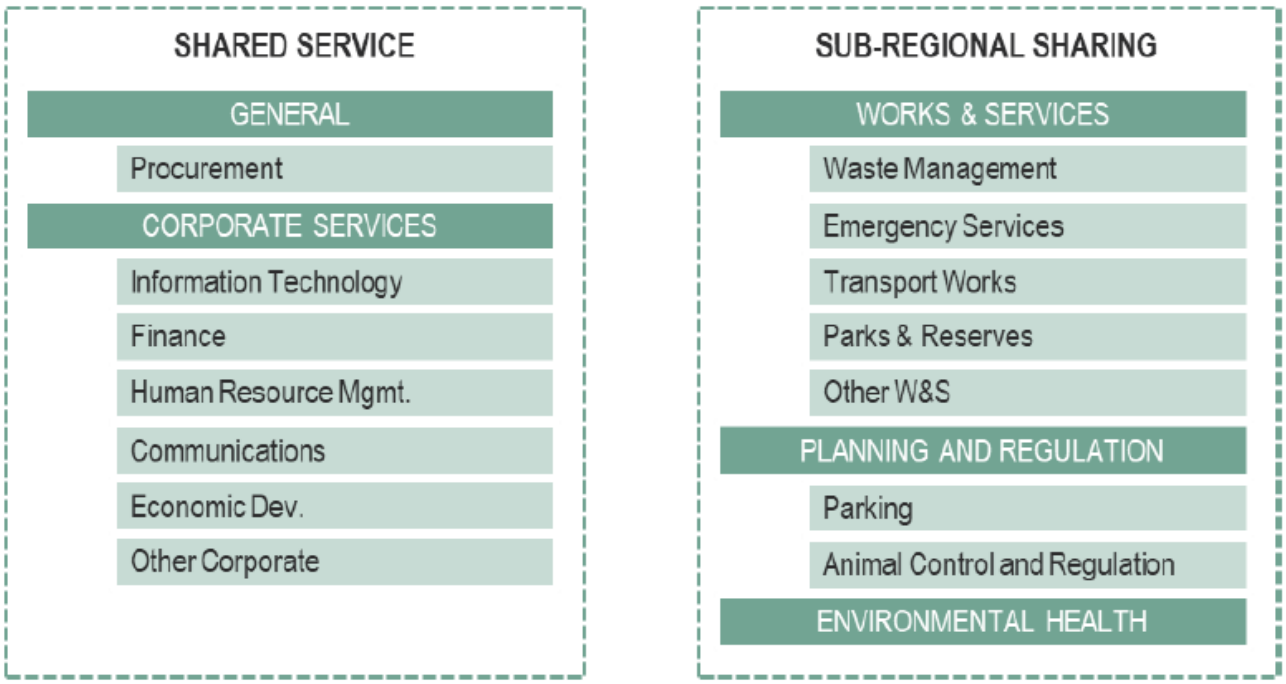
Third Horizon's evaluation indicates that an increase in sharing arrangements across Cradle Coast Councils could provide significant qualitative and quantitative gains. We assessed the high level financial benefits that the councils could collectively realise through shared services and evaluated the expected complexity of implementation. A list of priority functions and indicative benefits is outline in the table below:

Function	Potential Qualitative Benefits	Potential Quantitative Benefits (millions)
Procurement	> Standardising processes increases efficiency and reduces procurement cycle time > Increased sharing can provide a capability uplift in procurement	$2.5+
Information Technology	> A shared IT environment enables process standardisation across councils > Shared IT services can provide an IT capability uplift	34% avoided cost on regional IT upgrade scenario ($1+)
Finance	> Reduction in duplication and inefficiencies > An increased scale can enable capability uplift and help attract and retain specialist talent	$1.5+
Human Resources Management	> Reduction in duplication and inefficiencies > An increased scale can enable capability uplift and help attract and retain specialist talent	$0.5+
Waste Management	> Optimise waste management infrastructure > Sustained operational efficiency and benefits realisation	$3.5+
	Total	$9+

Based on the operational nature of each service and how benefits could be realised, our final recommendations took the form of two shared services models: independent shared services and sub-regional arrangements.

INDEPENDENT SHARED SERVICES	SUB-REGIONAL ARRANGEMENTS
	
> A shared services entity provides the service to all other councils. > Services levels are established. > Fees are incurred based on service levels	> A sub-set of councils share a service > A shared resource provides the service to more than one council, with agreed service parameters. > A cost sharing model is established (e.g. service fees, cost sharing).

Third Horizon recommends that an independent shared services model and sub-regional arrangements are considered as part of the Cradle Coast strategy to enable sharing across Cradle Coast Councils. The specific model recommended for each function is based on service factors, such as potential for standardisation and local knowledge requirements. The recommended model for some of the assessed functions is illustrated in the below diagram.



Recommendation: *Establish a shared service model*

A shared services model would consolidate provision of standardised services to the councils. Standardising these functions into a shared service model would deliver cost efficiencies and improve the quality of outcomes. A shared services model could potentially include strategic and advisory services such as planning and economic development. Removing responsibility for execution of these activities from individual councils, will also allow them to focus on core strategic activities.

Recommendation: *Establish/expand sub-regional sharing arrangements*

We recommended that councils work on establishing more structured sharing arrangements for high-potential functions selected for inter-council arrangements. Commencing with higher value functions, councils could either expand or replicate existing sharing arrangements. Once sub-regional sharing has been successfully implemented for prioritised services, councils could seek to expand the sharing across other high-potential functions.

To implement these recommendations Third Horizon suggests a three phased approach. Phase 1 should focus on standing up a shared service model for the area with the highest potential (based on size of opportunity and ease of implementation) in order to realise short term benefits and build trust among the councils. It is also recommended that Information Technology be addressed in Phase 1 for it would be a key enabler to broader sharing. Phase 2 and 3 would then focus on medium potential opportunities. A phased strategy would address councils' objectives and maintain focus on longer term possibilities. Proposed phasing is outlined below:

Model	Phase 1 High Potential Opportunities	Phase 2 Medium Potential Opportunities	Phase 3 Medium-Low Potential Opportunities
Shared Services	> Procurement > Information technology	> Finance > Human Resource Mgmt.	> Economic Development and Communications* > Other Corporate*
Sub-Regional Sharing		> Waste Management (Works and Services)	> Other Works and Services > Community Services*

** Note that some functions with medium-low potential value are included in Phase 3, which nevertheless could deliver qualitative benefits and cohesion to the region. Third Horizon recommends that Cradle Coast councils consider and revisit this list based on the results of the first two phases.*

IMPLICATIONS

The Cradle Coast Councils must be mindful of a number of factors which enable sharing but also present risks which will need to be adequately monitored and managed, notably technology requirements and political support.

Information and communication technologies are critical enablers of inter-organisation sharing, without which most of the potential benefits cannot be realised. In addition, digital innovation is disrupting the way ratepayers experience the council services and will potentially transform the parameters of council operations. Any sharing initiative will need to account for the development of a coherent ICT platform that support current and future operational demands.

While at no point did this study consider or suggest amalgamation of councils, the potential for political discourse touching on potential amalgamations may arise in the future. In February 2016, Peter Gutwein, the Minister for Planning and Local Government, stated that "the Government is committed to ensuring that ratepayers are receiving the best possible services for the lowest possible rates and it is important that we look at voluntary amalgamations and resource sharing as part of that". While the Minister noted several factors that work against these, the rhetoric signals the political will to demonstrate action is taken to improve efficiency. Local councils are therefore encouraged to take proactive leadership in realising shared services benefits for their ratepayers and stakeholders.

Commentary

In a lot of ways, the Shared Services Report 'raises more questions than it answers'. At the recent elected member forums held at the Cradle Coast Authority a number of questions were raised by those in attendance regarding the lack of details on how the proposed sharing and cost savings would be achieved. Unfortunately, there appears to be a level of scepticism in the Region as to the value of pursuing Shared Services. Unless all parties are committed it is likely that little if anything meaningful will be achieved.

The purpose of the Study was to identify those areas that could benefit from shared services and provide not only financial results but also make councils more viable in the future, allowing for savings in some cases to be allocated to improved or enhanced services delivered within the community. There was also a view among some of the councils that enhanced/formal shared services would possibly mitigate the State Government's push for amalgamations.

Whether Council believes that the outcomes suggested can be achieved or not the Report does conclude that there would be significant benefits achieved by pursuing some or all of

the recommendations in some form or other. To not do anything now that the Report has been finalised could be short sighted and lead to more questions around the ability of councils to determine their own futures.

The Report raises a number of potential issues particularly for local government employees and there will need to be a level of consultation with all staff if Council supports moving forward with any or all of the recommendations. There will also likely be a requirement for Council to provide additional resources (both financial and employee) in further reviewing and considering the future options available to it.

Council already have various resource sharing type arrangements (some formal other more informal) with other councils including:

- Dulverton Waste Management (Devonport, Latrobe, Kentish & Central Coast);
- Cradle Coast Regional Waste Management Group (Devonport, Latrobe, Kentish, Central Coast, Burnie, Waratah-Wynyard & Circular Head);
- Recycling Contract (Devonport, Latrobe, Kentish, Central Coast, Burnie, Waratah-Wynyard & Circular Head);
- Regional/State-wide Planning (Devonport, Latrobe, Kentish, Central Coast, Burnie, Waratah-Wynyard, Circular Head, West Coast & King Island);
- Emergency Management (Devonport, Latrobe, Kentish & Central Coast);
- NRM Officer (Devonport & Burnie); and
- Adhoc staffing on an as needed basis.

COMMUNITY ENGAGEMENT

No specific community consultation has been undertaken to this time. Any agreement to pursue the recommendations included with the report will require a commitment from the member councils and will no doubt require/involve detailed community consultation strategies.

FINANCIAL IMPLICATIONS

The Shared Services Project was jointly funded by the nine Cradle Coast Councils and the State Government. The amount of $22,710 provided by Devonport was based on the same methodology as the subscription formula for the CCA.

The Shared Services Report outlines that there would be anticipated savings of $9 million across the Region through the implementation of the recommendations contained in the Report. These indicative savings are based on the information provided by the councils and assessments made by the consultants. Without significant further work it would be difficult to quantify and/or justify the veracity of the numbers.

RISK IMPLICATIONS

The Shared Services Report contains a number of specific recommendations relating to councils further investigating opportunities to move to/participate in shared service delivery programs.

There are obviously a number of risks that could eventuate including but not limited to:

- community concerns;
- some councils not being actively engaged;
- staff concerns as to what impact a move to shared services may have on employment and workloads;

- time and commitment of resources to further model/pursue shared services

CONCLUSION

Council agreed to participate in the Shared Services study at the encouragement of all other Cradle Coast Councils and the Minister for Local Government even though it would have preferred to have seen the modelling for potential amalgamations included.

It is important that the work which has been completed is now properly considered by the member councils and that common agreement if possible is achieved for moving forward.

If Council is not supportive of the recommendation provided an alternative it may like to consider would be:

That Council in relation to the Cradle Coast Shared Services Report:

(a) receive and note the report as attached;

(b) determine not to further involve itself in exploring the Shared Services recommendations on the basis that it does not accept that the benefits outlined are achievable at this time.

ATTACHMENTS

⇩1. CCA Shared Services Project Report - Final

RECOMMENDATION

That Council in relation to the Cradle Coast Shared Services Report:

1. receive and note the report as attached;
2. accept that although there are significant unknowns including issues with the veracity of the data and assumptions made relating to both services/financial comparisons, that it would be in the Council's and community's best interest to agree that further work is undertaken in an attempt to see a broader level of Shared Services implemented at a regional, sub-regional and individual council level; and
3. commit to working cooperatively with other councils in the region to actively pursue opportunities to progress resource sharing options, which may include the commitment of both financial and staff resources.

Author:	Paul West
Position:	General Manager

CRADLE COAST AUTHORITY

Shared Services Project

Final Report

8 September 2017

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AN EXECUTIVE SUMMARY

AN OVERVIEW

For over two decades the local councils in the Cradle Coast have been collaborating in various forms. Although some sharing exists, and there are instances of broader regional and sub-regional sharing, there is not a whole of Cradle Coast shared service strategy or model in place. Third Horizon's assessment concludes that significant benefits can be realised through a broader application of shared service arrangements across the Authority councils.

Third Horizon was engaged to provide an objective and independent point of view on whether benefits existed for further sharing arrangements across the nine Cradle Coast Authority Councils. This took the form of identifying functions which are suitable for sharing and making a recommendation on which shared services model would best suit each functional area. Third Horizon applied a range of high-level quantitative and qualitative assessments on the functions performed by Cradle Coast Councils. A series of recommended shared service model options and high level implementation strategies were developed for shared services candidates.

The completion of this engagement, however, proved to be challenging on multiple levels. From the beginning there was frank recognition of the tension between the different councils and that this tension would come into play and limit agreement on possible sharing arrangements. Furthermore, the level and usability of data provided by councils varied. Some councils provided minimal data, others expressed little confidence in their data, while some councils had limited participation in interviews and meetings.

As a result two truths need to be acknowledged. First, many service areas would benefit from shared services arrangements. Second, it may be difficult for any party to let go of local interest on behalf of a shared vision and shared action for the Cradle Coast region as a whole.

THIRD HORIZON'S RECOMMENDATIONS

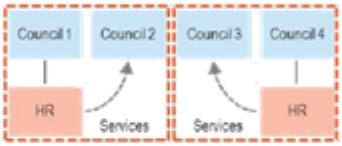
Third Horizon's evaluation indicates that an increase in sharing arrangements across Cradle Coast Councils could provide significant qualitative and quantitative gains. We assessed the high level financial benefits that the councils could collectively realise through shared services and evaluated the expected complexity of implementation. A list of priority functions and indicative benefits[1] is outlined in the table below:

Function	Potential Qualitative Benefits	Potential Quantitative Benefits (millions)
Procurement	> Standardising processes increases efficiency and reduces procurement cycle time > Increased sharing can provide a capability uplift in procurement	$2.5+

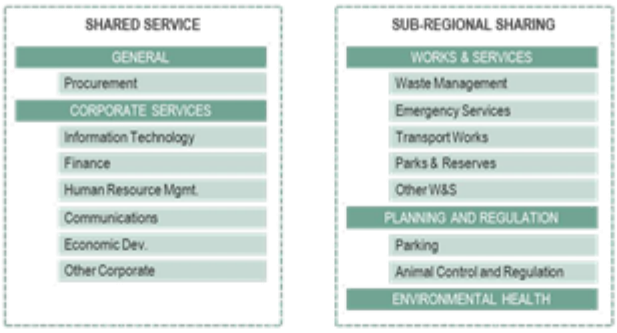
[1] These benefits are high level indicators of potential cost reductions in selected functions, based on Third Horizon's analysis. These benefits do not factor in investment costs. It is recommended that the following phases conduct detailed analysis of financial benefits.

Information Technology	> A shared IT environment enables process standardisation across councils > Shared IT services can provide an IT capability uplift	34% avoided cost on regional IT upgrade scenario ($1+)
Finance	> Reduction in duplication and inefficiencies > An increased scale can enable capability uplift and help attract and retain specialist talent	$1.5+
Human Resources Management	> Reduction in duplication and inefficiencies > An increased scale can enable capability uplift and help attract and retain specialist talent	$0.5+
Waste Management	> Optimise waste management infrastructure > Sustained operational efficiency and benefits realisation	$3.5+
	Total	$9+

Based on the operational nature of each service and how benefits could be realised, our final recommendations took the form of two shared services models: independent shared services and sub-regional arrangements.

INDEPENDENT SHARED SERVICES	SUB-REGIONAL ARRANGEMENTS
	
> A shared services entity provides the service to all other councils. > Services levels are established. > Fees are incurred based on service levels	> A sub-set of councils share a service > A shared resource provides the service to more than one council, with agreed service parameters. > A cost sharing model is established (e.g. service fees, cost sharing).

Third Horizon recommends that an independent shared services model and sub-regional arrangements are considered as part of the Cradle Coast strategy to enable sharing across Cradle Coast Councils. The specific model recommendation for each function is based on several factors, such as potential for standardisation and local knowledge requirements. The recommended model for some of the assessed functions is illustrated in the below diagram.


SHARED SERVICE
GENERAL
Procurement
CORPORATE SERVICES
Information Technology
Finance
Human Resource Mgmt.
Communications
Economic Dev.
Other Corporate
SUB-REGIONAL SHARING
WORKS & SERVICES
Waste Management
Emergency Services
Transport Works
Parks & Reserves
Other W&S
PLANNING AND REGULATION
Parking
Animal Control and Regulation
ENVIRONMENTAL HEALTH

6

Recommendation: *Establish a shared service model*

A shared services model would consolidate provision of standardised services to the councils. Standardising these functions into a shared service model would deliver cost efficiencies and improve the quality of outcomes. A shared services model could potentially include strategic and advisory services such as planning and economic development. Removing responsibility for execution of these activities from individual councils, will also allow them to focus on core strategic activities.

Recommendation: *Establish / expand sub-regional sharing arrangements*

We recommended that councils work on establishing more structured sharing arrangements for high-potential functions selected for inter-council arrangements. Commencing with higher value functions, councils could either expand or replicate existing sharing arrangements. Once sub-regional sharing has been successfully implemented for prioritised services, councils could seek to expand the sharing across other high-potential functions.

To implement these recommendations Third Horizon suggests a three phased approach. Phase 1 should focus on standing up a shared service model for the area with the highest potential (based on size of opportunity and ease of implementation) in order to realise short term benefits and build trust among the councils. It is also recommended that Information Technology be addressed in Phase 1 for it would be a key enabler to broader sharing. Phase 2 and 3 would then focus on medium potential opportunities. A phased strategy would address councils' objectives and maintain focus on longer term possibilities. Proposed phasing is outlined below:

Model	Phase 1 High Potential Opportunities	Phase 2 Medium Potential Opportunities	Phase 3 Medium-Low Potential Opportunities
Shared Services	> Procurement > Information technology	> Finance > Human Resource Mgmt.	> Economic Development and Communications* > Other Corporate*
Sub-Regional Sharing		> Waste Management (Works and Services)	> Other Works and Services > Community Services*

* Note that some functions with medium-low potential value are included in Phase 3, which nevertheless could deliver qualitative benefits and cohesion to the region. Third Horizon recommends that Cradle Coast councils consider and revisit this list based on the results of the first two phases.

IMPLICATIONS

The Cradle Coast Councils must be mindful of a number of factors which enable sharing but also present risks which will need to be adequately monitored and managed, notably technology requirements and political support.

Information and communication technologies are critical enablers of inter-organisation sharing, without which most of the potential benefits cannot be realised. In addition, digital innovation is disrupting the way ratepayers experience the council services and will potentially transform the parameters of council operations. Any sharing initiative will need to account for the development of a coherent ICT platform that support current and future operational demands.

While at no point did this study consider or suggest amalgamation of councils, the potential for political discourse touching on potential amalgamations may arise in the future. In February 2016, Peter Gutwein, the Minister for Planning and Local Government, stated that "the Government is committed to ensuring that ratepayers are receiving the best possible services for the lowest possible rates and it is important that we look at voluntary amalgamations and resource sharing as part of that". While the Minister noted several factors that work against these, the rhetoric signals the political will to demonstrate action is taken to improve efficiency. Local councils are therefore encouraged to take proactive leadership in realising shared services benefits for their ratepayers and stakeholders.

INTRODUCTION

Over two decades, local councils in the Cradle Coast have been collaborating in various forms. During this period the Cradle Coast Councils have established a wide range of sharing arrangements in response to specific resource needs and efficiency opportunities. This level of collaboration has arguably increased and became more open in the past two years as evidenced in regular meetings between Mayors, General Managers, and professional officers, respectively. Resource sharing is a key topic for Cradle Coast Councils.

This report was commissioned by the Cradle Coast Authority to review current levels of resource and/or service sharing among Cradle Coast Councils, and to explore opportunities for greater strategic resource sharing/shared services. At this point in time there are already a number of creative and effective sharing arrangements in place at different levels for statutory and discretionary services.

HISTORY OF CRADLE COAST SHARING

A historical review provides a perspective on the ability of councils to establish agreements for resource and service sharing, as well as evidence of their capability to operate jointly.

The forced amalgamation in 1993 from 47 to 29 councils was a watershed in inter-council relationships. New sharing arrangements between the councils have since been explored and implemented across a number of operational areas:

1. In 1993 Kentish and Latrobe councils established a joint authority scheme that lasted until 2001.
2. In 1993 Kentish, Latrobe, Central Coast and Devonport created the Dulverton Waste Management to provide waste disposal and organic compost services.
3. In 1996, Burnie, Waratah-Wynyard and Circular Head councils entered into a shared IT arrangement, later this included West Coast. Circular Head and West Coast determined to move away from the arrangement in the early 2000's. There remains an arrangement between Burnie, Waratah-Wynyard and Latrobe with Tas Communications Pty Ltd, a fully owned subsidiary of Burnie Council.
4. In 1999 the Cradle Coast Authority (CCA) was established to represent and advocate the needs of the nine councils in the North West region of Tasmania.
5. In 2000 the Premier's Local Government Council (PLGC) was established to discuss relevant issues between State and Local Governments.
6. In 2002 Burnie and Waratah-Wynyard studied workforce integration and voluntary amalgamation schemes. The recommendations have not been fully implemented.
7. In 2004 the Cradle Coast Waste Management Group was created to facilitate regional conversations on recycling and waste management opportunities.
8. In 2008 Waratah-Wynyard and Circular Head signed a cross-functional sharing arrangement.
9. In 2010 collaboration between Kentish and Latrobe revived by appointing a shared General Manager.
10. In 2013 a study evaluated joint delivery of visitor services across the region. The recommendations have not been fully implemented.
11. In 2014 a study evaluated the opportunities in the coordination of governance and management of waste infrastructure. The recommendations have not been fully implemented.
12. In 2016 Kentish/Latrobe and Waratah-Wynyard/Circular Head reviewed their resource sharing arrangements.
13. In 2016 the five westernmost councils signed the Sustainable Murchison 2040 plan that delineates a regional vision for their interconnected economies.

PROJECT OVERVIEW

REQUIREMENTS

This project focused on providing an objective point of view for the nine Cradle Coast Councils to holistically consider shared services options in the region. The project brief set the following four primary principles to guide and shape any outcome:

- Be in the interest of ratepayers.
- Improve the level of services for communities.
- Preserve and maintain local representation.
- Ensure the financial status of the entities is strengthened.

The project was tasked with achieving the following desired outcomes:

1. Critically examine the current status of resource sharing / shared services in the region; and
2. Determine whether a broader and more effective model can be developed.

Therefore Third Horizon's study shaped itself around answering a number of key questions:

- What functions and services are currently shared?
- How well are these arrangements working?
- What functions and services are best suited to shared arrangements, both generally speaking, and particularly in the Cradle Coast context?
- For each possible shared service or resource, what is the evidence for considering a shared arrangement?
- What models of sharing would be highly effective and respectful of regional, sub-regional or neighbouring aspirations and differences?
- Where there is a clear case for new shared arrangements, how do we get there?

Sitting above these questions was a practical one:

- How can political will of individual councils be factored in a pragmatic roadmap to capture regional, sub-regional or neighbouring opportunities for sharing appropriate services and resources?

STUDY LIMITATIONS

This study sought to provide a holistic view of current state sharing arrangement and an indication of future possible sharing arrangement. However there are a few key limitations to this study:

- Third Horizon conducted a series of benchmark analysis of the Cradle Coast Councils which included external entities, however this report does not seek to explain the relative positions of these entities in relation to the Cradle Coast.
- Councils were encouraged to actively engage and participate throughout the engagement. The information contained in this report best reflects the information provided, but conclusions are based on the extent to which each council provided information, participated and engaged.
- It should be recognised that quantitative implications are indicative and are based on the quantity and quality of both financial and non-financial information, provided by the Cradle Coast Councils.
- It is to be noted that this study provides a strategic direction to shared services based on a high-level view of services across the region. It is expected that these recommendations be taken into a planning phase in which detailed operational evaluations and service-specific business cases are developed.

CURRENT STATE & FEASIBILITY

CATALOGUE OF SERVICES

The Cradle Coast Councils are positioned in a fundamental role to serving local communities. They are responsible for providing their constituents with services, facilities and infrastructure that enable them to develop and improve the quality of life. This includes determining the strategy and allocating resources in a fair, inclusive and sustainable manner. As the third tier of government, councils also carry out the powers and functions of local government. The diagram below illustrates the scope of services currently offered by the councils[2].

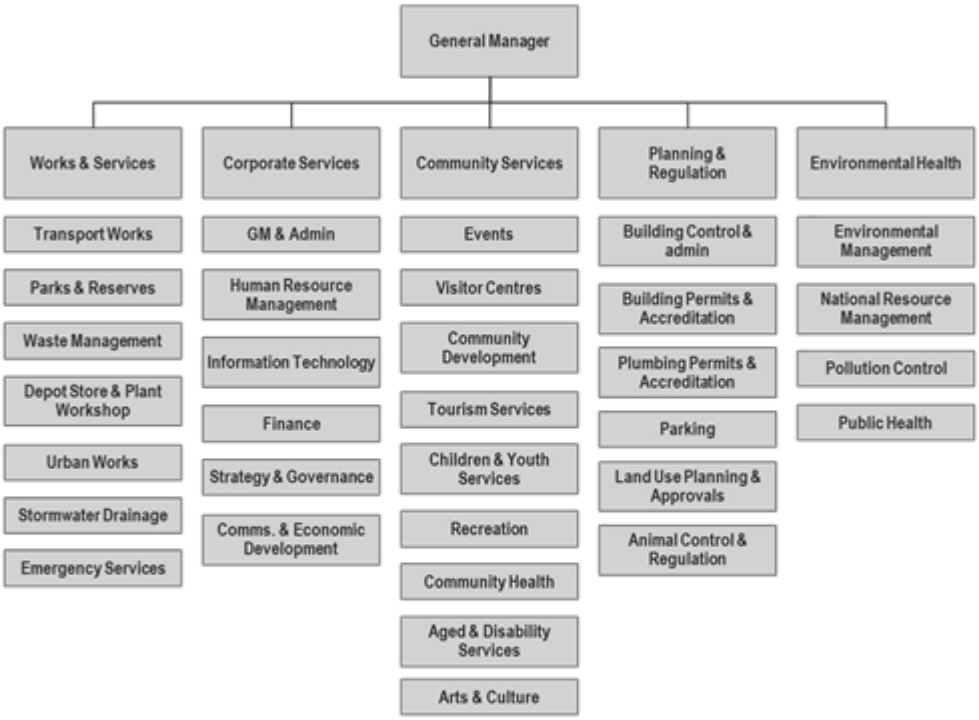


Diagram 1. Overview of Council Services

[2] The functional overview is indicative and non-comprehensive. Not all councils provide every service depicted

Works and Services

Works and Services accounts for approximately 62% of council expenditure. [3] This area is predominately responsible for constructing and maintaining council assets such as roads, parks, buildings as well as providing waste management services. The majority of work completed within Works and Services requires physical on-site delivery and has low levels of face-to-face community interaction. The diagram below illustrates the breadth of functions within Works and Services.

Diagram 2. Works and Services Functional Breakdown

For each of the functions illustrated above, we have provided a high level overview of sample activities offered by the councils.

FUNCTION	ACTIVITIES (sample)
Transport Works	> Construction and maintenance of roads, bridges, carparks, footpaths, roundabouts, traffic islands etc.
Parks and Reserves	> Maintenance and construction of parks, reserves and sport facilities
Waste Management	> Bin collection services > Landfill and transfer station operations
Depot Store and Plant Workshop	> Management of depot store > Maintenance of council building assets > Inventory management
Urban Works	> Construction and management of lighting, street cleaning, signage etc.
Stormwater Drainage	> Construction and maintenance of stormwater and reticulated drainage
Emergency Services	> Emergency response units > Support other state and emergency organisations (State Emergency Service, Tasmanian Fire Service, etc.)

Table 1. Works and Services – Sample Activities

Corporate Services

Corporate Services accounts for approximately 16% of council operating expenditure.[4] It is an enabler for council operations providing many of the back-office functions that support frontline council activities. The functional scope of activities within Corporate Services varies from strategic level planning and governance through to more transactional activities like payroll, accounts payable and accounts receivable. The diagram below illustrates the breadth of functions and sub-functions within Corporate Services.

[3] Based on a sample of approximately 65% of 2014-15 expenditure data as provided by Cradle Coast Councils
[4] Based on a sample of approximately 65% of 2014-15 expenditure data as provided by Cradle Coast Councils

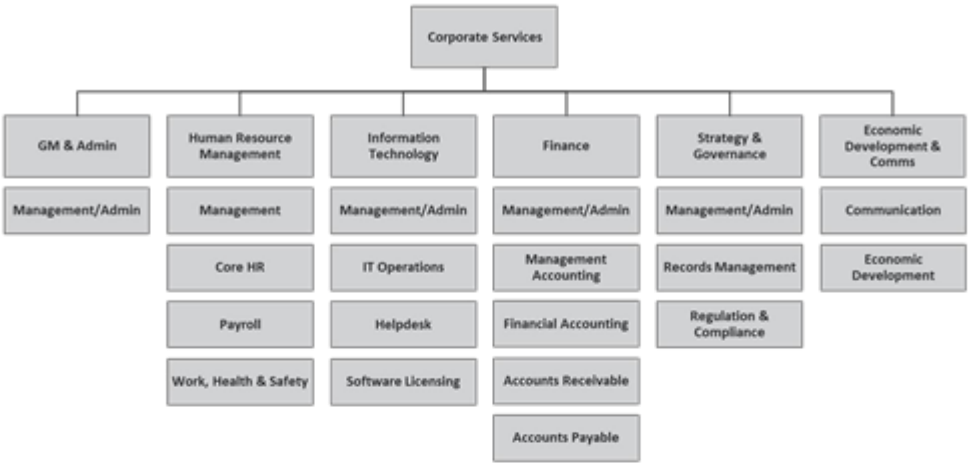


Diagram 3. Corporate Services Functional Breakdown

For each of the functions illustrated above, we have provided a high level overview of sample activities offered by the councils.

FUNCTION	ACTIVITIES (sample)
General Management and administrative	> Management and administrative activity relating directly to the general manager and councillors
Human Resources Management (HRM)	> Management – management activity relating to HRM function > Core HR – training and recruitment and HR admin, employee relations, performance management. > Payroll – employee remuneration, managing and tracking leave, other activities relating to employee salary packaging > Work Health and Safety (WHS) – safety audits, policies and procedures, incident reports
Information Technology (IT)	> Management/Admin – management and admin activity relating to IT function > IT Operations – maintaining the smooth functioning of council technology including software, hardware, security, network etc. > Help Desk – enabling and supporting employees to effectively use technology > Software Licensing – updating, running and maintaining council software
Finance	> Management/Admin – management and admin activity relating to finance function > Management Accounting – monthly reporting, budgeting, general ledger, account reconciliations, period closing activities > Financial Accounting – statutory reporting activities such as financial reports, tax reports, ABS reports, local government reporting etc. > Accounts Receivable – rates collection, collection and processing of other payments received, invoicing, payment receipting, reconciliations, outstanding accounts management, etc. > Accounts Payable – purchase orders, invoice processing, payment processing
Strategy and Governance	> Management/Admin – management and admin activity relating to the Strategy and Governance function > Records Management – management and storage of records and information

FUNCTION	ACTIVITIES (sample)
	> Risk Management – council governance, management of risk frameworks, identification and controlling for risk > Regulation and Compliance – activities relating to regulatory compliance, legal, audit panel, delegations, and the local government association
Economic Development and Communications	> Communications – develop internal and external communication materials > Economic Development – activity outside of community services that is designed to strengthen the community through increased living standards, growth of employment, wealth and income

Table 2. Corporate Services – Sample Activities

Community Services

Community Services accounts for approximately 13% of council operating expenditure.[5] It provides the delivery of frontline services to the local community and visitors to the council area. Activities across this function health, tourism, community development and children services, among others. There is a high level of face-to-face community interaction required in this area.

Diagram 4. Community Services Functional Breakdown

For each of the functions illustrated above, we have provided a high level overview of sample activities offered by the councils.

FUNCTION	ACTIVITIES (sample)
Events	> Planning and promotion of council events > Service procurement and coordination
Visitor Centres	> Operation of visitor information (VIC) activities > Maintenance and facility management
Community Development	> Community transportation > Promotion of community initiatives > Family support
Tourism Services	> Promotion of council as visitor destination > Publication of online and offline promotion material including maps, accommodation, attractions, events, art and culture
Children & Youth Services	> Vacation care programs > Childcare operation > Youth programs

[5] Represents approximately 65% of 2014-15 expenditure data as provided by Cradle Coast Councils

	> Youth centres
Recreation	> Operation of sports facilities > Operation of entertainment centres > Operation of museums and galleries > Maintenance of camping sites
Community Health	> Immunisation > Promotion of healthy lifestyles, food safety, healthy premises
Aged & Disability Services	> Housing provision > Disabled and disadvantaged support
Arts & Culture	> Operating museums and galleries > Public art and exhibitions

Table 3. Community Services – Sample Activities

Planning and Regulation

Planning and regulation accounts for approximately 8% of council operating expenditure.[6] It is responsible for activities such as building control, accrediting and regulating builders and plumbers, providing planning approvals and regulating parking and animals. The diagram below illustrates the breadth of functions offered within planning and regulation.

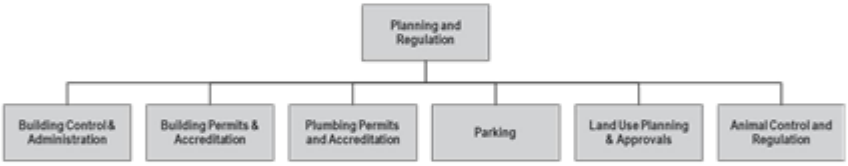


Diagram 5. Planning and Regulation Functional Breakdown

For each of the functions illustrated above, we have provided a high level overview of sample activities offered by the councils.

FUNCTION	ACTIVITIES (sample)
Building Control and Admin	> Interpretation and implementation of building acts and regulations > Administration and enforcement of building regulations
Building Permits and Accreditation	> Certification of (likely) compliance and accreditation of building permits > Collection of permit fees
Plumbing Permits and Accreditation	> Certification of (likely) compliance and accreditation of plumbing permits > Collection of permit fees
Parking	> Operation of public parking facilities > Collection of parking fees
Land Use Planning and Approvals	> Land use planning frameworks > Approval of land use

[6] Based on a sample of approximately 65% of 2014-15 expenditure data as provided by Cradle Coast Councils

Animal Control and Regulation	> Community education on animal management and responsible pet ownership > Animal registration and identification > Authorised officer training

Table 4. Planning and Regulation – Sample Activities

Environmental Health

Environmental health accounts for approximately 1% of council operating expenditure. It is responsible for managing and monitoring ongoing environmental health such as pollution levels and air quality. It also provides national resource management, helping to ensure that activities are environmentally sustainable. The diagram below illustrates the breadth of functions offered within environmental health.

Diagram 6. Environmental Health Functional Breakdown

For each of the functions illustrated above, we have provided a high level overview of sample activities offered by the councils.

FUNCTION	ACTIVITIES (sample)
Environmental Management	> Conservation > Sustainability measurement and reporting > Environmental education
National Resource Management	> Enforcement of development consent conditions, waste management and unauthorised land uses > Land use zoning and statutory controls on freehold land > Risk control measures (pest, plant, animal)
Pollution Control	> Reception of community complaints > Enforcement of noise, smell, smoke and garbage regulation
Public Health	> Food shop registrations and inspections > Food safety

Table 5. Environmental Health – Sample Activities

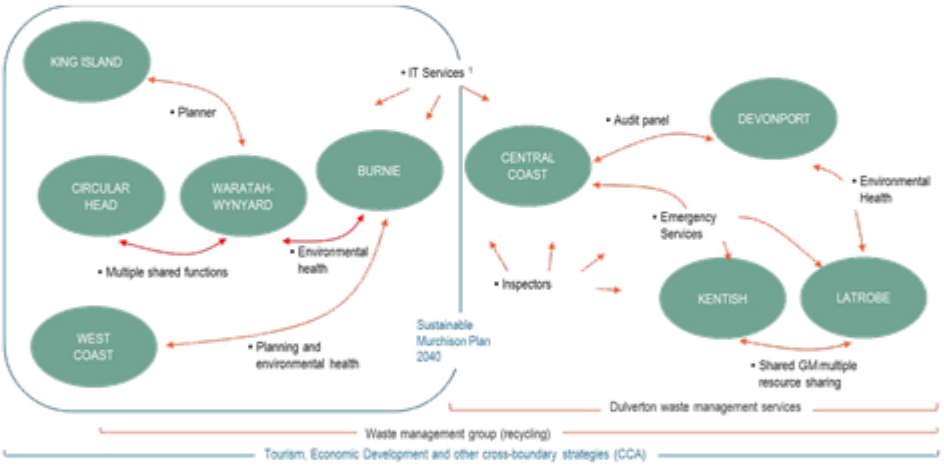
COUNCIL EXPENDITURE BREAKDOWN

The largest proportion of costs across the councils are attributed to works and services, corporate services and community services. Together these three areas account for over 90%[7] of aggregate council expenditure.

Figure 1. Council Expenditure Breakdown

CURRENT STATE ASSESSMENT

The geographical proximity of many of the Cradle Coast Councils has enabled the creation of a number of resource sharing arrangements over time. According to Cradle Coast representatives, sharing agreements have emerged as a result of specific opportunities being identified, rather than from a sharing strategy across the region. The following diagram represents the breadth of resource sharing arrangements that Third Horizon understands currently exist within the Cradle Coast region.



Note: Diagram based on interviews and provided reports – not a comprehensive account of all sharing arrangements
[1]Services provided by Tas Communications.

Diagram 7. Existing Resource Sharing in Cradle Coast Councils

Three levels of cooperation can be observed in the region.

Resource sharing is the simplest form of sharing. A sharing agreement is established to access specific resources and reduce the need to use contractors. In establishing this type of arrangement, councils are able to increase staff utilisation and reduce contract costs. It may also allow councils to attract specialised talent. As this occurs on a resource basis, the level of cooperation required is minimal.

[7]Based on a sample of approximately 65% of 2014-15 expenditure data as provided by Cradle Coast Councils

Shared service delivery is where a coordinated approach is taken to deliver back-office services to multiple councils. This potential captures economies of scale and scope. It could also enable council management to focus on strategic and client-facing functions.

Strategic partnerships involve the highest level of collaboration and trust between councils as they require councils to be strategically aligned or share a systemic vision. Often they occur on cross-council projects of regional significance. They provide a broad vision of value and benefit across the region.

The table below illustrates the types of existing sharing arrangements:

RESOURCE SHARING		
Sharing arrangements – Devonport and Central Coast share an independent audit panel – Inspectors are utilised between Kentish, Devonport, Central Coast and Burnie	**Other ad-hoc resource arrangements** – Burnie provides HR resources to King Island – Burnie provides a health officer and planning consultant to West Coast	
SHARED SERVICE DELIVERY		
Emergency Services – Established by Kentish, Latrobe, Central Coast and Devonport – Provides emergency-related and remediation services to all councils – proven effective in recent floods	**Tascommunications** – Established by Burnie – Provides IT support, hosting and consulting to local governments (including. Burnie, Latrobe, and Waratah Wynyard	**Dulverton Waste Management** – Waste disposal operator established by 4 councils (Devonport, Latrobe, Kentish, Central Coast) – Provides services to Burnie
STRATEGIC PARTNERSHIPS		
Cradle Coast Authority – Advocates regional needs and develops regional strategies **Sustainable Murchison 2040** – Unified vision of North West sub-region	**Cradle Coast Waste Management Group** – 7 member councils – Develops waste diversion opportunities for the region as well as regional planning – Establishes contracts that realised efficiencies	**Council partnerships** – Kentish and Latrobe – Waratah-Wynyard and Circular Head

Note: Diagram based on interviews and provided reports – not a comprehensive account of all sharing arrangements

Figure 2. Current modes of Resource Sharing in place between Cradle Coast Councils

Council representatives acknowledge that sharing arrangements already in place only capture a small portion of the potential value of sharing across the region. Many strategic partnerships and shared service arrangements have proven successful but only include a sub-set of councils. Visible management duplications remain between most councils. Key functions that are clearly regional in nature, such as tourism and economic development, are often managed and operated independently by each council.

A key challenge remains: To establish a shared and integrated understanding of how further collaborations can deliver greater value to ratepayers along with wider benefits to the region as a whole; and to select services and sharing arrangements accordingly.

SHARED SERVICES FEASIBILITY ASSESSMENT

Shared service arrangements between councils have the potential to not only deliver significant financial benefits but also improve the quality of services provided to constituents. However, not all services provided by councils are equally suitable for sharing.

From Third Horizon's experience and broad understanding of shared services best practice, we defined a list of characteristics to help assess suitability for sharing. Services that are best suitable for sharing are generally those that are:

- **Homogenous activities** – services are common and uniform. These services typically occur across councils and achieve the same outcome.
- **Process standardisation** – services can be automated or delivered in a standardised manner. These are easier to share as the process can be standardised for each council.
- **Economies of scale** – services are repetitive and duplicated. These services can be consolidated to realise financial benefits or improvements to performance and quality.
- **External customer contact** – service has little or no interaction with council customers. These services and the way they are delivered have minimal impact to customer service.
- **Strategic content** – services are of non-strategic importance to local council activities. These services are not fundamental to council core management and strategic direction.

We have used the above 5 characteristics to identify functions for which sharing may be most relevant and those for which it is less relevant, to provide an initial view of shared services potential. Functions for which shared services may not be relevant are those that are viewed as fundamental to customer service, often strategic in nature at a local level or where it is important to retain control at the council level. Candidates for sharing on the other hand are transactional functions with standardised activities and highly process driven, and also include activities where councils clearly benefit from a regional focus. Functions were screened according to the below criteria. If an answer for a function is "yes", you proceed to the next question, if "no", the questions stop at that point. Only a function that has "yes" for each of the questions is considered to be a high-potential candidate for sharing.

Whilst functions were screened as a whole, there may be elements within the function that may be less suitable for sharing. These have been addressed in the evaluation of opportunities section below.

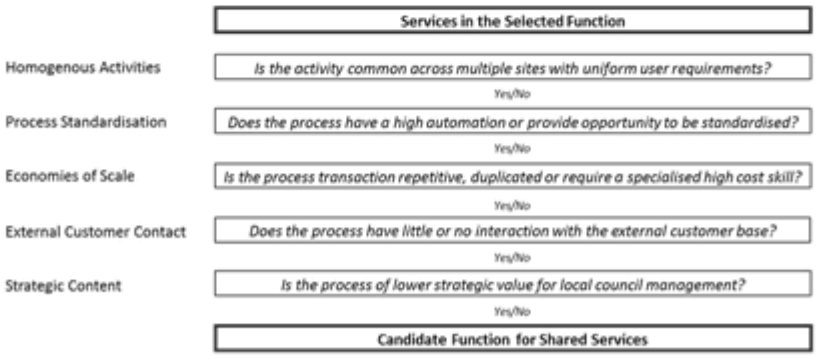


Diagram 8. Classifying Candidates and Non-Full Shared Services Candidates

WORKS AND SERVICES

Leveraging our understanding of works and services, we have used our 5 screening criteria to classify functions into non-candidates or candidates for sharing. The diagram below illustrates this classification process.

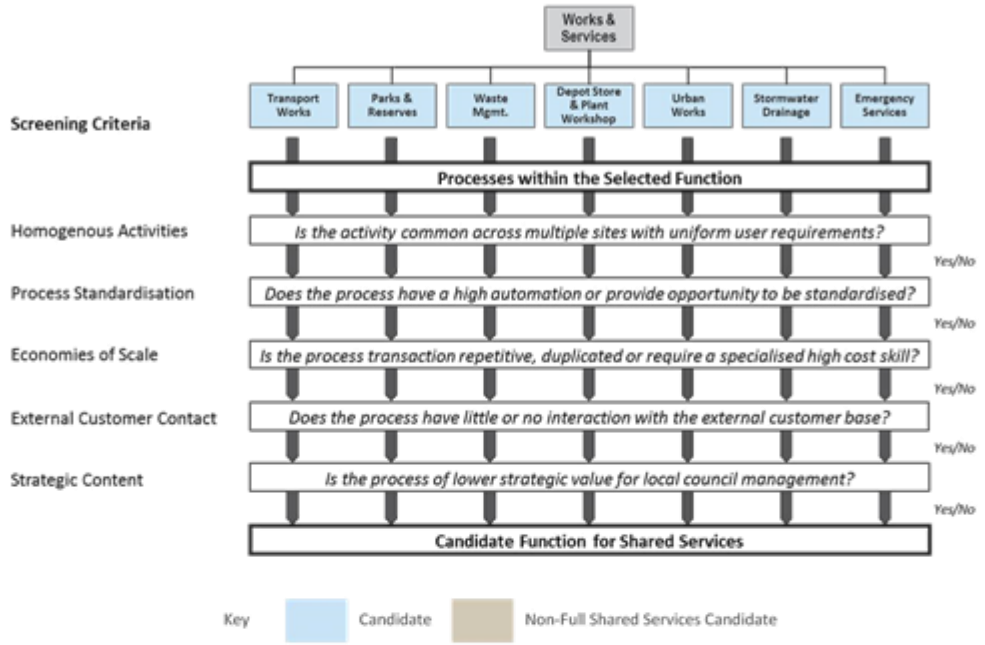


Diagram 9. Works and Services – Candidates and Non-Full Shared Services Candidates

All of the functions within works and services were considered high-potential candidates for shared services.

We have undertaken further analysis on the recommended level and type of shared arrangement on pages 33 to 50.

CORPORATE SERVICES

Leveraging our understanding of corporate services, we have used our 5 screening criteria to classify functions into non-candidates or candidates for sharing. The diagram below illustrates this classification process.

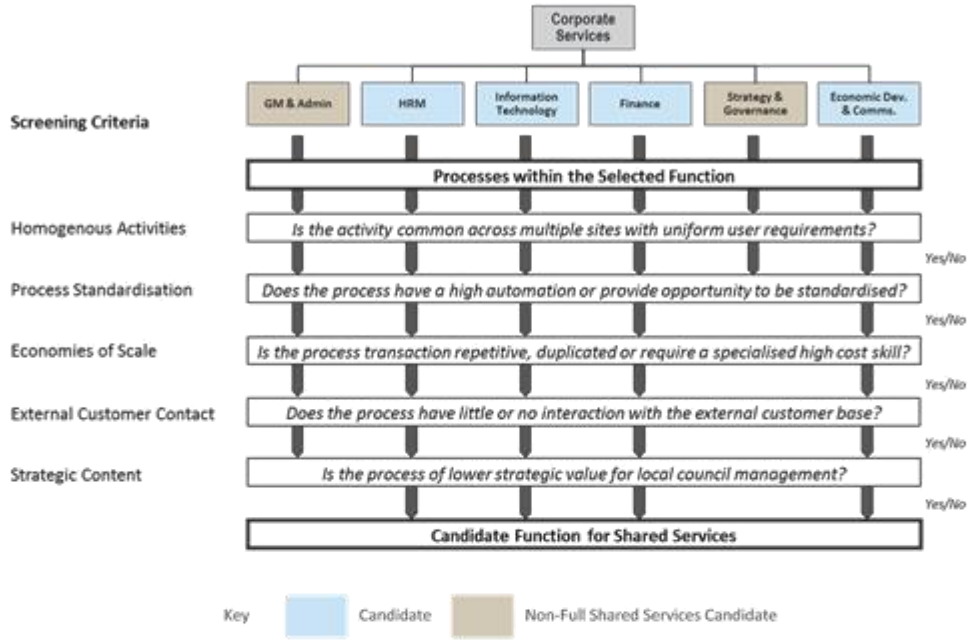


Diagram 10. Corporate Services – Candidates and Non-Full Shared Services Candidates

With the exception of GM and Admin, and Strategy and Governance all other functions within corporate services were considered high-potential candidates for shared services.

We have undertaken further analysis on the recommended level and type of shared arrangement on pages 33 to 53.

COMMUNITY SERVICES

Leveraging our understanding of community services, we have used our 5 screening criteria to classify functions into non-candidates or candidates for sharing. The diagram below illustrates this classification process.

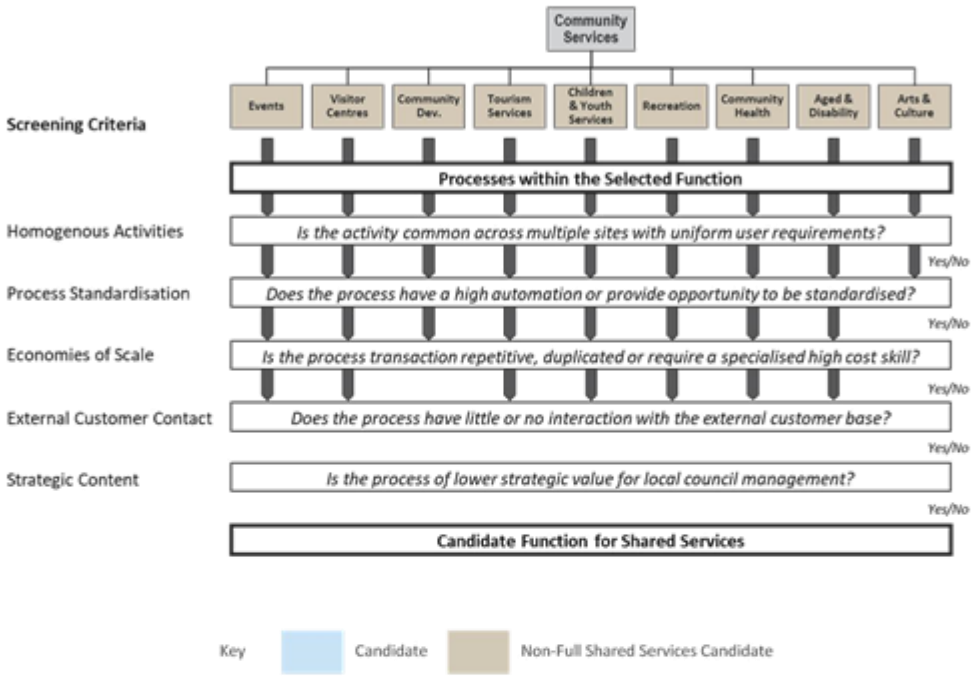


Diagram 11. Community Services – Candidates and Non-Full Shared Services Candidates

None of the functions within community services were considered high-potential candidates for shared services.

This is predominately based on the level of external customer contact required. Throughout our engagement, councils expressed the importance of preserving local connections for which community services are critical. Based on this principle, we have not recommended sharing arrangements across these functions. However, this does not preclude these functions from presenting opportunities and benefits that could be realised through sharing.

We have provided some additional commentary on the potential opportunities within community services to be explored in the future. These are detailed on page 51.

PLANNING AND REGULATION

Leveraging our understanding of planning and regulation, we have used our 5 screening criteria to classify functions into non-candidates or candidates for sharing. The diagram below illustrates this classification process.

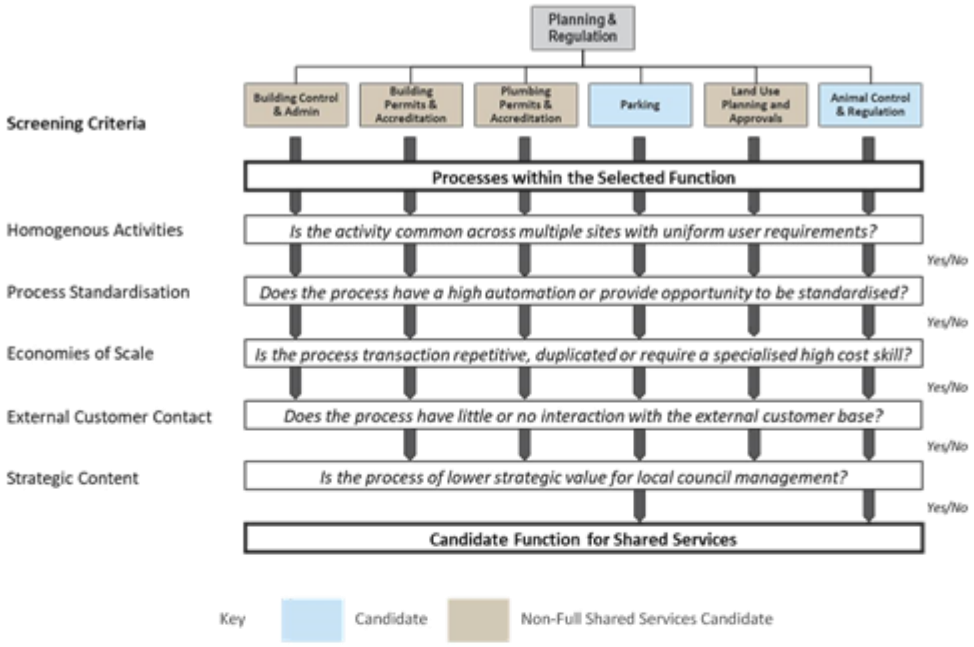


Diagram 12. Planning and Regulation – Candidates and Non-Full Shared Services Candidates

Most functions within planning and regulation were not considered high-potential candidates for shared services.

This is predominately based on the level of sensitive customer contact and strategic content of activities, particularly related to key approvals and regulatory functions. Throughout our engagement, councils expressed a strong desire to preserve control of strategic decisions and community interactions. Based on this principle, we have not recommended sharing arrangements across these functions in first instance. However, this does not preclude these functions from presenting opportunities and benefits that could be realised through sharing in the future.

We have provided some additional commentary on the potential opportunities within planning and regulation to be explored in the future. These are detailed on pages 49 and 50.

ENVIRONMENTAL HEALTH

Leveraging our understanding of environmental health, we have used our 5 screening criteria to classify functions into non-candidates or candidates for sharing. The diagram below illustrates this classification process.

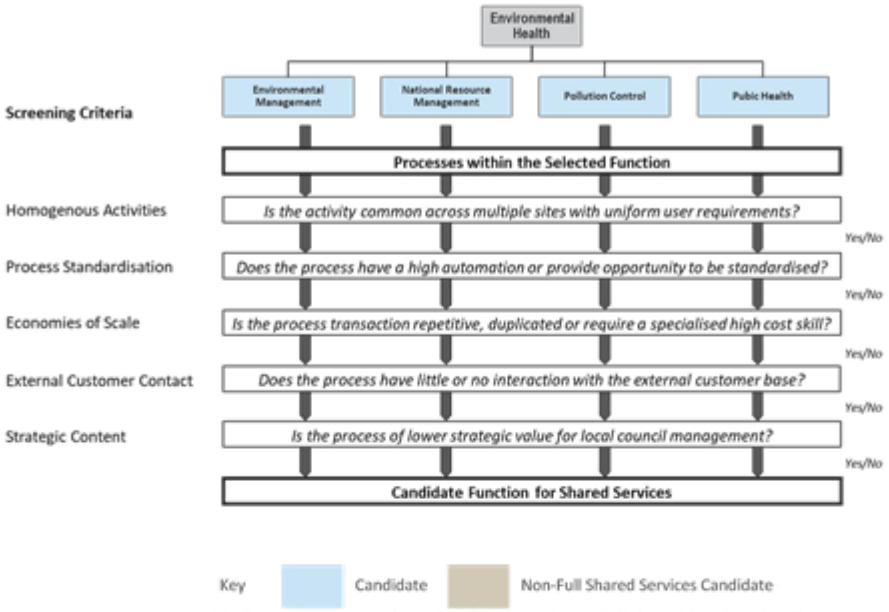


Diagram 13. Environmental Health – Candidates and Non-full shared Services Candidates

All of the functions within environmental health were considered high-potential candidates for shared services.

We have undertaken further analysis on the recommended level and type of shared arrangement on pages 49 and 50.

SHARED SERVICES MODEL OPTIONS

The following shared services models were presented as options to apply to the various Cradle Coast Council functions to capture the potential benefits of sharing arrangements. Each shared service model presents a range of different types of interactions, constraints and benefits.

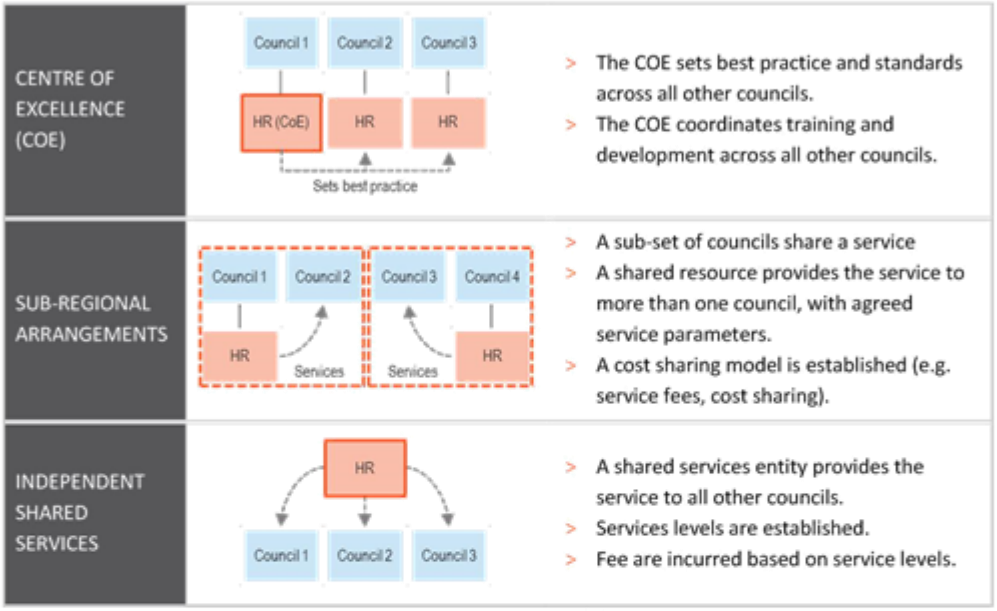


Diagram 14. Share Services Model Options

Note: Multiple different shared service arrangements may co-exist in parallel for different functions.

CENTRE OF EXCELLENCE (COE)

The COE model option establishes the function of one council as the lead function that directs the practices of the functions for other councils. The COE sets the standards, processes and governance structures for how the function should operate and the functions in other councils follow their lead. The COE would be responsible to the other councils in ensuring the effectiveness of the function in their respective geographies. The COE would additionally provide training and development services to align the functions and collectively increase the capabilities of like functions across the Cradle Coast.

For instance, a COE could set the HR policies and employee pay bands, and the HR functions in other councils administer the directions set by the COE. Invariably the COE will be better resourced and provide guidance, specialist support and resources to the other councils as needed.

Benefits & Limitations

Benefits	Limitations
• Best practice and standardisation across councils • Consolidation of specialist knowledge • Improves functional maturity • Retains local representation	• Potential for COE and council misalignment • A matrix structure may cause inefficiencies when conflicts arise between COE and councils • Greater difficulty in upgrading standards and processes reliant on technology systems • Functional duplications still exist across councils

Table 6. Centre of Excellence – Benefits & Limitations

How it would work: *Matrix structure*

Organisational Structure	> The COE model will follow a matrix model > The selected COE will sit under its own council but will be accountable to other councils > The functions in other councils will sit under their respective councils but will be accountable to the COE
Reporting	> The COE will also report its overall performance to all councils > The function in other councils will report to both the COE and their own council
Scope of services	> The COE establishes standards and processes for the functions in other councils > The COE will provide value / knowledge based support services which include: knowledge of best practice, processes, templates and also knowledge support of associated technology systems > The COE will take the lead for non-standard activities
Geography	> The COE will be located with the council where the greatest capabilities reside

Table 7. Centre of Excellence – How it would work

Change effort: *Incremental change*

The establishment of a COE model usually requires incremental change to existing collaboration arrangements. The key challenge is a relational and behavioural change in the way that council functions coordinate, cooperate and communicate with the COE.

To ensure that the change is sustained, agreement on the authority of the COE upon the councils must be established, ensuring that the mechanism for the final say in conflict resolution scenarios is formalised.

SUB-REGIONAL ARRANGEMENTS

A sub-regional sharing arrangement would require that a subset group of councils share services and resources based on their requirements. In a sub-regional sharing arrangement a **provider council** will provide all function related services to the **recipient councils**, in exchange for an agreed fee for service and according to agreed Service Level Agreements (SLAs) or operational parameters. The provider would be accountable to all councils within the sub-set for the performance of the function and ensure the quality and efficiency of the services provided.

An example may be that 4 of the 9 councils agree to share a HR function due to geographic proximity. The nominated provider would resource the function accordingly to ensure appropriate levels of service for itself and the other 3 councils. This arrangement may result in consolidation of skills from other councils, as needed.

Benefits & Limitations

Benefits	Limitations
• Standardisation of services • SLAs apply commercial pressures on costs • Uplift in quality from established Service Levels • Improvements in process efficiency realised • Defined responsibility of provider council	• Does not realise economies of scale of a regional arrangement • May result in conflicting technology systems and integration challenges for future shared services • May result in complex and overlapping functional sharing arrangements

Table 8. Sub-Regional Arrangements – Benefits and Limitations

How it would work: *De-centralised structure*

Organisational Structure	> The selected shared function will sit under the provider council > Recipient councils has a contract with the provider council for the provision of services
Reporting	> The provider council in the sub-regional arrangement will provide regular reports to each recipient council with the performance of services, amount of services provided, and the cost for consumption of services > Both provider and recipient councils will meet at regular intervals to ensure services are being provided and SLAs are being met
Scope of services	> A selected range of services are agreed to be shared sub-regionally between neighbouring councils > The provider council will be responsibility for the improvement of services over time
Geography	> Regional / sub-regional depending on the service

Table 9. Sub-Regional Arrangements – How it would work

Change effort: *Moderate change*

The establishment of a sub-regional sharing model typically requires moderate change, including operational changes for the provider council functions to deliver shared services, as well as removal of the corresponding functions in recipient councils. The key challenge would be ensuring that value is generated from cost reduction and quality improvement of the services provided. The councils in the sub-regional arrangement must collectively agree upon the governance mechanism and oversight controls of the sharing arrangement.

INDEPENDENT SHARED SERVICES

An independent regional shared services model establishes a central entity which provides a number of functions across all councils. Under this model an agreement between the Shared Services Entity (SSE) and the councils is established, which typically provides services based on an established catalogue of functions. SLAs are contractually agreed to ensure a consistent expectation of standard at the level of quality required by recipient councils.

The SSE provides standardised functions across all councils ensuring the reduction of cost, improvement of quality and the overall improvement of functional efficiencies. The entity is accountable to the recipient councils, who may play a role in the governance and oversight of the shared service organisation.

Benefits & Limitations

Benefits	Limitations
• Standardisation of functions across all councils • Realise regional economies of scale • Collective uplift in quality and efficiency • Outsourcing of risk to the SSE • Centralised upgrading of technology systems	• Perception that councils lose control over how services are delivered • Response times may be limited by SLAs • May need significant process re-engineering • May need to standardise service offerings to realise economies of scales

Table 10. Independent Shared Services – Benefits & Limitations

How it would work: *Centralised structure*

Organisational Structure	> The SSE may be a separate entity from the 9 councils > The councils will have a contractual agreement with the SSE
Reporting	> The SSE will provide regular reports to each recipient council with the performance of services, amount of services provided, and the cost for consumption of services
Scope of services	> The consolidated shared services will be provided for the whole region based on SLAs > The SSE will be responsible service improvements over time
Geography	> SSE is not bound by specific geography, but should remain within the Cradle Coast, in an ideal location to provide its consolidated services

Table 11. Independent Shared Services – How it would work

Change effort: *Major change*

The establishment of an independent shared services model requires a major transformation, with the establishment of a new SSE and arrangements with region-wide service providers. The provider must establish a standardised service catalogue and contractual arrangements with each of the recipient councils. Councils may require major change to their processes to integrate with the new independent regional shared services model. The key challenge for councils will be in establishing a governance and oversight model for the SSE, ensuring a balanced representation of each council's interest in the governance of the entity. For the Cradle Coast, it is highly likely that the Cradle Coast Authority may need to play a significant role in orchestrating the establishment and governance of such entity.

EVALUATION APPROACH

Once an initial screening of council services was completed, Third Horizon conducted an evaluation of these services in the context of the Cradle Coast Councils using both qualitative and quantitative analyses. The purpose of this evaluation is to prioritise the feasible functions based on potential economic gains and ease of implementation. This is an independent evaluation that takes into consideration the information provided by Cradle Coast councils, interviews, external benchmarks, and Third horizon experience in shared services design to provide an objective point of view of the specific opportunity of sharing services across the region.

THE EVALUATION FRAMEWORK

Third Horizon independently compiled an evaluation framework for the assessment of shared services across councils. The criteria used to compile the evaluation framework centred on the parameters of *sharing complexity* and *potential economic value*. The two parameters directly address the two main questions distilled from the eight design principles. This evaluation framework was used to conduct an assessment to prioritise a list of functions to be evaluated for shared service delivery.

CRITERION: SHARING COMPLEXITY

To measure complexity Third Horizon developed a set of criteria to rate selected functions, between the ranges of 1 (low complexity) to 5 (high complexity), to determine a relative complexity score based on the criteria below.

- *Physical nature*: Does it require physical on-site delivery?
- *Difficulty / specialisation*: How difficult is it to deploy and operate as a shared activity?
- *Local knowledge*: Is knowledge of local council characteristics relevant to perform this activity?
- *Community interaction*: Does it require a high level of face-to-face community interaction?
- *Trust*: Is a high level of trust required for one council to allow a third party (or other council) to perform this activity?
- *Investment*: What is the relative level of investment required to implement a shared resource arrangement?

CRITERION: POTENTIAL ECONOMIC VALUE

This criterion assessed the potential economic value that would result from sharing particular functions between councils, including the reduction of cost from the consolidation of existing services and savings on future investments by leveraging economies of scale. Other benefits looked to the potential economies value from higher quality and employee efficiencies, e.g. aggregating service demand councils may enabled greater access to specialised resources and assets allowing councils to collectively plan better investments. From such measures a 5 level scoring scale was constructed to develop an indicative view of the size of potential economic impact, that ranged from marginal gains (lowest) to significant gains (highest).

EVALUATION OF RESOURCE SHARING

Third Horizon applied the two criteria of *sharing complexity* and *potential economic value* to form the below matrix and assess the functions that were most suitable to sharing. The horizontal axis indicates the potential economic value of sharing, based on a unit-cost comparison between councils and indicative efficiency gains. The vertical axis indicates the complexity of sharing given criteria such as the physical/virtual nature of the activity, operational specialisation, need for local knowledge, community interaction, trust, and upfront investment.

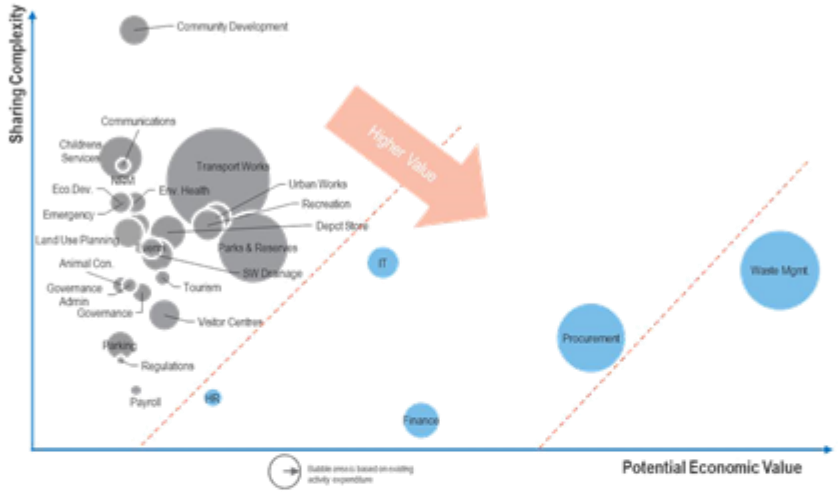


Figure 3. Indicative Evaluation of Resource Sharing

Whilst our initial screening deemed several functions to be candidates for sharing, evaluation of each function in the context of the Cradle Coast provided additional information for prioritisation, such as total activity expenditure, potential benefits and perceived complexity of implementation. Figure 4 illustrates the results of Third Horizon evaluation of functions in the Cradle Coast.

PRIORITISATION OF FUNCTIONS

Third Horizon's prioritisation of functions is based the outcomes of the *Shared Services Feasibility Assessment* (see page 17), and the *Evaluation of Resource Sharing* (see Figure 4, above). Based on these, a list of functions was distilled and prioritised for in-depth evaluation into the following priority level categories:

- HIGH: Functions which have been identified by the councils as a high priority area, conform to the functions which can typically be shared and is expected to yield large benefit from sharing.
- MEDIUM: Functions which have been identified by the councils as a medium priority area or are functions which can typically be shared and is expected to yield reasonable benefit from sharing.
- LOW-MEDIUM: Other functions which make up works and services or corporate services which have some opportunity, but may yield small benefit or have greater associated complexity with sharing.

SELECTION OF HIGH PRIORITY FUNCTIONS

Based on Third Horizon's evaluation, several functions can be categorised as high-value considering the potential to deliver collective benefits to the Cradle Coast. Out of these high-value functions, Third Horizon selected a small number of them that could produce quick wins, build trust among councils and enable further sharing of other functions. Based on these considerations, we've recommended Procurement and Information Technology to be the high priority functions. In Third Horizon perspective these are the highest priority functions considering that procurement is a key enabler to significant operational gains (e.g. works and services) and Information Technology enables the standardization and information sharing required for sharing corporate functions (e.g. Finance).

While Waste Management is also a high value function, Third Horizon has placed it in the medium priority category. Existing sharing arrangements (e.g. Dulverton Waste Management Services, Waste Management Group) are able to capture efficiencies. Further benefits can be realised through broader collaboration but considering the life-span of the key assets, these are likely to be realised in a longer term. Therefore, Third Horizon recommends that this function is categorised in medium priority.

Below is the prioritised list of functions for further evaluation.

PRIORITY LEVEL	FUNCTION
HIGH	• Procurement (Works and Services) • Information Technology
MEDIUM	• Finance • Human Resource Management • Waste Management (Works and Services)
LOW-MEDIUM	• Economic Development and Communications (Corporate Services) • Other Corporate Services • Other Works and Services • Planning and Regulation • Environmental Health

Table 12. List of Prioritised Functions

SHARED SERVICE DECISION TREE

A decision tree was developed to select the best model for each of the functions in the prioritised list. The following screening criteria was applied to help determine which model best applied to each function.

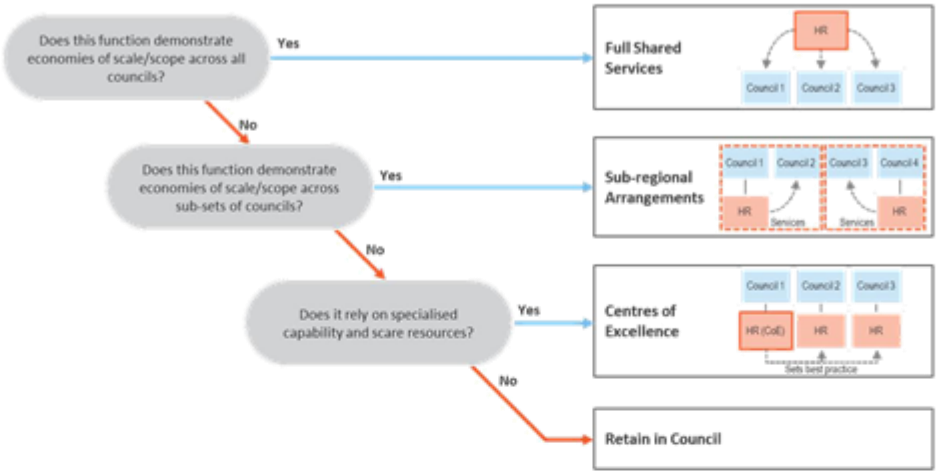


Diagram 15. Shared Service Decision Tree

Based on the above shared service decision tree, a shared service model was determined for each priority function and each evaluated to established recommendations for their respective future states.

DETAILED EVALUATION OF HIGH PRIORITY OPPORTUNITIES

PROCUREMENT (WORKS AND SERVICES)

SUMMARY

An evaluation of the Procurement function applying the Shared Service Decision Tree indicates that this function is suitable to follow an ***Independent Shared Service Model***.

Third Horizon's evaluation has identified three key factors that support the selection of this model.

- $2,500,000+ of potential benefits from improved procurement of materials and services;
- Standardising processes increases efficiency and reduces procurement cycle time; and
- Increased sharing can provide a capability uplift in procurement and reduce exposure to key person risk.

EVALUATION

Procurement was identified by the councils as an area where high potential benefits could be realised through sharing. Each council provides similar services to their constituents. Close proximity and limited supply results in similar or the same suppliers being used by multiple councils. Due to the size and scope of works and services, we have limited our analysis of benefits to this area only.

$2,500,000+ of potential benefits from improved procurement of materials and services[8]

An independent regional shared service model can pool all council procurement into a single function. This will enable benefits realisation through economies of scale across both materials and labour.

An independent shared services model can drive volume efficiencies of up to $2,370,000 in the procurement of materials.

> Consolidating the procurement of materials will allow councils to realise benefits through combined volumes and improved rates. Reducing the number of contracts and increasing the size of contracts will increase the bargaining power of councils enabling further price reductions, volume discounts or improved payment terms. Third Horizon expects a possible 5% – 10% reduction in rates, just across Works and Services procurement, which could save councils $1.185k – $2,370k annually. Whilst there are a number of national and state wide contracts in place, leveraging shared procurement beyond existing arrangements is still considered to be a significant opportunity.

An independent shared services model can combine procurement of external labour to drive benefits of up to $310,000.

[8] Additional details supporting the quantitative analysis of procurement savings are provided in the appendix (Table 13. Procurement Savings Details. Pg.Table 13. Procurement Savings Details6064)

A Procurement Shared Service Entity (SSE) will centralise the procurement of external contractor labour. This increases the scale and scope of potential engagements, allowing councils to negotiate improved commercials (rates and on-costs). The ability to spread capacity over multiple councils may enable councils to offer longer contracts, reducing both the number of contracts required and providing another driver for cost reductions. A 5% – 10% reduction in external labour rates just across Works and Services could save councils $155k – $310k annually.

Standardising processes increases efficiency and reduces procurement cycle time

An Independent Shared Services Model can drive efficiencies through the standardisation of processes. This will reduce procurement cycle times and allow effort to be focused on more strategic activities such as Strategic Relationship Management and Category Management.

An independent shared service model can standardise processes and leverage national procurement contracts.

A SSE would enable efficiencies through standardised policies, processes and templates. This will reduce the procurement cycle time and help councils realise operational efficiencies. Ensuring councils leverage national contracts may provide some quick-win benefits. All Cradle Coast Councils are part of the Local Government Association of Tasmania (LGAT) and consequently the National Procurement Network (NPN). The NPN provides a program that enables councils to combine their purchasing power Australian-wide. On the NPN, there are a number of contracts available to Tasmanian councils covering areas such as; plant machinery equipment, trucks, mobile garbage bins, telecommunication, office and workplace supplies and associated products. All of these contracts are available to Tasmanian councils however the use of them is optional. Ensuring that these contracts are leveraged where possible could reduce procurement times and rates.

Collectively investing in process re-design to move towards procurement best practice.

Shifting to an independent regional shared service model provides an opportunity to conduct a re-design of the source to contract and purchase to pay processes and can drive operational efficiencies as the procurement function matures.

1. Source to contract:
    - Establish prequalification panels to streamline the process where national or state contracts do not exist.
    - Streamline requirements gathering process through optimising specifications across key categories.
    - Source nationally and globally where it makes sense.
2. Purchase to pay
    - Technology investment and increased automation to further reduce cycle time.
    - Process review of delegations and approval to ensure they reflect risk levels and don't result in unnecessary delays to procurement process.

By increasing collective procurement maturity future functional effort can be directed to strategic activities

Shifting focus to strategic activities will help drive long term benefits in procurement. Developing stronger relationships through improved supplier relationship management (SRM) can establish joint cost saving initiatives (e.g. sharing productivity gains). Category and demand management can improve forecasting and sourcing outcomes through development of specific strategies to achieve a desired goals for demand categories.

Increased sharing can provide a capability uplift in procurement and reduce exposure to key person risk

An Independent Shared Services Model for procurement will foster knowledge sharing, helping to drive operational efficiencies. It will reduce the number of procurement FTEs required as well as reducing council's exposure to key person risk.

A capability uplift through increased sharing can drive operational efficiencies.

> An independent regional shared services model can pull the procurement expertise across the councils into a central location and provide these services to all councils. It will create a focal point for procurement enabling knowledge sharing and category specialisation. Capability uplift and leveraging category expertise across councils will fast track savings delivery and realisation, helping to provide better procurement outcomes in the long term.

An independent shared services model can provide a benefit through reducing the number of procurement FTEs.

> Councils will no longer require procurement capabilities as this will be centrally managed. Currently, each of the councils provide and manage procurement internally. Shared services will pool the capacity of procurement FTEs resources, providing a benefit through a consolidation in the number of FTEs required. Contract consolidation and vendor rationalisation will also result in a reduction in administrative requirements.

Sharing increases the resource pool providing an increased level of flexibility and reducing key person risk.

> All of the councils currently face exposure to key person risk. Pooling resources and centralising activities will control for this risk. Rather than one person holding all the knowledge of a particular council or function, it will be shared across multiple people. This reduces the reliance on individual resources. It also provides increased flexibility to spread capacity helping to manage peaks and troughs in workload.

RECOMMENDATIONS

We recommend that the Cradle Coast Councils implement an independent shared services model for procurement.

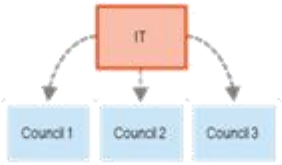
Implications of recommendation

- Review and standardise processes.
- Review contracts and identify shared vendors.
- Consolidate contracts.

INFORMATION TECHNOLOGY

SUMMARY

An evaluation of the Information Technology (IT) function applying the Shared Service Decision Tree indicates that this function is suitable to follow an ***Independent Shared Service Model***.



Third Horizon's evaluation has identified three key factors that support the selection of this model.

- Councils have a similar operating environment that can be subject to process standardisation and operational efficiency;
- A regional IT strategy that addresses the requirements of a shared IT environment could deliver potential savings up to 30% - 40% in IT capital expenditure, compared to individual council investments; and
- An independent regional shared services model can provide de foundations for an overall IT strategy and more efficient IT operations.

EVALUATION

IT is one of the key functions of Corporate Services and has been identified as an area of shared service opportunity. Third Horizon's assessment highlights the key benefits of an independent IT shared services model.

A shared IT environment enables process standardisation

Cradle Coast Councils operation is similar and, to a large extent, provide similar services to their communities though comparable operating models. Nevertheless, they have different systems and invest independently in their IT platforms.

A common IT environment is instrumental to realise efficiency gains in technology-supported functions.

> IT-enabled standardisation will generate greater value across councils and lower the barriers to information sharing and collaboration. This in turn can enable increased levels of sharing across a broader range of services. In fact, a common IT platform will provide the base to drive long term benefit realisation across a broader range of services. Our survey results revealed that 83% of respondents thought service provision would benefit from improved technology.[9]
>
> An integrated IT environment will enable the full value of IT shared services to be realised. The increased economies of scale will drive lower operating costs whilst further efficiencies will be realised through standardisation of processes, policies and reporting for all councils. Implementation of continuous process improvement will help the region streamline operations and move towards IT best practice. This will improve efficiency and reduce waste through lower error rates, shorter cycle times and an improved the quality of existing services.

[9] Results taken from an initial survey completed by councils

Investing collectively in IT platforms could provide significant savings in upfront costs, compared to investing individually.

Whilst each of the councils undertake similar core activities, scale of operations, time and budget have led to an assortment of IT solutions.

- West Coast, Circular Head and Kentish are using the 'Brighton Solution'.
- Central Coast have been using its current system for many years
- King Island has recently install MAGIQ.

Some IT investment is occurring, however it is largely in limited partnerships or in isolation.

- Burnie, Waratah-Wynyard and Latrobe have significantly invested in Civica over 10+ years.
- Devonport has recently implemented Technology One. This is used by all staff and is partially customised to meet the specific needs of the councils.
- Kentish and Latrobe have a common IT strategy. A tender process has been undertaken to implement a combined IT system for the two councils.
- Waratah-Wynyard and Circular Head have recently undergone a joint IT review to assess their current operating environment. They are working towards a common solution.

Potential savings up to 34% in avoided upfront costs from combined IT investments[10]

Pooling expenditure and investing in a single IT system would reduce collective upfront costs by up to 34% of project implementation costs. Economies of scale will allow each of the councils to receive better value for money than if they were to invest and implement alone. Our preliminary analysis indicate that potential upfront benefits could be up to $1,000,000+ (dependent on the type and scale of investment that need to be addressed by a regional IT strategy). Other potential long term benefits include volume discounts on software licenses, plus ongoing opex reduction (e.g. maintenance, software as a service fees).

A regional IT Strategy and detailed business cases are required to fully assess the costs and the benefits of shared IT options.

An independent shared services model can facilitate the development of a regional IT strategy and enable world-class IT operations

IT shared services enables the development of specialised IT resources that service all Cradle Coast Councils. Co-location and a focal point for all IT services will drive better collaboration and knowledge sharing of best practices between team members. This will organically drive capability uplift. Resource utilisation will also improve as capacity is pooled and duplication is eliminated.

The Cradle Coast Councils can better leverage limited IT resources across the region.

Third Horizon conducted a benchmark analysis of the Cradle Coast Councils IT functions against a series of comparable organisations to draw out insight from the data provided by Cradle Coast participants. Third Horizon found that there was a stark difference in internal FTE capacity in comparison to peer benchmark organisations. A difference which remained even after accounting for spend on external IT support.

[10] Additional details supporting the quantitative analysis of IT savings are provided in the appendix (Table 14. Information Technology Savings Details Pg.60)

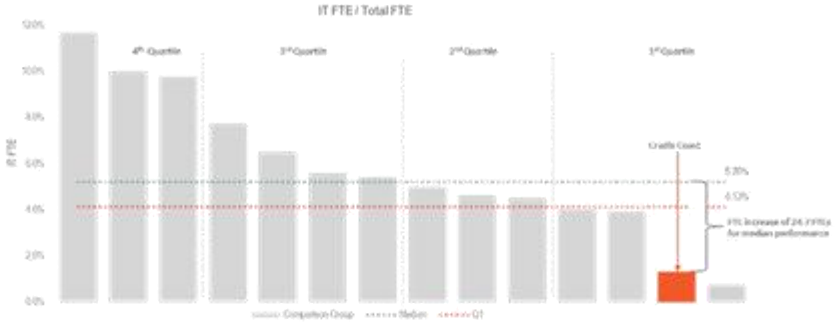


Figure 4. IT Function – FTE Benchmarking Analysis

Cradle Coast IT function has 24.7 FTE less than the benchmark median. IT accounts for 8% of Corporate Services FTEs and only 1.4% of total FTEs across the nine councils. While the 1st quartile performance may be indicative of superior performance it is more likely that it is symptomatic of an underinvestment in IT. On average there was only 1 IT FTE per council. This inhibits the quality and level of IT service provided. Even with 53% of IT labour outsourced only 3 councils have the capacity to provide Help Desk support, and these functions are already outsourced.[11]

Sharing can improve resource specialisation, pool capacity and eliminate duplication

A centralised IT operation through IT shared services would move processes from individual councils and centralise them. Existing resources can pool into a larger team, made up of specialised resources and placed into specific activities for all councils. This can potentially reduce duplication, increase the scale and scope of positions, and allow councils to attract and engage specialist resources. In turn, efficiency and quality of services provided can be improved.

RECOMMENDATIONS

Third Horizon has two key recommendations for the IT function:

1. Develop a Cradle Coast Regional IT strategy

We recommend that the Cradle Coast Councils work towards a common vision of their technology platform based on a shared IT strategy and ensure all future IT investment is aligned.

Implications of recommendation

- Determine the current state of all councils IT systems and operations.
- Assess current IT systems/providers available and determine the best option for the councils.
- Undertake a detailed business case to fully understand the costs, benefits and risks of a shared IT solution. The business case should also consider the digital transformation and how this may impact the provision of services to the community in the future.
- To maximise the benefits, all councils will need to partake.
- Consider investing in a shared technology system and/or a shared IT provider
- Explore the possibility to extend investment beyond Cradle Coast region to reap further benefits.

[11] Additional details supporting the quantitative analysis of IT savings are provided in the appendix (Table 14. Information Technology Savings Details Pg.60)

2. Establish an independent shared service model for IT

We recommend that Cradle Coast Councils implement an independent regional shared services model for IT. The centralised team can form the base of the project team to run and implement the IT transformation project.

Once a shared technology platform is in place, the complete rollout of IT shared services can occur.

Implication of recommendation

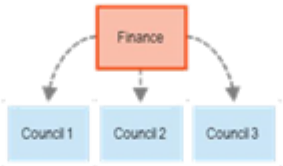
- Lead time for shared system integration will mean that this will only be possible in the medium term.
- Upfront investment may require a short term increase in IT FTEs before the benefits of shared services can be realised.
- A shared technology system will be integral to extract the whole value of independent regional shared services model.

EVALUATION OF MEDIUM PRIORITY OPPORTUNITIES

FINANCE

SUMMARY

An evaluation of the Finance function applying the Shared Service Decision Tree indicates that this function is suitable to follow an ***Independent Shared Service Model***.



Third Horizon's evaluation has identified two key factors that support the selection of this model.

- Potential annual benefit of $1,500,000+ from the reduction in duplication inefficiencies; and
- An increased scale can enable capability uplift and help attract and retain specialist talent.

EVALUATION

Finance is one of the key functions of Corporate Services and has been identified as an area that is suitable for an independent shared services model. However, due to the nature of some of the finance sub-functions we recommend particular functions are critically assess for regional or sub-regional sharing arrangements.

Potential annual benefit of $1,500,000+ from the reduction in duplication and inefficiencies[12]

An independent regional shared services model will provide a benefit through reducing the number of finance FTEs. Finance shared services will pool capacity providing a benefit through a consolidation in the number of finance FTEs required. This in turn will reduce the requirement for management and administrative support.

Third Horizon's benchmarking revealed that Cradle Coast has nearly double the median internal Finance FTEs.

A reduction to the median would drive an estimated financial benefit of up to $1,780k p.a. The source of this benefit will be explored throughout this section. Third Horizon conducted a benchmark analysis of the Cradle Coast Councils Finance function against a series of comparable organisations to draw out insight from the data provided by Cradle Coast participants. Finance accounts for over 30% of Corporate Services FTEs (41.2) and 6% of total FTEs across the nine councils. A reduction of 20 or nearly 50% of current finance FTEs would align the combined Cradle Coast entity to the median of the comparison group.

[12] Additional details supporting the quantitative analysis of finance savings are provided in the appendix (Table 15. Finance Savings Details Pg.60)

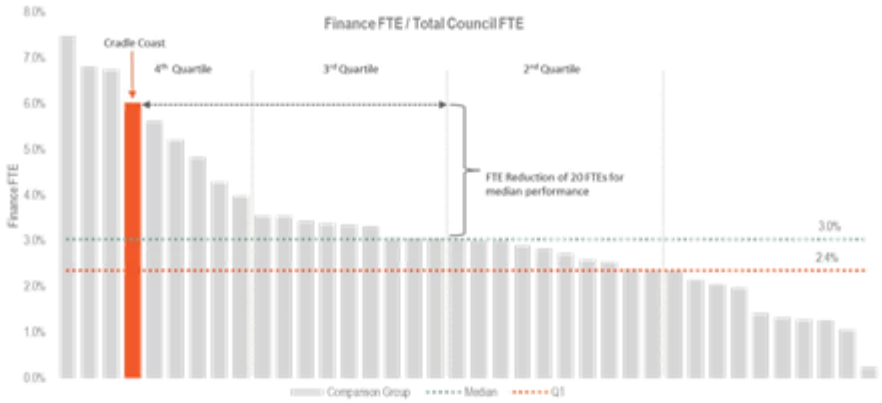


Figure 5. Finance Function – FTE Benchmarking Analysis

Consolidation of finance FTEs could reduce the management and administrative expense by up to $780k.

Increased sharing could lead to a significant consolidation in finance managers. Currently there are seven finance managers across 9 councils. Creating a shared services for accounts payable and receivable functions whilst increasing the collaboration and sharing across other finance sub-functions will decrease the requirement for finance managers. A reduction in finance managers will lead to a reduction in the number of administration positions. We estimate this will drive an annual benefit of $575k – $780k.

A consolidated accounts payable and receivable team could drive savings of up to $1 million.

An independent regional shared services model can enable a specialised team for accounts payable and accounts receivable that services all Cradle Coast Councils. We estimate that this could provide annual benefits of $670,000 – $1,000,000. Co-location and a focal point for transactional finance services will enable better collaboration and knowledge sharing. The increased economies of scale will drive volume efficiencies whilst further benefits will be realised through standardisation of processes, policies and reporting for all councils. Implementation of continuous process improvement will help the region streamline operations and move towards best practice over time.

An increased scale can enable capability uplift and help attract and retain specialist talent

A capability uplift through increased sharing will drive operational efficiencies and enable better decision making through more accurate data.

The scale and scope of a full finance function helps attract and retain specialist talent like financial accounting.

Some councils cannot support a full time financial accountant. An independent regional shared service model or a sub-regional sharing arrangement across councils helps resolve this issue. Such sharing arrangements increase the scale and scope of future positions. This will allow sharing councils to attract and engage specialist skills that individual councils may not have the capacity to support. Functions such as financial accounting are largely driven by external reporting requirements. This means that all councils must provide this service regardless of the scale of their operations.

Sharing management accounting skills can enable better strategic decision-making.

An independent regional shared services model or sub-regional arrangement of management accounting resources can enable better decision-making through more accurate data. Additionally it can enable a capability uplift due to standardisation of services between councils.

Currently there are very different levels of maturity in accounting and reporting practices. This was evident throughout our engagement. Several of the finance stakeholders that we engaged with did not have a high level of confidence in the accuracy of the data that they provided us. Even those confident in their data, lacked confidence in its comparability with other councils. Implementing sharing arrangements in Management Accounting can help drive an overall capability uplift in councils.

Sharing increases the resource pool providing an increased level of flexibility and reducing risk.

All of the councils currently face exposure to key person risk. Pooling resources and centralising activities will control for this risk. Rather than one person holding all the knowledge of a particular council or function, it will be shared across multiple people. This reduces the reliance on individual resources. It also provides increased flexibility to spread capacity helping to manage peaks and troughs in workload.

RECOMMENDATION

We recommend the Cradle Coast Councils implement an independent shared services model for the finance function

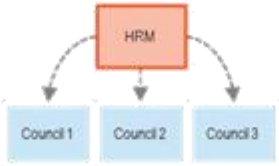
Implications of recommendation

- Accounts receivable and accounts payable should form part of the full shared services model.
- The Management Accounting and Financial Accounting functions may have local and strategic sensitivities, so council specific analysis should be conducted to determine why this function should not form part of the full shared services model.
- A process review should be conducted to implement standardisation across councils.
- Commercial agreements and SLAs will be required between provider and recipient councils.

HUMAN RESOURCE MANAGEMENT

SUMMARY

An evaluation of the Human Resource Management (HRM) function applying the Shared Service Decision Tree indicates that this function is suitable to follow an ***Independent Shared Service Model***.



Third Horizon's evaluation has identified two key factors that support the selection of this model.

- Potential annual benefit of $500,000+ from the reduction in duplication inefficiencies; and
- An increased scale can enable capability uplift and help attract and retain specialist talent.

EVALUATION

Potential annual benefit of $500,000+ from the reduction in duplication and inefficiencies[13]

An independent shared service for HRM can pool the capacity for resources, providing a benefit through a consolidation in the number of HRM required. This in turn will reduce the requirement for management and administrative support.

Third Horizon's benchmarking revealed a reduction of 7.9 HRM FTE to align with the median internal HRM FTE.

A reduction to the median would drive an estimated financial benefit of up to $645k p.a. The source of this benefit will be explored throughout this section. Third Horizon conducted a benchmark analysis of the Cradle Coast Councils HRM function against a series of comparable organisations to draw out insight from the data provided by Cradle Coast participants. With 21.0 FTEs, HRM accounts for over 17% of Corporate Services FTEs and 3.1% of total FTEs across the nine councils. A reduction of 7.9 FTEs or nearly 38% of current HRM FTEs is required to align the combined Cradle Coast Councils to the median of the comparison group.

[13] Additional details in appendices

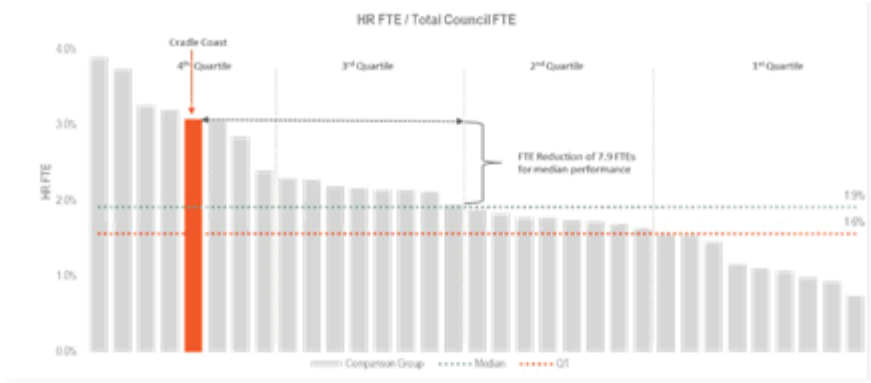


Figure 6. HRM Function – FTE Benchmarking Analysis

Consolidation of HRM FTEs could reduce the management and administrative expense by up to $275k.

Increased sharing could lead to a significant consolidation in HRM managers. Nearly 19% of HRM roles are management positions. Centralising payroll and WHS and increasing the collaboration through a HR full shared service model will decrease the requirement for HRM managers. A reduction in finance managers will lead to a reduction in the number of administration positions. We estimate this will drive an annual benefit of $180k – $275k.

A specialist payroll team could drive operational efficiencies of up to $370k.

An independent shared services model for HRM could enable a specialised team for payroll that services all Cradle Coast Councils. We estimate that this could provide annual benefits of $275k – $370k. Payroll salary costs are double the average for an employer of similar size. The Australian Payroll Association calculated the average payroll employee salary cost per payslip to be $9.74 in 2015 – 2016[14]. The average across Cradle Coast is $21.31. This is $11.57 higher per payslip. A FTE reduction of 54% across payroll is required to align with the average. An independent regional shared services model will drive this increased efficiency. Co-location and a focal point for payroll will help drive better collaboration and knowledge sharing. The increased economies of scale will help drive volume efficiencies whilst further benefits will be realised through standardisation of processes, policies and reporting for all councils. Implementation of continuous process improvement will help the region streamline operations and move towards best practice over time.

An increased scale can enable capability uplift and help attract and retain specialist talent

A capability uplift through increased sharing can drive operational efficiencies.

Sharing provides additional flexibility whilst helping to attract and retain talent.

Sharing the service provision across multiple councils increases the scale and scope of future positions. This will allow councils to attract and engage specialist skills they may not have the capacity to support without sharing, increasing the quality of services provided. Three of the councils appear to not provide WHS and four of the councils provide this service through a partnership structure. Given WHS is a legislative requirement it raises the question on whether the scale of these councils is

[14] Australian Payroll Association (2016). Payroll Benchmarking Report.

sufficient to meet regulatory requirements. Implementing shared services for WHS across councils helps resolve these issue.

Sharing increases the resource pool providing an increased level of flexibility and reducing risk.

All of the councils currently face exposure to key person risk. Pooling resources and centralising activities will control for this risk. Rather than one person holding all the knowledge of a particular council or function, it will be shared across multiple people. This reduces the reliance on individual resources. It also provides increased flexibility to spread capacity helping to manage peaks and troughs in workloads.

RECOMMENDATION

We recommend the Cradle Coast Councils implement an independent regional shared services model for Human Resource Management.

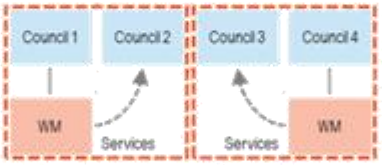
Implications of recommendation

- A shared IT environment will be central to enabling shared HRM.
- Process review to implement standardisation.
- Consolidation of management and administration following establishment.
- Some HR activities may need to be carried out on-site.

WASTE MANAGEMENT (WORKS AND SERVICES)

SUMMARY

An evaluation of the Waste Management function applying the Shared Service Decision Tree indicates that this function is suitable to follow a ***Sub-Regional Arrangement***.



Waste management has been identified as a function suitable for sharing, with medium potential to deliver incremental benefits. Considering the nature of waste management, we recommend that Cradle Coast Councils pursue the expansion and/ or replication of sub-regional sharing arrangements.

Third Horizon's assessment has revealed two key benefits that can be realised through the expansion of sub-regional sharing models for waste management.

- Optimise waste management infrastructure,
- Ensure sustained operational efficiency and benefits realisation.

EVALUATION

Optimise waste management infrastructure

Sharing arrangements will create the conditions to develop an optimal waste management layout, with landfill and transfer stations adapted to aggregate needs of multiple councils. By pooling waste management needs, councils will be able to manage larger waste management operations and make optimal investment decisions.

Third Horizon's review showed that a regional waste management could deliver savings between $1.5m to $2.0m over 16 years.

Waste management assessment commissioned by the Cradle Coast Authority *(2014, Coordinated Governance and Management of Waste Infrastructure and Services in the Cradle Coast Region)* indicated that expected capital investment over the next 16 years would be $15m to $20m. In addition there are 18 transfer stations across the region, of which only 3 are able to absorb an indicative 60% materials increase.

Based on Third Horizon's experience driving operational improvements in utility organisations, a significant demand aggregation is able to gradually optimise infrastructure layout and decrease at least 10% of investment requirements. Joint planning and procurement of capital investments are key to realising these efficiencies.

Ensure sustained operational efficiency and benefits realisation

Greater sharing arrangements will be able deliver lower cost per bin. Cost of collection, processing and other activities would potentially decrease by jointly planning and operating a larger waste management network. Additionally, benefits of scale could be realised by joint procurement and management.

Third Horizon's analysis confirmed that shared services could deliver incremental savings of $1.3 to $2.3 million per year.

Third Horizon conducted a benchmark analysis of the Cradle Coast Councils waste management function against a series of comparable councils to draw out insight from the data provided by Cradle Coast participants. With a cost per collected bin that ranges between $3.35 and $11.42, the variability between councils is significantly higher than other comparable councils. Further sharing could potentially reduce these differences, which would drive and estimated financial benefit of up to $1.3 million p.a. Note that benefit calculations exclude isolated councils (e.g. King Island) for which cost of collection is structurally high. Similarly, existing arrangements are taken into account in the assessment of potential benefits. 21

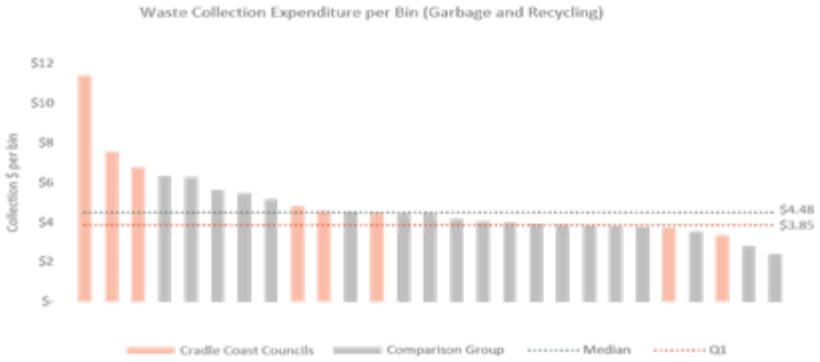


Figure 7. Waste Management Function – Waste Collection per Bin Benchmarking Analysis

Consolidation of waste management operations can deliver sustained cost benefits through joint procurement.

The Dulverton Regional Waste Management Authority has been able to deliver operational improvements to its participating councils, as indicated by the 2017 Landfill Excellence Award. However, the 2014 waste management assessment points out that each of the Cradle Coast Councils still uses multiple contractors for more than 8 waste management activities. In the same report, it is estimated that economies of scale through regional purchasing would result in $1 million savings for the region. These estimates are consistent with Third Horizon's benchmark analysis.

RECOMMENDATION

Third Horizon has two key recommendations for the Waste Management function:

1. Establish a joint planning and procurement model for waste management

We recommend that the Cradle Coast Councils jointly plan and procure their waste management infrastructure and services.

Implications of recommendation

- Create or confirm entity to lead the initiative.
- Assess waste management infrastructure.
- Develop a long term waste management infrastructure plan for the Cradle Coast.
- Agree joint investment strategy.
- Assess waste management contracts and service agreements.
- Explore the possibility to extend key contracts to all Cradle Coast Councils.

2. Expand and replicate sub-regional operations

We recommend that Cradle Coast Councils develop further collaboration around waste management operations by: a) expanding the scope of existing waste management partnerships and/or b) establishing new sub-regional waste management arrangements.

Implication of recommendation

- Explore the possibility to increase the scope of the Dulverton Waste Management Authority or the potential to increase the scope of the Dulverton Waste Management Authority sub-regionally.
- Identify alternatives for sub-regional operations that would deliver operational efficiencies.
- Establish service agreements and management protocols.

EVALUATION OF LOW-MEDIUM PRIORITY OPPORTUNITIES

ECONOMIC DEVELOPMENT AND COMMUNICATIONS

We recommend economic development and communications should take on centralised regional shared services model.

These functions will benefit from a regional perspective.

Both economic development and communications would benefit from a unified regional strategy and approach. This will increase the magnitude of outcomes that can be achieved and reduce duplication of effort. It will help ensure there is consistency in activity and messaging for the whole region, increasing the overall effectiveness and quality of service delivery.

They complement other centralised service offerings and will potentially increase the scale of the service.

The majority of councils do not have the scale to dedicate a full time position to Economic Development nor Communications functions. Given the size and scope of these functions at an individual council level, sharing across all councils could allow for specialist team to be assembled and that services all councils. The increased specialisation and economies of scope of a single team will result in better outcomes for community and the region.

OTHER WORKS AND SERVICES

We recommend that all works and services functions be shared under sub-regional arrangements.

Works and Services function is suitable for increased sharing. The nature of works and services means that all councils undertake the similar activities within each of the functions. The magnitude of operating expenditure in works and services means that the achievement of small operational efficiencies can result in significant long term benefits. However the geographic distribution coupled with the complexity to implement has meant that we have put this as a secondary priority.

We recommend that sub-regional sharing arrangements be established or expanded across works and services once a successful model has been developed and implemented for increased sub-regional sharing in waste management.

Sharing may enable councils to provide a better quality service.

Although the overall volume of work is unlikely to decrease through sharing, the quality and scale of activities would likely improve through sharing. This would enable councils to provide a better service for communities in the long run.

Sub-regional arrangements will improve resource utilisation and reduce duplication.

Sub-regional arrangements will pool capacity providing a benefit through a consolidation in the number of FTEs required to perform the function. Increasing the spans of control may reduce the requirement for management and administrative support. A single resource pool will enable capacity to be spread across all councils helping to manage peaks and troughs in workload that the smaller council teams may experience. This will result in a net improvement in resource utilisation.

Increased economics of scale and process standardisation will drive operational efficiencies.

The increased economies of scale will drive volume efficiencies whilst further benefits will be realised through standardisation of processes, policies and reporting for all councils. Implementation of continuous process improvement will help the region streamline operations and move towards best practice over time.

PLANNING AND REGULATION

We recommend that parking and animal control and regulation be shared under sub-regional arrangements.

Sharing may enable councils to provide a better quality service.

Although the overall volume of work is unlikely to decrease through sharing, the quality and scale of activities is likely to improve. This would enable councils to provide a better service for communities in the long run.

- Creating a shared animal control team underpinned by a joint technology system could significantly reduce customer administration. Rather than each council managing a separate database, it could be centrally located, simplifying the process for customers moving between council areas. Standardised processes could streamline the collection of annual registration fees. Given the close proximity of council areas response teams could be pooled, sharing excess capacity, increasing utilisation and potentially reducing response times.
- Sub-regional sharing across parking will allow councils to pool resources and share excess capacity providing greater flexibility. A larger team may also enable councils to implement potentially more effective strategies for enforcement (e.g. target resources to focus areas for a short period). This may drive higher compliance and improving the overall service levels. Working together also allows knowledge transfer between council teams whilst providing councils greater access to talent and specialist skills.

ENVIRONMENTAL HEALTH

We recommend that environmental health be shared under sub-regional arrangements.

Third Horizon considers the opportunity to realise benefits in environmental health through:

- A reduction in functional duplication across FTEs.
- Increased spans of control reducing the number of managers and administration positions required.
- Standardised processes across councils driving volume and operational efficiencies.
- Pooling volumes enabling capacity to be spread across councils, providing increased flexibility to manage workloads and drive higher utilisation.
- An increased scale can enable capability uplift and help attract and retain specialist talent.
- Economies of scope through providing more regional or sub-regional activities rather than focussed activities at a council level.

Sharing may enable councils to provide a better quality service.

Although the overall volume of work is unlikely to decrease through sharing, the quality and scale of activities is likely to improve. This would enable councils to provide a better service for communities in the long run.

- Shared teams across public health could drive higher levels of food safety compliance through unified standards and consistency. Resourcing pooling allows councils to share excess capacity across inspection teams and provides greater flexibility to respond to customer enquiries. This may reduce the process time, improving the overall service levels. Working together allows knowledge transfer between council teams whilst providing councils greater access to talent and specialist skills.
- A sub-regional perspective could help councils manage the interdependencies in national resource management and environmental management, providing a more consistent service to the region. Given the geographical proximity of council areas, the decisions and measures implemented in one council can have an impact on neighbouring councils. Creating a shared team and joint governance framework can provide councils a voice in decisions that may impact their area. It may also allow for more strategic decision making to occur, resulting in better outcomes for the sub-region.

OTHER CONSIDERATIONS

In conducting an initial feasibility assessment, we defined a list of 5 characteristics to help assess the suitability of functions and activities for sharing.

As part of this assessment, some functions such as community services were not considered to be candidates for sharing. Whilst we do not recommend sharing across these functions initially, this does not preclude these functions from presenting opportunities for sharing in the future. Third Horizon's commentary on some of this functions is provided below.

COMMUNITY SERVICES

We recommend that community services is retained within the councils.

Our initial screening deemed all functions within community services to be non-candidates for sharing based on the high level of community interaction and council's expectations in that regard. Based on this, we recommend that these functions are retained within councils. However, we see an opportunity to realise benefits and recommend this be revisited in the future.

Third Horizon considers the opportunity to realise benefits in community services through:

- A reduction in functional duplication across FTEs.
- Better strategic decisions that are aligned across councils.
- Increased spans of control reducing the number of managers and administration positions required.
- Standardised processes across councils driving volume and operational efficiencies.
- Pooling volumes enabling capacity to be spread across councils, providing increased flexibility to manage workloads and drive higher utilisation.
- An increased scale can enable capability uplift and help attract and retain specialist talent.
- Economies of scope through providing more regional or sub-regional activities rather than focussed activities at a council level.

Sharing may enable councils to provide a better quality service.

Although the overall volume of work is unlikely to decrease through sharing, the quality and scale of activities is likely to improve. This would enable councils to provide a better service for communities in the long run.

- In 2013 the Cradle Coast Authority commissioned a review on Visitor Services for the Cradle Coast Region. This report recommended a model that would allow councils to achieve $735-$985k in year one and nearly $324-$446k in annual savings from year 2 on. The recommendations of this report were never implemented.
- Sharing in tourism services increases the scope of activity as it can take a regional or sub-regional focus. Pooling funds and capability into a single team will increase the magnitude of outcomes that can be achieved and reduce duplication of effort. Increase sharing can also help ensure there is consistency in activity for the whole region, increasing the overall effectiveness and quality of service delivery.
- The nature of activities in events management means workload is likely to fluctuate significantly depending on the council event schedule. Implementing shared teams would allow effort to be focussed on the upcoming events within the region, providing greater flexibility to manage peaks and troughs that occur at the council level. This would also decrease downtime and have a net improvement on employee utilisation.

Whilst we do see significant benefits in sharing, we have not recommended it be pursued at this stage.

Councils expressed a desire to preserve local connections with the community.

Maintaining control of community services was integral to this idea. The lower operational expenditure in community services (approximately 13% of opex compared to works and services 62%) also means that the comparative benefit of sharing is lower whilst the complexity of sharing remains.

Throughout our engagement, we did not see strong evidence of trust and a desire to collaborate across the delivery of frontline services.

Community Services is seen by councils as paramount to maintaining local connections. The strong sentiment that underpinned much of the engagement was that councils were reluctant to let go of local interest on behalf of a shared vision and shared action for the region. This is posing a significant barrier to future sharing.

We recommend that sharing in community services is viewed as an opportunity to explore in the future once inter-council trust is strengthened and sharing across other services has matured.

OTHER CORPORATE SERVICES

Strategy & Governance

We recommend that the strategy and governance function is retained within councils, however both records management and risk and compliance have the potential for sharing in the future.

Strategy and governance is predominately a strategic position so it does not make sense for this to be shared without moving to strategic sharing across all levels of council operations.

Records management is underpinned by legislative requirements. In general, this function is well-suited for shared services as it is largely process based and often provided remotely. Implementing a shared services model for records management should be only be considered once and shared technology systems have matured and strategic partnerships within councils have been embedded.

Risk management, regulation and compliance are integral to good council governance. Consequently we recommend that these be retained within the council. Whilst the size and scope of the function at a council level does mean that there would be benefit in increased sharing, we do not recommend these be considered until shared technology systems have matured and strategic partnerships within councils have been embedded.

General Management & Administration

We recommend that general management and administration be retained in the councils.

This is a strategic function that is fundamental to council operations. Sharing this position does not make sense without increasing strategic sharing across all council activities. This is demonstrated by the successful sharing between the strategic partnerships of Kentish/Latrobe and Waratah-Wynyard/Circular Head. Our discussions with councils support the preposition that there is little appetite to increase sharing across general managers.

OTHER PLANNING AND REGULATION

Whilst we do see benefits in sharing across the other planning and regulation functions, we have not recommended it be pursued at this stage. This includes building control and administration, building permits and accreditation, plumbing permits and accreditation, land use planning and approvals.

Planning and regulation accounts for only 8% of council opex and benefit of sharing is not significant.

Council expenditure associated to planning and regulation activities is low compared to other functions like finance, IT, procurement, and works and services. Efficiency gains obtained through pooling resources or optimising operations would deliver limited financial impact.

Implementation of sharing arrangements across planning and regulation could be complex.

Third Horizon highlighted a potential difficulty in reaching agreement to share planning and regulation functions, due to the perception among councils that this would reduce their control of some strategic regulatory activities and approvals. This was confirmed throughout discussions with council representatives, who were unable to see wider benefits of sharing in these space and called out possible impacts in their council area.

Considering the size of potential benefits and relative complexity of sharing, we recommend that this function is retained within councils at this stage. However, we recommend that sharing in other planning and regulation activities is viewed as an opportunity to explore in the future once inter-council trust is strengthened and sharing across other services has matured.

RECOMMENDED FUTURE SHARED SERVICE MODEL

Third Horizon advises that the Cradle Coast Councils leverage a combination of full share services models and sub-regional arrangements. Third Horizon has categorised the functions into the sharing arrangements below, deeming them the most appropriate model to engage in sharing between the councils.

The below diagram shows the recommended sharing arrangements and the distribution of assessed functions across the shared services of the Cradle Coast Councils.

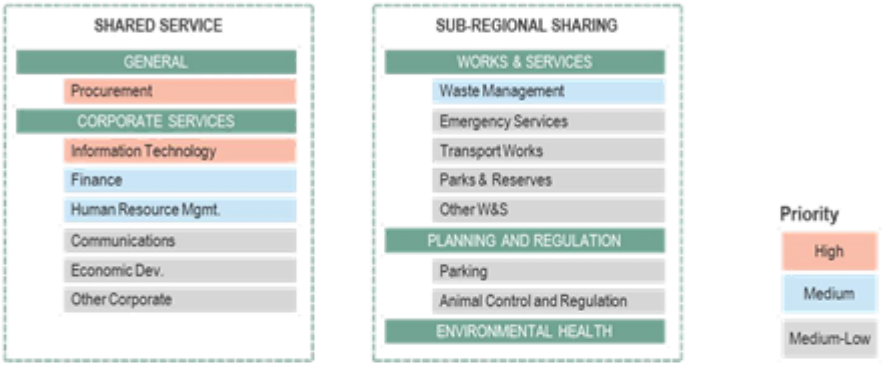


Diagram 16. Recommended Future Shared Services Model

A New Shared Services Entity

We recommend the Cradle Coast Councils establish a new shared services entity. This will provide a range of standard corporate and procurement services to the councils. All of the services nominated for independent regional shared services model are seen as non-core and non-strategic for council operations. Standardising them into a SSE will ensure cost reductions, improvement of quality and overall improvement of functional efficiencies. Removing the control of these activities from the councils will also allow councils to focus on strategic activities and core service delivery.

The new entity can provide these functions on a contract based on a standard catalogue of services and SLAs. New commercial agreements will need to be put in place to manage the financial relationship between the councils and the new entity.

The entity can be a joint authority similar to the CCA or it can use a different model such as one that is independent of the Cradle Coast Councils. The advantage of an independent entity is that it can more easily be scaled to provide these services beyond the councils. This may present an opportunity to increase regional employment and drive lower prices in the long run. Increasing the client base will help drive continuous improvement and maintain the long term financial stability of the SSE.

Implementation of a SSE is dependent on a shared technology system. Whilst these activities could occur independently, the benefits will be lower and it will add significant complexity and costs of implementation. Many of the new processes and changes required for a SSE will occur naturally through the system change.

Sub-Regional Sharing Arrangements

We recommend that sub-regional sharing arrangements are implemented for works and services functions across the councils. This recommendation is based primarily on the complexities of the physical nature and constraints of these services, however there is no fundamental reason why these functions cannot be consolidated into a sub-regional sharing arrangement or a SSE in the future.

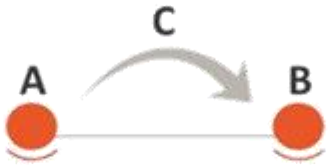
Due to the complexity in moving these functions to sub-regional sharing, we have recommended councils commence with waste management services. Dulverton Waste Management Group provides a base that can be expanded and replicated. Once sub-regional sharing has been successfully implemented across waste management, it can provide a precedent for expanding the sharing across more works and services functions.

It is advised that the councils engage in further consideration of which functions area suits to be shared sub-regionally across select councils. Furthermore the Cradle Coast Councils should consider how these can further evolve into regional sharing arrangements.

IMPLEMENTATION PLAN & ROADMAP

BUILDING THE CASE FOR CHANGE

In a series of workshops the councils discussed the relevance and value of being able to position any argument for greater shared services within a broader regional vision. Such a vision or narrative of cooperation would need to respect both their individual aspirations and their agreed principles of engagement. Working from their own local stories, the councils discussed how they might move 'together' from an initial state (A) of independent operations to a future state (B) where functions or resources are shared as reflected in the simple heuristic for strategy below:



Three foundational precepts emerged for moving from A to B:

1. Think **systematically**
2. Build and share **regionally**
3. Connect **locally**

The councils further elaborated these precepts in eight design principles based on their individual and collective objectives and aspirations. Third Horizon distilled the 8 design principles to two main questions for potential sharing, which align to Third Horizon's two parameters.

Resource sharing principles:

1. Build on our best
2. Enhance inter-council trust but not depend on it
3. Promote equality of voice
4. Ensure regional efficiency
5. Improve value to community
6. Preserve local connection
7. Always respect the other participants
8. Allow that perceptions are our own and may not be the reality of others

Two main questions:

- How difficult would it be to establish a sharing arrangement?
- What value would sharing this function bring to the ratepayers?

VIEWS OF THE CRADLE COAST COUNCILS

Following Third Horizon's preliminary evaluation of resourcing sharing opportunities the Mayors and representatives of the Cradle Coast Councils were engaged in workshops to express their individual perceptions of resource sharing in a collective evaluation of complexity and value. The output of the workshop demonstrated a high degree of alignment between the perceptions of sharing opportunities to Third Horizon's assessment.[15]

[15] The output of the workshop exercise can be found in the Appendices on page 56

The large majority of Third Horizon's preliminary evaluation of resource sharing was validated by the views of the Cradle Coast Councils. And where differences existed these factors were acknowledged and considered as part of the following prioritisation of functions for evaluations.

HIGH LEVEL IMPLEMENTATION ROADMAP

Cradle Coast Councils have recognised the value of collaboration and committed to pursue sharing arrangements around key council functions, agreeing to build trust first through the early implementation of high value opportunities. A phased strategy would address councils' objectives and maintain focus on longer term possibilities:

- Phase 1: learn, build trust, and capture significant value from service sharing
- Phase 2: deploy additional high-value functions and leverage existing trust
- Phase 3: share management resources and capture long term structural benefits from asset sharing

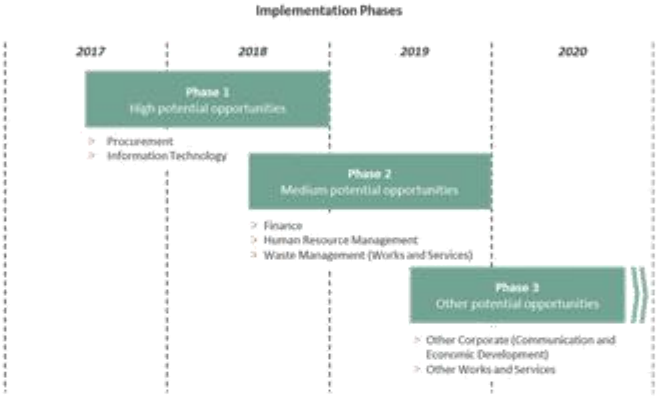


Figure 8. Implementation Strategy Overview

Sequence and timing are indicative only. We would expect councils to adjust the strategy to their capacity and further design considerations. A high-level project governance model has been designed to provide indicative support structures to help coordinate implementation efforts and ensure council engagement through the process.

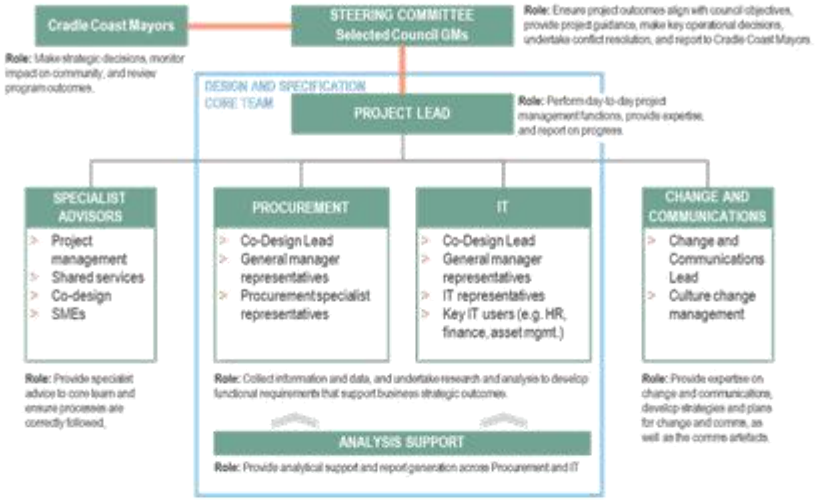
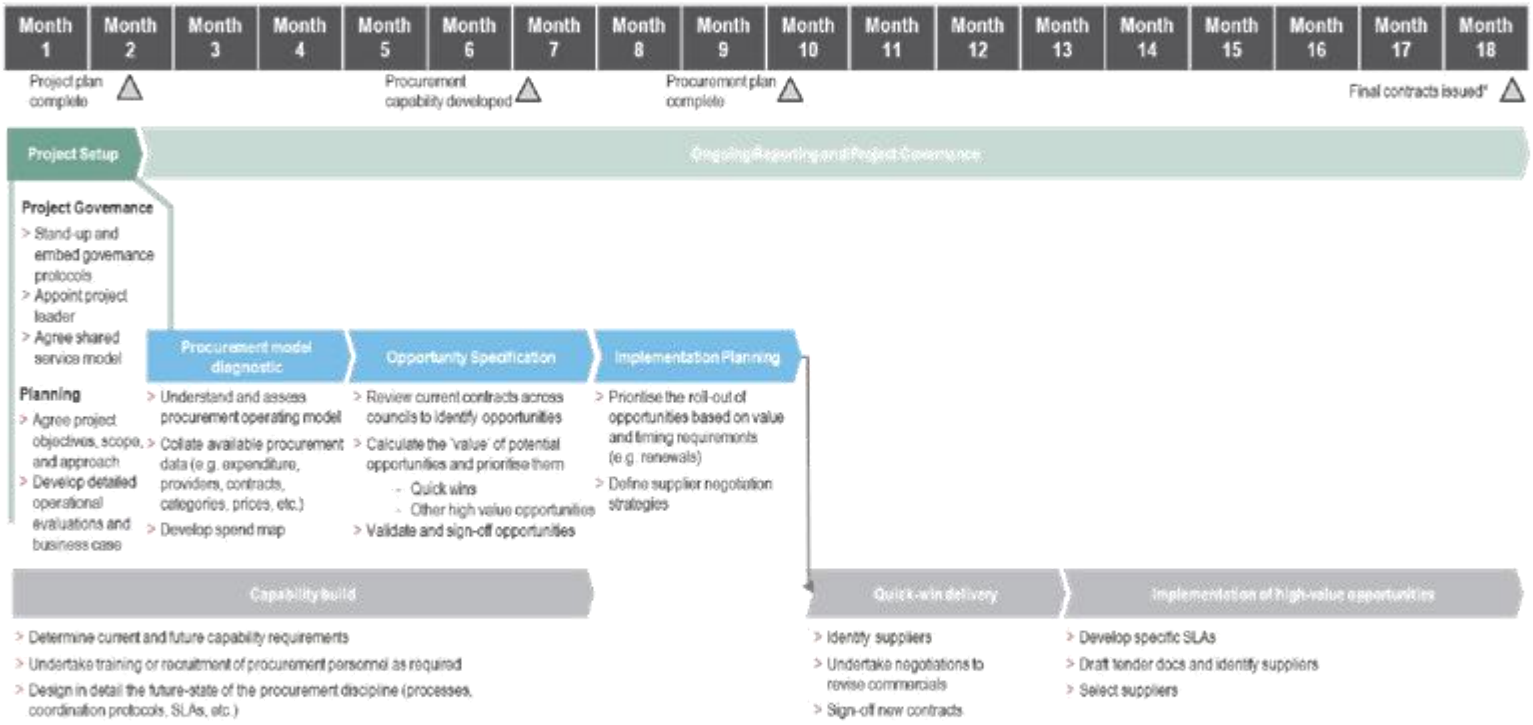


Diagram 17. Proposed Program Team Structure and Roles

HIGH PRIORITY: PROCUREMENT IMPLEMENTATION PLAN

A detailed implementation timeline has been developed for each one of the high priority opportunities. Sequence and timing are indicative only. We suggest that councils adjust the strategy to their capacity and further design considerations.



* Timing is indicative only. Some contracts may require longer implementation cycles and some negotiations may need to be postponed to match contract renewals.

Figure 9. Procurement Implementation Timeline

HIGH PRIORITY: INFORMATION TECHNOLOGY IMPLEMENTATION PLAN

A detailed implementation timeline has been developed for each one of the high priority opportunities. Sequence and timing are indicative only. We suggest that councils adjust the strategy to their capacity and further design considerations.

Figure 10. Information Technology Implementation Plan

CONCLUDING REMARKS

Third Horizon identified $9 million p.a. in potential benefits (excluding investment costs) that could be collectively achieved by the Cradle Coast Councils by implementing shared services models. This analysis is intended to give an indication of how to proceed to a detailed design, business case and planning stage that will inform implementation. In turn, the realisation of these benefits is dependent on the next steps taken by the councils.

Throughout our engagement, we encountered many instances of successful sharing. For instance, the strategic partnerships between Waratah-Wynyard/Circular Head and Kentish/Latrobe; the establishment of the Dulverton Waste Management organisation; and most recently, the framing of the Sustainable Murchison 2040 plan seem to reflect sound strategic collaboration. These provide clear evidence that councils can collaborate to deliver real benefits to ratepayers.

On the other hand, some difficulties experienced throughout the engagement highlight potential struggles and sensitivities that would make it difficult to reach consensus and establish common goals. Through workshops and interviews, we devoted significant effort to get alignment on the value of sharing but not all councils were on board with this study, and the levels of participation throughout the engagement reflected these sentiments. In addition, the relative paucity of data made available suggests that by and large councils have not been able to assess neither how shared services would deliver greater benefits to ratepayers, nor the financial impacts of such arrangements. In turn, a perception surfaced that sharing will result in reduced service to council tenants. This is posing a significant barrier that councils will need to proactively overcome for future Authority-wide sharing arrangements to be successful.

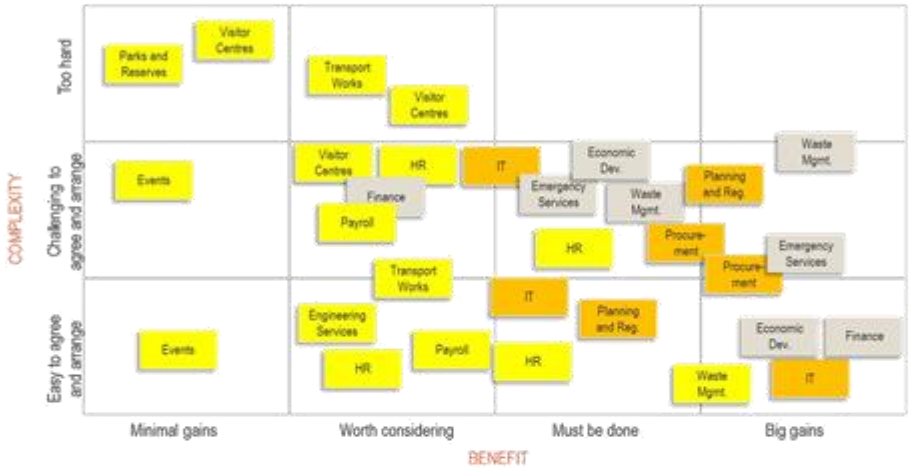
Whilst we acknowledge that the journey to implementing the recommended sharing arrangements will be challenging, we strongly recommend that the Cradle Councils use these findings as a catalyst to drive changes at both a cultural and operating levels. A proactive rather than reactive approach is likely to provide better long term outcomes to councils and their communities.

APPENDICES

1. WORKSHOP OUTPUT: COUNCIL PERSPECTIVES ON RESOURCE SHARING

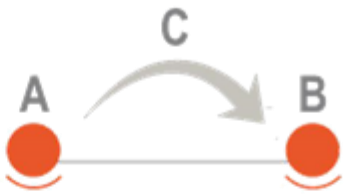
Mayors and council representatives were engaged in an interactive workshop to workshops to establish an understanding of their perceptions of potential resource sharing opportunities across Cradle Coast Councils.

Participants were asked to indicate against a matrix of complexity and value their views on top functions for sharing opportunities. The participants weighted and scored each service, expressing their individual perceptions in a collective evaluation. Their assessments were integrated into the following matrix.



Third Horizon's evaluation largely aligned with the assessment of council representatives. Similar to Third Horizon, council representatives considered Finance, Waste Management, IT and HR as priority shared service candidates. The main difference occurred around Planning and Regulation. While Third Horizon considered that sharing the activities within this function would provide limited value, some councils perceived a higher value from sharing them. The rationale of Third Horizon's independent assessment is provided in the evaluation section.

2. PROCUREMENT: A CASE FOR CHANGE



1. What is easy / challenging about sharing procurement services?

Relatively Easy

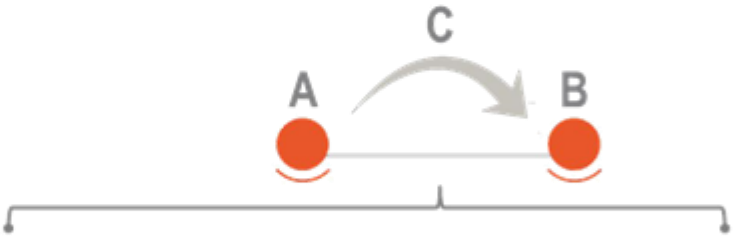
- Similar suppliers
- Purchasing policies in place
- National procurement services
- Bulk pricing

Challenging

- Staff acceptance
- Variations in systems
- Changing years of practices
- Ensuring support for local suppliers — messaging
- Compliance — risk
- Scale — what's in/out?
- Just-in-time / maverick purchases
- Risks, e.g.. monopolies

2. What is possible?

FINANCIAL GAINS
POSITION OF STRENGTH
EXTENDED MARKET
REDUCE WASTE
COMMUNITY CONFIDENCE
DEMONSTRATE SS WORKS
UNIFIED APPROACH
NETWORKS
KNOWLEDGE
EXPERTISE



3. What design principles?

1. Value for money suppliers
2. Easy to access/use
3. Balance community needs [rural]
4. Spread the benefits
5. Visibility — open and transparent
6. Sound comparisons [apples for apples]
7. Assist / educate local suppliers
8. Build capacity for councils to deliver
9. Clear boundaries [in/out]
10. Flexible for local contexts (e.g. disasters)
11. Address the control tension
12. Enable expertise to emerge

4. What do we need to progress?

We don't know what we don't know.
Therefore...

1. Commit to share
2. Establish a data starting point
3. Agree key metrics
4. Build common spreadsheets
5. Coordinate tendering
6. Identify expertise
7. Bring skills together
8. Grow expertise
9. Create safe place for unflattering data to emerge

3. PROCUREMENT: SAVINGS DETAILS

In order to calculate the procurement savings, we analysed the key cost drivers within each of the sources to determine their scalability through sharing. This analysis in conjunction with our experience in other organisations used to calculate the indicative synergy opportunity. The table below provides the detailed analysis behind the quantitative savings figures.

Source	Approximate Cost (Works and Services)	Functional Cost Drivers	Qualitative Benefits	Quantitative Benefits (000s)
Procurement of Materials	> $23.7m	> Volume of materials > $ procured > Number of suppliers	> Leverage combined volumes and improved rates > Reduce the number of suppliers > For major suppliers instigate SRM program to identify and drive strategic alignment and value > Align standards, tighten specifications, leverage combined scale and re-tender and/or renegotiate contracts for councils	> 5% – 10% synergies > $1,185 – $2,370
External Labour	> $3.1m	> Number of external contractors > Daily rates > Supply of skills required	> Longer contracts with fewer contractors as volume can be pooled across councils > Improved commercials (rates and on-costs) > Potential to attract more suppliers as scope of work is larger	> 5% – 10% synergies > $155 – $310
Internal Labour	> N/A. No cost baseline available as procurement is decentralised within each of the councils	> $ procured > Number of contracts (new and ongoing) > Number of external vendors/suppliers > Average contract term	> Increase in dollars procured but a decrease in the number of contracts > Contract consolidation will result in lower administration levels. > Improved process and automation > Consolidation of suppliers > Pooling volume to allow for a longer contract term	> N/A
> Total				> $1,340 – $2,680

Table 13. Procurement Savings Details

4. INFORMATION TECHNOLOGY: CASE FOR CHANGE

1. What is easy / challenging about sharing IT?

Relatively Easy

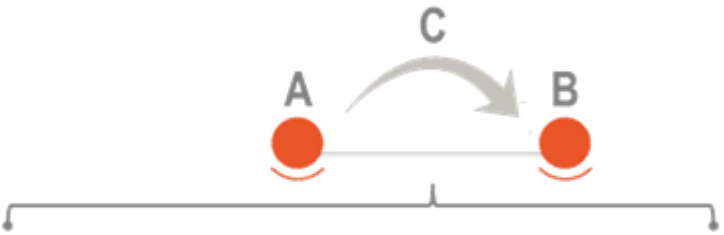
- Shared IT information
- Assessment of investments and benefits
- Common applications (e.g. MS Suite)
- Business systems

Challenging

- Long term IT plan
- Common enterprise software platform
- Collective bargaining
- Common cloud service
- Funding for planning, design and implementation

2. What is possible?

FINANCIAL GAINS
BETTER DECISIONS
COLLABORATION
BETTER COUNCIL PRACTICES
IMPROVE AND SHARE INFORMATION
ACCESS TO BETTER SYSTEMS
STANDARDISATION



3. What design principles?

1. User friendly: useful, usable, desirable
2. Customer focused
3. Adaptable for future requirements
4. Open and transparent cost allocations
5. Efficient cost and delivery
6. Wise for long term investment
7. Consider the cost of not changing
8. Share-able / compatible

4. What do we need to progress?

We can't whare without knowing our IT systems. Therefore…

1. Commit to share
2. Establish governance protocols
3. Report and collect system data
4. Develop IT development plans
5. Assess investments and benefits
6. Secure funding
7. Implement basic system changes
8. Demonstrate wins and update plans
9. Deploy major changes to IT platforms

5. INFORMATION TECHNOLOGY: SAVINGS DETAILS

The table below breaks down the source of project synergies. Using our experience of IT project implementations, we have estimated the % of project implementation costs for each activity. We have subsequently analysed the key cost drivers within each of the project activities to determine the potential synergies that could be realised through running a single project across all councils.

Activity	% of Project Implementation cost	Potential Synergies	Synergy Opportunity
Project Management	20%	50%	> A single project will reduce number of project managers > Scale and scope of the project will be larger, reducing the overall synergies
Change Management	15%	20%	> Some synergies through reusing material, however the largest cost driver will be the number of people. This scales with the size of the project
Design, build and test	40%	50%	> Synergies through similarities in requirements, technology architecture > Testing a single system
UAT, training and data migration	15%	5%	> This will be run separately for each council, however integrating learnings across councils will result in some synergies
Project implementation support	10%	5%	> The main cost driver will be the number of users so minimal synergy opportunities > Integrated learnings across councils will result in some synergies
Total	100%	34%	> We estimate that running a single IT implementation project will reduce the upfront costs by 34% than if the councils were to separately undertake a similar project

Table 14. Information Technology Savings Details

The $1 million+ in potential benefits through a single IT implementation was based on the assumption that an IT system upgrade would cost in excess of $3 million. Using our calculation of 34% project implementation synergies, this results in potential benefits of $1 million+.

6. FINANCE: SAVINGS DETAILS

Our benchmarking analysis of the finance function revealed that Cradle Coast has nearly twice as many FTEs as the median organisation. A reduction of 20 or nearly 50% of current finance FTEs is required to align the Cradle Coast finance function to the median of the comparison group.

Leveraging our experience with other organisations, our analysis of cost drivers and understanding of the activities within the sub-functions, we have calculated the quantitative benefits that can be realised through sharing. These are shown in the table below.

For more information on how we have quantified benefits, please refer to our Quantifying Benchmark Outputs section on page 72 of the appendix.

Sub-Function	Number of FTEs	Functional Cost Drivers	Quantitative Benefit Rationale	Quantitative Benefits (000s)
Management and Admin	> 10.5	> Span of control > number of employees managed > Delegations and accountabilities > $ under management	> Increased spans of control and reduced duplication leads to a reduction in managers > Reduction in managers allows a consolidation of administration positions > An upskilling allowance may be required as the new positions have more responsibility and $ under management has increased	> 60% – 80% synergies > 6.3 – 8.5 FTE > $575 – $780
Accounts payable and accounts receivable	> 18.2	> Number of transactions (invoices, accounts receivable) > $ transacted > Number of employees	> Number of transactions and $ transacted will rise but increased specialisation through a single shared team will lead to volume efficiencies and cost savings > Standardisation in processes and reporting drives further efficiencies > Further investment in process improvement and increased automation will enable more savings to be realised in this area > An upskilling allowance may be required to support capability uplift	> 40% – 60% synergies > 7.3 – 10.9 FTE > $670 – $1,005
Financial accounting	> 3.8	> Number of reports generated > Regulatory requirements	> Sharing will provide some synergies but the focus should be on improving quality of service rather than cost reductions > Sharing will have minimal impact on number of reports and regulatory requirements	> $0
Management Accounting	> 8.6	> Number of budgets generated > $ under management > Number of cost centres managed	> Sharing will provide some synergies but the focus should be on improving quality of service rather than cost reductions > Sharing will have minimal impact on number of budgets, $ under management and number of cost centres managed	> $0
TOTAL	> 41.2			> 13.6 – 19.4 FTE > $1,245 – $1,780

Table 15. Finance Savings Details

7. HUMAN RESOURCE MANAGEMENT: SAVINGS DETAILS

Our benchmarking analysis of the HRM function revealed that a reduction of 7.9 FTEs is required to align HRM to the median of our comparison group.

Leveraging our experience with other organisations, our analysis of cost drivers and understanding of the activities within the sub-functions, we have calculated the quantitative benefits that can be realised through sharing. These are shown in the table below.

For more information on how we have quantified benefits, please refer to our Quantifying Benchmark Outputs section on page 72 of the appendix.

Sub-Function	Number of FTEs	Functional Cost Drivers	Quantitative Benefit Rationale	Quantitative Benefits (000s)
Management	> 4.0	> Span of control > Delegations and accountabilities > Number of employees > Size of function	> Increased spans of control and reduced duplication leads to a reduction in managers > Minimal change to number of employees across the councils but size of HRM function will decrease > An upskilling allowance may be required as the new positions have more responsibility than current positions	> 50% – 75% synergies > 2 – 3 FTE > $180 –$275
Core HR	> 5.1	> Number of employees > Employee turnover > Number of people recruited > Number of external contractors > Performance management cycle > Number of training events > Number of employee grievances/discipline	> Sharing will provide some synergies but the focus should be on improving quality of service rather than cost reductions > Reduction in managers allows a consolidation of administration positions > Minimal change or possible reduction in employee turnover due to increase in scope of positions > Reduction in number of contractors due to pooling capacity and requirements across councils > Some efficiencies across recruitment and screening activities for similar positions in councils > Leverage best practice activities and create unified templates and processes on performance management, contractor management, employee grievances. > Shared training > Minimal change in number of employee grievances as scales with number of employees	> 0
Payroll	> 7.0	> Frequency of pay > Number of employees > Number of variations	> Increased specialisation through a single shared team will lead to volume efficiencies and cost savings > Standardisation in processes, pay cycles and reporting further improves efficiencies	> 40% – 55% > 3 – 4 FTE > $275 – $370

Sub-Function	Number of FTEs	Functional Cost Drivers	Quantitative Benefit Rationale	Quantitative Benefits (000s)
			> Minimal change in number of employees or number of variations > Further investment in process improvement and increased automation will enable more savings to be realised in this area	
Work Health and Safety	> 5.1	> Number of employees > Number of incidents reported > Number of risks identified > Training and educations	> Sharing will provide some synergies but the focus should be on improving quality of service rather than cost reductions > Efficiencies through standardised training, templates, policies and processes > Synergies across risk identification and risk management plans due to similarities in council activities > Shared training and education	> 0
Total	> 21.0			> 5.5 – 7FTE > $455 – $655

Table 16. Human Resource Management Savings Details

8. BENCHMARK APPROACH

In order to conduct the benchmark analysis and provide quantitative indicators of the areas of most significant sharing opportunity. Third Horizon developed a cost framework to conduct a fair comparison between the councils and among comparable peer organisations. This framework was developed in conjunction and in collaboration with the councils, focused on the categories of Corporate Services and Works and Services.

Upon analysing the benchmarked data Third Horizon found that the expenditure information was an unreliable point of comparison amongst the other organisations around the world. This was for a number of significant reasons.

1. The quality of financial information varied significantly between the councils, and therefore made things hard to understand.
2. Many Cradle Coast Councils did not express confidence is the breakdown of their financial information. On questioning the treatment and allocations of costs, it was clear that there was significant inconsistency in how the councils understood each sub function and how they allocated costs of various managerial and shared functions.
3. Tasmania requires a very different cost assumption in comparison to their peer organisations. This is largely due to a significant differential in salaries between Tasmania, the rest of Australia and organisations in other overseas locations.

Therefore the foundations of the analysis between the Cradle Coast and the peer organisations were based around the equivalent FTEs, the functions that they served and the sub-functions they were allocated to.

9. BENCHMARK PEER GROUPS

Third Horizon selected a range of organisations which shared similar functions and standard activities from a pool of domestic Australian as well as international organisations, from international Third Horizon databases and trusted sources of information.

From a database of over 350 companies, we selected a peer group made up of similar sized organisations to the combined entity of Cradle Coast across a range of government departments and utility organisations from Australia and around the world (New Zealand, Scotland, and United Kingdom).

These peer groups were selected for the following reasons:

- **Government organisations and bodies**

  Government organisations and bodies have been selected due the similar nature of citizen centric services they provide and budget allocation funding model from taxpayer dollars. Particular features of similarity of Cradle Coast Councils and these organisations include:

  - Budget is partially or totally funded by taxpayers
  - Driven by purpose of serving the community rather than profit
  - Administrative, compliance and reporting driven by external Government requirements
  - Does not require complex skillsets for corporate functions as they operate in simple ownership structures (e.g. no trusts, holding companies, public listings or shareholders)

- **Utility organisations**

  Utility organisations, such as those in water and energy industries, have been selected due the similar infrastructure Works and Services focused nature of these organisations. Particular features of similarity of Cradle Coast Councils and these organisations include:

  - They operate within highly government regulated environments with a focus on administration, governance and compliance
  - Asset intensive organisations with a large outside workforce responsible for building and maintaining assets
  - Often regionally based, servicing the community based on geographical location.

From the above group of organisations, a selection criteria needed to be applied to ensure the effectiveness of comparison to the combined Cradle Coast councils. Based on the size of the combined Cradle Coast entity a range criteria was applied around the number of FTEs and per annum operational expenditure. The applied constraints included:

- Organisations of size between 350-1000 FTEs
- Organisations with a range of $60,000,000-$300,000,000 operational expenditure per annum

10. QUANTIFYING BENCHMARK OUTPUTS

Benchmark outputs were quantified in order to provide greater insight to Cradle Coast Councils and provide an understanding of the benefits of recommendations from this report. Given that the benchmarking analysis for this report centred on the comparison of FTEs across peer organisations from a range of different regional areas, financial benefits were not measured on the basis of expenditure comparisons, but rather calculated specifically for the quantification of benefits in Tasmania.

Indicative financial benefits were calculated on recommended FTE savings for each function, after analysing a variety of functions including the median performance of organisations of similar size. The following approach was taken when calculating benefits:

1. **Key cost drivers were analysed to determine scalability** – a review of the sub-functional cost drivers was undertaken to assist in indicative quantification of sharing opportunities. Transactional functions where increased scale and specialisation can lead to volume efficiencies produce higher potential savings opportunities than drivers which are entity driven.
2. **Indicative sharing opportunities were assess** – All of the council FTEs were summed to form a combined baseline. Using the cost drivers as a guide, an indicative sharing reduction percentage was determined.
3. **Validating of opportunities were tested with external benchmarks** – Where external benchmarks were available and relevant, they were used to validate and refine opportunities.
4. **Financial benefits were translated into FTE expenditure savings –** percentages were translated into FTE reductions and labour expenditure. The savings calculation for each FTE used the data provided by the Cradle Coast Councils, based on salary averages across the councils.

RECOMMENDATIONS

Third Horizon has provided a series of recommendations tailors for each functional area. These recommendations are made based on the sum of benchmark outputs, our leading understanding of corporate services best practices, our deep experience in implementing highly efficient corporate services models and the potential for the Cradle Coast Councils to realise financial benefits from the optimization of these services.

11. CRADLE COAST STAKEHOLDERS ENGAGED

	Stakeholder	Council	Interviewed		Workshop 1	Workshop 2
			Phone	Face to Face		
Mayors and Representatives	Alwyn Boyd	Burnie City Council		✓	✓	✓
	Anita Dow	Burnie City Council		✓		✓
	Other Representatives	Burnie City Council		✓		
	Jan Bonde	Central Coast Council		✓	✓	✓
	Daryl Quilliam	Circular Head Council		✓	✓	✓
	Other Representatives	Circular Head Council		✓		
	Steve Martin	Devonport City Council		✓	✓	✓
	Other Representatives	Devonport City Council		✓		
	Tim Wilson	Kentish Council		✓	✓	
	Other Representatives	Kentish Council		✓		
	Zoe Behrendt	King Island Council		✓	✓	
	Don Thwaites	Kentish Council		✓		✓
	Peter Freshney	Latrobe Council		✓	✓	✓
	Other Representatives	Latrobe Council		✓		
	Robert Walsh	Waratah Wynyard Council		✓	✓	
General Managers	Gary Neil	Burnie City Council		✓	✓	✓
	Sandra Ayton	Central Coast Council		✓	✓	✓
	Tony Smart	Circular Head Council		✓	✓	✓
	Paul West	Devonport City Council		✓	✓	✓
	Gerald Monson	Kentish and Latrobe Councils		✓	✓	✓
	Michael Stretton	Waratah Wynyard Council		✓	✓	✓
	Dirk Dowling	West Coast Council	✓			

12. GLOBAL DIGITAL INNOVATION

At a certain point, reluctance to share resources and services may be overtaken by the incongruence to ratepayers of geographical boundaries to services that in every other aspect of life are digital and hence place agnostic.

A significant amount of reform and innovation is occurring in local governments across Australia and overseas, including a major push for councils to use digital technologies to provide more customer-focused services. The

UK has been a world leader in trialling new offerings with the support of design agencies such as Nesta and FutureGov. Together with the UK Public Service Transformation Network, Nesta has developed 'A Digital Vision of Local Government in 2025'. The report outlines a number of key changes they expect to occur within local government over the next decade. The four major areas of change they expect to see occur before 2025 are:

1. Seamless services: Almost all transactions will occur online and seamless integration across all government services means that users only need to verify their identity once, through voice or thumbprint. Council websites will be replaced by interactive digital platforms that connect users with third-party apps and services with personalised content for individuals.
2. Relational services: Services that are about fostering connections between people still rely on face-to-face contact and cannot be digitised, but can be supported by digital technologies. New tools help individuals manage their own long term conditions and connect them to a broader support network. Predictive algorithms will revolutionise many services enabling councils to intervene in a more timely and effective way.
3. Place-shaping: Digital technologies will help councils take a more ambitious approach to place shaping. The pool of service providers will be increased through greater transparency and the use of challenge-based procurement that ensures more public contracts will go to high-growth SMEs. Councils will systematically engage with residents to determine how services are commissioned, delivered and evaluated and residents will help decide how money is allocated through online participatory budgeting.
4. How councils work: Councils will become lean, agile and data-driven. Working across councils and agencies will be the norm while teams and departments may become temporary structures that form around specific local challenges. Workforce mobility will increase while councils use digital platforms to share public space, equipment and even workforce time with other councils, businesses and residents.

A number of these changes are already beginning to take place, including:

- Dorset County Council – Developed customer-centric websites which redesign transactional journeys.
- London Borough of Barking and Dagenham Council – Combined multiple services and teams into a single 'front door' to improve the level of support received from the council.
- Salford City Council – Conducted extensive quantitative and qualitative research to understand how things could be improved for young people living in the area.
- Bexley London Borough Council – Used digital and design to reimagine services by developing dedicated spaces to house innovative approaches and provided guidance on how to create solutions at scale.
- Surrey County Council – Undertook a three-year digital innovation partnership, including the development of an online self-assessment tool which helps individuals determine their own social care eligibility and recommends services beyond those directly managed by the council.
- Wigan Council – Implemented 'Patchwork' with local agencies and 35 organisations which enables the provision of better, more integrated care through greater information sharing.

5.3 MULTI-PURPOSE BUILDING - FURNITURE PROCUREMENT

File: 28539-08 D501139

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 2.4.1 Develop and implement a CBD Master Plan aligned to the key LIVING CITY principles based on community engagement outcomes

SUMMARY

This report is to obtain Council's approval for the purchase of selected furniture for the multi-purpose civic building being constructed as part of LIVING CITY Stage 1.

BACKGROUND

The LIVING CITY Stage 1 project budget includes an allocation of $800,000 for the provision of furniture in the multi-purpose building.

This includes furniture such as chairs, workstations, tables and storage units for LINC, Service Tasmania, Council and the Conference Centre.

It should be noted that some furniture and equipment will be reused from the existing Council Chambers in the new multipurpose building and the refurbished Devonport Entertainment and Convention Centre.

Given the furniture supply sits outside the building contract a specific two-part tender process has been undertaken.

This report presents the outcome of the tender process and recommends furniture be purchased from a number of suppliers.

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

A two-part tender process has been undertaken to procure furniture for the multipurpose building. Initially a round 1 expression of interest process was undertaken to establish a shortlist of suitable suppliers.

The shortlisted companies were:

1. Aspect Furniture
2. Bentley House
3. K Five
4. UCI

Proposals were then requested from each party, responding to a list of criteria including a detailed furniture schedule for pricing. The schedule included 35 different items across four categories being, chairs, tables, workstations and storage.

Upon receipt of the submissions an assessment of each submission was undertaken, considering the following criteria:

Detailed pricing – on all items listed in furniture schedule;

Procurement process – ability to procure and manage installation;

Warranties – terms in regard to replacement products;

Timeframes – delivery dates;

Financial Terms – including deposits required along with other payment conditions;

Contract acceptance – acceptance of contract supply terms.

Expert advice was also obtained from the project architect with regard to their experience with the range of products that were put forward.

Representatives from Service Tasmania, LINC and Council assessed samples of each of the proposed products in regard to suitability and preference.

Generally, the products suggested scored similar overall in regard to each of the criteria. A tender assessment report was prepared and confidential copies, along with minutes of the Tender Assessment Committee can be made available upon request by Aldermen.

As a result, preferred items were selected across three different suppliers and the following is recommended:

Supplier	Items	Total Package (ex GST)
UCI	Task chairs, meeting chairs, ottomans, round tables, meeting tables and staff tables.	$172,318
Bentley	Visitor chairs, children's seats, children's tables, staff table (powered) conference tables and type 1 mobile peds.	$66,458
K Five	Council chairs, conference chairs, foyer chairs, bar stools, armchairs, coffee tables, workstations and tambour storage units.	$549,138
	Total	$787,914

COMMUNITY ENGAGEMENT

A public advertisement calling for tenders was placed in the Advocate Newspaper on Saturday, 4 March 2017 and tenders were also advertised on the online portal, Tenderlink.

FINANCIAL IMPLICATIONS

Following a two-part tender process it is recommended that new multipurpose building furniture be sourced from three suppliers. The total cost of the selected items is $787,914.

The LIVING CITY Stage 1 project budget includes an allowance of $800,000 specifically for the multipurpose building furniture.

The State Government made a contribution of $2M to the fit out of LINC and Service Tasmania, which funded their items within this furniture package.

RISK IMPLICATIONS

To minimise risk, the tender administration processes related to this contract comply with Council's Code for Tenders and Contracts which was developed in compliance with Section 333 of the *Local Government Act 1993*.

CONCLUSION

Following a tender process, it is recommended that furniture for Service Tasmania, LINC and Council in the new LIVING CITY multipurpose building be sourced from three suppliers being, UCI, K Five and Bentley House.

ATTACHMENTS

Nil

RECOMMENDATION

That Council receive the report regarding the furniture supply tender for the LIVING CITY multipurpose building and award the following packages for the supply of specified furniture:

1. UCI Tasmania, selected items to the value of $172,318 (ex GST);
2. Bentley House, selected items to the value of $66,458 (ex GST); and
3. K Five, selected items to the value of $549,138 (ex GST).

Author:	Matthew Atkins	Endorsed By:	Paul West
Position:	Deputy General Manager	Position:	General Manager

5.4 LOCAL GOVERNMENT ACT AMENDMENT (TARGETED REVIEW) ACT 2017

File: 18760 D503893

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 Act 1993* as a result of the targeted review undertaken during the past two years.

BACKGROUND

The Minister for Planning and Local Government, Hon Peter Gutwein MP, in mid 2015 determined that a targeted review of the *Local Government Act* should be undertaken. A Steering Committee was established to undertake the review and to provide recommendations to the Minister.

As a result, Council at is 24 April 2017 meeting considered its responses to a draft Bill released for consultation before being tabled in Parliament.

A list of issues in response to the draft Bill was endorsed by Council and submitted to the Local Government Division for consideration.

The State Government has now finalised the review and the changes agreed have been incorporated into the Act. Most changes are now operative with some to commence at a date to be proclaimed.

STATUTORY REQUIREMENTS

The *Local Government Act 1993* is the primary legislative document under which the Council is required to operate.

DISCUSSION

The following table outlines the changes together with commentary provided by the Local Government Division on the impact of the amendments. It also includes some commentary on how it may impact Council.

Section	Local Government Division Commentary	General Manager's Comments
Section 16 Boundary Adjustments	• A Local Government Board review is no longer required to approve minor boundary adjustments.	There are specific guidelines on circumstances where this may be relevant. <u>There is no circumstance at present where this might apply to Council.</u>
Section 27 Role of the Mayor	• The role of the Mayor has been clarified under the legislation. • New functions include promoting good governance, and acting as chairperson of	There has been significant changes to Section 27 which further clarifies the role of the Mayor including: • to promote good governance by, and within, the council

	the council and chairing meetings of council in a manner that supports decision-making processes. • A new provision has been inserted which provides the Minister for Planning and Local Government (the Minister) with the power to make a Ministerial Order to expand and clarify the role of the mayor or a councillor.	• to act as chairperson of the council and to chair meetings of council in a manner that supports decision-making processes • to represent the council on regional and at intergovernmental forums at regional, state and federal levels • to lead and participate in the appointment, and the monitoring of the performance, of the general manager • to liaise with the general manager Council essentially already complies with the new provisions of the Act.
Section 61 General Manager	• Clarified provisions that outline the arrangements for the appointment of acting general managers.	New Section 61B clarifies the process for appointment of an Acting General Manager. Previously some General Managers determined Acting General Manager appointments without referral to the council. Section 61B(4) clarifies that the council may appoint a person to act in the office of general manager during every absence of the general manager. Council already complies with this amendment as it determined in 2014 by formal resolution a standing appointment of the Deputy General Manager as Acting General Manager during any absence by the General Manager.
	• A new provision provides the Minister with the power to make a Ministerial Order about the functions and powers, selection, reappointment and the monitoring and appraisal of performance of general managers.	New provision which provides the Minister with the authority to direct and/or clarify matters or classes of matters, that are operational or administrative in nature and how they are to be performed. There is also the new power at Section 62B which provides the Minister with the power to provide an order relating to the general manager's function to liaise with the mayor. Currently no Ministerial Orders exist. Council will comply with any Orders issued in the future.
Section 65 Qualified Persons Advice	• This section has been amended to ensure that any qualified advice, including verbal advice, is provided to councillors in writing by the general manager.	A council or council committee is not to decide on any matter which requires the advice of a qualified person without considering such advice. Any advice provided is to be in writing or if the advice was given

		orally, a written transcript or summary of that advice is to be provided. There has not be an instance where it has been necessary to provide 'certification' as items considered are only those listed on the formal agenda papers. In future if the situation arises the amendment will be complied with.
Section 82A Power of general manager to meet current and accruing requirements	• A new section which provides clarification for when a council has not adopted their estimates for the ensuing financial year by 30 June.	If a council is not in a position to adopt their estimate prior to 30 June this provision allows the council to authorise the general manager to issue and apply such amounts as may be necessary to meet the current and accruing requirements of the council for the months of July and August in that financial year. Devonport has at least during the last 10 years adopted its budget estimates in June each year.
Part 12B Performance Improvement Directions	• A Performance Improvement Direction (PID) is a new, simple and streamlined mechanism that will be used to require a council, a councillor or some councillors to take, refrain from taking or cease taking action to improve their performance with respect to statutory compliance. • A PID is designed to provide a mechanism in between a Director's investigation powers and a Board of Inquiry. The aim is to resolve an issue using a PID before it escalates into a Board of Inquiry.	The new provisions provide the opportunity for a greater influence by the Minster for Local Government (on the recommendation of the Director) to intervene in council issues at an earlier stage to formally instigating a Board of Inquiry process.
Part 13 Boards of Inquiry	• This section has been amended so that an individual councillor, or a number of councillors, or all councillors may be suspended and such a suspension can occur at any time during the Board of Inquiry process. • A Board of Inquiry has been provided with the power to require a person to provide written answers to a formal request for information. • The Minister now has the flexibility to dismiss an individual councillor, several or	This amendment allows the Minister to dismiss a council; or an individual councillor. Previously the Minister only had the power to recommend the dismissal of the whole council.

	all councillors following recommendations from a Board of Inquiry Report. • Further clarification about what is intended by the phrase "operation of the council" has been provided.	
Electoral Changes	• Changes have been made to the vacation of office (schedule 5) provisions to address the unintended technical consequence from councillors moving residence outside of their municipal area while still being eligible to be on the general manager's electoral roll. • The timeframe of elections has been increased by one week (sections 260, 269 and 274). This is to accommodate changes to Australia Post's services which have increased the time taken for mail to be delivered.	Clarifies the requirements relating to electoral changes.
Section 55 Audit Panel Members	• This section has been amended to ensure members of an audit panel are bound by both confidentiality and conflict of interest requirements under the Act. • The changes reflect that audit panel members consider and review sensitive or confidential information.	Clarifies the requirements relating to members of the Audit Panel to declare any interests they may have. The requirements will be outlined to the Audit Panel Members at the next meeting of the Devonport and Central Coast Shared Audit Panel.
Sections 339E and 339EA Director of Local Government	• Provisions clarify the ability of the Director to determine the procedure for handling/ investigating complaints. The Director can accept or reject a complaint, as well as investigate or dismiss a complaint (section 339E). • Amended to include provisions relating to the ability of the Director to instigate own motion investigations (section 339EA). This is to clarify that the Director can determine the procedure for such investigations, and may refer any information gained to an approved third-party authority	Clarifies the ability of the Director to determine the procedures for handling/investigating complaints.

	such as the Integrity Commission.	
Section 57 Electronic Petitions	• This section has been amended to allow for electronic petitions to be accepted by councils.	Previously there was no ability for the submission of electronic petitions. This amendment rectifies this situation. Council processes will be updated to allow for the receipt of electronic petitions.

The following changes included in the Bill approved by Parliament are yet to be proclaimed:

Section	Local Government Division Commentary	Impact on how Council
Part 5A Gifts and Donations	• New provisions will require a councillor (or candidate) to notify the general manager if they receive a gift or donation and for the general manager to keep a register of those gifts and donations. • The Local Government (General) Regulations 2015 will prescribe detail around the gifts and donations register.	The Regulations have not yet been updated to include the detail around gifts and donations. A consultation paper was provided to councils relating to what may be included in the Regulations. The Regulations are likely to be made in the first half of 2018 to ensure they apply to the October 2018 election. Council's processes will be updated when the Regulations have been implemented.
Section 83A Model Financial Statements	• A new section that will require councils to issue their financial statements in line with model financial statements issued by the Director of Local Government for each financial year.	There is to be consultation with the sector and the Auditor-General prior to finalising the provisions. It will likely apply to the financial statements for the year ended 30 June 2018 and Council will comply with the requirements.
Electoral Changes	• The definition of electoral advertising now includes advertising on the internet. Candidates will need to declare any costs for advertising on the internet as part of their return to the Electoral Commissioner.	This change will likely be proclaimed in time for the 2018 Council elections.

COMMUNITY ENGAGEMENT

The Targeted Review of the *Local Government Act 1993* was a State Government initiative. Public submissions were invited as part of the process.

FINANCIAL IMPLICATIONS

There are no specific financial implications directly associated with this report. There are obviously indirect implications as a result of some of the amendments however these would be covered in normal operating budgets.

RISK IMPLICATIONS

There are no specific risk implications identified at this time. In the future there may be more prescription imposed upon councils particularly through the power provided to the Minister to issue 'Performance Improvement Directions' and 'Ministerial Orders'.

CONCLUSION

The purpose of this report is to provide an overview of the changes applied to the Local Government Act 1993 through the most recent targeted review.

ATTACHMENTS

Nil

RECOMMENDATION

That the report of the General Manager outlining the changes to the *Local Government Act 1993* as a result of the Targeted Review be received and noted.

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

5.5 MERSEY BLUFF PRECINCT

File: 25062 D504218

RELEVANCE TO COUNCIL'S PLANS & POLICIES
Council's Strategic Plan 2009-2030:

Strategy 3.5.2 Identify future infrastructure needs of business and industry and pursue implementation options

SUMMARY
To provide an update regarding Council's decision to develop a Mersey Bluff Precinct Plan.

BACKGROUND
At Council's Infrastructure Works and Development Committee meeting held 5 December 2016, it was determined as follows (Min. No. IWC 42/16 refers):

That:

(a) options relating to the development of a precinct plan for the Mersey Bluff area be investigated; and

(b) funding the preparation of a precinct plan be considered as part of the 2017/18 budget deliberations.

Subsequently, a sum of $50,000 was allocated in the budget for the current financial year and noted as an action in Council's 2017/18 Annual Plan.

STATUTORY REQUIREMENTS
There are no statutory requirements which relate to this report. In February 2016, Council adopted its 2016 Parking Strategy. Any consideration relating to parking requirements and managing demand for parking should be in accordance with the strategy.

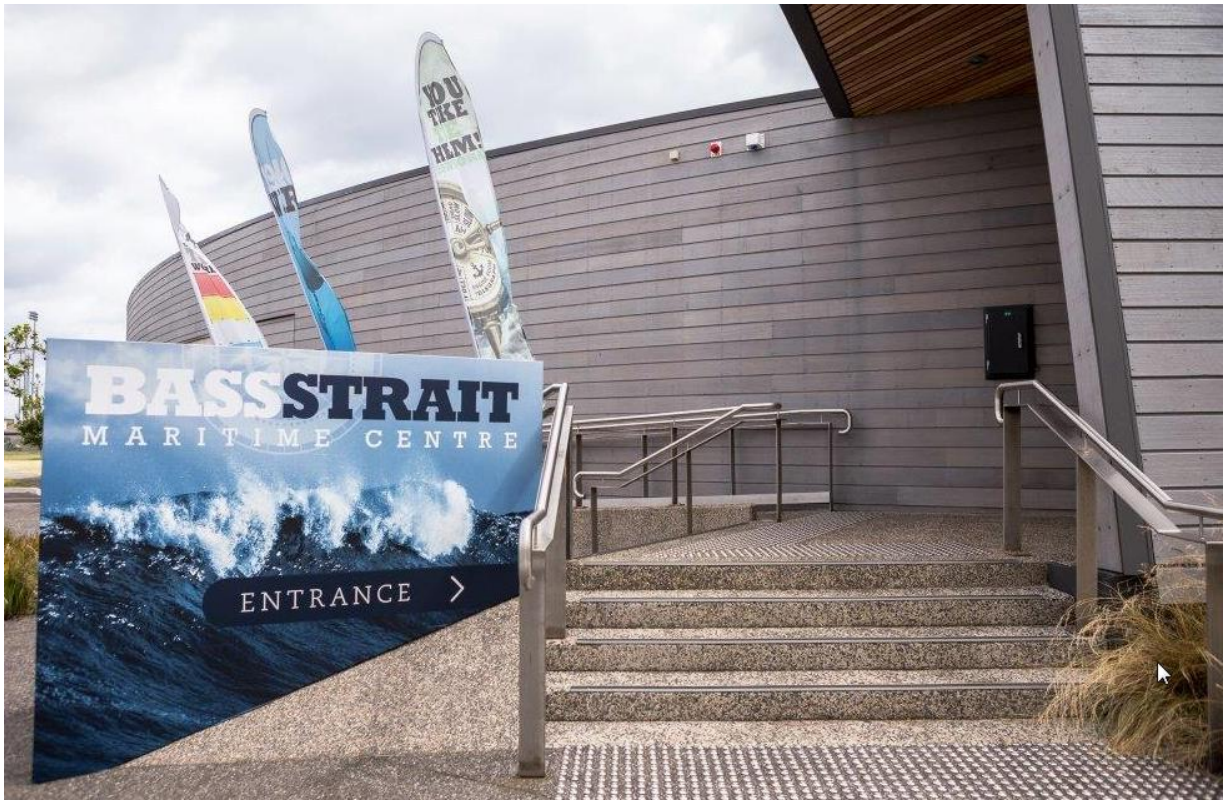
DISCUSSION
When commencing to prepare a consultant's brief for the proposed Precinct Plan, research showed that consultants Hansen Partnership were engaged to prepare design development plans/concepts in 2008.

The "Urban Design Framework Plan" (UDF Plan") prepared by them was endorsed by Council following significant community and stakeholder consultation in 2010 (see attached). Specifically, the "Surf Lifesaving Club Precinct" and the "Devonport Oval Precinct" were endorsed for further development.

Redevelopment of the surf club precinct commenced in 2010 and works which have now been completed to date include:

- Surf Club building encompassing two tenanted restaurants
- Landscaped civic square and upgraded to enable public events
- Fitness Station – Victoria Parade
- Improved pathways and signage
- Relocated foreshore car park and upgraded parking both at Meercroft Park and behind Surf Club building
- Picnic shelter and BBQ areas upgraded
- New sea walls and improved access to the beach
- Bus stop upgrade
- Skate park upgrade

- Cricket net upgrade (Devonport Oval)
- Free Wi-fi available
- Bass Strait Maritime Centre – significant renovations and upgrade undertaken



Following the completion of the UDF Plan, the consultants were further engaged to develop a Mersey Bluff Caravan Park Redevelopment Concept Plan which was presented to Council in April 2011.

Some works have been undertaken by Council at the Caravan Park since (eg upgrade the amenities building and power supply, internal road improvements, improvements to level the ground surface for caravans).

New operators of the Mersey Bluff Caravan Park, Luke and Carolyn Emmett, plan to undertake a significant capital upgrade of the Park over the next 4-5 years. Their concept proposal would appear to be in line with the Redevelopment Concept plan prepared in April 2011.

In March 2017, Council's Local Government Professionals Management Challenge team undertook a community engagement project at the Bluff Precinct which highlighted the following issues:

- Parking (primary issue raised by participants)
- Protection/security of the area
- Access for vehicles
- Transport between CBD and Bluff precinct
- Pedestrian safety

(A video of the community engagement project can be seen at: https://www.youtube.com/watch?v=sBOPO-f4Fgo&feature=youtu.be)

A Traffic Impact Assessment (TIA) was not undertaken in 2009/2010 however with the significant developments that have been finalised in the area, a TIA may now assist in determining solutions to the perceived issues of parking and pedestrian safety/linkages rather than proceeding with a new precinct plan.

Traffic counters are currently installed at the Bluff precinct in six locations (see map below), and the data sourced from the counters would assist in the preparation of a TIA and any subsequent proposals as a result.

With the significant developments undertaken at the Bluff precinct over the past seven years, Council may determine that the funds allocated for a Mersey Bluff Precinct Plan would be better utilised in undertaking a Traffic Impact Assessment and subsequent studies

to determine future infrastructure needs for parking and pedestrian linkages/safety rather than developing another precinct plan. Once the TIA has been completed, there may be a requirement to update the existing UDF plan and any balance funds could be used for this purpose if required.

COMMUNITY ENGAGEMENT

A deputation was received by Council at its October 2016 Workshop from the tenants of both restaurants, the Surf Club and the Caravan Park. No further community engagement has been undertaken at this stage.

FINANCIAL IMPLICATIONS

An allocation of $50,000 has been included in the 2017/18 budget to undertake a Mersey Bluff Precinct Plan. If Council determines not to proceed with the Precinct Plan, but to engage consultants to undertake a Traffic Impact Assessment, the $50,000 allocated would be sufficient. It is anticipated that a TIA would cost approximately $15-20,000 depending on the scope of the project.

RISK IMPLICATIONS

Any outcomes arising from a Traffic Impact Assessment for the Mersey Bluff area could create expectations of tenants, users and the public that may not be able to be undertaken for many years due to Council's financial constraints and/or other projects.

CONCLUSION

With the significant developments undertaken at the Bluff precinct, Council may determine that the funds allocated for a Mersey Bluff Precinct Plan would be better utilised in undertaking a Traffic Impact Assessment and subsequent studies to determine future infrastructure needs for parking and pedestrian linkages/safety.

ATTACHMENTS

⇩1. Urban Design Framework Plan 2009/10

RECOMMENDATION

That the report relating to the Mersey Bluff Precinct be received and noted and Council:

(a) determine not to proceed with a "Mersey Bluff Precinct Plan" as previously identified; and

(b) instead seek to engage a consultant to undertake a Traffic Impact Assessment for the broader Mersey Bluff precinct and if necessary, update the existing Urban Design Framework Plan.

Author:	Karen Hampton	Endorsed By:	Paul West
Position:	Governance Coordinator	Position:	General Manager

hansen
mersey bluff precinct
devonport, tasmania
urban design
framework plan
DRAFT
devonport oval
mercroft park
Mersey Bluff Development Precincts
Caravan Park Precinct
Surf Lifesaving Club Precinct
Mercroft Park Precinct
Devonport Oval Precinct

5.6 CRADLE COAST AUTHORITY - SHARED USE REQUEST FROM BURNIE CITY COUNCIL

File: 32290 D504668

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.1.2 Pursue opportunities for cooperative initiatives including resource sharing with other councils, organisations and community groups

SUMMARY

To consider a request from Burnie City Council, via the Cradle Coast Authority, to seek expressions of interest from relevant Councils to participate in the purchase and shared use of a sand sifter.

BACKGROUND

An email has been received from the Cradle Coast Authority seeking Council's interest, or otherwise, in having further discussions regarding Burnie City Council's proposal to acquire and share a beach sifter for the maintenance and management of public beaches. The letter from Burnie City Council is attached, together with the Notice of Motion from their meeting held 21 November, 2017.

STATUTORY REQUIREMENTS

There are no statutory requirements which relate to this report.

DISCUSSION

Currently, Council does not undertake any works on beaches in the Devonport area. As and when required, approval is sought from Crown Lands Services should any significant debris be washed up on the beaches.

The Devonport Surf Life Saving Club have not held surf carnivals at the Bluff for a number of years and unlikely to do so in the foreseeable future.

It is unlikely that a beach sifter would be of significant benefit to Council.

COMMUNITY ENGAGEMENT

There was no community engagement as a result of this report.

FINANCIAL IMPLICATIONS

If Council were to express an interest in being a party to the purchase of a sand sifter, there would be cost which is unknown at this stage.

RISK IMPLICATIONS

It is believed there are no risks associated with this report.

CONCLUSION

The use of a beach sifter, whilst would be of benefit to those beaches at which surf carnivals and events are held, would be of limited benefit to Devonport.

ATTACHMENTS

⇩1. Burnie City Council - Beach sand sifter - Shared regional resource

RECOMMENDATION

That Council advise the Cradle Coast Authority that it does not see a current need for the services of a beach sifter and therefore does not wish to be involved in discussions regarding the proposal to purchase one for shared use.

Author:	Karen Hampton	Endorsed By:	Paul West
Position:	Governance Coordinator	Position:	General Manager

01 DEC 2017

PLEASE QUOTE
Your Ref:
Our Ref: 2745778 & 870523

Enquiries Mr Gary Neil (GN:MR)

80 Wilson Street, Burnie Tasmania
PO Box 973, Burnie TAS 7320

ABN: 29 846 979 690
Phone: (03) 6430 5700
Email: burnie@burnie.net
Web: www.burnie.net

We value your feedback on our service.
Tell us about it at www.burnie.net/feedback

BURNIE CITY COUNCIL

27 November 2017

Mr Brett Smith
Chief Executive Officer
Cradle Coast Authority
PO Box 338
BURNIE TAS 7320

Dear Mr Smith

BEACH SAND SIFTER
- SHARED REGIONAL RESOURCE

You may recall that at a recent workshop with Council the procurement of a beach sand sifter that could be used across the region was touched upon.

Council formally considered a motion on notice in regard to such a proposal at the Council Meeting held on 21 November 2017 and determined the following:

> ***""THAT the Burnie City Council request that the Cradle Coast Authority seek expressions of interest from relevant councils to participate in the purchase and shared use of a sand sifter to be used on patrolled beaches in the region (Port Sorell, Devonport, Ulverstone, Preservation Bay, West Beach, Somerset and Boat Harbour) during the Summer months, particularly during the surf patrol season of December to March."***

I attach a copy of the Motion on Notice for your reference to provide a context the motion and some background on the matter.

Council has requested that advice be provided back prior to the end of December 2017.

Council's Director Works and Services, Mr Gary Neil, is the contact point at Council in relation to this matter and can be contacted on 6430 5760 for any further information and clarification.

Yours faithfully

Andrew Wardlaw
GENERAL MANAGER

MOTIONS ON NOTICE

AO260-17 MOTION ON NOTICE - PROPOSAL FOR A SHARED USE SAND SIFTER

FILE NO: 15/5/2
PREVIOUS MIN:

Alderman Ron Blake OAM has given notice that he would move the following motion at this meeting:-

"THAT the Burnie City Council request that the Cradle Coast Authority seek expressions of interest from relevant councils to participate in the purchase and shared use of a sand sifter to be used on patrolled beaches in the region (Port Sorell, Devonport, Ulverstone, Preservation Bay, West Beach, Somerset and Boat Harbour) during the Summer months, particularly during the surf patrol season of December to March."

ALDERMAN'S COMMENTS

A sand sifter (as used on mainland beaches) is very effective in cleaning soft sand areas of beaches to remove debris and rubbish, leaving the sand in a clean and presentable state. The sifting unit operates through the PTO (Power Take Off) at the rear of a tractor - I would assume that all councils would have a suitable tractor.

As most surf clubs on the NW Coast have junior (nipper) programmes, the cleaning of the sand to remove debris such as hidden glass and other dangerous items will make the sand safe and more appealing to be used by children and all other beach goers.

Contact has been made with the City of Gold Coast Council Officers who will assist with enquiries into the tractor mounted sand sifting devices used on their local beaches.

An example of the Sifter is shown below:

GENERAL MANAGER'S COMMENTS

The current level of service provided by Council in relation to the management of West Beach, from a litter and debris management perspective, is relatively limited and would include:

- Periodic collection of litter and part of foreshore management.
- Removal of debris prior to events, if required, or where debris poses a specific safety issue.
- Reshaping of the beach for specific events.

A large gross pollutant trap located at the end of Alexander Street aids in removing litter and debris from the main stormwater line which discharges to the west of the waterfront area.

Concerns have been raised in the past when harmful litter including broken glass and syringes have been noted on the beach. It is understood that such instances have been relatively few but were still concerning for the community.

Changes to the current maintenance regime would have some cost implications for the community.

Issues the CCA may need to investigate in regard to the motion at hand would include:

- Understanding the level of need for sand grooming and sand sifting activities through engagement with the Councils and other stakeholders.
- Quantify the capital cost and on-going operational costs associated with a beach sand sifting device.
- Identification of potential sand sifting devices.
- Asset ownership and maintenance responsibility.
- Operational model for sharing the device between the Councils.
- Establishing a level of service with reference to that provided by other Councils in a similar situation and the expectations of stakeholders.

This information would assist the Council in determining whether to participate in such an arrangement.

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
4/12/2017	Mersey Bluff Precinct Plan	A review of previous plans relating to the Mersey Bluff precinct and potential influence the new operator of the Caravan Park may have on future developments/upgrading in the area.
	SeaWalk Community Consultation Report	The Rotary Club of Devonport North SeaWalk Community Consultation Report was provided for the information of Aldermen.
	MoU with OAK Possability Update – 108 Tarleton Street, East Devonport	A request from OAK Possibility to extend the MOU with Council for the property at 108 Tarleton Street, East Devonport through to 31 July 2018.
	Payne Avenue Toilet Block Renewal	Discussion of options for Payne Avenue Toilet Block Renewal and the possibility of deferring the project to allow the redevelopment of the public toilet facilities on the East Devonport foreshore.
	Street Design Guidelines	Presentation of draft guidelines to be utilised for future capital projects.
	Mersey Vale Memorial Park – Children's Cemetery Concept	Review of initial concept plans for the further development of the children's cemetery at Mersey Vale.
	Fenton Villas	An update on activity associated with the low-cost housing units currently operated by Council.

RECOMMENDATION

That the report advising of Workshop/Briefing Sessions held since the last Council meeting be received and the information noted.

Author:	Paul West
Position:	General Manager

6.2 MAYOR'S MONTHLY REPORT

File: 22947 D454209

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 Mayor.

BACKGROUND
This report is provided by the Mayor to provide a list of meetings and functions attended by him for the month of November 2017.

STATUTORY REQUIREMENTS
There are no statutory requirements which relate to this report.

DISCUSSION
In his capacity as Mayor, Alderman Steve Martin attended the following meetings and functions during the month November 2017:

- HMAS Stuart III Commander Chris Leece
- HMAS Stuart III Official Welcome Reception
- Eastern Shore Community House 10 Year Anniversary Luncheon
- Resident meetings
- Welcomed Electric Bike riders to Devonport
- Retail Strategy Forum
- Performed the Official Welcome and Opening of the Australian Electric Vehicles Association EVFest
- Guest Presenter – Local Government Forum "Health & Well-Being" – Ulverstone
- Dame Enid Lyons Charity Trust movie night fundraiser
- Inaugural Devonport Reader's Cup MC & Judge
- BMW Martin Bruestsch Corporate Sales
- "Money In Sport" Conference 12-14th November – Gold Coast (Report **attached**)
- Cradle Coast Authority meeting with Leader of the Opposition Rebecca White and Shane Broad MP
- Coast to Coast FM interview with Chris Morris
- Our Lady of Lourdes – presentation of Christmas panel
- Home Hill Trade Market
- Maidstone Park Controlling Authority Committee; Life Membership presentation
- Liveable City Committee
- TAS Police Commander Higgins & Inspector Wilkinson
- Justine Keay MP
- Cradle Coast Authority AGM & Quarterly Meeting
- Old Woolstore Corporate Function
- NW Mayor's Dinner
- Devonport Chamber of Commerce & Industry with Latrobe Mayor Peter Freshney & GM Gerald Monson
- Devonport Regional Gallery Christmas Market
- Devonport Christian School guest Art Judge

  - School Twilight Fair
- Soroptimist International, CWA, Mersey Inner Wheel & Zonta International – "Walk in my Shoes" White Ribbon walk against domestic violence with DM Annette Rockliff
- Healthy Tasmania' Lucy Byrne & Penny Terry
- Prof Louise Grimmer & Alison Palmer UTAS
- Advocate newspaper interview
- ABC Drive program interview
- UTAS Danielle Kidd, TAS TAFE Mark Sayer & Don College John Thompson
- Nixon street Parents & Friends Dinner
- Devonport Camera Club – Australian Masters Games Competition Presentations Best Photos
- Radio 7AD interviews
- Devonport Community House Christmas function

ATTACHMENTS

⇩1. Report - Money in Sport 2017 Conference - Mayor Steve Martin

RECOMMENDATION

That the Mayor's monthly report be received and noted.

MONEY IN SPORT CONFERENCE – REPORT

12th – 14th November 2017, Gold Coast

The "Money In Sport" Conference was a sports business conference, that bought industry leaders & decision makers from around the world together to provide relevant discussions, exclusive insights & networking opportunities.

Best way to gain a sense of what the conference was about, the following link leads to some podcasts of guest speaker and panel presentations and discussions - https://moneyinsport.com/mispodcast/

Some of the Guest Speakers included: -

- Martin Ma, CEO, Beijing Landing Sports Cultural Development – former professional basketballer China
- Geoff Doyle, Group CEO Altus Traffic
- Cameron Schwab, Founder at Lambeau and former CEO at Richmond, Melbourne & Fremantle Football Clubs

- James Johnson, Head of Professional Football at FIFA
- Adam Richardson, Head of Partnerships and Media Sales for the AFL

Points gained from conference:

- Conference was mainly centred around national and international possibilities and happenings – but certainly a futuristic look on what Council should consider with any improvements to sporting and community facilities.
- Trend of foreign ownership in club football (soccer) – mainly China
    - Good opportunity for lesser clubs to gain local/national/international partnerships
- Main revenue for clubs are from three categories
    - Broadcasting
    - Match Day
    - Commercial
        - Therefore business models have changed from what we would know as traditional to something that evolves around the age of digitalisation
            - Fan entertainment
            - Corporate promotion
            - Communication, connection and engagement with fan base
- Euro football industry worth $24.6Billion
- 63% of football club revenue goes to players
    - Cristiano Ronaldo - $58mill p.a.
    - Lionel Messi – 53mill p.a.
    - Neymar da Silva Santos - $53mill p.a.
        - Not to mention endorsements they receive
- Connecting with millennials extremely important
- Quote from Martin Ma – "Sports are also a high level of education"

- Presenter Mark McCraith CEO at Maxus Global was behind the "I bought a jeep' campaign
- Presenter Gianluca Pavanello – CEO at Macron clothing line for senior professional clubs. Manufacturer of fan guernseys.
- Sports technology really on the move – a hot industry
    - E.G. Hudl - https://itunes.apple.com/us/app/hudl/id412223222?mt=8
- Create the culture & passion – wear the colours and clothing of the club
    - Brand power
- Smart phones
    - 2billion users
    - 80% check before getting out of bed
    - On average checked 150 times a day
        - Opportunities
- Monetization of opportunity – common theme
- Build stories around the content of statistics
- Live streaming of sporting event getting larger
    - Only red tape hampering progress
- Ian Clark Partner at Deloitte Strategy Practise
    - "Sports are ecosystems with each segment working in cohesion" Good governance makes that happen.
    - "connect fans with emotion of the game, best across all generations"
    - Build an active audience
    - Offer a compelling spectacle – add excitement
    - Link fans & athletes – role models
    - Covert fans to fanatics
    - Provide unique experiences – fans, sponsors
- Top 10 participating sports in order from top – swimming; soccer; AFL; gymnastics; netball; dancing; basketball; tennis; cricket; athletics

- Blair Crouch, GM of Marketing & Commercial Operations at Moonee Valley Racing
    - Create a diverse model for investment/income return
        - Richmond FC owns gyms
    - Design Thinking – an insight - https://www.nngroup.com/articles/design-thinking/
- Sponsorship – Return on investment
    - Partnerships that build the awareness of the brand
    - Mark McCraith – "If you rely on sponsorship on its own, then it's doomed for failure
        - Budget what you think you need – double it
        - Then double it again to cater for outside club rubrics to achieve what aim/need is for sponsorship
- Wearable technology
    - Clearsky is the devise worn by AFL platers in the jumper on back of neck
        - Data can flow through to media outlets
        - Build stories around the statistics
        - Drive engagement
    - https://www.catapultsports.com/ really worth a look

Thank you for the opportunity to attend. The experience certainly has provided a glimpse into the national and international level and some insight on what we have to consider in the future as it will eventually flow through to state and local levels.

6.3 GENERAL MANAGER'S REPORT - DECEMBER 2017

File: 29092 D462057

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, 23 November to 13 December 2017. It also provides information on matters that may be of interest to Aldermen and the community.

BACKGROUND

The report is provided on a regular monthly basis and addresses several management and strategic issues currently being undertaken 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 presentation by the Council information technology provider TechOne to discuss options for moving IT services to the cloud rather than the current on-premise solution. Cloud computing options are the way of the future and with the move to the new civic building in mid-2018 it is an opportune time to review current processes.

   1.4. Met with representatives of Belgravia Leisure for the monthly reporting of activities associated with the operation of the Devonport Aquatic Centre.

   1.5. Assisted with the marshalling for the 2017 Devonport Christmas Parade.

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.

3. COMMUNITY ENGAGEMENT (RESIDENTS & COMMUNITY GROUPS)

   3.1. With the Mayor met with representatives of the Devonport Chamber of Commerce and Industry and the Latrobe Council to discuss the development of a prospectus for the area promoting available industrial land development opportunities.

3.2. Met with representatives of Healthy Tasmania to discuss opportunities for the roll out of programs and initiatives in Devonport. Healthy Tasmania was the delivery arm of the pilot program through the North Melbourne Football Club – The Huddle.

3.3. Attended a meeting with representatives of UTAS to discuss a research project they are undertaking.

3.4. Met with representatives of North West Thunder to be briefed on the upcoming basketball season.

3.5. Attended a meeting with representatives of TasTafe, UTAS and Don College to discuss opportunities for value adding to the proposed Tasmanian Masters Games through educational options.

3.6. Met with residents of Chalmers Lane to discuss vegetation management in the area.

3.7. Attended the Mayor's Community Christmas Function at the Council Chambers.

4. NATIONAL, REGIONAL AND STATE BASED LOCAL GOVERNMENT

4.1. With the Mayor attended as Council's Representatives the Cradle Coast Authority Annual General Meeting and General Meeting. The Authority's Annual Report for the year ended 30 June 2017 was tabled at the meeting and is available at http://www.cradlecoast.com/publications.html

4.2. With the Deputy Mayor attended as Council's Representatives the Annual General Meeting and General Meeting of the Dulverton Waste Management Joint Authority.

4.3. Attended a meeting of the Cradle Coast General Managers Group at Latrobe. Items discussed included:

- Shared Services
- Cradle Coast Authority
- State-wide Planning Scheme Update
- Planning and Building Fees
- Cradle Coast Waste Management Group

5. STATE AND FEDERAL GOVERNMENT PROGRAMS

5.1. With the Mayor met with Danielle Kidd and Anita Dow, candidates for the upcoming State Election for the Australian Labor Party. The purpose of the meeting was to discuss local priorities for the election.

5.2. With the Mayor attended the Premier's North West Christmas Luncheon. After the meeting there was a meeting held at the Cradle Coast Authority to discuss priorities for the region at the upcoming State Election.

6. OTHER

6.1. A reminder that the Council offices will close at 4:00pm on Friday 22 December 2017 for the Christmas/New Year break. The office will reopen at 8:30am on Tuesday 2 January 2018.

The General Manager will be on leave until Monday 8 January 2018. During this time in line with Council's previous direction (Min 133/14 refers) Matthew Atkins will assume the role of Acting General Manager.

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 is 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. Current and Previous Minute Resolutions Update - December 2017

⇩2. CONFIDENTIAL - Current and Previous Minute Resolutions Update - December 2017 Confidential

RECOMMENDATION

That the report of the General Manager be received and noted.

Author:	Paul West
Position:	General Manager

Current and Previous Minute Resolutions Update

OPEN SESSION Current Resolutions	
Resolution Title:	**AM2017.02 Rezoning from Port and Marine Zone to Local Business Zone to allow PA2017.0101 - The Development of a Retail Complex - 2-12 Murray Street East Devonport (D501023)**
Date:	27 November 2017
Minute No.:	224/17
Status:	Completed
Responsible Officer:	Deputy General Manager
Officers Comments:	Section 39 Report referred to Tasmanian Planning Commission (TPC). TPC will list matter for hearing in due course.
Resolution Title:	**Minutes – Annual General Meeting – 30 October 2017 (D499301)**
Date:	27 November 2017
Minute No.:	225/17
Status:	Completed
Responsible Officer:	General Manager
Officers Comments:	Horwath HTL report is now available on the LIVING CITY website.
Resolution Title:	**Tender Report Contract CS0063 William Stormwater Catchment Upgrade Stage 7 (D499555)**
Date:	27 November 2017
Minute No.:	226/17
Status:	Completed
Responsible Officer:	Deputy General Manager
Officers Comments:	Contract awarded
Resolution Title:	**Tender Report Contract CT0209 Formby Road Reconstruction (North Bound Lanes Lyons Avenue to Bass Highway) (D499934)**
Date:	27 November 2017
Minute No.:	227/17
Status:	Completed
Responsible Officer:	Deputy General Manager
Officers Comments:	Contract awarded
Resolution Title:	**Devonport Food and Wine Festival 2017 Review (GFC 30/17 – 20 November 2017)**
Date:	27 November 2017
Minute No.:	234/17
Status:	In progress
Responsible Officer:	General Manager
Officers Comments:	The Food and Wine Committee will meet on 13 December to formulate a structure for the 2018 event.

Previous Resolutions Still Being Actioned	
Resolution Title:	**Mersey Bluff Cemetery (IWC 35/17 – 9 October 2017)**
Date:	23 October 2017
Minute No.:	213/17
Status:	In progress
Responsible Officer:	Deputy General Manager
Officers Comments:	Graphics for signage being developed.
Resolution Title:	**Formby Road Car Park – Review of Accessible Spaces (IWC 38/17 – 9 October 2017)**
Date:	23 October 2017
Minute No.:	213/17
Status:	In progress
Responsible Officer:	Deputy General Manager
Officers Comments:	Works currently being arranged.
Resolution Title:	**Disability/Equal Access and Inclusion (D491448)**
Date:	25 September 2017
Minute No.:	181/17
Status:	In progress
Responsible Officer:	Governance Coordinator
Officers Comments:	Disability/Equal Access and Inclusion Plan to be developed.
Resolution Title:	**Funding & Assistance – Home Hill – NOM – Ald Laycock**
Date:	26 September 2016
Minute No.:	170/16
Status:	In progress
Responsible Officer:	Governance Coordinator
Officers Comments:	Landscape Management plan being presented to Council officers on 13 December by National Trust's Consultants.

6.4 LIVING CITY QUARTERLY UPDATE - DECEMBER 2017

File: 32161 D504416

RELEVANCE TO COUNCIL'S PLANS & POLICIES
Council's Strategic Plan 2009-2030:

Strategy 2.4.1 Develop and implement a CBD Master Plan aligned to the key LIVING CITY principles based on community engagement outcomes

SUMMARY
This quarterly report provides an update to Aldermen and the community on the current status of LIVING CITY.

BACKGROUND
LIVING CITY is an urban renewal project that will transform Devonport and revitalise Tasmania's North West region. Council, by adopting the LIVING CITY Master Plan in September 2014 is enabling new tourism opportunities, food experiences, business prospects and community spaces to develop in the CBD.

Implementation of the Master Plan is well underway and is anticipated to continue in a staged approach over a ten-year period.

Council has entered into a four-year agreement with Projects and Infrastructure (P+i) to act as Development Managers and assist with the implementation.

Quarterly reports are provided to Council to keep Aldermen and the community updated on progress.

STATUTORY REQUIREMENTS
The predominant legislation to which Council must comply in undertaking LIVING CITY is the *Local Government Act 1993*.

DISCUSSION
Key activities in recent months have concentrated on construction of Stage 1, awarding preferred proponent status to Fairbrother Pty Ltd for the Waterfront Hotel, and managing the final design process for the Gallery relocation into the DECC.

Stage 1
Fairbrother have continued to make significant progress on the construction of Stage 1 of LIVING CITY over the past three months. Over the past month, there have been on average 190 workers on site each day.

Two of the three buildings that comprise Stage 1 of LIVING CITY have reached practical completion. As with any contract, there are a number of defects to be resolved. The car park is now operating.

The food pavilion base building has also reached practical completion. The central market space of the Food Pavilion will be used for a small number of functions in 2017, including a public open day and market on 17 December.

Fit out works by the food pavilion sub-tenants will commence in early 2018, with a gradual opening of the various tenants expected throughout the first half of 2018. Although this is slightly behind the original schedule it is expected to now be a priority given the base build is complete.

The steel structure of the multi-purpose building roof is almost complete with the roof structure expected to be completed by Christmas. Work has begun on internal services, external façade, external glazing, lift installation, wall framing, with works continuing on these aspects over the next three months.

Landscaping works around the site are partially complete with the remainder to occur once all buildings on-site have reached practical completion.

Planning for the operational aspects of Stage 1 has continued. Small working groups, consisting of both State Government and Council staff, together with a representative from the Online Access Centre have continued to work through the multi-purpose building operations and customer service aspects of the co-location.

Refurbishment of the DECC to incorporate the Devonport Regional Gallery and Visitor Services

Work has continued on the detailed design of the relocated Gallery into the DECC buildings. Council together with its architects have refined the design of the complex, such that the performing arts auditorium, the gallery and visitor services will all be accessed via the same entrance off the market square, close to the multi-story car park and food pavilion. Co-locating the entrance of these facilities will enable a smooth cross-referral of clients, increasing visitor numbers to all three services.

The design refinements have delayed on site works, however this is now resolved, and internal demolition work has begun. The contractor intends to work over the Christmas period to capitalise on the quiet period when the facility is not in use.

LIVING CITY Waterfront

Council undertook an expressions of interest process to attract a hotel developer/operator in April - June 2017. Council signed an agreement with Fairbrother Pty Ltd as the preferred proponent for the development of the LIVING CITY waterfront hotel. The agreement allows Fairbrother a two-year timeframe to bring the project to a stage where construction of the hotel development can commence.

Under the terms of the agreement Fairbrother will be responsible to develop, finance and construct the hotel and to appoint the operator.

It is anticipated that the hotel will be generally consistent with the design previously displayed for public comment as part of the LIVING CITY Waterfront Precinct consultation undertaken in late 2016.

The agreement with Fairbrother also provides an option to develop a marina as outlined in the LIVING CITY Waterfront Precinct Concept Plan.

COMMUNITY ENGAGEMENT

Regular updates have also been provided to the public through media releases, eNews and website updates.

In November Council released a three year update to the community. This document outlines the implementation to date of the Master Plan as adopted by Council in 2014.

FINANCIAL IMPLICATIONS

Council's 2017/18 Operational Budget has an allowance for income and expenditure associated with LIVING CITY. This includes the rent, and outgoings of commercial properties purchased to facilitate the implementation of LIVING CITY. It also includes staff resources, consultants, advertising and general materials along with finance related items such as depreciation, interest charges, internal charges and land tax.

The table below shows the LIVING CITY operational budget detail indicating current year to date actual income and expenditure in comparison to the budget allocation.

Employee benefits are over budget due to an additional position to plan the relocation of LINC, Service Tasmania and Council to the multipurpose building. The role is funded jointly by these parties and additional income will feature in future reports to offset the over expenditure.

Devonport City Council - LIVING CITY Financial Report					
YTD to November 2017	YTD		YTD Variance		Full Budget
	Budget	Actual	$	%	2018
INCOME					
Rates & Service Charges					
Fees & Charges	275,000	289,561	14,561	5.3%	660,000
Grants					
Contributions					
Investment Revenue					
Other Income	-	1,222	1,222	0.0%	
TOTAL INCOME	**275,000**	**290,783**	**15,783**	**5.7%**	**660,000**
EXPENSES					
Employee Benefits	140,087	159,236	(19,149)	-13.7%	332,288
Materials & Services	52,534	34,105	18,429	35.1%	327,128
Depreciation	87,375	91,310	(3,935)	-4.5%	209,700
Finance Costs	249,334	159,033	90,301	36.2%	1,149,103
Levies & Taxes	178,019	158,633	19,386	10.9%	178,019
Internal Charges	30,437	29,666	771	2.5%	73,049
TOTAL EXPENSES	**737,786**	**631,983**	**105,803**	**14.3%**	**2,269,287**
NET OPERATING SURPLUS / (DEFICIT)	**(462,786)**	**(341,200)**	**121,586**	**-26.3%**	**(1,609,287)**

LIVING CITY Capital Expenditure

At its meeting in March 2016 Council adopted a funding model for LIVING CITY Stage 1 following a period of public consultation on the financial implications of the project.

As of 30 November 2017, Council had accrued costs of $40.9M of the $71.1M budget. The Stage 1 capital project remains on track to meet or be better than budget.

RISK IMPLICATIONS

Council has a risk register specifically for LIVING CITY. The risk register includes construction related incidences which need managing now that physical works have begun.

CONCLUSION

Progress on Stage 1 has been significant over the past three months. The car park and food pavilion base build are now complete. The car park is now open and operating. A small number of events will be held in the central hall of the food pavilion during December with the fit out of the various tenancies to occur over the first half of 2018.

The waterfront development has also progressed with Fairbrother Pty Ltd being appointed as the preferred developer for the hotel.

ATTACHMENTS

Nil

RECOMMENDATION

That Council receive the LIVING CITY Quarterly Update.

Author:	Rebecca McKenna	Endorsed By:	Matthew Atkins
Position:	Project Officer Economic Development	Position:	Deputy General Manager

6.5 UNCONFIRMED MINUTES - CRADLE COAST AUTHORITY - ANNUAL GENERAL MEETING AND REPRESENTATIVES MEETING MINUTES - 23 NOVEMBER 2017

File: 31710 D505542

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.1.4 Develop and maintain partnerships and advocate for improved service provision, funding and infrastructure

SUMMARY

To provide Council with the unconfirmed minutes of the Cradle Coast Authority Annual General Meeting and Representative's meeting which were held on 23 November 2017.

BACKGROUND

As a member of the Cradle Coast Authority, Council is provided with a copy of the minutes.

STATUTORY REQUIREMENTS

There are no statutory requirements which relate to this report. Under the Authority's Rules, minutes of Representatives meetings and the Annual General meeting can be considered by Council in open session.

DISCUSSION

The unconfirmed minutes of the Cradle Coast Authority Representatives meeting which was held on 24 August 2017 are attached for consideration.

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

There are no risk implications as a result of this report.

CONCLUSION

The unconfirmed minutes of the Cradle Coast Authority Annual General Meeting and Representatives meeting which were held on 23 November 2017 are presented.

ATTACHMENTS

⇩1. Minutes - Cradle Coast Authority - Annual General Meeting Minutes - 23 November 2017

⇩2. Minutes - Cradle Coast Authority - Representatives Meeting - 23 November 2017

RECOMMENDATION

That the unconfirmed minutes of the Cradle Coast Authority Annual General Meeting and Representatives meeting which were held on 23 November 2017 be received and noted.

Author:	Robyn Woolsey	Endorsed By:	Paul West
Position:	Executive Assistant General Management	Position:	General Manager

MEETING MINUTES
ANNUAL GENERAL MEETING

Date: 23 November 2017
Time: 1:00pm
Location: Devonport City Council, Council Chambers

1. STANDING ITEMS

1.1. Acknowledgement of Country

The Cradle Coast Authority (CCA) Chief Executive officer (CEO) acknowledged and paid respect to the palawa people as the traditional and original owners, and continuing custodians of this land on which we gather today and acknowledge elders – past, present and emerging.

1.2. Welcome / Apologies

Chief Representative and Meeting Chair, Mayor Jan Bonde, opened the meeting at 1.02pm, welcoming attendees and observers, and noting apologies.

The Attendees, Observers and Apologies are noted at Attachment 1.

1.3. Declarations

Nil.

1.4. Confirmation of 2016/2017 Annual General Meeting Minutes

Minutes of the CCA's 2016 Annual General Meeting, held on 24 November 2016, were provided at the meeting.

Motion

That Representatives ENDORSE the minutes of the CCA's 2016 Annual General Meeting.

Moved: Mayor Walsh / Seconded: Mayor Thwaites / CARRIED.

1.5. Presentation of Annual Report 2016/17

Chief Representative's Report

The Chief Representative's report is contained within the CCA's 2016/17 Annual Report.

Chief Representative Bonde spoke about governance changes to the CCA that have occurred throughout the year, creating opportunities for greater engagement between the CCA and Councils, noting in particular; the CCA Rules Review, new CCA Corporate Plan and Shared Services Report.

Chief Representative Bonde reflected on current projects that will boost tourism and bring economic benefit to the Cradle Coast including the Cradle Mountain Master Plan and North West Coastal Pathway project.

Chief Representative Bonde thanked and congratulated Mr Scott Wade, General Manager, Australian Master Games on a successful event that was a significant highlight for the Cradle Coast with much positive feedback received.

Chief Representative Bonde thanked the CCA CEO and Staff for their contributions throughout 2017 and welcomed new CCA Chairman, Mr Sid Sidebottom.

Cradle Coast Authority Chairman's Report

CCA Chairman, Mr Sid Sidebottom, reiterated the achievements of the Representatives and the CCA over the past year.

Chairman Sidebottom discussed the CCA's interest in reviewing and improving how it engages and works collaboratively with the Councils.

Chairman Sidebottom discussed the political advocacy provided by the CCA on behalf of the region, highlighting recent meetings with the Tasmanian Leader of the Opposition and Federal Member for Braddon at which a number of proposals were put forward.

Chairman Sidebottom thanked the sub-committees of the Board for the input and outcomes they have achieved over the year.

CEO, Mr Brett Smith observed that there have been significant changes within the CCA with the departures of Mr Ian Waller, Manager, Regional Tourism and Mr Richard Ingram, Manager, Natural Resource Management. The departures have enabled the CCA to rethink how it functions in regard to tourism and natural resource management.

The CEO thanked Mrs Cheryl Bellchambers for her contribution as Chairman over the previous 12 months, as well as recognising Mr Sidebottom's energetic approach and contributions in his time as CCA Chairman, expressing his optimism that the CCA will achieve what it has set out to in 2018.

2016/17 Financial Reports

CCA Corporate Services Manager, Ms Claire Smith gave a summary of the Financial Reports and Statements included in the 2016/17 Annual Report.

Questions to Chairman, Board or Representatives

Nil

Motion

That Representatives RECEIVE the Annual Report 2016/17.

Moved: Mayor Thwaites / Seconded: Mayor Vickers / CARRIED

2. FOR DECISION

Nil

3. MEETING CLOSE

Meeting closed at 1.18 pm.

Cradle Coast Authority Representative's Meeting follows in closed session.

Confirmed: _____ _____

Chief Representative **Date**

Attachment 1: Attendees, Observers and Apologies

Representatives

Deputy Mayor Alwyn Boyd	Burnie City Council
Alderman Ron Blake	Burnie City Council
Mayor Jan Bonde	Central Coast Council – Chief Representative
Ms Sandra Ayton	Central Coast Council
Mayor Daryl Quilliam	Circular Head Council
Mr Tony Smart	Circular Head Council
Mayor Steve Martin	Devonport City Council
Mr Paul West	Devonport City Council
Mayor Don Thwaites	Kentish Council
Mr Gerald Monson	Kentish and Latrobe Councils
Mr David Laugher	King Island Council (via skype)
Councillor Jim Cooper	King Island Council (via Skype)
Mayor Peter Freshney	Latrobe Council – Deputy Chief Representative
Mayor Robby Walsh	Waratah-Wynyard Council
Mayor Phil Vickers	West Coast Council
Mr Dirk Dowling	West Coast Council

Cradle Coast Authority

Mr Sid Sidebottom	CCA Board Chair
Mayor Duncan McFie	Director
Mr Rod Stendrup	Director
Mr Brett Smith	Chief Executive Officer
Ms Samantha Lawrence	Executive Assistant
Ms Claire Smith	Manager Corporate Services
Ms Catherine Gale-Stanton	Communications Officer
Ms Theresa Lord	Manager, Regional Tourism

Observers

Alderman Annette Rockliff	Devonport City Council
Councillor Tim Wilson	Kentish Council
Mr Andrew Wardlaw	Burnie City Council

Apologies

Mr Daniel Summers	Waratah-Wynyard Council
Mr Malcolm Wells	CCA Director
Mr Spencer Gibbs	NRM Operations Manager

REPRESENTATIVES MEETING
23 NOVEMBER 2017

MEETING HIGHLIGHTS

Appointment of Board Directors

General Manager Mr Andrew Wardlaw and Mayor Steve Martin were appointed as Directors of the Board of the Cradle Coast Authority. Mr Wardlaw will replace Mr Michael Stretton in the position allocated to General Managers and Mayor Martin will replace Ms Anita Dow in the position allocated to Representatives.

Cruise Ships Growth and Opportunities

Mr Hans van Pelt, Director, Aviation and Access Development, Tourism Tasmania, joined the Representatives to present and discuss the opportunities, issues and challenges associated with the cruise ship industry in Tasmania. Mr van Pelt highlighted the economic contribution by cruise ship visitors with Burnie passengers spending on average $138.14 per person. International passengers have the highest spend per day at $163.57.

It was noted that there are 32 cruise ship visits scheduled for Burnie Port in 2017/18 with a mix of large (1000-3000 passengers) and small luxury (<1000 passenger) ships. Data identified that 60% of passengers visiting Burnie were most likely to go on a tour as part of their shore visit of which a majority did not just visit Burnie but the Cradle Coast region, highlighting the opportunity that exists for other parts of the region to benefit from the cruise ships docking in Burnie.

Burnie has the highest satisfaction rating of all Australian ports. The most popular attraction was Wings Wildlife Park tour (50.5%) with other visitors evenly spread across tours of Burnie, Devonport, Penguin, Preston Falls and Gunns Plains.

Cradle Coast Authority Rules

It was agreed that Representatives accepted the proposed changes to the Cradle Coast Authority Rules which have been amended to strengthen the governance and oversight by councils. In accordance with the Local Government Act, the draft amended Rules would be publicly exhibited before being submitted to councils for consideration.

Shared Services

The Shared Services report was agreed by Representatives to be publicly released and presented to Councils for decision in accordance with the Memorandum of Understanding with the Tasmanian Government.

MEETING MINUTES
REPRESENTATIVES MEETING

Date: 23 November 2017

Time: 1:30pm

Location: Devonport City Council, Council Chambers.

1. WELCOME/APOLOGIES

1.1. WELCOME/APOLOGIES/PROXIES

Chief Representative and meeting Chair, Mayor Jan Bonde, opened the meeting at 2:07 pm, welcoming attendees and noting apologies.

Attendees and apologies are noted at Attachment 1.

The Chief Representative proposed, and it was agreed to be added to the Agenda, that the final draft amended Cradle Coast Authority Rules be tabled for acceptance by the Representatives and endorsed for public exhibition.

2. PRESENTATIONS

2.1. CRUISE SHIPS GROWTH AND OPPORTUNITIES

Mr Hans van Pelt, Director, Aviation and Access Development, Tourism Tasmania, joined the meeting at 1:21pm.

Mr Hans van Pelt presented and discussed issues and opportunities associated with the cruise ship industry for Tasmania and the Cradle Coast.

A copy of the presentation will be circulated out of session to Representatives.

Action

EA to circulate a copy of the presentation to Representatives

Mr Hans van Pelt left the meeting at 2:04pm.

The Representatives meeting paused at 2:04pm.

The Representatives meeting resumed at 2:07pm.

2.2. LIVING CITY UPDATE – NEW HOTEL

Mr Matthew Atkins, Deputy General Manager, Devonport City Council joined the meeting.

Unconfirmed

Mr Atkins, discussed the Living City Master Plan which has been worked on by Devonport City Council for the last 5 years, with the Plan adopted in 2014.

The Living City Plan provides opportunities for new and existing retail and business/services with a key focus on expanding and highlighting the tourism, art and food services of the Devonport region.

An economic study estimated that as a result of the Plan there will be 830 new jobs created in the region. There has already been an increase in the number of apprenticeships being offered and an increase in trade work associated with the construction of Living City.

Stage 1 is currently under construction by Fairbrother which includes the;

- Carpark;
- Food pavilion;
- Multi-purpose building / Conference Centre / Gallery and Visitor Information Centre.

Stage 2 of the Plan's focus will be on retail, a key concept is opening the City to the River by including new businesses / services within the existing Library site.

Stage 3 includes the development of a hotel and waterfront development which will continue to open the City to the Mersey River and Bass Strait. The construction of the hotel is planned to begin at the start of 2019 with a completion aimed for 2021.

Research and evidence shows that there is demand for more accommodation in the region and State. The hotel will be a welcomed addition to enabling the multi-purpose building to reach its full potential.

Mayor Thwaites discussed the best place for transport to be located, in particular the bus location, Mr Atkins confirmed the bus mall is intended to remain where it is, with a more pedestrian friendly design.

The meeting paused at 2:31pm.

The meeting resumed at 2:41pm.

Mr Atkins left the meeting at 2:31pm.

Unconfirmed

2.3. AUSTRALIAN MASTERS GAMES

A video of the Australian Masters Games was viewed at Agenda Item 2.3.

Action

EA circulate AMG video presentation to Representatives

3. STANDING ITEMS

3.1. DECLARATIONS

Mayor Martin and General Manager Wardlaw declared conflicts of interest relating to Agenda Item 5.3. Appointments of Board Directors.

3.2. CONFIRMATION OF MINUTES

Minutes of 24 August 2017 Representatives Meeting were provided at Agenda Item 3.2.

Edits were noted at Agenda Item 3.2.

Action

EA circulate edited minutes to Representatives

Motion

That Representatives ENDORSE the 24 August 2017 Representatives Meeting Minutes.

Moved: Mayor Quilliam / Seconded: Mayor Thwaites / CARRIED

3.3. ACTIVITY REGISTER

A schedule of activities was presented at Agenda Item 3.3.

The Activity Register was discussed with edits noted.

Motion

That the Representatives ACCEPT and NOTE the Activity Register.

Moved: Mayor Martin / Seconded: Mayor McFie / CARRIED

3.4. CORRESPONDENCE

A briefing note was presented at Agenda Item 3.4

Motion

That the Representatives NOTE the Correspondence.

Moved: Mayor Quilliam / Seconded: Mayor Martin / CARRIED

4. CRADLE COAST AUTHORITY UPDATE

4.1. QUARTERLY REPORT & FINANCIAL STATEMENTS – JULY TO SEPTEMBER 2017

The Quarterly Report and Financial Statements were presented at Agenda Item 4.1.

Mr Monson raised that there has been a lot of governance changes and requested that a more detailed summary be provided on each major issue to present to Councillors / Council Workshops.

Unconfirmed

The format presented was accepted and it was agreed that the additional information would be provided as an addendum.

Mayor Thwaites asked whether there would be a detailed financial analysis of the Masters Games in regard to the expenditure and allocation of the Councils contributions. It was noted that councils' contributions were for a licence fee (sponsorship) and that it was unlikely that the proponents would provide a detailed breakdown as it would be considered *commercial in confidence*. Chief Representative Bonde confirmed that there would be a meeting scheduled by Mr Wade to debrief and update the Representatives on the outcomes / successes achieved by the Australian Masters Games.

Motion

That the Representatives ACCEPT and NOTE the Quarterly Report and July to September 2017 Financial Statements.

Moved: Mayor Walsh / Seconded: Mayor Vickers / CARRIED

5. FOR DECISION

5.1. 2018 MEETING DATES

A briefing note was presented at Agenda Item 5.1.

RECOMMENDATION

That the Representatives **NOTE** and **APPROVE** the recommended meeting dates for 2018.

Moved: Mayor Martin / Seconded: Mayor Thwaites / CARRIED

5.2. NOMINATION OF CRADLE COAST PLANNING GROUP CHAIRPERSON

A briefing note was presented at Agenda Item 5.2.

Chief Representative Bonde sought nominations for the Cradle Coast Planning Group Chairperson.

Mayor Quilliam was nominated and approved.

RECOMMENDATION

That the Representatives **APPROVE** Mayor Quilliam as Chairperson for the Cradle Coast Local Provisions – Planning Scheme Steering Committee

Motion MOVED: Mayor Walsh / Seconded: Mayor Vickers / CARRIED

5.3. APPOINTMENT OF BOARD DIRECTORS

A briefing note was presented at Agenda Item 5.3.

Unconfirmed

Mayor martin and Mr Wardlaw left the meeting at 3:03pm

RECOMMENDATION

Representatives **ENDORSE** the appointment of the following nominated candidates to Directors of the Board of the Cradle Coast Authority;

- Mr Andrew Wardlaw in the position allocated to General Managers
- Mayor Steve Martin in one of two positions allocated to Representatives

Moved: Mayor Quilliam / Seconded: General Manager Smart / CARRIED

Mayor Martin and Mr Wardlaw joined the meeting at 3:05pm

Chief Representative Bonde congratulated General Manager Mr Wardlaw and Mayor Martin on their appointment.

5.4. CRADLE COAST AUTHORITY RULES

Chief Representative Bonde discussed with Representatives the need to endorse the Rules Review after the updated documents were circulated out of session.

RECOMMENDATION

Representatives ENDORSE the following in relation to the Rules Review;

- Burnie City Council will publicly exhibit the amended draft Rules on behalf of the councils
- A lawyer and General Manager will certify the amended draft Rules following the public exhibition
- The amended draft Rules will be presented to Councils for approval with a simple majority of councils required to give effect to the amendments

Moved: Mayor Vickers / Seconded: General Manager Smart / CARRIED

6. FOR DISCUSSION

6.1. SHARED SERVICES

The Cradle Coast Shared Services: Project Implementation Governance Options and Northern Councils and Cradle Coast Councils Shared Services Feasibilities Studies were presented at Agenda Item 6.1.

Chief Representative Bonde opened the meeting for discussion.

Mayor Thwaites discussed concerns that the shared services plans appeared expensive both in money and time.

Mayor McFie discussed King Island's biggest issue was understanding what their contributions required and how a smaller council will be able to accommodate the costs of the plans.

Unconfirmed

Mr Dowling raised concerns of what might result if the region does nothing.

Chief Representative Bonde discussed that we won't know the possibilities until we dig deeper and investigate the next steps.

Mr Monson raised his concerns of the enormity of the task and unrealistic expectations.

Mayor Vickers discussed the need to change and start to look at potential opportunities. He raised his concerns but mentioned the need to investigate alternatives outweighs them.

Ms Ayton discussed the time needed to be put into the Shared Services Plan requires a project coordinator rather than a committee of GM's who she is concerned wouldn't have the time to action the report's plan.

Mr Wardlaw raised the issue of commitment levels from each of the councils which need to be overcome.

Mayor Freshney discussed the amount of work that is required to commit to shared services between two smaller councils and raised his concerns for how the shared services will be managed across all nine councils.

Mr West raised his concerns that there are so many unknowns in the report that he is afraid of taking it back to the Council and the report not being accepted as is.

RECOMMENDATION

It was proposed that:

- Councils receive the Report
- The Report be made public with a media release to be issued in consultation with the Local Government Division and Office of the Minister for Local Government
- The Report be presented to councils
- Representatives agree that councils need to commit to investigating the next steps

Motion

Representatives AGREE to explore and develop the next steps for the Shared Services Report.

Moved: Mayor Martin / Seconded: Mayor Quilliam/ CARRIED

Moved and CARRIED

Alderman Ron Blake left the meeting at 3:46pm

Alderman Ron Blake joined the meeting at 3:49pm

7. FOR NOTING

Nil

Unconfirmed

8. LOCAL GOVERNMENT UPDATE

Nil

9. GENERAL BUSINESS

- Mayor Quilliam requested that it be noted that there were issues between Circular Head and the CCA that need resolving.
- Manager, Regional Tourism Theresa Lord updated the Representatives on what she has been working on regarding tourism for the CCA including a new marketing strategy, events strategy, new website design, partnerships with Tourism Tasmania via social media as well as The Spirit of Tasmania and *We are Explorers* campaign, E-News launch, PR Media Strategy and DAPS planning and support.
- Chief Representative Bonde thanked General Manager Tony Smart for his contributions to the Representatives, recognising his significant input over many years to the region.

10. MEETING CLOSE

Meeting closed at 4:02pm.

The next meeting will be held on 22 February 2018 at Cradle Coast Authority.

Confirmed: _____ _____

Chief Representative **Date**

Unconfirmed

Attachment 1: Attendees, Observers and Apologies

Representatives

Councillor Alvwyn Boyd	Deputy Mayor, Burnie City Council
Councillor Ron Blake	Burnie City Council
Alderman Jan Bonde	Mayor Central Coast Council (Chief Representative)
Ms Sandra Ayton	General Manager, Central Coast Council
Councillor Daryl Quilliam	Mayor, Circular Head Council
Mr Tony Smart	General Manager, Circular Head Council
Alderman Steve Martin	Mayor, Devonport City Council
Mr Paul West	General Manager, Devonport City Council
Councillor Don Thwaites	Mayor, Kentish Council
Mr Gerald Monson	General Manager Kentish and Latrobe Councils
Councillor Jim Cooper	Deputy Mayor, King Island Council (via skype)
Mr David Laugher	General Manager, King Island Council (via skype)
Councillor Peter Freshney	Mayor, Latrobe Council (Deputy Chief Representative)
Councillor Robby Walsh	Mayor, Waratah-Wynyard Council
Councillor Phil Vickers	Mayor, West Coast Council
Mr Dirk Dowling	General Manager, West Coast Council

Cradle Coast Authority

Mr Sid Sidebottom	CCA Board Chair
Mayor Duncan McFie	Director
Mr Rod Stendrup	Director
Mr Brett Smith	Chief Executive Officer
Ms Samantha Lawrence	Executive Assistant
Ms Claire Smith	Finance and Corporate Services Manager
Ms Cat Gale-Stanton	Communications Officer
Ms Theresa Lord	Manager, Regional Tourism

Apologies

Councillor Tim Wilson	Kentish Council
Mr Daniel Summers	Acting General Manager, Waratah-Wynyard Council
Mr Malcolm Wells	CCA Director
Mr Spencer Gibbs	NRM Operations Manager

Observers

Mr Andrew Wardlaw	General Manager, Burnie City Council

Unconfirmed

6.6 UNCONFIRMED MINUTES - SHARED AUDIT PANEL - 20 NOVEMBER 2017

File: 30196 D502628

RELEVANCE TO COUNCIL'S PLANS & POLICIES
Council's Strategic Plan 2009-2030:

Strategy 5.6.4 Provide internal and external audit functions to review Council's performance, risk management, financial governance and reporting

SUMMARY
To report the unconfirmed minutes of the Audit Panel meeting held on 20 November 2017.

BACKGROUND
The Audit Panel is in place to assist Council in fulfilling its oversight responsibilities by providing independent advice and assurance in regard to the Council's financial management, risk management, internal control and compliance framework.

In late 2014, Council determined to establish a shared Audit Panel with Central Coast Council.

The Audit Panel of each Council comprises two elected members and two independent members. The independent members are appointed jointly by both Councils to be shared between each Council's Audit Panel.

STATUTORY REQUIREMENTS
All Councils must have Audit Panels that operate in accordance with Part 8 of Division 4 of the *Local Government Act 1993* (the Act) and the *Local Government (Audit Panels) Order 2014*.

DISCUSSION
The unconfirmed minutes of the Audit Panel meeting held on 20 November are attached for information. These minutes are for the Shared session of the meeting and for the Devonport City Council specific section.

Items of note from the Shared meeting include:

- Annual risk management update;
- Review of Annual Report;
- Shared Services Review; and
- Auditor-Generals draft report to Parliament regarding Tasmanian Councils.

The Devonport City Council Audit Panel discussed:

- The October 2017 Finance Report;
- The 2016/17 year end audit; and
- Current status of the LIVING CITY project.

COMMUNITY ENGAGEMENT
There is no community engagement undertaken as a result of this report.

FINANCIAL IMPLICATIONS

There are no financial implications as a result of this report.

RISK IMPLICATIONS

Risk Management Practices

The Audit Panel plays a key oversight role in Council's Risk Management activities providing elected members with an extra level of comfort that the systems in place are adequate. Within its charter, the primary objectives of the Audit Panel are to consider whether:

- the annual financial statements of the Council accurately represent the state of affairs of the Council;
- the Strategic Plan, Annual Plan, long-term financial management plan and long-term strategic asset management plans of the Council are integrated and the processes by which, and assumptions under which, those plans were prepared are sound and justified;
- the accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls that the Council has in relation to safeguarding its long-term financial position are appropriate;
- the Council is complying with the provisions of the Act and any other relevant legislation;
- all strategic and business risks affecting the Council are identified and assessed, and the effectiveness of mitigation controls evaluated; and
- the Council has taken any action in relation to previous recommendations provided by the Audit Panel to the Council.

CONCLUSION

The information contained in the report and the minutes of the Audit Panel meeting held on 20 November 2017 are presented to the Aldermen as per the recommendation below.

ATTACHMENTS

⇩1. Unconfirmed Audit Panel Minutes 20 November 2017 - Shared

⇩2. Unconfirmed Audit Panel Minutes 20 November 2017 - DCC

3. Unconfirmed Audit Panel Minutes 20 November 2017 - DCC - Confidential Confidential Attachment

RECOMMENDATION

That the unconfirmed minutes of the Audit Panel meeting held on 20 November 2017 be received and noted

Author:	Kym Peebles	Endorsed By:	Paul West
Position:	Executive Manager Organisational Performance	Position:	General Manager

DEVONPORT CITY COUNCIL & CENTRAL COAST COUNCIL

SHARED AUDIT PANEL

Unconfirmed minutes of meeting held Monday 20 November 2017 at Devonport City Council commencing at 2.15pm

Attendance

Members – Robert Atkinson (Chair), John Howard, Ald Charlie Emmerton, Ald Leon Perry (proxy) & Cr Philip Viney.

Officers – Paul West (General Manager DCC), Kym Peebles (Executive Manager Organisational Performance DCC), Sandra Ayton (General Manager CCC), Bill Hutcheson (Director Organisational Services CCC), Rosanne Brown (Minute Secretary CCC).
Karen Stone (Risk & Compliance Co-ordinator DCC) attended for the early part of the meeting.

2 Apologies

Ald Grant Goodwin & Cr Gary Carpenter.

3 Confirmation of Minutes

Moved by Ald Perry, seconded by Cr Viney and resolved unanimously that the minutes of the meeting held on 7 August 2017 be confirmed as true and correct.

Business Arising

Treatment of Accounting Standards – to be dealt with in the individual Audit Panel meetings.

4 Policies & Procedures

4.1 Annual Report

The Annual Report for both DCC & CCC had been circulated to all members. JH congratulated both Councils on production of the Reports noting they had been produced internally and queried whether size of Reports could be reduced. Noted that production of the Reports is a huge amount of work and wondered whether residents actually look at them – minimal hard copies circulated but suggested could monitor what information is accessed on websites & number of accesses. KP advised of compliance requirements under LG Act and Audit requirements.

4.2 Annual Risk Management Update

KS presented a Risk Management Report for DCC – provided a summary of LIVING CITY emergency management arrangements, insurance update and risk management actions for 2017-18.

BH advised that CCC's Strategic Risk Register has been reviewed and actions listed for 2017-18 aim to increase risk awareness by involving whole of organization more.

Noted that staff representatives from both Councils attend a Risk & Governance Group formed with 10 Councils which has proved to be beneficial for information sharing.

5 Governance

5.1 Shared Services Review

PW advised that the Shared Services Report will be considered at the Cradle Coast Authority meeting later this week.

6 General Business

6.1 Review Annual Work Plan Achievements

Updated Annual Work Plan had been circulated to members. Discussion on what should form basis of annual work plan - noted that three year rolling plans had previously been agreed on. Resolved that 'Appendix C – Activities an audit panel may undertake as part of its work plan' form basis of all Annual Work Plans and that TAO points of emphasis provided as part of the annual Audit Strategy be scheduled as part of the Annual Plan.

Action: ***Prepare work plan for 2018.***
Responsible Officer: ***PW & SA.***

6.2 Audit Panel Assessment

Assessment documents were circulated to each member for them to complete and return to RA preferably by 24 December 2017 but no later than 15 January 2018. RA to then prepare Chairperson's report.

6.3 Auditor-General's Report to Parliament (draft)

Noted that a copy of the draft Report of the Auditor-General scheduled for tabling in Parliament in November 2017 was provided to all members with meeting agenda.

6.4 Annual Action Plan Update

A copy of the following documents had been provided to all members with the agenda:

- DCC Strategic Plan Progress Report
- CCC Quarterly Performance Report to Council.

6.5 Meeting dates for 2018

Agreed on the following dates (similar to 2017 schedule):

Monday 19 March 2018
Monday 4 June 2018
Thursday 9 August 2018
Monday 19 November 2018.

Meeting Closed: 3.07pm

DEVONPORT CITY COUNCIL

AUDIT PANEL

Unconfirmed minutes of the meeting held Monday 20 November 2017 at Devonport City Council commencing at 3.10pm

1. **Present**

Members – Robert Atkinson (Chair) John Howard (JH) , Ald Charlie Emmerton (CE) and Ald Leon Perry (LP) (Proxy)

Council Officers - Paul West (PW) (General Manager), Kym Peebles (KP) (Executive Manager Organisational Performance)

2. **Apologies**

Ald Grant Goodwin

Business Arising

KP confirmed that the Julie Burgess and Bass Strait Maritime Centre were considered for disclosure as a Significant Business Activity in the 2016/17 Financial Statements, however they were not deemed to meet the disclosure criteria.

3. **Confirmation of the Minutes**

Moved Alderman Perry Seconded John Howard

That the Minutes of the Audit Panel Meeting held on 7 August 2017 be confirmed as true and correct.

Carried Unanimously

The Chairman commented that following discussion at the last Panel meeting he was now comfortable with the level of detail included in the minutes.

4. **Risk Management**

4.1 Claims Update & Potential Claims

- The Panel noted that there are no outstanding insurance claims and that Council was not aware of any potential claims. There are 3 open workers compensation claims and 3 claims lodged during the 2017/18 financial year. The estimated gross value for claims lodged to date during 2017/18 is $3,700.

4.2 Claims Settled

- The Panel noted that Council had settled a claim for personal injury in relation to a cycling incident. The claimant sustained facial injuries after his bike wheel became lodged in a stormwater grate in a designated bike lane. Council have inspected all grates in bike lanes and have modified any grate that was a potential hazard.

5. **Financial Report**

5.1 October 2017 Finance Report

The Panel discussed the Report presented noting the following:

- The large movement in the Written Down Value on Disposal of Assets account represents disposals across a number of asset classes. Council continues to survey stormwater assets and adjust the asset register accordingly. The disposals have resulted in adjustments to accumulated

depreciation totalling $1,453;928. The movement in accumulated depreciation from 1 July to 31 October is $1,400,231 compared to a depreciation expense of $2,854,231. The variance being $1,454,000 representing the adjustments on disposal of assets;

- JH requested a summary of the overhead allocation. An overview of the process to be circulated to Panel members for information.
- The treatment of the ANZ loan as a current liability impacts on the calculation of the current ratio. It is not mandatory for Council to report this ratio, however Council discloses this information as part of the financial summary included in the Annual Report. Council have a 20 year repayment schedule with ANZ, however the loan documentation includes the provision for an annual review thus necessitating the treatment as a current liability;
- The Chair questioned the allocation of salaries and wages and the variances within the Employee Benefits expenditure section. KP advised all timesheets are processed to the end of the month, however a month end accrual for indoor staff salaries is not processed. The budget is phased to match the actual pay periods for these employees. RA recommended that salaries and wages and associated costs be accrued at month end. KP agreed to review the treatment of salaries and wages as part of the 2018/19 budget process;
- The variance in rates and land tax relates to conservative estimates of charges relating to newly acquired and revalued Council properties; and
- JH noted a number of capital projects on the Work In Progress listing have small balances. KP advised that a review of the listing is undertaken on a monthly basis and any small balances relating to jobs that are complete will be reallocated during November.

5.2 Summary of 2017 Year End

The Chair noted the letter from the Audit Office in relation to the 2017 audit and commended Council staff on the outcome of the audit. The Chairman also noted the 2 items outstanding from the interim audit and questioned Council's decision to delay testing the IT Disaster Recovery Plan (DRP) until the move to the new building.

KP advised that a Transport Asset Management Plan has been drafted and is currently under review. The Plan will be presented to the Panel prior to finalisation. A Stormwater Asset Management Plan is currently being developed.

5.3 KP provided an overview of the proposed changes to Accounting Standards and the potential impact on Council. *AASB 16 Leases* will most likely have the greatest impact on financial reporting, requiring all operating leases to be shown on balance sheet. *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-For-Profit Entities* may also require changes to disclosure and accounting treatment of some transactions.

KP advised that the North West Finance Managers Group will be discussing the impact of these Standards in the coming months.

6. Major Projects

6.1 LIVING CITY

The Panel noted the reports provided and discussed the projected capital expenditure to completion of the project. The Panel noted that it is expected

that the project will be completed under budget, however noting that the potential savings have decreased slightly from the last report due to reductions in net trade savings previously disclosed.

The Panel discussed the likely completion date for the car park and food pavilion. PW advised that the car park is due for practical completion as planned on 30 November 2017, however there have been delays in the fit out of tenancies of the food pavilion.

Further discussion which occurred in relation to the food pavilion, café in the civic building and hotel development are included in a confidential attachment to the minutes.

7. General Business

7.1 PW advised that the Auditor-General will release his report into the use of credit cards by Mayors and General Managers on Tuesday 21 November. The draft report included a number of recommendations which Council will consider and implement where relevant.

There being no further business the Chair declared the meeting closed at 4.20pm

7.0 SECTION 23 COMMITTEES

7.1 INFRASTRUCTURE WORKS AND DEVELOPMENT COMMITTEE MEETING - 11 DECEMBER 2017

File: 29528 D505314

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, 11 December 2017.

ATTACHMENTS

⇩1. Minutes - Infrastructure Works and Development Committee - 11 December 2017

RECOMMENDATION

That the minutes of the Infrastructure Works and Development Committee meeting held on Monday, 11 December 2017 be received and the recommendations contained therein be adopted.

IWC 44/17 Pedestrian Strategy 2016-2021 - Year One Status Update

IWC 45/17 Asset Management Strategy - Year 3 Status Update

IWC 46/17 Payne Avenue Toilet Block Renewal

IWC 47/17 Street Design Guidelines

IWC 48/17 Draft Waste Strategy 2018-2023

IWC 49/17 Infrastructure and Works Report

IWC 50/17 Development and Health Services 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, 11 DECEMBER 2017 COMMENCING AT 5:30PM

PRESENT: Ald L M Perry (Chairman)
Ald G F Goodwin
Ald L M Laycock
Ald A L Rockliff

Aldermen in Attendance:
Ald C D Emmerton
Ald S L Martin
Ald T M Milne

Council Officers:
General Manager, P West
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

The following apologies were received for the meeting.

Ald A J Jarman	Apology
Ald J F Matthews	Apology

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

5.0 INFRASTRUCTURE AND WORKS REPORTS

5.1 PEDESTRIAN STRATEGY 2016-2021 - YEAR ONE STATUS UPDATE (D497039)

IWC 44/17 RESOLUTION

MOVED: Ald Goodwin
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 Pedestrian Strategy.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

5.2 ASSET MANAGEMENT STRATEGY - YEAR 3 STATUS UPDATE (D497934)

IWC 45/17 RESOLUTION

MOVED: Ald Rockliff
SECONDED: Ald Laycock

That it be recommended to Council that the report of the Technical Support Supervisor be received and Council note the status of actions listed in the Asset Management Strategy.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

5.3 PAYNE AVENUE TOILET BLOCK RENEWAL (D499662)

IWC 46/17 RESOLUTION

MOVED: Ald Goodwin
SECONDED: Ald Rockliff

That it be recommended to Council that the report of the Infrastructure & Works Manager regarding the Payne Avenue toilet block be received and that Council:

a) reallocate the 2017/18 capital expenditure budget for the Payne Avenue toilet block renewal to East Devonport foreshore toilet block renewal, and

b) consider the Payne Avenue toilet block renewal once the future of the Devonport Regional Gallery site is determined.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

5.4 STREET DESIGN GUIDELINES (D500289)

IWC 47/17 RESOLUTION

MOVED: Ald Goodwin
SECONDED: Ald Laycock

That it be recommended to Council that the report of the Infrastructure & Works Manager regarding the Street Design Guidelines be noted and that Council adopt the street hierarchy and attached design pallets as the basis for the Street Design Guidelines.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

5.5 DRAFT WASTE STRATEGY 2018-2023 (D494176)

IWC 48/17 RESOLUTION

MOVED: Ald Rockliff
SECONDED: Ald Laycock

That it be recommended to Council that the report relating to the draft Waste Strategy 2018-2023 be received and noted and the release of the Strategy for a 30 day public consultation period be endorsed.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Rockliff	✓	

CARRIED UNANIMOUSLY

6.0 INFRASTRUCTURE AND WORKS BI-MONTHLY UPDATE

6.1 INFRASTRUCTURE AND WORKS REPORT (D497454)

IWC 49/17 RESOLUTION

MOVED: Ald Goodwin
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 Rockliff	✓	

CARRIED UNANIMOUSLY

6.2 DEVELOPMENT AND HEALTH SERVICES REPORT (D500722)

IWC 50/17 RESOLUTION

MOVED: Ald Rockliff
SECONDED: Ald Laycock

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 Rockliff	✓	

CARRIED UNANIMOUSLY

There being no further business on the agenda the Chairman declared the meeting closed at 5:40pm.

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.

Item No	**Matter**	***Local Government (Meeting Procedures) Regulations 2015* Reference**
8.1	Application for Leave of Absence	15(2)(h)
8.2	Unconfirmed Minutes - Joint Authorities	15(2)(g)
8.3	Fenton Villas	15(2)(c),(f)
8.4	Citizen Awards - Australia Day 2018	15(2)(g)

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	Application for Leave of Absence	
8.2	Unconfirmed Minutes - Joint Authorities	Noted
8.3	Fenton Villas	
8.4	Citizen Awards - Australia Day 2018	

9.0 CLOSURE

There being no further business the Mayor declared the meeting closed at pm.