



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 26 June 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

21 June 2017

July 2017

Meeting	Date	Commencement Time
Governance, Finance & Community Services Committee Meeting	17 July 2017	5:30pm
Council Meeting	24 July 2017	5:30pm

AGENDA FOR AN ORDINARY MEETING OF DEVONPORT CITY COUNCIL
HELD ON MONDAY 26 JUNE 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, 17 Fenton Way, Devonport on Monday, 26 June 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 - 22 MAY 2017

RECOMMENDATION

That the minutes of the Council meeting held on 22 May 2017 as circulated be confirmed.

3.2 PUBLIC QUESTION TIME

Members of the public are invited to ask questions in accordance with the following resolution of Council (Min Ref 54/16):

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. A maximum period of time of 30 minutes in total will be allowed for public participation.
4. A maximum period of time of 3 minutes will be allowed for each individual.
5. A member of the public may give written notice to the General Manager 7 days before an ordinary meeting of Council of a question to be asked at that meeting.
6. A member of the public will be entitled to ask questions relating to the activities of Council, giving an explanation that is necessary to give background to the question and ask supplementary or follow up questions relating to that specific matter that may come to light as a result of the answer.
7. Questions do not have to be lodged prior to the meeting, however they would be preferably provided in writing.
8. A question by any member of the public and an answer to that question are not to be debated.
9. 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.

3.2.1 Responses to questions raised at prior meetings

PLEASE NOTE: A full copy of the questions have been included in the minutes of the Council meeting at which they were asked.

Meeting held 22 May 2017

Reproduced below is the response dated 24 May 2017 to Mr Douglas Janney's question:

"I write in reply to your question raised at the 22 May 2017 Council meeting, the following response is provided:

Q1 What consideration has been given to installing a couple of charge bays for electric vehicles in the multi-storey car park (currently being constructed)??

Response

Electric vehicle fast charging stations were considered for the multi-storey car park however, no further action was taken due to prohibitive cost implications to upgrade the substation.

Other sites around the CBD will be considered in the future."

Meeting held 22 May 2017

Reproduced below is the response dated 25 May 2017 to Mr Malcolm Gardam's question:

"I refer to questions raised at the 22 May 2017 Council meeting and provide the following responses:

Q1 *Do the Aldermen believe that it is a reasonable ratepayer expectation that statements, opinions and views in Council correspondence, promotional literature and the media as expressed by the Mayor, Aldermen and senior staff, in their capacity as representatives of Devonport City Council, should be factual and able to be reasonably substantiated on request?*

A. Council takes steps to ensure that the information it provides to the community is accurate and factual at the time it is produced. The LIVING CITY project is an evolving long term project, and information is updated regularly.

Q2 *In an Advocate article "Mayor strong on city renewal" 13th March 2017, the Mayor stated "I've been to Melbourne and spoken with Big W and saw the report where their data identified Devonport as the place to set-up in the region." And on ratepayer questioning confirmed that this event took place in May 2012 and by his own admission had been making that statement for five (5) years; does the Mayor still hold to the **view and his statements implying Big W still has Devonport's Living City site as a priority location to establish?***

A. Council has engaged specialist advice in regard to future retail development in Devonport. The retail sector is volatile, and the position of the retail majors on regional sites changes from time to time. As advised at the meeting discussions with Big W and other entities regarding LIVING CITY are ongoing.

Q3. *Does the Mayor or any Alderman know, or been made aware of by the Project Development Manager (P+i) and/or any senior staff member managing Living City, and specifically prior to approving Stage 1 construction of Living City in March 2016, the outcome of the 2014 Big W Store Network Strategic Review? (which amongst other factors analysed were)*

- *A review of the existing store network including performance, store location and identification of key drivers for successful stores.*
- *An analysis of the population required for Big W stores in capital cities, grown areas and regional locations.*
- *An overview of the current and future competitive environment, specifically including Kmart, Target and mini-major tenants.*
- *Identification of the ideal store network for Big W including ranking the possible future opportunities.*

A. As advised at the meeting, discussions with Big W and other entities in regard to LIVING CITY are ongoing.

Council was aware that Big W had for some time, been reviewing their operations prior to the decision to proceed with Stage 1 of LIVING CITY. As you have been advised previously, retail is one component of Council's plan to revitalise and reinvigorate the City. Council's decisions have been made in the context of the overall plan, and not on single components alone.

Given the volatility in the retail market, particularly outside of the capital cities, the retail aspects of LIVING CITY are fluid. Council

continues to pursue opportunities, however until Stage 1 developments are complete there is no site available to offer for expanded retail facilities.

Q4. *If the answer is "No" and with Big W being the initial driver and cornerstone for the Living City retail led concept in its current location and as presented to ratepayers, why were the Mayor and Aldermen not made aware of a Big W review commenced almost two (2) years prior to the Council decision to approve Stage 1 construction in March 2016?*

A. See response to Q3 above.

Q5. *As it has been stated by the Mayor that discussions are still taking place and statements such as "...and what that may be we are working through with the big players – such as Target and Big W..." (Advocate 13/03/17); will the Mayor please confirm that following the 2014 Big W Store Network Strategic Review that Big W still has Devonport as a high priority, within its ranking of possible future opportunities, to establish within Living City, as has been implied by the Mayor?*

A. See response to Q3 above.

On page 28 (last dot point of item 5.1) and page 52 (State Government Agreement) of the March 2017 Ordinary Meeting Agenda, it advises of the conversion of the previous State Government "election promise grant" to a \$13,000,000 contribution towards replacement and ownership of the new LINC/Service Tasmania premises.

Q6. *Will council representatives now cease referring to, or implying that, there is a current State Government grant associated with Living City and adjust its existing and future promotional statements accordingly?*

A. As your introductory comments confirm, information relating to the provision of funding to Stage 1 by the State Government has been clarified. It is not Council's intention to revisit information provided previously. Information provided is on the basis of the situation at that point in time.

Q7. *What is the value of any concessions or fees payable to operate Council's Service Counter operations from the new State owned LINC/Service Tasmania premises currently under construction?*

A. At its meeting on 24 April 2017, Council authorised the entering into of a Memorandum of Understanding with Service Tasmania to offer expanded payment options for Council related activities. As the report outlines this would likely come at a cost of \$0.63 per minute for each transaction processed. No other arrangements have been discussed at this time.

Q8. *Council has sought to make much of the previous State Government "election promise grant," in terms of somehow justifying a level of due diligence of the Living City project by the State Government and an additional \$1,000,000 funding of the LINC/Service Tasmania area of the Multi-purpose Building, all with the full knowledge since at least December 2016 that it was no longer grant money; accordingly will Council confirm that it will immediately cease/rectify any misleading promotion of these aspects of State Government involvement?*

A. See response to Q6 above.

Q9. *Will Council please confirm that the State Government contribution of \$13,000,000 to cover construction and ownership, fully fund the LINC/Service Tasmania building, administrative overhead and fitout costs as part of the Multi-purpose Building construction?*

A. The contract between Council and the State Government provides for a payment of \$13,000,000. In consideration of the payment the State Government will be delivered a stratum title occupation of designated areas within the new Multi-Purpose Building which includes agreed fitout costs, contract administration and project management.

Council appreciates the risks attaching to a project of this scale, but firmly believes these risks are worth taking, and can be appropriately managed particularly given the need to encourage employment and economic growth.

As I have stated on many occasions, LIVING CITY is not about any one specific part – it is a once in a lifetime opportunity to reinvigorate and revitalise Devonport's CBD area.

Since your interest with LIVING CITY some 13 months ago Council has provided answers to your **questions surrounding the Project's Stage 1** development and the proposed retail precinct, now numbering more than 150 (often repetitive), which has taken significant Council officer time.

Council has already committed to Stage 1, construction contracts have been signed and the build is well and truly underway. Whilst Council has been more than willing to provide answers on Stage 1, I advise that it sees no benefit in continuing to allocate resources to do so in the future.

In relation to questions surrounding the proposed retail precinct, please note that no further responses will be provided to your line of questions relating to **the issue."**

Meeting held 22 May 2017

Reproduced below is the response dated 26 May 2017 to Mr Trevor Smith's question:

"I write in reply to your questions raised at the 22 May 2017 Council meeting:

Q1. *Roadworks were recently completed in Elizabeth Street Devonport, when will the potholes be fixed after recent rains? Why is this happening so soon after the project completion?*

Response

Potholes were identified as a defect that the contractor is responsible to repair under the contract maintenance period. Potholes were temporarily fixed this week, while the scope and timing of more substantial rectification work is considered. The cause of the defects is being investigated as part of this process.

Q2. *When will the potholed road, at the front of Bob Jane Tyres be repaired? The road has been like this since Easter; surely as a shareholder of Taswater, you could get this problem sorted out by now? This problem must be having dust issues with the local business owners in the area?*

Response

The site is under control of TasWater and all associated issues and works are their responsibility. It is noted that the road was sealed by TasWater on Monday, 22 May 2017.

Q3. Recently roadworks were completed at 243 William Street Devonport, why hasn't the remaining blue metal been swept up? And why is the bitumen surface starting to break up and form potholes, after the recent rains? It hasn't turned winter yet, and this is happening so soon?

Response

Further sealing work is to be completed at this site. Potholes have occurred at the joint between the new work and the old road which is fairly common due to water ingress at the seal joint. This defect will be addressed by the contractor as part of the outstanding sealing work.

Q4. When do you intend to fix the ongoing flood drainage problem, at the junction of the Bass Highway Off-ramp to Formby Road Devonport? This issue has been happening over many years, causing a traffic hazard to motorists travelling along this road!

You recently completed road re-alignments at the start of Mersey Main Road, so monies can be available to carry out this work!

Response

The off ramp and associated drainage is the responsibility of Department of State Growth not Council. The Department have previously allocated resources in an attempt to resolve the issue, but work is ongoing. Council have regularly raised the issue with the Department and will continue to do so."

RECOMMENDATION

That Council note the responses to questions from Mr Douglas Janney, Mr Malcolm Gardam and Mr Trevor Smith at the May 2017 Council meeting.

3.2.2 Questions on notice from the public

MR ROBERT VELLACOTT – 9 COCKER PLACE, DEVONPORT

The following questions on notice were received from Mr Robert Vellacott on 16 June 2017.

THE REASONS WHY NOT TO BUILD A MARINA FOR DEVONPORT LIVING CITY

Mayor and Aldermen:-

I understand that you are all,* with the exception of Alderman Alison Jarman, still of the opinion and excited at the prospect of including a marina as part of the Living City Waterfront Precinct and intend to progress the concept further: - i.e. as per the Deputy General Manager's responses to my question without notice at the council meeting 24th April 2017 *Ref .DCC Minutes 27 Feb. 2017 Item 5:3 19/17 Resolution (Ald. L Laycock and Ald. T. Milne not present)

In the interest of saving Council further embarrassment, time and effort and more importantly rate and taxpayers's money I submit the following information for your consideration most of which you are, or should already be, aware thereof. For your convenience and to refresh your memory I have included same.

Some of the information hereunder has been obtained from a Master Mariner who I understand, would be one the most qualified to give an opinion. Also other information has been sought from: - Qualified Accountants, a Business Consultant, a Civil Engineer, a Construction Risk Manager and others with theoretical knowledge and practical maritime experience in regard to the conditions of the Mersey River /Port Fredrick.

Extracts are also included from DCC Agenda 27February 2017:- 5.3 Devonport Living City Community Consultation Water Front Concept Plans.

Please note: - There are many more reasons that could be listed and I am sure there would be many community minded well qualified people who would willingly advise Council free of charge about the folly of you continuing to waste time and ratepayer's money on this fanciful idea of constructing a marina as part of the Living City project.

REASONS WHY NOT TO CONSTRUCT A MARINA:- as shown in the 2016 Living City Waterfront Precinct Plans

*The marina, if built, would be in direct competition with a proposed marina and marine precinct being discussed for upriver at the Mersey Slipways site.

*This will be another example of Council competing with private enterprise?

*I understand during 2016 The Devonport City Council General Manager, Government and Opposition members both State and Federal were briefed on this up river project and the Council General Manager is well aware of progress.

- The site being discussed is second in stupidity only to the site as proposed in the East Devonport Master Plan i.e. situated across the river opposite the Ellimatta Hotel.
 - The site is far too small to build a viable marina and cannot be extended out in the river because of the impact on shipping on the channel bend in one of the narrower parts of the river.
 - Being that close to the river mouth any structure would be subject to considerable surge and wave action in strong NW winds - our prevailing wind in winter.
 - Ships leaving Devonport are using maximum power from when they leave the turning basin to ensure they have proper steerage through the narrowest part of the channel where the Mersey ferry pontoons are sited. This means they create a lot of surge from moving many thousands of tones of water in a relatively shallow and narrow channel and this would damage small boats or break their mooring lines if they are moored nearby.
 - If the marina is to berth the Julie Burgess the planners are in a dream world because:
 1. It will be too small an area for maneuvering.
 2. Because of the high windage from masts and relatively low power it will be very difficult to safely berth the ketch Julie Burgess without damaging itself, other boats, wharf structures and there will be the possibility of crew and passengers being injured. (Unlike Council who inform ratepayers "they are comfortable in regard to what they are doing" I think those on board the good Ketch Julie Burgess obviously would not)
-

3. Strong tidal flow adjacent to the marina entrance will create difficulties for vessels entering.
4. It will be subject to surge from NW weather
5. Also it will be subject to extreme surge from ships leaving the port and to a lesser extent entering the port.
6. As a replica, JB does stray from the original by having a bow thruster but the low power of the thruster fitted will be nowhere near enough to safely maneuver in a confined space. This can be overcome by Council throwing another couple of hundred thousand dollars at the vessel to upgrade the thrusters, which will require fitting a larger auxiliary engine to power the upgrade which in turn will also entail upgrading hydraulics and the electrics. (Metaphorically speaking: - "Obviously just a bit more ratepayers' money down the river")

Reproduced below is a copy in its entirety of Mr. Graham Kent's submission re the Waterfront Precinct Plan consultancy. Ref: - DCC Agenda 27 February 2017.

(Note it has not been Cherry Picked.)

Comments

"As one of the original Aldermen that promoted the Living City Project I support in principle the current concept plans as illustrated in the public brochures.

No doubt the final plans and specifications for the hotel/apartments and riverside park will be fine tuned to ensure the natural ambience of the area including Roundhouse Park is preserved and that some further public consultation/ input will be included.

With respect to the proposed waterfront precinct and marina development I would urge careful consideration for the marina section based on the following:-

"The space for a marina is limited for the number of vessels that can be berthed relative to the capital cost due to the need for substantial dredging and excavation work that then will require either a concrete or sheet piling wall to be constructed adjacent to the railway line.

"Vessels require land based service facilities for loading, maintenance etc. and there is little or no vehicle access/parking allocated for this to take place.

- *The comments in the brochure mention both the Mersey Ferry and the Julie Burgess. The Mersey Ferry could utilise the proposed floating pontoon subject to suitable modifications that meet the needs of the operator.*

It is not suitable for berthing the Julie Burgess on the inside for a number of reasons which I can elaborate on if needed however, the vessel could on occasions be berthed on the outside of the pontoon for short periods to load or unload passengers or to participate in some organised function.

*Graham Kent
165 Winspears Road
East Devonport "*

MY Questions to the mayor and Aldermen. Given the above commonsense information :-

- Q1. Will Council still persist in wasting more ratepayers' money on consultants and other supernumeraries on this proposal?
-

Q2.

- (a) Will sanity prevail and this particular hare brained concept be abandoned and the plans for the marina be consigned immediately to the office waste paper basket?
- (b) Can council please confirm that this has also been the fate of the plans of a ridiculous semi circular multimillion dollar elevated walkway jutting out over the river as shown in the original 2014 glossy promotional booklets and video? (Incidentally that particular Video is still shown on the internet)

I would appreciate if you would include all of the above with Council's responses in the 26th June 2017 Ordinary Council Agenda.

DISCUSSION

In relation to the questions received 16 June 2017 it is proposed that Mr Vellacott be advised of the following:

- Q1. Will Council still persist in wasting more ratepayers' money on consultants and other supernumeraries on this proposal?

Q2.

- (a) Will sanity prevail and this particular hare brained concept be abandoned and the plans for the marina be consigned immediately to the office waste paper basket?

Response: As Council has previously advised the marina concept would only proceed through private investment. Any investor would need to undertake their own due diligence and assessments on any proposal.

Council respectfully requests any future questions submitted are done so without emotive or subjective references. Please be advised that question submitted in a similar manner in future will not be included on the agenda nor responded too.

- (b) Can council please confirm that this has also been the fate of the plans of a ridiculous semi circular multimillion dollar elevated walkway jutting out over the river as shown in the original 2014 glossy promotional booklets and video? (Incidentally that particular Video is still shown on the internet)

Response: You have viewed the concept plans for the hotel and waterfront precinct released in December 2016, which included an updated elevated walkway concept. The original concept to which you refer was part of the original Master Plan and was naturally subject to further change and development, as stated in the relevant disclaimers at the time.

There is no intention of removing the LIVING CITY Master Plan from the LIVING CITY website, however a comment will be added to the relevant pages, advising that whilst information is current at the time of release, it is however subject to change in the future as a result of stakeholder feedback, design development or other commercial considerations and that readers/viewers should refer to the latest available information on the website.

MR MALCOLM GARDAM – 4 BEAUMONT DRIVE, MIANDETTA

The following questions on notice were received from Mr Malcolm Gardam on 19 June 2017.

RE: LIVING CITY – REPLY TO MAYOR’S RESPONSES TO QUESTIONS WITHOUT NOTICE 22/05/17 INCLUDING FURTHER QUESTIONS ON NOTICE (File 32161)

Dear Mayor,

I refer to your letter dated 25th May 2017, in part responding to my Questions without Notice to the Ordinary Meeting of the 22nd May 2017.

In closing comments of your letter you have stated ***“In relation to questions surrounding the proposed retail precinct, please note that no further responses will be provided to your line of questions relating to the issue.”*** which sounds somewhat dictatorial coming from an elected representative who carries fiduciary obligations to Devonport ratepayers.

It is your prerogative to refuse to respond to further questions at any time but in my opinion that approach is further evidence that Council cannot substantiate previous statements relating to individual elements of the Living City concept as repeatedly represented to the ratepayers.

Accordingly, in the absence of direct and up front responses to ratepayer questions, we appear to have reached a point in time where perhaps the Devonport ratepayers be given the opportunity to voice their position, and be heard. The mechanism available is a legal “elector petition” to the Minister for Planning and Local Government, pursuant to the Local Government Act, demanding an appropriately empowered and qualified independent review of Living City; including

- 1) consistency in and traceability of briefing matters being accurately relayed to and affecting decision making by Aldermen;
- 2) documented identification and management of conflicts of interest in the planning, project development and contract/lease engagement phases;
- 3) adherence to appropriate Governance principles and levels of due diligence;
- 4) appropriate Council oversight to ensure comprehensive identification of commercial risks and sufficient actions to mitigate potential adverse outcomes arising from important qualifications within consultant reports;
- 5) existence of false or misleading representations by Council in all forms of communications with ratepayers;
- 6) potential breach of the Aldermen’s fiduciary obligations to the Devonport ratepayers;
- 7) establish and inform the ratepayers as to the total costs (including direct and indirect costs) associated with Living City to date;
- 8) establish appropriate due diligence guidelines prior to further Council cash expenditures, borrowings or concessions associated with Stages 2 and 3; and
- 9) any other matter or thing incidental thereto and deemed necessary to be enquired into.

Further, the use of terminology such as *“comfortable”*, *“cherry picking”*, *“sum of the parts”* and *“once in a lifetime opportunity”* by Council representatives when responding to questions, points to a deficiency of supporting argument to prosecute justification for this spend fest.

Even worse, equally respected ratepayers have been labelled by Council as “naysayers”, likened to members of the “*flat earth society*” and “*individuals who have been ongoing in expressing their disapproval of Council’s decision to proceed with the LIVING CITY Master Plan or those with aligned business interests*” all while readily accepting and promoting support from others clearly benefiting short-term from the project proceeding without any Council reference to that aspect.

As a former commercial and risk manager I understand being labelled as negative but the principles of risk management are to firstly identify major risks and then **eliminate or mitigate to an acceptable level prior to proceeding**. This is not a negative approach but moreover planning for success and not discounting significant risk that can fast track failure.

In another closing comment of your letter you also note “***As I have stated on many occasions, LIVING CITY is not about any one specific part – it is a once in a lifetime opportunity to reinvigorate and revitalise Devonport’s CBD area.***”

Reference Quote: DCC Fact Sheets - “***The non-realisation of any element of Living City remains a significant risk to achieving the full economic and other benefits in the report.***”

The above Council statement, assume referring to the Hill PDA report, is at odds with your current statement and representations to the ratepayers and leaves no doubt that Council were promoting all elements as critical to success prior to approval of Stage 1 construction.

I agree with the DCC Fact Sheet and your statements place huge doubt over realising the stated “*830 full-time operational jobs in Devonport CBD.....*” and the “*Over \$112 million in additional output generated annually by the operational phase of LIVING CITY*” frequently quoted by yourself; plus realising the very important “guaranteed” \$270 million dollars of private investment as stated in a supporting letter that accompanied the grant application to the Federal Government.

I suggest that it is nonsense that three (3) out of the four (4) the key elements promoted earlier as being essential to project success can now be discounted and not create an even “**greater than significant risk**” in a Council (ratepayer) funded project.

Basis for Living City success

I suggest the following puts further doubt over Living City decision making and due diligence. Also included find questions on notice for the next Ordinary Meeting scheduled for 26th June 2017.

Magistrates Court – Proposed Demolition and Replacement

Actions and statements would indicate that the Devonport site may also no longer be an essential part necessary for the envisaged Living City new northern “retail precinct”.

Initially the acquisition of this site was promoted as necessary to provide the “*...big footprint to accommodate retail space...*” to support earlier Council representations and drive commencement of Stage 1 in that “*Negotiations are also **well advanced** with **developers and major retailers ready to invest** as soon as sites become available.*”

We have since witnessed the prospect of handing back title of the site to State Government.

Reference Quote: Advocate 29/5/15 – “Meantime the council has voted to hand the old Devonport Court back if the government did not commit to retaining court services in Devonport at a new site.”

Multi-story Carpark

This structure required the demolition of the existing and otherwise serviceable council chambers (with substantial internal renovations only a few years ago) to build a **multi-story carpark to the proposed “new retail precinct”**, plus replace the loss of about 304 existing ground level off-street parking spaces lost or to be lost in the Rooke Street and Formby Road (Harris Scarfe) carparks.

Stage 1 Funding Implications document (22 February 2016) states on Page 4 that “*The model assumes year 1 net rental from the food pavilion and multi-purpose building totalling \$576,000, along with **net car parking revenue of \$987,000**. Of the three main revenue sources within the model, **car parking revenue is considered most predictable**, as it is based on a long history of usage and data from adjacent sites.*”

On questioning Council as to how it justified a \$14.6M spend (\$11.6M from borrowings) and return its budgeted “*net car parking revenue of \$987,000*”, from less than 200 additional parking spaces Council responded that the new **multi-story carpark is integral to LIVING CITY and the stand-a-lone budgeting assumes the whole carparking budget against Living City and no longer viewed as an existing DCC revenue stream**. The budgeted income has also been **reduced to “\$760,000 with further adjustment to allow for the anticipated loss of existing car parking revenue.”** and so much for being considered the most predictable revenue.

This is a direct contradiction to previous statements that the project is “**not a Council-funded project.**” and contrary to a statement in the Development Manager’s Living City Project Development Financial Model, released February 2016, stating that “*It assesses the project in its own right to ensure the **proposed works are viable and sustainable from a funding perspective, without relying on income from Council’s existing revenue streams.***” with the transfer of existing parking revenue now being allocated as Living City revenue.

Conference Centre

Many ratepayers have questioned the viability of Council building an 800 seat Conference Centre, albeit funded mainly from a Federal Government grant as seed funding supporting justification to build new council chambers. A pre-feasibility report commissioned for Launceston City Council deemed a 500-700 seat facility was not viable in Launceston. In closing out my recent questioning as to why Council had no in-market feasibility report supporting the decision Council responded on the 23rd May 2017 with “*In its option Devonport City Council (DCC) has taken a different but equally valid approach to Launceston regarding whether to proceed with a conference centre development. As you are aware, **the conference centre is just one element of the DCC approach** to revitalising the CBD, and decisions concerning such have been made in the context of the overall plan to reinvigorate the City, **and not as a standalone venture.***”

In response to earlier questions of feasibility, Council had advised that “*The initial decision to include a Conference Centre in the LIVING CITY development emerged through the master planning process. **The concept of a Conference Facility and the Waterfront***”

Hotel was further strengthened through advice of Council's appointed Development Managers, P+i Group and the Regional Benefit Study undertaken by Hill PDA (December 2014). There is no specific consultant's report relating to the Conference Centre in isolation.

Food Pavilion

Council has stated in response to ratepayer questioning that ***"Council consider the Food Pavilion as central to the strategic objectives of LIVING CITY and aim to establish the Pavilion as a must see tourist destination, show casing local Tasmanian produce in an exciting and innovative way."*** and

"Council recognise that an attraction like the Food Pavilion would be unlikely to emerge without taking a lead role in its inception and consider this an important function of Council in fostering economic development within the city."

Again, this begs the ratepayer question as to why Council would attempt to drive a commercial venture, at a starting cost of \$5,600,000 to ratepayers, without a proper analysis of market demand or creditable assessment as to any significant adverse impact on existing traders. This also now appears to be Council's **sole initiative in boosting tourist visitations to Devonport** and if so compelling why has a private developer not invested here?

The Horwath HTL Report (April 2016) stated on Page 27 that ***"Therefore the connection to the Living City and the redevelopment of the area as a food and beverage precinct will be essential for the hotel's success."***

The Hill PDA report contained qualifications about conducting further ***".....business case feasibility studies as the next level of detailed analysis which Living City will require."*** in regards to investigating actual estimation of visitor growth; which to my knowledge none were undertaken.

Not a single private developer dollar has emerged and it appears Council could end up with all its eggs in the one basket with a ratepayer subsidised Food Pavilion experiment and promoted "food experiences" relied upon to save the Living City vision and service the debt.

New Retail Precinct – Stage 2

The Council representations to the ratepayers for over four (4) years has been that ***"Stage 2 - incorporates new retail precinct featuring new major retailers, a discount department store, a new supermarket and additional specialty stores,...."*** with ongoing statements by yourself publically inferring that Big W and Target remain in the mix as late as April 2017.

Some basic ratepayer research included in the following Table highlights the potential folly of believing that a fourth Discount Department Store and another Major Supermarket were a realistic possibility in Devonport; and also promoted as a reason for urgency to commence Stage 1 construction without any firm anchor tenant commitments in place.

In fact, if market indicators and the current pressures from the increased threat of on-line shopping and associated competitive pressures within the sector are any reasonable measure then Devonport Council may have a spectacular failure on its hands.

Australian Major Supermarket & Discount Department Stores

Regional Distribution in Cities with population > 30,000 to < 40,000 (2013 ABS)

City	Population	5 year growth %		BIGW			TARGET	
Orange	39,226	9.4		BIGW				
Geraldton	38,931	11.0					TARGET	
Bowral	36,994	5.3		BIGW			TARGET	
Ellenbrook	36,207	5.5		BIGW				
Dubbo	36,089	5.5		BIGW			TARGET	
Nowra	34,885	6.3					TARGET	
Bathurst	34,870	8.9		BIGW			TARGET	
Busselton	34,241	20.9					TARGET	
Warrnambool	33,625	5.0					TARGET	
Kalgoorlie	33,484	9.1					TARGET	
Albany	33,113	7.7					TARGET	
Warragul	31,935	17.3					TARGET	
Devonport	25,493	2.9					TARGET	

Should Big W come to Devonport (Population approx. 25,500) it would be the **only** regional city in Australia in the > 30,000 < 40,000 population bracket to be home to all four major Discount Department Stores (Big W, K Mart, Target & Harris Scarfe)

In addition, Living City FAQ's in August 2014, were representing to ratepayers and the community that "LIVING CITY is a strategy to grow the Devonport economy and **not a Council-funded project**. With the **majority of development being private investment**, the strategy **will not be reliant on ratepayer funding**." and "Extra rates will be generated from new development."

Arguably, on proper examination of the potential demand for a fourth Discount Department Store, it was non-existent four (4) years ago, and even more so highly unlikely today (and prior to the demolition of the council chambers) and if one only considers what was reported on a weekly basis by the business section of the Australian, Financial Review and any other significant business reporter in the country. Any assessment of business reports have indicated that expansion of the traditional major

retail outlets has been in a downward trend and is not simply “volatile” or “fluid” as you have stated.

Reportedly at a meeting at the Library on 5th May 2017, in relation to the retail aspect of Living City, the Deputy General Manager made a comment along the lines that food came on the radar all round the world and became more important, retail was part of the plan but lesser now.

I assume this means that the Stage 2 retail aspect is also no longer an important element because there is no demand. So just what is important for a successful Living City – new council chambers - LINC/Service Tasmania and Conference centre overlooking the river, new multi-story carpark and vacant big footprint to accommodate more retail space?

If Aldermen were to interview retailers in the town they would be informed by many of the worst trading conditions in many years.

Proven Market Demand and Substantiating Expert Advice

A number of concerned ratepayers have questioned the existence of projected market demand to support the Living City concept, and Council has agreed (DCC Letter 22/08/16) that the concept has less than a three (3) in ten (10) chance of success. That is the “significant risk” that Council has amazingly accepted and amounts to a 70% chance of the concept not achieving the Council stated objectives or benefits.

To my knowledge at no time, despite numerous ratepayer requests to do so, has Council produced any credible in-market documented studies to support that demand exists or will exist, in a realistic timeframe, to substantiate Council representations that new income streams from private development will follow in a timely manner. Which particular elements of the Living City are going to attract increased tourist visitations in sufficient numbers to repay the loans and interest guaranteed against future rate revenue without new income streams from substantial private development.

Qualifications within Consultant Reports

In trying to understand the thinking of Aldermen I note the following serious qualifications within the Hill PDA, KPMG and Horwath HTL reports that Council appears to have not acted on whilst heavily promoting existence of the reports to the ratepayers. No doubt Aldermen had all been made fully aware of those qualifications advising of limitations relating to use of the reports and understood what accepting “significant risk” meant, prior to approving Stage 1 construction.

Hill PDA Report dated December 2014 – Living City - An Assessment of its Regional Benefits and Opportunities

This report contained a serious qualification (among others) as to size, projections and viability of the proposed Living City concept; being

Page 27 - *“As market demand will determine the extent of development, the exact floorspace has not yet been quantified. For the purposes of this assessment, assumptions have been made with regard to the indicative figures provided in the Devonport CBD Investment and Development Plan 2012 and information provided by P+I Group.”*

Estimated square metres of the proposed Master Plan new buildings simply had a formula applied as the basis of calculating the projected 830 new full-time operational jobs post

construction, and to my knowledge no in-market studies were undertaken by Council as had been emphasised by Hill PDA.

The Hill PDA report mentions the new Retail Precinct will complement the “Homemaker Centre” and will create a CBD in excess of 17,000 SQM of additional floorspace and, in my opinion, a gross oversupply of retail floorspace, without the recommended in market demand studies. The Council decision to proceed appears to be build it and they (the tourists and retailers) will come. No consideration of a Bunnings vs K&D Hardware scenario appears to have been considered in relation to existing traders either.

DCC STAGE 1 Funding Implications document dated 22 February 2016

This report advised the following in relation to the funding model.

Page 1 – “The funding model and LTFP impacts have been peer reviewed by consulting firm, KPMG”

Page 3 - “Funding model built by P+i and without relying on income from Council’s existing revenue streams.”

Another alarming aspect is the allocation of an annual \$1,000,000 amount by Council against itself for the Multi-purpose building.

The journal entry giving administration an expense and Living City revenue is a complete nonsense and provides no new cash revenue to offset the cost of borrowings.

This also makes nonsense of the statement that Living City is not reliant on Council funding or that projected new revenue from commercial elements within Stage 1 is sufficient. Council obviously does not consider the \$50,000,000 injection of ratepayer funds and borrowings for Stage 1 alone as a contradiction of its statements that **“not a Council-funded project.”** and **“....without relying on income from Council’s existing revenue streams.”**

KPMG Review dated 17th February 2016

Statements within what appears to be a “claytons” document advising the limitations of the report are:

Page 1 – Scope includes statement that “Given the scale of the proposed development and Council’s key role in Stage 1, you have engaged KPMG to assist DCC with an independent review of key documentation that has been developed to advance the Living City proposal.”

The three (3) documents reviewed were financial documents/models including The DCC Living City **Project Development Financial Model** to which the report later referred to **“The financial modelling points to the proposition that Council should support the development based on the assumptions and estimated financial outcomes of the Project Development Financial Model.”**

The Scope further detailed the extent and basis of the review with a further qualification that **“We highlight that this advice is provided in accordance with the important notice appearing in Appendix 1.”**

Appendix 1 - Inherent Limitations includes the statement that “No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by

Devonport City Council management and personnel consulted as part of the process.” and

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

While providing a guarded “*On balance, the documents provided to Council and the assumptions and analysis contained therein, appears to be not unreasonable.*” the report does contain several warnings of inherent risks.

Other than that the review appears to only have checked the model inputs matched the assumptions and the mechanics of the electronic models were performing correctly. What is not clear is while current Council revenue clearly provides the capacity to fund the project, albeit it would be under duress; it is not discussed as to the ramifications should the assumptions in the Project Development Financial Model not be achieved and if the Council’s representations that the project is viable “***without relying on income from Council’s existing revenue streams***” are justified.

Horwath HTL Report dated April 2016 – relating to a Proposed Hotel

The authors of the Horwath HTL report have clearly highlighted that their report is substantially premised on the advice received from Council’s Development Manager (Projects + Infrastructure) and exclude themselves from any liability relating to that information.

The report contains a litany of qualifying statements advising of the limitations of the report. I have only included four (4) here, with a comprehensive list of not less than ten (10) included in my submission to the Waterfront Precinct dated 6th February 2017.

Page 7 (1.3) - *“Readers of this report should refer to the sections related to identifying risks, major and general assumptions, and limiting conditions for use of the report.”*

This is a clear warning to read and understand the limitations of the report.

Page 9 - *“**According to Projects + Infrastructure, significant interest has already been expressed by existing major hotel operators in Tasmania and a selection of nationally operating management companies.”***

Page 11 - *“**According to Projects + Infrastructure, significant interest already exists from global hotel management companies, to operate the Proposed Hotel.”***

Page 51 – *“**All information (including financial operating statements, estimates, and opinions) obtained from parties not employed by Horwath HTL is assumed true and correct. No liability resulting from misinformation can be assumed.**”*

Summary – Consultants’ Reports

Of further ratepayer concern has been Council’s response to the qualifications within the external reports in that Council has:

- confirmed on my questioning on the 23rd May 2017 that it does not dispute the existence of the qualifications within the reports;
 - in response to my question “*Can Council confirm that it has obtained sufficient written advice and in market studies to mitigate the consequences of the limitations stated within the Hill PDA, KPMG and Horwath HTL reports from resulting in an*
-

adverse outcome?” **replied** “Council made its decision on the information available to it at the time and understood the limitations of that advice and therefore does not believe further market studies are either necessary nor required.” (NOTE: I agree that undertaking in-market studies after the decision has been made does appear back to front)

- declined, on my questioning, to confirm that a proper feasibility study was included in the second Horwath HTL report, that to date remains a Council deemed confidential document, and supported the use of one sentence from the fifty one (51) page report to substantiate a **Question 8** Council statement in the FAQ’s Waterfront Precinct booklet (December 2016); representing to ratepayers that it knows there is demand for an additional hotel without being prepared to confirm existence of a reliable feasibility study.

All three reports were referenced in Council representations to the Devonport ratepayers as evidence that the Living City plan has been independently reviewed, and supported. All reports have clearly identified that much of those reports have been based on advice received from Council personnel and the Development Manager (P+i). Consultants later engaged all qualified their reports as such and accordingly distanced themselves from any liability resulting from the information provided to them.

Lack of sound and documented demand analysis

In my opinion, there appears to be a common thread throughout the Living City planning and development process of Council relying on verbal assurances, without any firm commitments or legally binding undertakings, but promoted to support massive Council (ratepayer funded) expenditures required just to progress Stage 1. The project has been promoted as being a catalyst to private investment, apparently without knowledge of any creditable market demand.

Council has previously confirmed that advice and briefings to Aldermen from the Development Manager are not in writing or otherwise recorded which at least to me appears unusual.

From a commercial and risk perspective there appears to have been a giant leap of faith by Aldermen in seemingly accepting verbal advice over a period of time from a variety of sources as the basis for approving massive loans against future rate revenue to facilitate construction of Stage 1.

If the demand is so evident, with “*discussions well advanced*” years ago, how is it that the project which has been centred on a major discount department store that a contract with an anchor tenant was not secured before demolition commenced.

In my opinion, Aldermen have subrogated their responsibilities to senior staff and the Development Manager and in doing so have potentially breached their fiduciary obligations to Devonport ratepayers.

Seeking evidence of appropriate due diligence

Besides asking questions of Council, concerned ratepayers have either met with the Deputy Premier or asked questions of the State Treasurer. Sadly, responses when received have been vague at best and coincidentally mirror Council responses. At a meeting with the Deputy Premier (nominated Government spokesperson for Living City) his

response when directly asked as to the level of due diligence undertaken by State Government in relation to the project and ultimately approval for Council to borrow the massive funding required, was that *“our people are talking to their people”* whatever that might mean. The election promise grant has since converted to a monetary contribution for construction/ownership of the new LINC/Service Tasmania premises.

Our first glimpse of what the Deputy Premier may have meant was statements by the Chairman of the Shared Audit Panel in a report on Page 26 of the Agenda to the DCC Ordinary Meeting, 27th March 2017, in that *“Initially Treasury instructed that the Panel had to approve the Living City Project and its Financial Borrowings.”* Once it was quite rightly pointed out to Treasury that it was not the role of the Audit Panel to make such approvals, and importantly resided with the Aldermen, the requirement became *“Treasury agreed that a full briefing in the Financing of the Project was acceptable and this was facilitated.”*

One can only hope this is not indicative of appropriate due diligence conducted by State and Local Government for a project of this size, cost and complexity of crucial commercial assumptions while utilising massive ratepayer funds and borrowings. A supposed progressive vision that firstly requires demolition of some of the newest State and Council infrastructure in Devonport in the Council Chambers and LINC/Service Tasmania buildings (both 30 odd years old), Magistrates Court (little over 20 years old) and potentially the Fire Station / Ambulance Centre; all relatively new structures in terms of the expected life cycle of buildings.

“Comfort” versus sound analysis

As you have stated, I have persisted for over twelve (12) months with giving Council every opportunity to explain how it has become “comfortable” in its decision making while accepting “significant risk.” This was a sustained effort to obtain an informed opinion that Aldermen have managed the project with due diligence and fulfilled their fiduciary obligations to the ratepayers. I am on record twice offering to meet with Aldermen either individually or collectively to be further enlightened without a single response over a twelve (12) month period. However, I personally prefer Council’s position to be in writing rather than just verbal assurances.

It is breath-taking that ratepayers are now told their Living City *“is not about any one specific part”* to be viable (i.e. reasonably substantiated private development will eventuate to generate new Council revenue streams) but on questioning Council is unable to substantiate that any commercial element has been adequately supported by in-market research as to feasibility; leaving us with reliance on no more than verbal assurances or even worse if it is just statements without supporting analysis.

Community support

As to Council’s assertions that there is *“overwhelming community support”* it also does not stand scrutiny as Council surveys on the principles of Living City were conducted prior to the unveiling of the massive loans required, just to progress Stage 1. The amended financing requirement was announced at what was apparently a hastily scheduled and poorly publicised public meeting, on the 29th February 2016, with arguably a heavily weighted attendance from supporters and would-be beneficiaries of Stage 1 proceeding to construction. Could the number of business-badged vehicles parked in the vicinity be an indication building interests were overly represented.

All while a later 1500 strong ratepayer signed “Message to Aldermen,” never intended to be a formal petition, was down-played (some would argue even ridiculed) by the Aldermen, including an attempt at that time to totally “gag” further questioning of Living City.

“*The Advocate*” poll conducted in July 2015 (not just for ratepayers and again **well prior to the February 2016 funding model being released**, similar to the Council survey) asking “*Do you think Devonport City Council has got Stage 1 of Living City right?*” returned an inconclusive result of 50:50 agreeing and disagreeing.

Your problem with questions and scrutiny of Living City demand analysis

As to your comments that I have submitted over 150 questions, you full well know that a significant number of questions have required re-submitting between 2-5 times in order to extract an answer directly aligned to the question. There are also occasions I have declined to re-submit a question even though it has received an incomplete or non-question aligned response. Clearly, you are sensitive to questions relating to substantiation of the Stage 2 new retail precinct representations by yourself and Council which should have been straight forward to answer.

I have no problem abiding by a majority position of the Devonport ratepayers but a quantitative testing of the wishes of Devonport ratepayers has never been appropriately undertaken by Devonport Council.

The Mayor and Alderman are also on record as stating “*The financial risks with Living City are significant.*” and “***Council risks enormous reputational damage if the Master Plan is not implemented***”

Could it be in approving Stage 1 of the Living City Master Plan Council’s Alderman prioritised their personal reputational damage ahead of their statutory duty to act in the best interests of Devonport ratepayers and that this is the reason it has not been fully transparent in responding to numerous serious questions on potential Governance failures? Or could it be the prospect of explaining the millions of ratepayer dollars expended prior to the Master Plan being adopted?

Questions on notice to the Mayor and Aldermen

Council representations that the Living City concept is supposedly not reliant on any one commercial element begs the question as to why Council states that absolutely none (except for the Food Pavilion) are now not individually essential to ensuring the new rate revenue to service the massive encumbered loans and interest repayments.

- Q1.** Does Council accept that the realisation of the oft stated “*830 full-time operational jobs in Devonport CBD.....*”; “*Over \$112 million in additional output generated annually by the operational phase of LIVING CITY*”; the “*guaranteed*” \$270 million dollars of private investment” and required huge influx of tourist visitations to be derived from Living City, as documented in the Hill PDA report, is the minimum accepted measure by which a successful Living City should be judged against?
 - Q2.** If not, will Council please advise on the benchmark benefits it has set itself to measure a successful outcome in the best interests of the Devonport ratepayers?
 - Q3.** What timeframe has Council set itself for realising the private development critical to ensuring new rate revenue to service the encumbered loans and interest
-

repayments, and importantly validate Council representations that Living City is not a Council-funded project and reliant on Council's existing income streams?

- Q4.** If the timeframe in Question 3 is greater than one (1) year from completion of the Multi-purpose Building, to have firm developer/retailer commitments, how does Council intend to service the loans and interest during the "gap years" without adversely impacting existing Council rates or core services?

Please ensure inclusion in full in the next Ordinary Meeting Agenda.

CC: Hon. Peter Gutwein – Treasurer and Minister for Planning and Local Government

Hon. Will Hodgman – Premier of Tasmania

Hon Jeremy Rockliff - Deputy Premier of Tasmania

Devonport Aldermen and General Manager

DISCUSSION

In relation to the questions received 16 June 2017 it is proposed that Mr Gardam be advised of the following:

- Q1. Does Council accept that the realisation of the off stated "830 full-time operational jobs in Devonport CBD....."; "Over \$112 million in additional output generated annually by the operational phase of LIVING CITY"; the "guaranteed" \$270 million dollars of private investment" and required huge influx of tourist visitations to be derived from Living City, as documented in the Hill PDA report, is the minimum accepted measure by which a successful Living City should be judged against?

Response: No

- Q2. If not, will Council please advise on the benchmark benefits it has set itself to measure a successful outcome in the best interests of the Devonport ratepayers?

Response: The numbers quoted of 830 full time equivalent jobs, and \$270 million of private investment, were provided as a guide of what could be achieved by LIVING CITY.

The success of LIVING CITY will be measured by a range of indicators, which includes both economic and social factors. As you are aware, local government undertakes numerous activities for which there is no "break even" return, but are still important activities for the community.

The success of LIVING CITY will be measured by a range of activities including, but not limited to:

- New investment in the City, directly or indirectly resulting from the LIVING CITY project;
 - New employment opportunities directly or indirectly resulting from the LIVING CITY project;
 - Increased visitor numbers to the City and surrounding region;
 - Improved cultural facilities that benefit locals or attract visitors;
 - Improved social, education and career opportunities;
 - Attraction of business and community conferences and events to the City
 - The provision of a direct link between the CBD and the waterfront;
 - The availability of a site for large floor space retail to provide for future development within the CBD; and
-

- Improved outdoor public open space/events spaces close to the Mersey River.
- Q3. What timeframe has Council set itself for realising the private development critical to ensuring new rate revenue to service the encumbered loans and interest repayments, and importantly validate Council representations that Living City is not a Council-funded project and reliant on Council's existing income streams?

Response: The LIVING CITY Masterplan clearly identifies the project as a long term vision. Council expects to see continual investment in Devonport over a 10-20 year period as a result of LIVING CITY. It is intended that Council will monitor the success of the project regularly over this period.

- Q4. If the timeframe in Question 3 is greater than one (1) year from completion of the Multi-Purpose Building, to have firm developer/retailer commitments, how does Council intend to service the loans and interest during the "gap years" without adversely impacting existing Council rates or core services?

Response: Funding of LIVING CITY comes from a range of sources including:

- The creation of efficiencies and cost savings resulting from consolidation and changes to existing activities;
- Rental income on many buildings purchased for the LIVING CITY project, that covers more than the loan repayments on those properties;
- Sale of Council owned properties; and
- Income streams from new facilities created as part of LIVING CITY.

Council's Long Term Financial Plan includes both the repayment of loans and the continuation of existing services.

RECOMMENDATION

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

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 EXTRA DISABILITY PARKING BAY IN CMAX CARPARK - ALD A J JARMAN

File: 18556 D476646

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

ATTACHMENTS

Nil

MOTION

"That Council request a staff report on the options which may be available for providing additional disabled car parking in the CMAX car park (Formby Road) be provided."

SUPPORT

Ald Jarman has provided the following in support of her notice of motion.

There are two disability access spaces provided in this particular car park and no doubt compliant. The fact is one space is near the toilet block and under cover which is great the other is also under cover but over near the CMAX southern exit and McDonalds. (see plan provided) therefore there is no space for a person with a disability over near the entrances of both arcades.

This space would be ideal as it can be widened, (as there is no car space on the right hand side) for decent wheelchair access. There is a ramp provided to both this arcade entrance and also to the Hub arcade entrance and this is the reason for my request to allow this one new space. It seems to be logical to allocate an additional space for better access for disability. I have approached some of the council car park staff to ask them their view on this and all have said it would be a good idea as well.



OFFICER'S COMMENTS

The issue of disabled parking in the Formby Road car park has been raised with Council previously - in particular, provision of disabled parking near the Hub Arcade and Churcher's Arcade.

The Formby Road carpark was installed to service the Mall and surrounding shops and businesses. The position of the disability bays at the time was as strategic as possible given the layout and slope of the carpark and the fact they are currently under cover.

Should the Notice of Motion be accepted by Council the staff report prepared will also canvass issues of disabled parking provision more generally in the City.

4.0 PLANNING AUTHORITY MATTERS

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

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

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

- 4.1 AM2017.01 Rezoning from General Residential to Commercial and PA2017.0062 Transport Depot and Distribution and Storage - 26 North Caroline Street East Devonport (D476553)

4.1 AM2017.01 REZONING FROM GENERAL RESIDENTIAL TO COMMERCIAL AND PA2017.0062 TRANSPORT DEPOT AND DISTRIBUTION AND STORAGE - 26 NORTH CAROLINE STREET EAST DEVONPORT

File: 33844 D476553

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

Strategy 2.1.1 Apply and review the Devonport Interim Planning Scheme as required, to ensure it delivers local community character and appropriate land use

SUMMARY

This report is to consider the merit of rezoning the 8782m² parcel of land known as 26 North Caroline Street, East Devonport herein called the 'subject site'. This will acknowledge 'Transport depot and distribution' and 'Storage' as the approved uses on the site. It will primarily enable the existing permit for the Transport Depot approved in 2003 to be effectively amended by extending the operating hours and secondly to allow Storage to occur as an independent activity.

The application has been made by CBM Sustainable Design on behalf of Streefland Logistics Solutions. Application appended as Attachment 1.

Advice provided by the applicant also indicates that the rezoning to General Residential in 2006 does provide commercial limitations and limited opportunity for improvements.

The subject land is outlined in red on Figure 1.



Figure 1 – Location Plan of subject land, Plan source - DCC GeoCortex December 2015

BACKGROUND

The subject site was originally developed in the 1960's as a manufacturing plant by Ceilcote Pty Ltd. Prior to Thorpe Transport gaining planning consent for a Transport Depot in late 2003 (PA2003.0223) the building was occupied by Jamieson Transport as a General Industry (recycling factory) (PA950172). The land was also subject to a subdivision application about this time that created 2 additional lots. These are now occupied by Maxfield Drilling at 30 North Caroline Street to the immediate south on the Brooke Street corner and a timber pallet manufacturer at 31 Brooke Street to the west.

The section 58 Planning Permit application in 2003 was made after formal consent was granted to use this section of North Caroline Street as a 'B' Double truck route. The Permit also included a condition restricting the hours of operation between 7am to 8pm, Monday to Saturday inclusive.

Strategic Implications

The applicant has provided some historical information and an excerpt from the 2006 amendment to the *Devonport and Environs Planning Scheme 1984*. This amendment rezoned the subject site and the surrounding land bounded by Tarleton, Brooke and North Caroline Streets to Closed Residential. It also included a 3-year window of opportunity for development rights on the subject site and other non-residential sites within the rezoned area. That is, notwithstanding the prohibited status of the 'industrial activities', unquantified development could be applied for under section 57 of the Act. This window closed in November 2009 with no exercise of discretion being made for any of the identified sites. This initially justified the strategic direction to rezone the land to Closed Residential.

Since the window closed there has been some demand to adapt and reuse the sites for commercial/industrial based activities. Comparably no residential development has occurred as predicted although two caravan parks within the surrounding land did receive planning consent for subdivision of land for residential purposes.

The permit for subdivision of land at the 20-24 North Caroline Street Caravan Park (PA2014.0179) directly north of the subject site has been extended until 27 February 2019. The 34 lot subdivision proposed at 13-19 Tarleton Street (SA2013.0009) lapsed in June 2016. The extension of one without a start being made and lapse of the other confuse the strategic direction of how the surrounding area should be developed and a comparable situation to that which existed in 2006 remains.

However, in late 2013 the owners of the subject site and others within the identified area submitted a representation to have the zone translated to General Residential that was displayed during the interim planning scheme process. The basis of the representation was an objection to the translation and included consideration of a more suitable zone to reflect the industrial nature of many of the activities within the identified area. The Tasmanian Planning Commission (TPC) determined that the translation from Closed Residential to General Residential was correct under the terms of the translation process and that any subsequent amendment needed to pursue the formal amendment process under the Act.

It was anticipated that a collaborative application by the affected property owners for a dispensation or an amendment to correct the purported zoning was to be made, however this has not eventuated.

This application is only for consideration of amending the zone of the subject site at 26 North Caroline Street. The proposal is to recognise the Commercial zone as a zone that fits the existing use and allows further development of the property to occur. It is submitted that this rezoning application can exist in isolation. It is also recognised that

Report to Council meeting on 26 June 2017

direction may be given by the TPC to consider other properties now or later in the preparation of the Local Provisions Schedule of the Tasmanian Planning Scheme.

The applicant has submitted reasons why the Commercial zone is more appropriate than the Light Industrial zone. The application also includes an indicative site plan that shows the established facility and the proposed improvements. It also indicates the existing separation that exists between the built form and parking areas in relation to the caravan park site to the north and the existing homes on North Caroline Street to the east.

Figure 2 below provides that pictorial overview of the site.



Figure 2 – Site plan of existing facility and proposed improvements, CBM Sustainable Design, P17027 08/05/17

Zone Comparison

Table 1 provides the comparisons between the permissible uses in the Light Industrial zone and the Commercial zone in both the *Devonport Interim Planning Scheme 2013 (DIPS)* and the *Tasmanian Planning Scheme (TPS)*.

It is noted that the TPS includes some uses currently prohibited by the DIPS. These are highlighted. The inclusion of these indicates a greater range of permit pathways in the future.

Also the Uses with qualifications that exist in the DIPS are marked with an asterisk however the actual qualifications have been removed for clarity.

Table 1

Defined Uses	Light industrial zone		Commercial zone	
	DIPS	TPS	DIPS	TPS
Bulky goods sales	D*	D*	P*	P
Business and professional services	X	X	X	D
Community meeting and Entertainment	X	D	X	D
Crematoria & Cemeteries	X	D	X	X
Educational and occasional care	D*	D*	X	D
Domestic animal breeding boarding and training	X	D	X	X
Emergency services	P*	P	P*	P
Equipment and machinery sales and hire	P	P	P	P
Food services	D*	D	P*	D
General retail and hire	X	D*	X	D
Hotel Industry	X	X	X	D
Manufacturing and processing	P	P	X	D
Natural and cultural values management	NPR*	NPR	NPR*	NPR
Passive Recreation	D	NPR	D	NPR
Port and shipping	X	P	X	X
Recycling and waste disposal	P*	D*	X	X
Research and development	P* and D if not P*	P	X	D
Resource processing	D	D	X	D*
Service industry	P	P	P	P
Sports and recreation	X	D	D	D
Storage	P	P	D	P
Tourist operation	X	X	P*	D
Transport depot and distribution	P	P	D	D
Utilities	P* and D if not P*	NPR*	P* and D if not P*	D
Vehicle fuel sales and service	P*	P	P* and D if not P*	D
Vehicle parking	X	D	P*	D

NPR – No Permit Required

NPR* - No Permit Required with a qualification

P – Permitted

P* - Permitted with a qualification

D – Discretionary

D* - Discretionary with a qualification

X – Prohibited

Several observations are made.

The Commercial zone allows for a range of uses that are comparable to those in the Light Industrial zone. It is the applicant's submission that although any development of the subject site for a Transport Depot is permitted in the Light Industrial zone the preferred zone is the Commercial zone where the use is discretionary. This will ensure public participation occurs with any application and will allow representations to be considered if it is submitted that residential amenity nearby is affected.

However, while the use of the subject site for a Transport Depot and Storage are both discretionary in the Commercial zone the Planning Authority also needs to be mindful of what other uses might be possible on the subject site if the current Transport Depot and proposed Storage activities ceased operation.

To illustrate this Column 4 in Table 1 indicates that the uses of 'Bulky goods sales', 'Equipment and machinery sales and hire', 'Food Services' and 'Vehicle fuel sales and service' all have permit pathways in the Commercial zone.

Other options

Considerable discussion on achieving an outcome in this location has occurred to afford development opportunity for existing non-residential uses while maintaining some form of spatial amenity to the existing residential and visitor accommodation developments.

If a Commercial zone is contemplated it is possible to include a level of further control by using a Site Specific Qualification (SSQ) against any of the uses in the Use Table of the zone. An SSQ can be used in circumstances where it is appropriate that the site requires specific provisions that are different to those that apply in the State Planning Provisions because there is a need to restrict otherwise permissible uses within a zone which for various strategic and local reasons should not be considered on that identified site. For example, a Bulky Goods Sales activity is preferred at the Homemakers site which has been strategically provided for this type of activity. Although unlikely it remains possible, without an SSQ, for this use to occur on the subject site.

Table 2 is an example of how the Use Table for the Commercial Zone could be modified with an SSQ to achieve this by limiting what is permissible.

(The additional qualification, marked with an asterisk, references the specific Title of the subject site)

Table 2

23.2 Commercial Zone Use Table

Permitted	
Use Class	Qualification
Bulky Goods Sales	If not retail sale of foodstuffs or clothing; and *If not on CT 123612/1
Equipment and machinery sales and hire	*If not on CT 123612/1
Food Services	If- (a) not licensed premises (b) not including a drive through in a take away food premises; and (c) a seating capacity for not more than 20 people; and *If not on CT 123612/1
Service industry	*If not on CT 123612/1

Tourist operation	If based on a building, area or place of regulated scientific, aesthetic architectural or historic interest or otherwise of special value; and *If not on CT 123612/1
Vehicle fuel sales and service	If a service station; and *If not on CT 123612/1
Vehicle parking	If in accordance with a local area parking scheme for vehicles attending the commercial centre; and *If not on CT 123612/1
Discretionary	
Bulky goods sales	*If not on CT 123612/1

(NB: This Table is not an exact replication of the Use Table for the Commercial Zone. The existing 'Permitted' uses have been removed, firstly for clarity and secondly because those uses are considered suitable for this location).

Table 3 is a comparative example of how the Use Table for the Industrial Zone could be modified with an SSQ to restrict uses otherwise permissible in the zone.

(The additional qualification, marked with an asterisk, references the specific Title of the subject site)

Table 3

24.2 Light Industrial Zone Use Table

Permitted	
Use Class	Qualification
Bulky Goods Sales	If not retail sale of foodstuffs or clothing; and *If not on CT 123612/1
Equipment and machinery sales and hire	*If not on CT 123612/1
Manufacturing & processing	*If not on CT 123612/1
Service industry	*If not on CT 123612/1
Vehicle fuel sales and service	If not a service station; and *If not on CT 123612/1
Discretionary	
Bulky goods sales	*If not on CT 123612/1
Food Services	If- (a) not licensed premises (b) not including a drive through in a take away food premises; and (c) a seating capacity for not more than 20 people; and *If not on CT 123612/1
Resource Processing	*If not on CT 123612/1

(NB: This Table is not an exact replication of the Use Table for the Light Industrial Zone. The existing 'Permitted' uses have been removed, firstly for clarity and secondly because those uses are considered suitable for this location)

Summary of Issues

In general terms an extraordinary number of SSQ's listed in a Use Table may be at odds with the underlying zone purpose and the proposed zone may need to be examined to determine appropriateness.

The Commercial zone of the TPS includes Use Standards for Hours of Operation, External lighting and Commercial movements hours of operation. Of some note the Hours of Operation for vehicle movements in the TPS also relies upon a separation distance of 50m to satisfy the Acceptable Solutions (AS).

The other portion of this AS prescribes the basic hours of 7am to 9pm Monday to Saturday and 8am to 9pm on Sundays and public holidays.

Anything less must satisfy the Performance Criteria (PC) which rely upon factors including time, duration, frequency, vehicle size and noise mitigation. The applicant has indicated that the proposed operation of the site requires vehicles to depart the site outside these hours and although these Use Standards are not within the ambit of the current planning scheme the applicant has provided details of how the PC can be satisfied under the discretionary permit use provisions of the DIPS. The comments provided have been examined and are considered reasonable.

In comparison, the Commercial zone of the DIPS only provides Use standards for discretionary permits.

The mechanism of prematurely adopting the Use Standards from the TPS and including them in the DIPS is an option that may only be able to occur if a Particular purpose zone (Ppz) was introduced. An objective assessment could determine that these Use Standards have merit but whether their application can only apply to the TPS Commercial zone will have to be scrutinised by the TPC.

Any such consideration may require the Council to modify the amendment under s.41A of the Act to develop a Ppz for the subject site. If this option is preferred by the TPC the application will need to be subjected to a further public exhibition process.

The remaining option is to consider a Specific Area Plan (SAP). This would have the capacity to identify each of the land parcels in the surrounding area as an individual precinct to recognise the existing visitor accommodation, industrial and commercial activities. It would be proposed that each of the sites be identified with a descriptor **indicating Precinct 'A', Precinct 'B', Precinct 'C' etc.**

Each precinct would include its own specific Use Table to reflect the activities that are deemed appropriate for that particular location. The SAP would most likely follow a format similar to that presented below with instruction and guidance from the TPC.

North Caroline Street Specific Area Plan

1. PURPOSE OF SPECIFIC AREA PLAN

- (a) To recognise the existence of previously developed land for industrial purposes.
- (b) To provide opportunity for other appropriate activities that can demonstrate minimal land use conflict with nearby residential amenity.

2. APPLICATION

This Specific Area Plan applies to land within the General Residential zone on the planning scheme map marked 'North Caroline Street Specific Area Plan'.

The land within this Specific Area Plan contains eleven (11) precincts as shown on Diagram 1. (Only precinct D, the subject site, is populated). The others can be if the TPC support for an SAP gains some traction.

DIAGRAM 1



PRECINCT

3. USE TABLE

PERMITTED	
USE CLASS	QUALIFICATION
EMERGENCY SERVICES	
PASSIVE RECREATION	
RESEARCH & DEVELOPMENT	
STORAGE	
TOURIST OPERATION	
UTILITIES	IF MINOR UTILITIES
VEHICLE PARKING	
DISCRETIONARY	
EDUCATION AND OCCASIONAL CARE	IF VOCATIONAL OR TRADE TRAINING
NATURAL AND CULTURAL VALUES MANAGEMENT	
SPORTS AND RECREATION	
TRANSPORT DEPOT AND DISTRIBUTION	
UTILITIES	
PROHIBITED	
ALL OTHER USES	

4. USE STANDARDS

DISCRETIONARY PERMIT USE

ACCEPTABLE SOLUTIONS	PERFORMANCE CRITERIA
A1	P1
THERE ARE NO ACCEPTABLE SOLUTIONS	DISCRETIONARY PERMIT USE MUST: (A) BE CONSISTENT WITH THE PURPOSE OF THE EAST DEVONPORT SPECIFIC AREA PLAN; AND

	<p>(B) MINIMISE COMPETITION, DISPLACEMENT CONFLICT OR INTERFERENCE WITH OTHER USE WITHIN THE SPECIFIC AREA PLAN HAVING REGARD FOR –</p> <p>(I) NATURE SCALE AND INTENSITY OF THE USE</p> <p>(II) OPERATIONAL CHARACTERISTICS;</p> <p>(III) LIKELY IMPACT OF TRAFFIC COMPOSITION, VOLUME AND FREQUENCY ON OPERATION AND SAFETY OF THE ROAD NETWORK; AND</p> <p>(IV) MEASURES TO MINIMISE ADVERSE IMPACT FOR EXISTING AND POTENTIAL –</p> <p>A. OTHER ACTIVITIES WITHIN THE BOUNDARY OF THE EAST DEVONPORT SPECIFIC AREA PLAN</p> <p>B. USE OF LAND BEYOND THE BOUNDARIES OF THE EAST DEVONPORT SPECIFIC AREA PLAN</p>
--	--

5. DEVELOPMENT STANDARDS

SUITABILITY OF A SITE FOR USE OR DEVELOPMENT

ACCEPTABLE SOLUTIONS	PERFORMANCE CRITERIA
A1 A SITE OR EACH LOT ON A PLAN OF SUBDIVISION MUST HAVE AN AREA OF NOT LESS THAN 7500 M ²	P1 THERE IS NO PERFORMANCE CRITERIA
A2 THERE MUST BE NO NEW ACCESS ONTO NORTH CAROLINE STREET	P2 THERE IS NO PERFORMANCE CRITERIA

LOCATION AND CONFIGURATION OF DEVELOPMENT

ACCEPTABLE SOLUTIONS	PERFORMANCE CRITERIA
A1 THE WALL OF A BUILDING MUST BE SETBACK (A) 20M FROM NORTH CAROLINE STREET (B) 10M FROM OTHER BOUNDARIES	P1 THE SETBACK OF A BUILDING MUST – (A) BE CONSISTENT WITH PREVAILING FRONTAGE SETBACKS FOR ANY EXISTING AND APPROVED BUILDING ON THE SITE OR ON ADJACENT LAND (B) PROVIDE A TRANSITIONAL SPACE BETWEEN THE ROAD AND ANY USE TO PROVIDE A BUFFER OR SCREEN BETWEEN THE BUILDING AND THE ROAD (C) PROVIDE MEASURES TO ATTENUATE VISUAL IMPACT
A2 WHERE A BUILDING IS SETBACK FROM A ROAD THE AREA BETWEEN THE BUILDING AND THE ROAD MUST BE LANDSCAPED AND TREATED TO ASSIST SCREENING FROM THE ROAD BY - (A) RETENTION, REPLACEMENT OR PROVISION OF VEGETATION OF A TYPE CONSISTENT WITH THE ESTABLISHED VEGETATION CHARACTER OF ADJACENT LAND (B) PROVISION OF SCREENING DEVICES SUCH AS EARTH MOUNDS AND FENCING (C) A COMBINATION OF (A) & (B)	P2 THERE IS NO PERFORMANCE CRITERIA
A3 BUILDING HEIGHT MUST NOT BE MORE THAN 15M	P3 BUILDING HEIGHT MUST (A)MINIMISE THE APPARENT SCALE, BULK PROPORTION AND MASSING RELATIVE TO ANY BUILDING ON ADJACENT LAND
A4 SITE COVERAGE MUST NOT BE MORE THAN 60%	P4 THERE IS NO PERFORMANCE CRITERIA

STATUTORY REQUIREMENTS

The applicant has submitted a comprehensive report that demonstrates the particular reasons for the amendment proposal. This includes the required strategic analysis under the *Land Use Planning and Approvals Act 1993* and further commentary on the Cradle Coast Regional Land Use Planning Framework as required by section 30O of the Act.

The submission also provides information on the relevance of the zone and code standards of the *DIPS*.

The section 32 requirements of the Act are reasonably general in nature since the Act was amended and only need to really consider the potential for land use conflicts applying to the adjacent area. From a regional perspective the amendment is to be consistent with the regional land use strategy.

Nothing extraordinary has been submitted that warrants a comprehensive revision of any of the components.

Five options have been examined for consideration.

Option 1 (This is the option submitted for consideration by the applicant.)

Commercial zone – This allows the uses of 'Transport depot and distribution' and 'Storage' which are both discretionary uses and developments in the *Devonport Interim Planning Scheme 2013*. Historic planning discussion would label this proposal as a spot zoning which to date has been a strategy discouraged in general terms because of a failure to look broader at the surrounding area to avoid unsatisfactory planning outcomes. However, the ability in this instance to provide a planning scheme zone with provisions to reflect an existing land use with some potential for other appropriate activities is deemed an appropriate option in this instance.

Option 2 (This is the recommended option.)

Commercial zone with Site Specific Qualifications – This retains 'Transport depot and distribution' and 'Storage' as discretionary uses and developments with the additional control of ensuring that other current permissible commercial activities in the zone do not have a permit pathway on this Title.

Option 3

Particular Purpose zone – This introduces a range of specific Use and Development Standards for the subject site only. This latent option is virtually a derivative of Option 2 with specific Use and Development Standards included.

Option 4

Specific Area Plan – This enables provisions for a particular parcel of land with unique spatial qualities to be suitably developed. In consideration of this option the scope of the amendment application has been broadened to capture other precincts as well as the subject site.

Option 5

Reject the application under Section 33(3A) of the *Land Use Planning and Approvals Act 1993*.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

CONCLUSION

The application has undergone assessment against the various legislative requirements and has satisfied these to the extent that the draft amendment is recommended to be certified by Council in accordance with section 35 of the Act.

Subject to any directions by the TPC the draft amendment would then be exhibited to the public in accordance with the requirements of the Act.

Section 43C (1) of the Act allows that Council may concurrently certify a draft development permit for the consideration of the TPC and conditions for that draft permit are included in the recommendation.

ATTACHMENTS

1. Application - PA2017.0062 & AM2017.01 - 26 North Caroline Street East Devonport

RECOMMENDATION

That Council agree to certify AM2017.01 to Rezone 26 North Caroline Street, East Devonport (CT 123612/1) from General Residential to Commercial with the following Site Specific Qualifications to be inserted into the 23.2 Use Table of the Commercial zone after the following uses as follows –

Permitted	
Bulky Goods Sales	If not on CT 123612/1
Equipment and machinery sales and hire	If not on CT 123612/1
Food Services	If not on CT 123612/1
Service industry	If not on CT 123612/1
Tourist operation	If not on CT 123612/1
Vehicle fuel sales and service	If not on CT 123612/1
Vehicle parking	If not on CT 123612/1
Discretionary	
Bulky goods sales	If not on CT 123612/1

and

- place AM2017.01 on public exhibition in accordance with the provisions of the *Land Use Planning and Approvals Act, 1993*; and
- approve a draft development application PA2017.0062 for Transport Depot and Distribution and Storage in accordance with the *Land Use Planning and Approvals Act 1993*, subject to the following conditions:
 1. Unless altered by subsequent conditions of this permit the Transport Depot and Distribution and Storage uses are to be undertaken in accordance with the submitted plan and supporting documentation referenced as:
 - Request for Amendment to Planning Scheme, 26 North Caroline Street East Devonport by CBM Sustainable Design dated May 2017.
 2. Vehicle movements to and from the site must generally be completed within the hours of 7am to 6pm, Monday to Saturday. Where vehicle movements occur outside these hours they will be confined to vans and light trucks arriving at or departing the site only in a forward direction.
 3. All dirt, dust, mud or foreign material tracked onto the road from vehicles entering/exiting the premises must be completely cleaned and/or removed as soon as possible.
 4. The stormwater system is to be kept free of oil, grease, diesel or petrol-based products, or any substance or material that is not stormwater.

5. The amenity of the area must not be detrimentally affected by the use or development through the:
 - a) Transport of materials, goods or commodities to or from the land;
 - b) Appearance of any building works or materials;
 - c) Emission of noise, dust, odour, artificial light, vibration, fumes, smoke, vapour, steam, soot, ash, waste water or any waste products.

6. Fixed equipment must not be operated:
 - a) from 7.00am until 10.00pm, if the fixed equipment, when so operated, emits noise greater than 45dB(A); or
 - b) from 10.00pm until 7.00am, if the fixed equipment, when so operated, emits noise that is greater than 40dB(A).

(Fixed equipment includes, but is not limited to domestic heating equipment, systems for the production of hot water, air conditioners, evaporative coolers, pumps, generators or wind turbines, that are affixed at the location at which they are in use)

Author: Position:	Shane Warren Planning & Environmental Health Coordinator	Endorsed By: Position:	Brian May Development Manager
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Office use
Application no. _____
Date received: _____
Fee: _____
Permitted/Discretionary

Devonport City Council
 Land Use Planning and Approvals Act 1993
 Devonport Interim Planning Scheme 2013

Application for Planning Permit

Use or Development Site

Street Address: 26 North Caroline Street,
Edst Devonport

Certificate of Title Reference No.: _____
Volume 123 612 folio 1

Applicant's Details

Full Name/Company Name: CBM Sustainable Design as
agent of Streetlands Logistics Solutions.

Postal Address: CBM
PO Box 1971, Launceston, Tas.

Telephone: 03 63 326988

Email: pd@cbmgroup.com.au

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

Full Name/Company Name: _____
Pedr Street Properties.

CO/ WiseLord & Ferguson
 Postal Address: PO Box 1085 L Hobart Tas. 7001

Telephone: 62 727766

Email: _____



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

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

Please provide one copy of all plans with your application.

Assessment of an application for a Use or Development

What is proposed?:

Use of existing warehouse & transport depot
as Transport Depot & Distribution and Storage
including rezoning to commercial

Description of how the use will operate:

Existing use as transport depot to be continued
with storage use added in accordance
with the details provided.

Use Class (Office use only):

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

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

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

Value of use and/or development

\$ _____

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

If land is not in applicant's ownership

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

Applicant's signature:  Date: 8 May 2017

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

Devonport City Council consents to the making this permit application.

General Manager's signature: _____ Date: _____

If the application involves land owned or administered by the Crown

Consent must be included with the application.

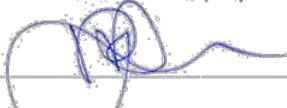
Signature

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

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

PUBLIC ACCESS TO PLANNING DOCUMENTS

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

Applicant's signature:  Date: 8 May 2017

PRIVACY ACT

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

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

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

**RESULT OF SEARCH**

RECORDER OF TITLES

Issued Pursuant to the Land Titles Act 1980

SEARCH OF TORRENS TITLE

VOLUME 123612	FOLIO 1
EDITION 2	DATE OF ISSUE 15-Jul-2004

SEARCH DATE : 08-May-2017

SEARCH TIME : 08.55 AM

DESCRIPTION OF LAND

City of DEVONPORT
 Lot 1 on Sealed Plan 123612
 Derivation : Whole of Lot 38819 Granted to Ceilcote Pty. Ltd.
 Prior CT 107464/1

SCHEDULE 1

C498857 TRANSFER to PEAR STREET PROPERTIES PTY LIMITED
 Registered 15-Jul-2004 at 12.01 PM

SCHEDULE 2

Reservations and conditions in the Crown Grant if any
 SP 123612 FENCING PROVISION in Schedule of Easements
 SP 123612 SEWERAGE AND/OR DRAINAGE RESTRICTION
 C498858 MORTGAGE to THE TRUSTEES OF THE DIOCESE OF TASMANIA
 Registered 15-Jul-2004 at 12.02 PM

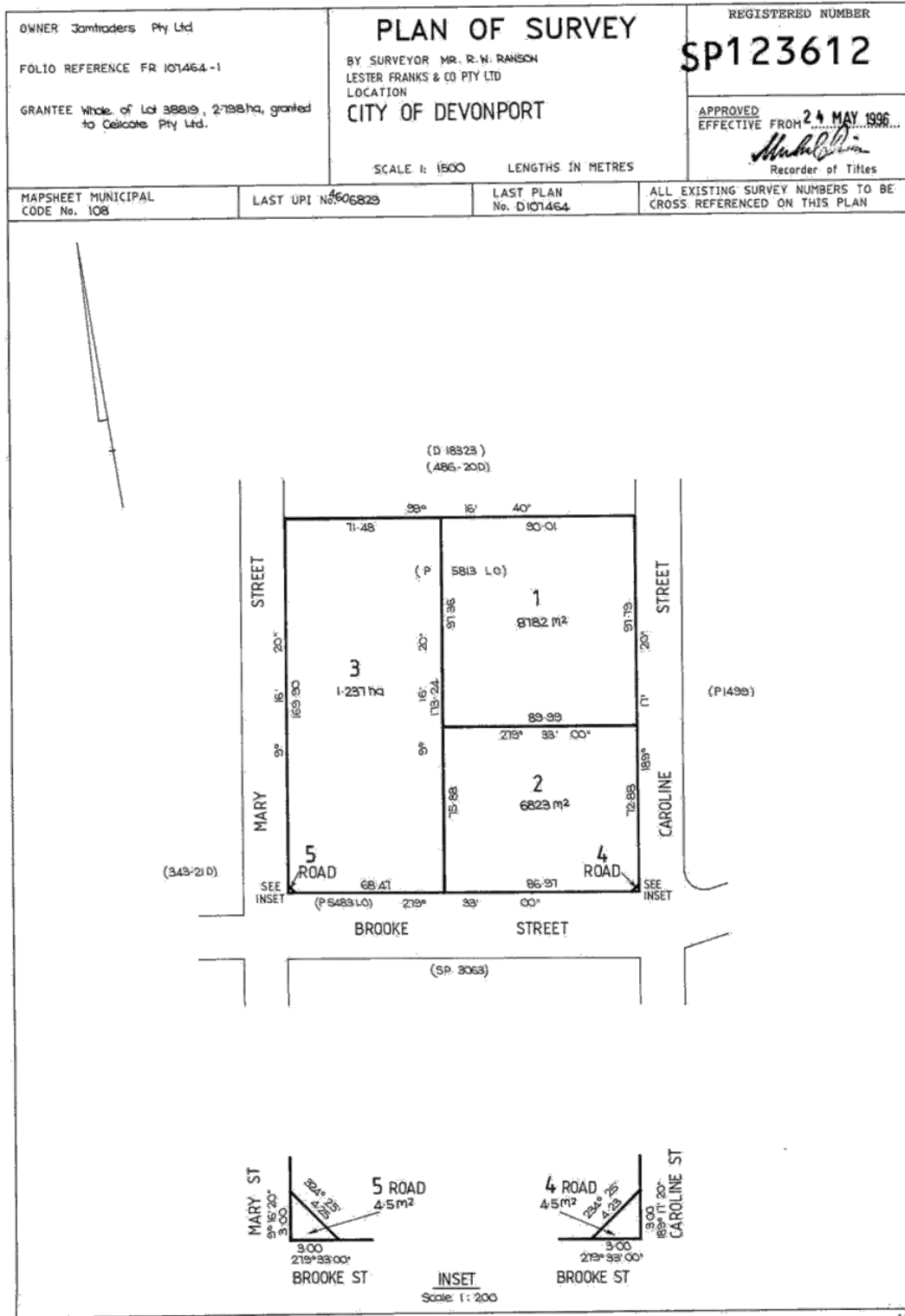
UNREGISTERED DEALINGS AND NOTATIONS

No unregistered dealings or other notations



FOLIO PLAN
RECORDER OF TITLES

Issued Pursuant to the Land Titles Act 1980





SCHEDULE OF EASEMENTS

RECORDER OF TITLES

Issued Pursuant to the Land Titles Act 1980



REGISTERED NUMBER

SP 123612



SCHEDULE OF EASEMENTS

NOTE:—The Town Clerk or Council Clerk must sign the certificate on the back page for the purpose of identification.

The Schedule must be signed by the owners and mortgagees of the land affected. Signatures should be attested.

EASEMENTS AND PROFITS

Each lot on the plan is together with:—

- (1) such rights of drainage over the drainage easements shewn on the plan (if any) as may be necessary to drain the stormwater and other surplus water from such lot; and
- (2) any easements or profits à prendre described hereunder.

Each lot on the plan is subject to:—

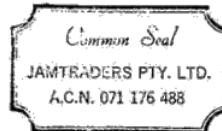
- (1) such rights of drainage over the drainage easements shewn on the plan (if any) as passing through such lot as may be necessary to drain the stormwater and other surplus water from any other lot on the plan; and
- (2) any easements or profits à prendre described hereunder.

The direction of the flow of water through the drainage easements shewn on the plan is indicated by arrows.

FENCING PROVISION - In respect of each lot shown on the plan the Vendor (Jamtraders Pty. Ltd.) shall not be required to fence.

No covenants, easements or profits à prendre are created to benefit or burden any lot on the plan

The COMMON SEAL of JAMTRADERS PTY. LTD. A.C.N. 071 176 488 the registered proprietors of the land in Certificate of Title Volume 107464 Folio 1 was hereunto affixed in the presence of:-



Jameson *Jameson*
DIRECTOR DIRECTOR

[Signature]
RODNEY GAVIN EDWARDS
4 ALEXANDER CRESC. TEMPLESTONE
BANK OFFICER.

[Signature]



SCHEDULE OF EASEMENTS

RECORDER OF TITLES

Issued Pursuant to the Land Titles Act 1980



This is the schedule of easements attached to the plan of
(Insert Subdivider's Full Name)

..... affecting land in

.....
(Insert Title Reference)

Sealed by Devonport City Council on 6th May 1996

Solicitor's Reference
*Council Clerk/Town Clerk
General Manager*

OS K 3134



Design & Project Management

CBM Sustainable Design Pty Ltd

www.cbmgroupp.com.au

☎ 25 144 986 862

**Request for Amendment to Planning
Scheme
26 North Caroline St, East Devonport**

May 2017



Design & Project Management

CBM Sustainable Design Pty Ltd

www.cbmgroupp.com.au

t 25 144 986 862

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1 Executive Summary

This section 43A application is to rezone the property at 26 North Caroline St, Devonport from General Residential to Commercial, and to the acknowledge Transport Depot and Distribution, and Storage, as the approved uses of the site.

This rezoning will facilitate the sale of site, which will reverse its dereliction through immediate improvements to the site and facility and resumption of use.

The permit for uses will allow the site to be operated by the proponent as a north-west depot for their state-wide transport company, as well as provide for storage and warehousing for other tenants and clients.

The site has an approved planning permit issued by Devonport City Council in November 2003 for its use as Transport Depot. This is consistent with the zone of General Industrial, which was the zoning that applied to the broader light industrial/commercial precinct the time. However, the existing permit has operational conditions that do not match the proposed new operation.

Due to a rezoning to General Residential in 2006, this use is prohibited in this zone, which is unsatisfactory for valuation purposes in respect to funding for the purchase and required improvements. The property must be correctly zoned as developed and used.



Figure 1 Subject Site at 26 North Caroline St, East Devonport (source The LIST Tasmania 2017)



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This site, along with all the other non-residential properties and the large undeveloped land holdings adjacent, was included in a broad rezoning of East Devonport to Closed Residential in 2006. This was despite the site history, current use and manner in which the site was developed all supporting its continued light industrial use. Since the rezoning, none of the land in the area has been developed into residential lots, but rather the light industrial uses have continued. Clearly, the rezoning of the entire area to residential was not justified, as in the decade since none of the landowners have acted on the rezoning to develop residential lots, likely through a lack of demand, as well as challenges associated with development of residential lots on historical industrial land.

Though some of the more intensive manufacturing uses in the area have ceased, the majority of the sites in this precinct continue to operate a range of light industrial/commercial uses under existing use rights otherwise prohibited in the zone.

The proposed rezoning to Commercial is considered as a more appropriate zoning than light industrial given the proximity to established residential areas. This zoning provides for a range of uses that typically have less impact on the human environment, while still allowing for the proposed uses of Transport Depot and Distribution, and Storage, for which the site is currently used and developed.



Figure 2 View of the subject site from North Caroline St

Assessment against the *Land Use Planning and Approvals Act 1993* and the *Devonport Interim Planning Scheme 2013* as well as the proposed new State-wide scheme identifies that the rezoning and the permit for uses is supported; the key elements of that support are as follows.



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Key Statements

- The proposed zoning is consistent with how the site is developed and used, it was developed in the 1960's as general industrial, and has since been used for light industrial/commercial uses.
- The surrounding Tarleton Street/North Caroline Street Precinct remains an effective light industrial/commercial area for Devonport. A range of commercial and light industrial uses within the precinct have continued since the early 60's even as the more industrial and manufacturing uses reduced.
- The change in zoning from General Industrial to Closed Residential in 2006 was not justified. There has been no new residential land developed in the area subject to this rezoning in the last 10 years, suggesting a lack of demand.
- Devonport Council has recognised the broad planning issues associated with this precinct having significant zoning and current use incompatibility. It has anticipated amendments to this zoning through the planning reform process since well prior to "Like for Like zoning" directive in 2013.
- For the subject site, an appropriate zoning for the existing use of *Transport Depot* (Current permit for use issued November 2003) is likely Light Industrial, however that zoning choice may permit future uses less desirable in the context of the adjacent residential development.
- The proposed zoning of *Commercial* is more appropriate in consideration of the adjacent residential development and is well managed in the new State planning template. It ensures there are only limited permitted uses, while discretionary uses of lower human impact. General industrial uses are prohibited.
- In the proposed zone the proposed uses of *Transport Depot and Distribution* as well as *Storage* are both discretionary. As discretionary, any potential impacts of the proposed uses are assessed and managed by the planning system.
- The rezoning considers the imminent enacting of the state provisions, and the commercial zone in the state provisions maintains a similar set of permitted and discretionary uses.
- The proposed rezoning is congruent with local provisions under the State Scheme. Any local provisions to the precinct will have effect to the site by inclusion in that provision. Or if the area is rezoned under the local provisions process to a Particular Purpose Zone, the site would change to any new future zone established for the precinct from the commercial zone established via this amendment application.
- The rezoning is consistent with the State Planning Policies.
- The rezoning corrects the 2006 rezoning, supports local business, and facilitates the investment required to purchase and improve the site from dereliction.



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2 Introduction

The purpose of this document is to support a request for an amendment to the *Devonport Interim Planning Scheme 2013* (the Plan) in accordance with Division 2 of the *Land Use and Approvals Act 1993*.

This section 43A application is to rezone the property at 26 North Caroline St, Devonport (described in Certificate of Title Volume 123612 Folio 1), from General Residential to Commercial, and to acknowledge Transport Depot and Distribution, and Storage, as the approved uses of the site.

This amendment and planning application will result in the following:

- Alignment of the zoning, and permitting of use consistent with how the property has been developed and the long existing use of the site.
- Allow for the sale of the property to a locally owned transport and distribution business, to extend their operations in the north west for the commercial benefit of the region.

This amendment and permit has a positive impact on the area via:

- Reversing the dereliction of the site through site and facility improvements;
- The resumption of use and associated increased employment in the area;
- Reasonable hours of operation, no point sources of noise, minimal traffic;
- Consideration of local amenity via careful design of lighting, refurbishment of fencing and maintenance of landscaping and general street presentation improvements.

The property is already developed as a road transport depot, with a central warehouse of approx. 1800m², onsite parking, substantial hardstand areas and 3 small sheds. The existing permit provided for 11 hours a day operation for the previous transport and logistics business that operated from the site. It was a significant operation and included external loading functions including landing containers with 25t forklift, semi-trailers and B Double trucks.

The proposal is thus to correct the zoning to one that no longer prohibits the use, but also permits the proponent's proposed hours of operation to be assessed against the performance criteria. Of note is that the new operation is considerable less intensive than the previous operation.

There is no proposal to extend the existing development, but substantial maintenance and improvements are required to bring it to a suitable corporate standard. These improvements include external security lighting which has been designed to not impact



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on adjacent residences.

The lots to the east and south are light industrial uses and included a depot for a mining company and a significant pallet repair and sorting business. The property the north has been developed as a cabin park, and to the west is residential homes. It is most likely that these residential uses were developed after the factory and warehouse was established in the 1960s.

The site is part of a greater light industrial precinct referred to as the Tarleton Street/North Caroline Street precinct, a name given to it by the Devonport and Environs Planning Scheme 1984 post November 2006. The precinct is well recognised in terms of traffic networks and DIER includes North Caroline Street is part of the state B-Double network.



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3 The Property

3.1 History

The site was developed in the 1960s as a plastics manufacturer owned by Ceilcote Pty Ltd.

This site originally extended to Mary, Brooke and Caroline Streets, and was subdivided into 3 parcels in 1996, with the subject site retaining the original factory/warehouse facility.

The site has operated as a Transport Depot and base for Thorpe Transport since the 1990s.

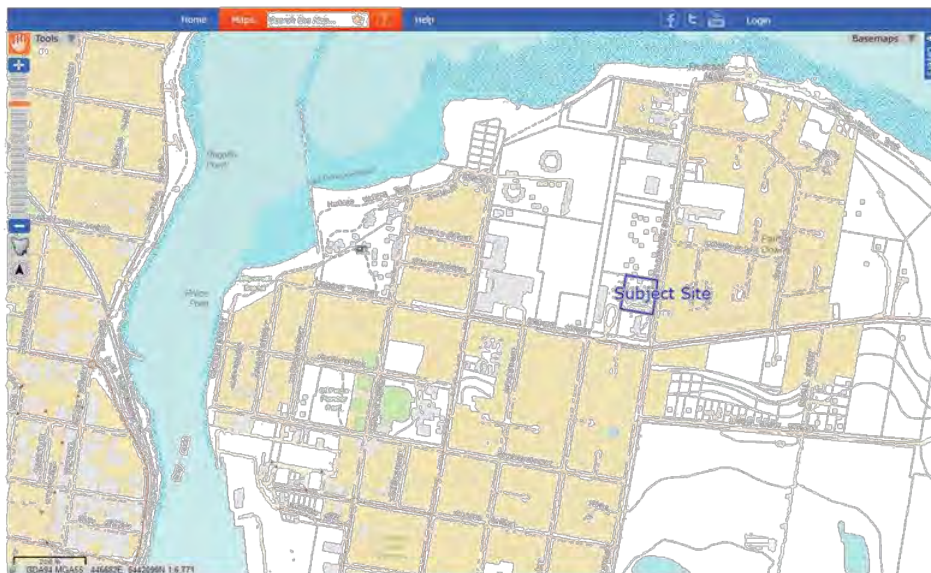


Figure 3 Site Area Context (source The LIST Tasmania 2017)

3.2 Site Information and Location

The site is rectangular with dimensions of 97.5m x 90m with an area of 8782m. It is developed as a transport depot, with an 1800m² warehouse facility that serves as the main distribution depot with associated offices and amenities. There are substantial hardstand areas surrounding the warehouse.

The site is serviced for electricity, water, waste water and storm water.



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There is an existing vegetation buffer along the northern boundary.

There is an existing chainmesh fence surrounding the property including the front boundary, but it is in a state of partial disrepair.

There is some external lighting, which will be upgraded to ensure security of the site. The lighting design ensured that there is no light impact on the adjacent residences.

The facility is structurally sound, but is beginning to fall into disrepair. The current street presentation of the site detracts from the local area.

3.3 Facility Use and Zoning

The site has an approved use of Transport Depot under existing Planning Permit PA2003. It is zoned General Residential under the current Devonport Interim Planning Scheme, the approved use is otherwise prohibited within this zone.

In researching the history of zoning and in discussion with council planning team, it is clear that the zoning has been incorrect for some time, even as the attempts to correct the zoning to date have been somewhat disjointed. The following outline clearly demonstrates that Council has always supported the rezoning of the precinct, including the subject site.

From discussions with the Council planner, the following is understood in respect to the Council's position on the zoning and use incompatibility:

The site was zoned General Residential when the *Devonport Interim Planning Scheme 2013* was established as a "Like for Like translation of zone" from Closed Residential under the *Devonport and Environs Planning Scheme 1984 post November 2006*.

Prior to the preparation of the Interim Scheme, the Council had aimed to reassess the zoning of this precinct. It expected that zoning anomalies could be rectified via the State planning reform process. The like for like zoning directive came after that assumption.

Since the Interim Scheme came into operation, the Council has supported representations to the Interim scheme that identified the incongruence of the existing industrial/commercial precincts within General Residential zone. Those representations heard that regardless of the merit of the argument, changes to the Interim Scheme could not include rezoning. The Tasmanian Planning Commission (TPC) advised that correction of the zoning can be considered via an amendment process. This application



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is in line with that advice.

The zone history also reviews something about the process that saw the zoning of the site rezoned from General Industrial to General Residential in 2006 even if the reasons for the zoning to a residential zone have been proven by time as being poorly conceived. An excerpt of the information received 28 April 2017 from council planning is as follows;

Zone History

Devonport Interim Planning Scheme 2013 – General residential (translated from Closed residential)

Devonport and Environs Planning Scheme 1984 post November 2006 – Closed Residential (Amendment 2005.05)

Textural and mapping changes (edited version of textural changes below)

8.1.5 *In addition to the rights conferred by s.20(3) of the Act, within the Closed Residential Zone bounded by Tarleton Street, Brooke Street, North Caroline Street, Neely Street and the coastal reserve, (hereafter referred to as the Tarleton Street/North Caroline Street precinct) and notwithstanding the prohibited status assigned by Schedule 1, but subject to clause 8.1.6: -*

(1) – (4)

(5) for a period of 3 years from 1 November 2006 lands at 26-30 North Caroline Street and 21- 31 Brooke Street contained within CT 123612/1, CT 123612/2, CT 127085/2, CT120203/1 and CT123612/3 may continue to be used and developed for any lawful use existing at that time as if the land were within the General Industrial Zone; and

(6)

Devonport and Environs Planning Scheme 1984 pre November 2006 - General Industrial (presumed General Industrial zone based on textural change above)

1965 Planning Scheme - changed to General Industrial (It is thought as part of the 1965 Planning Scheme but am unsure of whether this zone was changed to General Industrial at the onset of the 1984 scheme or earlier as an amendment to the 1965 planning scheme

1962 zoning maps – Semi residential



Figure 4 The Tarleton St/North Caroline St Precinct with subject site identified.

Note that the subject site is consistent in scale and type as other facilities in the precinct.



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4 The Proposal

4.1 Proposed Rezoning and Permit for Use

The site has an approved use of Transport Depot under existing Planning Permit PA2003. It is zoned General Residential under the current *Devonport Interim Planning Scheme*, the approved use is otherwise prohibited within this zone.

This section 43A application is to rezone the property at 26 North Caroline St, Devonport from General Residential to Commercial, and to permit via a discretionary approval Transport Depot and Distribution, and Storage, as the approved uses of the site.

This rezoning will facilitate the sale of site, which will reverse its dereliction through immediate improvements to the site and facility and resumption of use. Whilst the site has a permit for use, the fact that the zoning is not suitable for the manner in which the site is developed is a significant detriment to the valuation of the site, and has contributed to its current state of disrepair.

The rezoning will enable the associated planning application for use to be assessed. This permit will allow the site to be operated by the proponent for a new north-west base for their state-wide transport company, as well as provide for storage and warehousing for other tenants and clients.



Figure 5-Subject site facility and hardstand areas



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4.2 Selection of Suitable Zoning

In identifying the most suitable zone for the site there are a number of important considerations.

Of paramount importance is the consideration of potential impacts on the adjacent residential development. The Commercial zone includes uses typically with lower associated human and environmental impact than Light Industrial. Thus potential impacts on the human environment, such as noise, dust, light, vehicle emissions etc, are less likely from uses permitted and discretionary in the Commercial zone than Light Industrial.

The manner in which the site is developed, and requirements of the proposed use necessitate a zone which has these uses as either permitted or discretionary. The current schemes Light Industrial zone would permit both of the required uses. They are discretionary in the Commercial zone.

Consideration also needs to be given to the new State planning provisions, which will supersede the current Interim scheme shortly. The State provisions provide for management of residential amenity for discretionary uses within both Light Industrial and Commercial zones, however the Commercial zone list of permitted uses has those of least impact. Storage is permitted in the State Provisions and Transport Depot Distribution is discretionary.

The proposed rezoning to Commercial is considered an appropriate choice given the proximity to established residential areas. This zoning provides for a limited range of uses that typically have less impact on the human environment than light industrial, while still providing for a discretionary permit for uses that suit the manner in which the site is currently developed. The Commercial zone ensures that the proposed uses of Transport Depot and Distribution, and Storage can be assessed as a discretionary application.



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Figure 6 View to the South along the site frontage

4.3 Proposed Facility Use

The proposed use of the facility is of lower intensity and involves less vehicle movements than the previous operation. The proposal for the new transport and logistics business is for one that specialises in receipt of palletised product and produce, breaking down to smaller parcels and distribution of those parcels to mainly smaller shops and corner stores.

The site has an approved use of Transport Depot under existing Planning Permit PA2003. This permitted the previous operation on the site, being a State-wide transport and Logistics business that involved the loading and unloading of semi-trailers and B-Doubles. This included the handling and landing of containers, presumably with a 25t forklift. The activities of the previous operation included substantial vehicle movements during the hours of operation, but also required the ancillary heavy vehicle movements outside of normal hours of operation.

The current permit provides for unlimited use of the site as Transport and distribution, but is limited to hours of operation which do not represent a modern logistics business. Whilst the majority of the proponent's operational activity complies with the existing permitted hours of 7.00am to 8.00pm 6 days a week, there is a need for the already loaded vans and light Pantech trucks to leave the facility prior to 7am. These low impact operations that occur outside of the existing permitted hours are assessed against the performance criteria of the Interim scheme.

In the same way, the storage use requires that access is not restricted to the previous hours of operation but rather permitted at all times, in consideration of the expected low impact associated with this use.



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The proponent's use is well defined, as it has existing similar operations around the State. The site location in proximity of the port of Devonport is an important consideration for the future use of the site.

The typical function daily function of the business involves the receipt of palletised product by semi-trailer and up to 3 B-doubles per day, and unloading of the pallets by 3 tone forklift to the warehouse. Within the warehouse the pallet loads are broken down to the stock for distribution. The delivery vans and light trucks are loaded and distribute the products throughout the north west. These functions are undertaken within the hours of 7am to 6pm, Monday to Saturday.

Beyond the main daily function there is a need for a number of small vehicles and light trucks to arrive to base late, or leave the facility overnight and early in the morning. These vehicles are already packed, and daily movements are less than 10. They will exit the facility in a forward direction, thus eliminating the noise impact of reversing alarms. Thus, these vehicles movements are expected to have minimal effect on the amenity of the area.

Similarly, the storage use typically will operate within normal business hours. However it is necessary for access to the storage component outside of hours. Traffic generation is expected to be minimal, and impact on amenity is expected to be no greater than the impacts from existing traffic movements in the area.

4.4 Proposed Commercial Zone Local Area Objectives

In assessing the use against the Interim Scheme it must also be demonstrated that the local objectives are met. The Commercial zone local area objectives in the interim scheme specifically deal with how the uses within the Commercial zone should suit operations that would not fit in the business zones. Whilst the proposed use would be suitable in a light industrial zone, it does fit well with the objectives for the commercial zone. Consistent with 23.1.2 (a), the use requires a large floor area, immediate access to loading areas, a high standard of freight transport and vehicle access, delivery and the like.

The proposal also aligns with 23.1.2(b), as the proposal optimises available infrastructure and reuses existing facilities. The proposal thus meets the local area objectives of the Commercial zone.

4.5 Proposed Commercial Zone Use Standards

The following is an assessment against the use standards of the Commercial Zone of



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the Interim Scheme, for the discretionary uses of Transport Depot and Distribution and for Storage.

The proposed use meets the objective of 23.3.1 via consistency with the performance criteria P1

23.3.1 Discretionary permit use

Objective:

Use in this zone that is a discretionary permit use is to –

- (a) provide for large format and bulky goods retail, trade support, and service industries uses;*
- (b) excludes general retailing, including beverages, food and clothing; and*
- (c) complement and enhance the drawing power of alternate retail and business areas*

Discretionary permit use must –

- (a) be consistent with local area objectives;*
- (b) be consistent with any applicable desired future character statement;*
- (c) be required to service requirements of the municipal or regional resident and visitor population; and*
- (d) minimise potential to have immediate, incremental or cumulative adverse effect on the municipal and regional pattern of retail and service provision*

An assessment of the discretionary use is provided in section 6 of this report. It finds that the objective of this use standard is primarily to ensure that the uses in the commercial zone are those that require a large format, in this case for the support of commercial trade. The objective also seeks to avoid general retailing and the like.

As discretionary uses under the scheme, the zone acknowledges that Transport Depot, Distribution and Storage typically support and service commercial objectives. The performance criteria specifically requires that any discretionary use is consistent with the local objectives of large format facilities and high standard of access.

The proposed uses also promote the desired future character statements in the



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scheme. Rather than promote retail that is best located in the business zones, the proposed uses are consistent with the desired characters of large format and high standard of access. The character statement also proposes that the Commercial zone may require extended operational hours, and maintain a commercial site appearance of signage, frontages and external hardstand areas. The way the site as developed is considered to be consistent with this character statement.

4.6 Future State Scheme Use Standards

Whilst the permit can only be assessed against the current Interim Scheme, in terms of considering the outcomes for rezoning it is also valuable to assess the objectives and use standards in the State Planning Provisions.

In the Commercial zone Use Standards of the State Planning Provisions, activity beyond 9pm must not cause unreasonable amenity to the neighbouring residential zones within 50m. In this proposal the south and west boundaries are not residential uses despite the zoning. The real consideration for managing amenity is in respect to the budget caravan park to the north and the residences to the east.

The boundary of the caravan park is over 40m from the warehouse doors. These doors, and the forecourt through which the vehicles exist the site screened from the park by smaller storage shed and the existing vegetation buffer.



Figure 7 Existing vegetation buffer along northern boundary within the subject site

The warehouse is greater than 50m from the residences to the east, and the warehouse doors do not face these residences.

North Caroline Street is not a minor residential street, rather it serves the commercial precinct and distributes to the developed residential areas beyond.

The hours of operation of the use and the commercial vehicle movements will not cause unreasonable loss of amenity to the residential zones;



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The timing duration and extent of vehicle movements are not significant in the context of the local environment as the few vehicles leaving the site outside of hours for the transport depot use is not dissimilar to existing traffic on any road. As the vehicles are already loaded and exit in a forward direction, there will be no reversing alarms.

A lighting plan has been considered for the site to demonstrate how security lighting around the warehouse manages impacts to nearby sensitive uses. Of note is existing street lighting in North Caroline street which is included in the light modelling undertaken.

The modelling outputs provided below demonstrate that all lighting on the site does not spill into the sensitive uses to the north and east.

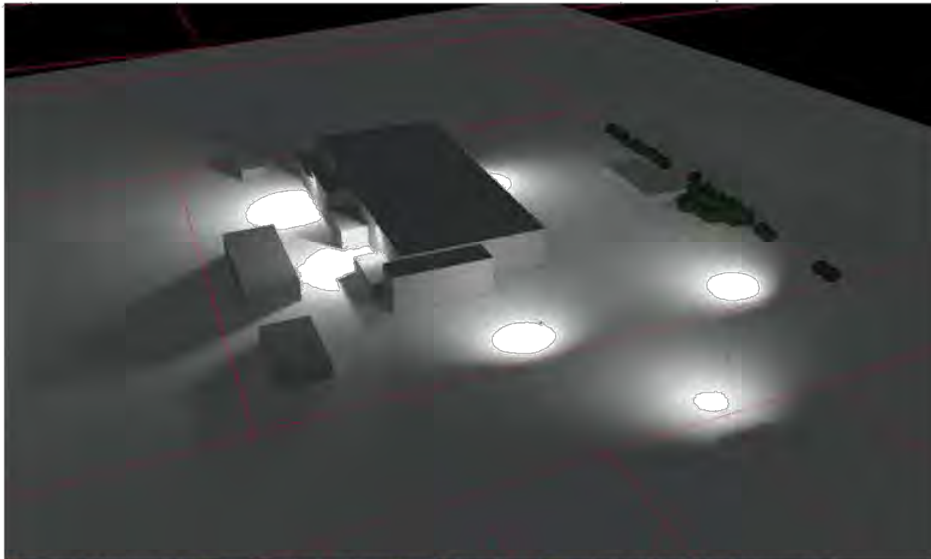


Figure 8 Light modelling output showing North Caroline St and street light in foreground.



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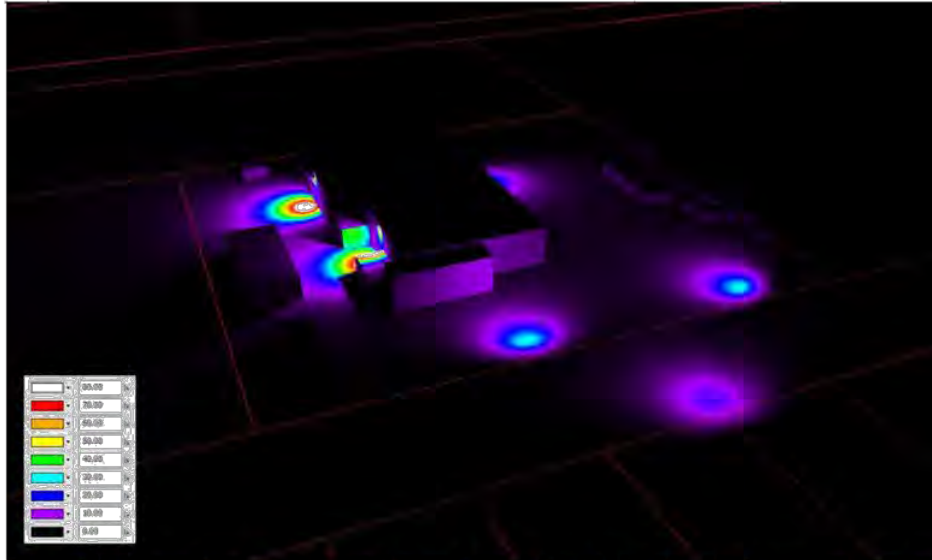


Figure 9 Light modelling output showing North Caroline St and street light in foreground - with lux levels

4.7 Consideration of Neighbouring zones

General Residential

All neighbouring zones are general residential. The proposed change of zoning to the subject site has no impediment on the function of the adjacent zones.

The zone Purpose Statements for the neighbouring residential zone are;

10.1.1 Zone Purpose Statements

10.1.1.1

To provide for residential use or development that accommodates a range of dwelling types at suburban densities, where full infrastructure services are available or can be provided.

10.1.1.2

To provide for compatible non-residential uses that primarily serve the local community.

The local objectives of the neighbouring residential zone are not restricted by the zoning of the subject site being commercial. There is no impediment to well-considered residential development being undertaken.

The zone local are objectives for the neighbouring area are;



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10.1.2 Local Area Objectives

- (a) Suburban residential area make efficient use of land and optimise available and planned infrastructure provision through a balance between infill and redevelopment of established residential areas and incremental release of new land
- (b) Suburban residential areas provide equivalent opportunity for single dwelling and multiple dwelling developments and for shared and supported accommodation through private, public, and social investment.
- (c) Suburban residential areas enable opportunity for convenient access to basic level services and facilities for education, health care, retail, social, and recreation purposes;
- (d) Suburban residential areas provide small-scale employment opportunities in home occupation and home based business.
- (e) The amenity and character of suburban residential use is commensurate with the location of housing and support activity within a shared urban setting, and is to take into account –
- (i) the likely impact on residential use from the occurrence and operation of non-housing activity;
 - (ii) the effect of location and configuration of buildings within a site on –
 - a. apparent bulk and scale of buildings and structures;
 - b. opportunity for on-site provision of private open space and facilities for parking of vehicles;
 - c. opportunity for access to daylight and sunlight;
 - d. visual and acoustic privacy of dwellings; and
 - e. consistency of the streetscape; and
 - (iii) the relationship between new sensitive use and the use of land in an adjoining zone

The proposed rezoning of the subject site has no effect on the function of the adjacent residential zone.



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5 Strategic Analysis

5.1 LUPAA 1993

This section responds to the relevant sections of the *Land Use Planning and Approvals Act 1993*.

5.1.1 Section 32

(1) A draft amendment of a planning scheme, and an amendment of a planning scheme, in the opinion of the relevant decision-maker within the meaning of section 20(2A)–

(e) must, as far as practicable, avoid the potential for land use conflicts with use and development permissible under the planning scheme applying to the adjacent area; and

(ea) must not conflict with the requirements of section 300; and

(f) must have regard to the impact that the use and development permissible under the amendment will have on the use and development of the region as an entity in environmental, economic and social terms.

Response

The proposed rezoning is reversing the 2006 rezoning to residential of a site which has been clearly developed for a light industrial/commercial use. The proposed commercial zoning is considered suitable given the proximity to existing residential sensitive uses, as well as industrial and transport hubs such as the Devonport port.

5.1.2 Section 300

300. Amendments under Divisions 2 and 2A of interim planning schemes

(1) An amendment may only be made under Division 2 or 2A to a local provision of a planning scheme, or to insert a local provision into, or remove a local provision from, such a scheme, if the amendment is, as far as is, in the opinion of the relevant decision-maker within the meaning of section 20(2A), practicable, consistent with the regional land use strategy, if any, for the regional area in which is situated the land to which the scheme applies.

(2) An amendment, of a planning scheme, that would amend a local provision of the scheme or insert a new provision into the scheme may only be made under Division 2 or 2A if –

(a) the amendment is not such that the local provision as amended or inserted would be directly or indirectly inconsistent with the common provisions, except in accordance with section 30EA, or an overriding local provision; and

(b) the amendment does not revoke or amend an overriding local provision; and



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(c) the amendment is not to the effect that a conflicting local provision would, after the amendment, be contained in the scheme.

(3) Subject to section 30EA, an amendment may be made to a local provision if –

(a) the amendment is to the effect that a common provision is not to apply to an area of land; and

(b) a planning directive allows the planning scheme to specify that some or all of the common provisions are not to apply to such an area of land.

(4) An amendment may not be made under Division 2 or 2A to a common provision of a planning scheme unless the common provision, as so amended, would not be inconsistent with a planning directive that requires or permits the provision to be contained in the planning scheme.

(5) Subject to section 30EA, an amendment of a planning scheme may be made under Division 2 or 2A if the amendment consists of –

(a) taking an optional common provision out of the scheme; or

(b) taking the provision out of the scheme and replacing it with another optional common provision.

Response

The proposal is consistent with section 30O, it is supported by the regional strategy and has no effect on any local provisions.

5.1.3 Section 43A

This submission, requesting the planning authority to consider both an amendment to the planning scheme and an application for a permit for a discretionary use, is made under the provisions of this section.

5.1.4 Schedule 1 RMPS Objectives

The Objectives of the Resource Management and Planning System in Tasmania (RMPS) are identified and addressed below.

(a) to promote the sustainable development of natural and physical resources and the maintenance of ecological processes and genetic diversity; and

(b) to provide for the fair, orderly and sustainable use and development of air, land and water; and

(c) to encourage public involvement in resource management and planning; and

(d) to facilitate economic development in accordance with the objectives set out in paragraphs (a), (b) and (c); and

(e) to promote the sharing of responsibility for resource management and planning between the different spheres of Government, the community and industry in the State.



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Response

The proposed rezoning as such will not adversely impact the environment, either in terms of air, soil or water quality, or flora/fauna biodiversity. It is limited to a single, approx. 8000m² developed lot that contains no flora or fauna of biodiversity value. The site is developed as a transport depot and the rezoning will allow the facility to continue to be used for this purpose.

The applicant has consulted with Council regarding the required planning processes for the property and has taken advice in respect to this submission. The application will be placed on public exhibition in accordance with the relevant requirements in LUPAA.

The proposed rezoning will facilitate economic development by allowing the resumption of use at the site, providing employment of 10 FTE persons and providing downstream economic benefits to the local community through purchase of goods and services.

5.2 State Planning Policies**5.2.1 Tasmanian State Coastal Policy 1996**

The property is located approx. 600m from the coastal high tide mark, thus within the Coastal Zone as defined in this Policy. This Policy seeks to ensure that the environmental and cultural values of the coast are protected, and any development occurs in a sustainable manner.

This proposal will not result in a material change to how the site is currently developed and used. Accordingly, the proposal will not result in adverse impacts on environmental and/or cultural coastal values.

5.2.2 State Policy on Water Quality Management 1997

The Proposal is considered to be consistent with the Policy, as the property is existing and is fully serviced by TasWater and Devonport City Council for the removal and treatment of sewer and storm water respectively. The proposed rezoning will not change this service arrangement, or lead to any material increase in the volume of onsite storm or waste water generation.

5.2.3 State Policy on Protection of Agricultural Land 2009

This Policy is not relevant to this proposal, as the property is not zoned as Rural Resource or Significant Agricultural, and has no capacity for Agricultural Use as



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defined in this Policy.

5.3 Cradle Coast Regional Land Use Planning Framework

Of note in this document is the highlighted need for planning to ensure continued viability of the existing port operation at East Devonport, given its proximity to the residential zone. In particular it notes that “measures are required to ...assist location of inter-modal transport and storage nodes in close proximity, but external to the port”.

This site meets this definition, and its proximity to the port confirms its value as currently developed, and certainly as opposed to being developed as residential lots. Under the current zoning the only development opportunity for the site is to be cut up into residential lots regardless of how unfeasible that is. It is clear that the cost of redevelopment to residential for the old factory site would be enormous, and only to create the lowest value residential land adjacent to permitted light industrial uses.

The site is not required as residential land in order to meet the residential needs of East Devonport. The demand for residential land in this area is low, and the amount of undeveloped residential zoned land is substantial. Comparing aerial photography from 2007 with 2016 it is very clear that in the last 10 years, there has been no new residential development in the area.



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Figure 10 General Residential Area and Industrial Precinct in 2007

A visual comparison of the area from 2007 to current demonstrates that there is no substantial development during this time.



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Figure 11 General Residential Area and Industrial Precinct in 2016

The green patches are not revegetation, but in fact substantial gorse and blackberry infestations, indicative of the dereliction of the broader area.

Rather than there being a need for residential land, the existing uses have continued and the precinct remains an operational light industrial area. Because of prohibition through zoning, the industrial and commercial uses have not expanded. Clearly any transition of use or expansion of uses is impossible in the zone.

5.4 NEPMs

A number of National Environmental Protection Measures are typically relevant to a rezoning application, including Air Toxins, Ambient Air quality, Assessment of Land Contamination, Diesel Vehicle Emissions, Movement of Controlled Waste, National Pollutant Inventory and Used Packaging Materials.

Vehicle movements associated with the proposed use will be 6 trucks per day, plus 10



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car movements for employees.

There are no substantial waste streams associated with the proposed activity. All waste generated will be associated with the transport and storage use and will be disposed of and/or recycled via existing arrangements with waste and recycling service providers.

There are no other current or proposed emissions from the site.

The proposal does not include any development of the site, thus potential land contamination impacts are not relevant to this proposal.



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6 Planning Assessment

6.1 Use Standards

The following is assessment against the use standards of the Commercial Zone of the Interim Scheme, for the discretionary uses of Transport Depot and Distribution and Storage.

23.3.1 Discretionary permit use

Objective:

Use in this zone that is a discretionary permit use is to –

- (a) provide for large format and bulky goods retail, trade support, and service industries uses;*
- (b) excludes general retailing, including beverages, food and clothing; and*
- (c) complement and enhance the drawing power of alternate retail and business areas*

In an assessment of the discretionary use, the proposal demonstrates that the objective of 23.3.1 is met through compliance with the performance criteria P1. The objective of this use standard is primarily to ensure that the uses in the commercial zone are those that require a large format, in this case for the support of commercial trade, and limit general retailing.

As discretionary uses under the scheme, the zone acknowledges that Transport Depot and Distribution and Storage are uses required to support and service commercial objectives.

Below is the response to the performance criteria:

Discretionary permit use must –

- (a) be consistent with local area objectives;



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23.1.2 Local Area Objectives

- (a) Commercial areas provide for activities that are typically unsuited for location within the Local Business, General Business or Central Business zone by reasons of a requirement for –
- (i) a large floor or site area for display, sale, storage or operation;
 - (ii) immediate access to customer car parking and loading areas; and
 - (iii) a high standard of freight transport and vehicle access and facilities for the delivery and collection of goods
- (b) Commercial areas make efficient use of land and optimise available infrastructure through a priority for infill and redevelopment and adaptive re-use of existing sites and buildings

Response

The proposed use is not suited to any of the Business zones for the same reasons that are noted in the objectives, i.e. a requirement for large floor area and site area, immediately accessible loading areas and parking areas and a high standard of freight transport, vehicle access and facilities for delivery and collection.

The uses optimise available infrastructure, as the road is a recognised B-double route, and is in proximity to the port of Devonport and surrounding industrial activities.

(b) be consistent with any applicable desired future character statement;

Response

The proposed uses align to the character statements in the scheme. Rather than promote retail that should be based in the Business zones, the proposed uses are consistent with the large format/ high access requirements that are desired. The Commercial zone should continue to develop for uses and business that require large buildings and external areas, and good freight access. The futures uses of the commercial zone may expect to operate extended hours, and maintain a commercial site appearance of signage, frontages and external hardstand areas. The way the site is developed is consistent with those characters

The Desired Future Character Statements of the Scheme are below.



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23.1.3 Desired Future Character Statements

Use or development in a commercial area –

- (a) do not include a supermarket, department, or variety stores, or the specialist retailing of food, clothing, and carry-away consumer goods;
- (b) provide buildings with large floor area and bulk;
- (c) potentially attract a high volume and turn-over in freight transport, light commercial, and passenger vehicles;
- (d) feature sites with –
 - (i) well defined frontage access; and
 - (ii) expansive external hard-seal and illuminated areas for display and storage of goods and for the movement, loading, and parking of vehicles;
- (e) may feature prominent corporate liveries and signage in external building treatment and site appearance;
- (f) may operate extended hours;
- (g) is not required to be comparable with the type and form of development on-land in an adjoin zone; and
- (h) has potential to impact on the amenity of use or development on adjacent land through factors associated with the operational characteristics of permitted use, including higher traffic volume, duration and frequency of activity, the type, form and scale of buildings, provision for vehicle parking, the presence and movement of people, extended or intermittent hours of operation, and a readily apparent visual or functional presence within an urban setting

The proposed uses are consistent with the character statements.

- c) be required to service requirements of the municipal or regional resident and visitor population; and

Response

The proposed uses are required to service the municipal, regional and visitor population. Transport and logistics that primarily receives product imported into the state and distribution of same is consistent with the criteria. In the same way the storage use provides local businesses and residents with suitable large format storage.

- (d) minimise potential to have immediate, incremental or cumulative adverse effect on the municipal and regional pattern of retail and service provision

Response

The proposed uses do not adversely affect the regional pattern of retail and service provision. It is also notable that the light industrial precinct has existed for quite some



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time, transport and warehousing is typical in this area, and the facility exists with a permit for use.

Thus the Performance Criteria for the discretionary uses under 23.3.1 of the Interim Scheme are met.



Figure 12 Site plan of existing facility and improvements

6.2 Development Standards

The proposal does not include any development as the existing facility is to be used as developed.

Rather, once the site is rezoned and the permit issued, the new owner will undertake the urgent maintenance required for the site, refurbish the external facades, the fences and landscaping to reinstate a reasonable street presentation suitable for the area.

In assessment of the existing development the relevant development standards are as follows;

23.4.1 Suitability of a site or lot for use or development

A1



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A site or each lot on a plan of subdivision must –

- (a) have a site area of not less than 1,000m² excluding any access strip; and
- (b) if intended for a building, contain a building area of not less than 500m² –
 - (i) clear of any applicable setback from a frontage, side or rear boundary;
 - (ii) clear of any applicable setback from a zone boundary;
 - (iii) clear of any registered easement;
 - (iv) clear of any registered right of way benefiting other land;
 - (v) not including land required as part of access to the site;
 - (vi) accessible from a frontage or access strip; and
 - (vii) clear of any area required for the on-site disposal of sewage or stormwater

A2

A site or each lot on a subdivision plan must have a separate access from a road –

- (a) across a frontage over which no other land has a right of access; and
- (b) if an internal lot, by an access strip connecting to a frontage over land not required as the means of access to any other land; or
- (c) by a right of way connecting to a road –
 - (i) over land not required as the means of access to any other land; and
 - (ii) not required to give the lot of which it is a part the minimum properties of a lot in accordance with the acceptable solution in any applicable standard; and
- (d) with a width of frontage and any access strip or right of way of not less than 10.0m; and
- (e) the relevant road authority in accordance with the Local Government (Highways) Act 1982 or the Roads and Jetties Act 1935 must have advised it is satisfied adequate arrangements can be made to provide vehicular access



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between the carriageway of a road and the frontage, access strip or right of way to the site or each lot on a proposed subdivision plan.

A3

A site or each lot on a plan of subdivision must be capable of connecting to a water supply provided in accordance with the Water and Sewerage Industry Act 2008

A4

A site or each lot on a plan of subdivision must be capable of draining and disposing of sewage and waste water to a sewerage system provided in accordance with the Water and Sewerage Industry Act 2008

A5

A site or each lot on a plan of subdivision must be capable of draining and disposing of stormwater to a stormwater system provided in accordance with the Urban Drainage Act 2013

Response

The site complies with the Acceptable Solution A1 as it is greater than minimum size, and meets the requirements for building area.

The site complies with the Acceptable Solution A2 as it has a suitable road access. In any respect the proposal is not a plan of subdivision.

The site complies with the Acceptable Solutions A3, A4 and A5 as it has municipal connections for water supply, sewage, and stormwater. In any respect the proposal is not a plan of subdivision.

23.4.2 Location and configuration of development**P1**

The setback of a building must –

- (a) be consistent with prevailing frontage setbacks for any existing and approved building on the site or on adjacent land from the frontage to a road identified in the table to this clause;
- (b) provide a transitional space between the road and any industrial use on the site sufficient to buffer or screen the site to view from a road; and
- (c) provide measures to attenuate visual impact of the site.

Response

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The facility setback from the frontage at 20m is consistent with the setbacks for buildings to the north and south along North Caroline Rd.

The use is not industrial, thus the requirement for a transition space between road and industrial use is not applicable.

Measures to attenuate visual impact include new vegetation plantings on the frontage boundary, and improvement of existing site plantings. These have been located to provide a visual barrier between the adjacent residences and the loading area to the north of the facility, which is shown on the attached plan.

23.4.3 Setback from zone boundaries

P1

The location of development must –

- (a) minimise likelihood for conflict, constraint or interference from sensitive use on land in an adjoining zone; and*
- (b) minimise likely impact on the amenity of the sensitive use on land in an adjoining zone*

Response

This report has previously demonstrated that the proposed rezoning and use will not conflict with, constrain or interfere with the adjacent residential activity, nor it there any likely impact on the amenity of this residential activity.

23.4.4 Subdivision

Not applicable.

6.3 Codes

6.3.1 E1 Bushfire Code

The code does not apply as the proposal is not within a bushfire prone area, nor it is for a vulnerable or hazardous use.

6.3.2 E2 Airport Impact Management code

This code is applicable as the site is located beneath operational airspace of the



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adjacent Devonport airport. The site does not include any structures of height greater than 15m, thus the proposal is acceptable.

6.3.3 E3 Clearing and Conversion of Vegetation Code

This code does not apply as no vegetation clearance is proposed.

6.3.4 E4 Change in Ground Level Code

This code does not apply as no groundworks as defined in the code are proposed.

6.3.5 E5 Local Heritage Code

This code does not apply as there is no heritage overlay or adjacent listed properties.

6.3.6 E6 Hazard Management Code

This code does not apply as the land is not subject to Hazard as defined by this code, nor is it mapped with a hazard overlay.

6.3.7 E7 Sign Code

This code applies, as the proposal includes signage, consisting of an 8m long by 2.4m high sign and a 6m long by 2.4m high sign fixed to the building front walls but below the level of the roofline/eave line.

E7.6 Development standards assessment;

The proposed signs comply with the Acceptable Solution in that they identify an activity and service on the site. As a signage in the proposed Commercial Zone, they are acceptable in number and size, and do not extend above the parapet. The signs are located and of type consistent with the requirements of the acceptable solutions. The land is not subject to a local heritage code.

6.3.8 E8 Telecommunication Code

This code does not apply.

6.3.9 E9 Traffic Generating Use and Parking Code

The code applies to all use and development.



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The proposal complies with the acceptable solution for the provision of parking for the uses and for ancillary office. The developed area of the site is some 5400m², while the developed office area is less than 80m². There is adequate parking on the site for the acceptable solution which is calculated as 20 vehicles, as there are 15 parking spaces marked, and substantial areas of informal parking provided around the site and in front of the office.

The proposal also meets the acceptable solution requirements of the code in respect to loading areas, there is significant area for loading, suitable for articulated trucks and the like.

The Devonport Local Area Parking Scheme does not apply to this area.

The parking and vehicle loading areas already exist, there is no proposal for development nor construction of the parking or loading. However the requirements of the Acceptable Solutions are met, as the parking and loading areas are sealed, they comply with the relevant Australian Standards and provide for appropriate forward movement.

6.3.10 E10 Water and Waterways Code

This code does not apply, there are no wetlands or waterways within 30m.

6.3.11 E11 Devonport Reserved Residential Land Code

This Code does not apply



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7 Conclusion

The proposal to rezone 26 North Caroline Street to Commercial and permit the uses of Transport Depot and Distribution and Storage can be supported by Council, in consideration of the existing and proposed site use, the relevant zone provisions and potential impacts to nearby sensitive uses.

This report demonstrates that the rezoning will result in an immediate positive impact to the precinct by allowing the sale and refurbishment of the site which has fallen into dereliction.

There is no increase in potential impacts to the neighbouring residential zones by revising the existing permit and the rezoning to commercial ensures that the each zone can function effectively with the suitable management controls that exist in the planning system.

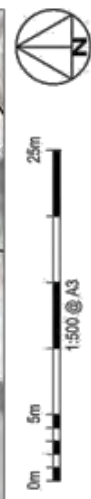
Council can have confidence in initiating the amendment as this report demonstrates that the proposal is consistent with all relevant planning implements, and will result in an improved outcome for both the site and the surrounding users.

Council support is appreciated in this application.



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Job No: P17027
 Project: CAROLINE ST REZONE - STREEFLANDS LOGISTICS
 26 NORTH CAROLINE STREET, EAST DEVONPORT, TAS 7310

Design: PD
 Drawn: CG
 Checked: PD

Scale: 1:500
 Sheet: A3

Rev: 01
 Dwg No: A102
 Dwg: SITE PLAN

DATE: 01/08/2017
 FOR RECORDING ASSESSMENT
 NAME: NBS

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5.0 REPORTS

5.1 RATES AND CHARGES POLICY

File: 32155 D473420

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.2.1 Review policies and implement initiatives to ensure meaningful, two-way communication and consultation with the community

SUMMARY

This report is provided to assist Council in formally adopting an updated Rates and Charges Policy (see attachment).

BACKGROUND

Council is required under legislation to have a Rates and Charges Policy. An amended Rates and Charges Policy was last adopted by Council in June 2016 (Min 109/16 refers).

STATUTORY REQUIREMENTS

The *Local Government Act 1993* requires that Council has an adopted rates and charges policy:

86B. Rating and charging policies to be made available to public

- (1) *A council must adopt a rates and charges policy by 31 August 2012.*
- (2) *A council's rates and charges policy must contain –*
 - (a) *a statement of the policy that the council intends to apply in exercising its powers, or performing its functions, under this Part; and*
 - (b) *a statement of policy in respect of prescribed matters, if any.*
- (3) *A council's rates and charges policy in relation to the making or varying of a rate must take into account the principles referred to in section 86A(1).*
- (4) *A council must review its rates and charges policy –*
 - (a) *by the end of each successive 4-year period after 31 August 2012; and*
 - (b) *at the same time as, or before, making a type of rate, charge or averaged area rate in respect of a financial year, if a rate, charge or averaged area rate of that type was not made in respect of the previous financial year; and*
 - (c) *at the same time as, or before, making under section 107 a variation of a rate or charge in respect of a financial year, if such a variation of that rate or charge was not made in respect of the previous financial year; and*
 - (d) *at the same time as, or before, setting a minimum amount under this Part; and*
 - (e) *at the same time as, or before, altering the circumstances in which a rate, charge or averaged area rate, or a variation of a rate or charge, is to apply to rateable land.*

- (5) *A council, as soon as reasonably practicable after adopting or altering its rates and charges policy, must make copies of the policy as so adopted or altered available to the public –*
- (a) *in paper form, on payment of a reasonable charge; and*
 - (b) *in electronic form, at a website of the council, free of charge.*
- (6) *A rate, averaged area rate or charge is not invalid by reason only that it does not conform to the council's rates and charges policy.*
- 86A. *General principles in relation to making or varying rates*
- (1) *A council, in adopting policies and making decisions concerning the making or varying of rates, must take into account the principles that –*
- (a) *rates constitute taxation for the purposes of local government, rather than a fee for a service; and*
 - (b) *the value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.*
- (2) *Despite subsection (1), the exercise of a council's powers to make or vary rates cannot be challenged on the grounds that the principles referred to in that subsection have not been taken into account by the council.*

DISCUSSION

Council is required to maintain a publicly available Rates and Charges Policy.

The purpose of the Rates and Charges Policy is to outline Council's approach to determining and collecting rates from its ratepayers. The Policy has been broken down under specific headings including:

1. Introduction
2. Legislative Requirements
3. Strategic Focus
4. Rates and Charges
 - (i) Property Valuation Base
 - (ii) General Rate
 - (iii) Rate Caps
 - (iv) Service Rates and Charges
5. Objections to Rate Notices
6. Rebates and Remissions
7. Payment of Rates
8. Late Payment of Rates
9. Sale of Property if Rates Remain Unpaid
10. Postponement of Rates

The Act requires that the Rates and Charges Policy is to be reviewed at a minimum each four years. Other significant changes to the way in which Council administers its rates may also trigger the necessity for the review of the Policy.

There has been a change made to the Policy effective from the 2017/18 rating year relating to the process Council follows for charging for waste management. As outlined in the Policy, Council has modified its rating process to ensure that the imposition of the waste management charges is more in line with the principles of "user pays". The policy also introduces a differential service charge based on the predominant use of the land.

Waste Management

Waste Management Service Charge – Council provides a waste collection and disposal service throughout the City. Council also provides a domestic recycling service to all residential properties and a cardboard collection service in non-residential areas. For this service, Council in accordance with Section 94(3) of the Act, applies a differential service charge based on the predominant use of the land as follows:

- *Residential;*
- *Primary Production; and*
- *All other land*

Residential land will be provided a weekly garbage bin collection and a fortnightly recycling bin collection for each tenancy.

Primary Production land will be provided a weekly garbage bin collection and a fortnightly recycling bin collection.

All other land will be provided with either a single garbage bin collection three times per week or the collection of 3 bins once per week. A separate cardboard collection service will be provided in non-residential areas on a scheduled basis as advised to the properties.

COMMUNITY ENGAGEMENT

The purpose of having a Rates and Charges Policy available is to ensure that the public have ready access to a document that outlines the specifics relating to the processes undertaken by Council in setting and administering the collection of rates and charges.

FINANCIAL IMPLICATIONS

Property rates are the primary source of income for Council and as such it is imperative that the collection and administration of rates is clearly articulated.

RISK IMPLICATIONS

Council is statutorily required to have in place a Rates and Charges Policy.

CONCLUSION

The Rates and Charges Policy attached to this report meets the statutory obligations of Council and also provides a clear and concise outline of the processes Council will use to set, collect and administer the imposition of rates on the community.


ATTACHMENTS

[1.](#) Rates and Charges Policy - 2017

RECOMMENDATION

That Council adopt the Rates and Charges Policy with immediate effect.

Author:	Paul West
Position:	General Manager

	<h2>RATES AND CHARGES POLICY</h2>		
POLICY TYPE	POLICY ADOPTED (DATE)	MINUTE NUMBER	POLICY DOCUMENT NUMBER (TRIM):
Council	26 June 2017	TBA	TBA
DOCUMENT CONTROLLER	RESPONSIBLE MANAGER	STRATEGIC PLAN 2009-2030 (STRATEGY REFERENCE)	DATE OF NEXT REVIEW
General Manager	General Manager	5.5.3 – Ensure revenue modelling meets Council's funding requirements to provide equitable pricing relevant to services delivered	June 2018
PURPOSE	<p>The purpose of this Policy is to outline the Council's approach to determining and collecting rates from its ratepayers.</p> <p>This Policy also ensures that Council meets its legislative responsibilities under the provisions of the <i>Local Government Act 1993</i> inasmuch as Council is required to prepare and adopt a Rates and Charges Policy.</p>		
SCOPE	<p>This policy covers:</p> <ul style="list-style-type: none"> • revenue raising powers under the provisions of the <i>Local Government Act 1993</i>; • strategic focus; • the valuation basis for rating purposes; • the use of differential rates where appropriate; • setting of a fixed charge and rate capping; • objections to rate notices; • rebates and remissions; • payment of rates; • late payment of rates; • sale of property for unpaid rates; and • postponement of rates. 		
POLICY	<ol style="list-style-type: none"> 1. Introduction: Council rates are a form of property tax and are the primary source of income for the delivery of local government services to the community. Rates are administered in line with the provisions of the <i>Local Government Act 1993</i>. 2. Legislative Requirements: The rating and valuation methods available to local government are covered under various pieces of legislation. In particular Part 9 of the <i>Local Government Act 1993</i> and the <i>Valuation of Land Act 2001</i> are the most relevant to Council in securing rate revenues. The General Principles in relation to making or varying rates are outlined at Section 86A of the <i>Local Government Act 1993</i> as follows: (1) A council, in adopting policies and making decisions concerning the making or varying of rates, must take into account the principles that – <ol style="list-style-type: none"> (a) rates constitute taxation for the purpose of local government, rather than a fee for a service; and (b) the value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates. 		

(2) *Despite subsection (1), the exercise of a council's powers to make or vary rates cannot be challenged on the grounds that the principles referred to in that subsection have not been taken into account by the council.*

Council will as required not earlier than 1 June and not later than 31 August in any year determine its rates and charges to apply for the financial year.

3. Strategic Focus:

Council is constantly faced with balancing its service levels, the needs and expectations of the community and setting appropriate tax (rate) levels to adequately resource and fulfil its roles and responsibilities. In determining its rating policies Council gives consideration to the:

- Strategic Plan;
- Long Term Financial Strategy;
- *Local Government Act 1993*;
- Current economic climate;
- Consumer Price Index changes;
- Local Government Cost Index; and
- Likely impacts on the community.

4. Rates and Charges:

(i) Property Valuation Base

Council has three choices under the Act for determining its rate charges:

- Land Value;
- Capital Value; and
- Assessed Annual Value (AAV)

The Office of the Valuer-General provides the valuations to Council on a cyclical basis (usually each six (6) years). Council was last subject to a municipal wide revaluation with an effective date of 1 July 2015. Under the Act Council is mandatorily required to use the valuations provided to it in setting its rates each year. Council has no role in determining the valuation of properties and all ratepayers are able to dispute their valuation direct with the Valuer General's Office.

Council is also provided with adjustment factors for the various classes of property in the municipal area by the Valuer-General each two years. Council is required to consider these adjustment factors in determining the rates and charges to apply.

Following the most recent revaluation Council determined that the use of AAV per rateable property provided the fairest and most equitable method for the levying of rates on the basis that:

- Rates constitute a system of taxation and the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pays more tax than ratepayers of lesser wealth; and
- Property value is a generally accepted indicator of wealth.

The AAV represents an independent assessment of the rental value of a property or a 4 per cent minimum of the capital value (whichever is the greater).

(ii) General Rate

Council sets a General Rate which is to apply to all properties in the municipal area unless varied based on a differential model determined by Council. Council has also determined that a General Rate Fixed Charge per property or tenancy is to apply as this is the most fair and equitable means of ensuring that all ratepayers contribute equally to the administration of Council's services and the development and maintenance of community infrastructure.

The General Rate is to be varied on a differential basis, based on land use, for the following purposes:

- Residential; and
- Primary Production.

Residential Assessments

Residential properties generally have available to their owners and occupiers the same services as other ratepayers. However, in most cases other classes of assessments such as commercial and industrial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided.

Primary Production Assessments

Primary production properties tend to be more remote from some of the services provided by Council in terms of infrastructure including but not limited to sealed or formed roads, footpaths and street lighting.

(iii) Rate Caps

Council will annually consider the use of rate capping to ensure that the increases applied to the various categories of ratepayers are appropriate.

Council will only apply rate capping if in its opinion it is justifiable in order to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation and other factors beyond the ratepayer's control.

(iv) Service Rates and Charges

Waste Management

Waste Management Service Charge – Council provides a waste collection and disposal service throughout the City. Council also provides a domestic recycling service to all residential properties and a cardboard collection service in non-residential areas. For this service, Council in accordance with Section 94(3)) of the Act, applies a differential service charge based on the predominant use of the land as follows:

- Residential;
- Primary Production; and
- All other land

Residential land will be provided a weekly garbage bin collection and a fortnightly recycling bin collection for each tenancy.

Primary Production land will be provided a weekly garbage bin collection and a fortnightly recycling bin collection.

All other land will be provided with either a single garbage bin collection three times per week or the collection of 3 bins once per week. A separate cardboard collection service will be provided in non-residential areas on a scheduled basis as advised to the properties.

Fire Protection

Fire Protection Service Rate - Council is required by the provisions the *Fire Services Act 1979* to collect fire service contributions on behalf of the State Fire Commission. The amount of this rate and the minimum charge which is to apply is determined independent of Council by the State Fire Commission.

5. Objections to Rate Notices:

Council will consider any objections to rate notices in accordance with Section 123 of the *Local Government Act 1993*.

6. Rebates and Remissions:

Any individual application for a rebate and/or remission from payment of rates is to be provided to Council in writing and is to comply with the adopted policies from time to time in operation.

Council will annually consider whether to provide any rebate or remission to not-for-profit community organisations where they own or are responsible for the payment of rates. Any not-for-profit organisation that wishes to be considered for either a rebate or remission is required to make a formal application for Council to consider.

Council may also from time to time determine to provide a remission to a ratepayer, group of ratepayers or a class of ratepayers where it has determined that special circumstances exist.

Pensioner Rate Remissions are provided to eligible concession card holders pre-approved by the State Revenue Office. Concessions are **only available on a ratepayer's principal residence at an amount predetermined by the State Government**. Ratepayers seeking a rate concession are not to withhold payment pending assessment by the State Revenue Office of their eligibility. In circumstance where a concession is approved after payment has been received a refund will be provided to the ratepayer.

7. Payment of Rates:

Rates are due and payable in full by 31 August each year. However, ratepayers can elect to pay their rates in four equal instalments on 31

	<p>August, 31 October, 28 February and 30 April each year. Ratepayers who have difficulty in paying their rates either in full or by the instalment due dates are encouraged to contact Council's Rates Office to make an alternative payment plan. Such enquiries are treated confidentially by Council. Instalment payments must be made on or before the due date as failure to do so will result in the full outstanding amount becoming due and payable immediately.</p> <p>8. Late Payment of Rates: Council has determined that penalties will apply for late payment of any rate or instalment which remains outstanding on the due date. The penalty percentage rate is determined by Council each year in line with the provisions of the <i>Local Government Act 1993</i>. Rates which remain unpaid for a period exceeding 30 days from the due date of an instalment will be subject to recovery action through either a recognised Debt Collection Agency and/or Magistrates Court. Prior to initiating recovery action Council will provide the ratepayer with 14-days' notice in writing advising of its intention to commence legal action.</p> <p>9. Sale of Property if Rates Remain Unpaid: The <i>Local Government Act 1993</i> provides that a Council may sell any property where the rates have been in arrears for a period of three (3) years or more. Council is required to:</p> <ul style="list-style-type: none"> (a) notify the owner of the land of its intention to sell the land; (b) provide the owner with details of the outstanding amounts; and (c) advise the owner of its intention to sell the land if payment of the outstanding amount is not received within 90 days. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates. <p>10. Postponement of Rates: An application for a postponement of payment of rates on the grounds of hardship must be made in writing addressed to the General Manager.</p>
LEGISLATION AND RELATED DOCUMENTS	<p><i>Local Government Act 1993</i> <i>Fire Services Act 1979</i> <i>Valuation of Land Act 2001</i></p>
ATTACHMENT/S (IF APPLICABLE)	N/A

5.2 FINANCIAL MANAGEMENT STRATEGY

File: 32155 D477480

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.5.2 Ensure comprehensive financial planning to meet sustainability requirements

SUMMARY

The purpose of this report is to present the Financial Management Strategy (FMS) 2018 - 2027 for adoption.

BACKGROUND

The FMS is a Council strategy prepared in accordance with the Ministerial Order issued in 2014 by the Minister for Local Government. The strategy has been prepared to provide Council with a strategic framework to guide the development of annual budgets and the preparation of longer term financial planning. The key objective of the FMS is to demonstrate and maintain financial sustainability in the medium to long term whilst achieving the strategic objectives of Council.

Council first adopted the Financial Management Strategy in June 2015 (Min 115/15 refers). This document included a Long Term Financial Plan (LTFP) for the 10 years to June 2025. In February 2016 an updated LTFP was included as part of the financial information supporting the funding model for Stage 1 of LIVING CITY. The LTFP included in the attached document contains financial projections for the construction and subsequent operations of Stage 1 and progress of Stages 2 and 3. The *Local Government (Content of Plans and Strategies) Order 2014* only requires councils to update the FMS every 4 years, however given the investment in LIVING CITY, the long term financial estimates in this strategy will be revisited and updated annually to include the most relevant and contemporary information. The most recent FMS was adopted in November 2016.

STATUTORY REQUIREMENTS

Local Government (Content of Plans and Strategies) Order 2014 requires Council to prepare a FMS and outlines the contents required.

DISCUSSION

The FMS is a key document in Council's medium term financial planning and uses data from Council's existing Long Term Asset Management Plans, 5 year capital works program and budget to project operating results and capital investment for the next 10 years. In order to demonstrate medium term financial sustainability, Council's ongoing asset management commitments and requirements must be reflected in future financial planning.

The FMS is based on the following key financial principles:

- Achievement of a balanced underlying result;
- Prudent management of assets and liabilities including debt and cash reserves; and
- Timely and accurate disclosure of financial information.

It also includes a number of targets to measure Council performance. If Council applies the principles and meets its targets, the organisation should continue to remain financially sustainable into the future.

The projections contained in the LTFP produce the following results over the 10 year period:

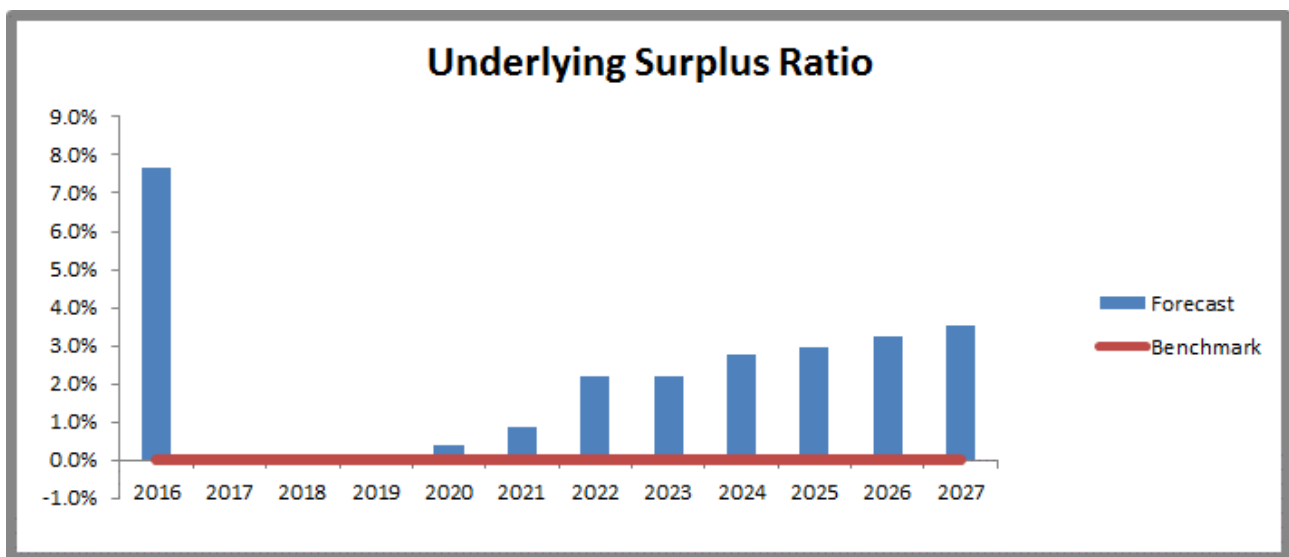
- The achievement of a break even result or underlying surplus in all years;
- Maintaining cash balances well above the target of \$3 million at year end;
- Investment in new and existing assets while progressing the LIVING CITY project. On average, the asset renewal funding ratio is above the target level over the period. This means Council is planning to meet all asset renewal requirements as per the Asset Management Plans;
- Reduction in borrowings by way of planned principal repayments and the retirement of debt following the sale of land and buildings identified in the Plan. The net financial liabilities ratio will peak in 2017/18 and steadily decline in the following years.

These results demonstrate Council's commitment to cost management whilst maintaining services to the community.

Underlying Surplus Ratio

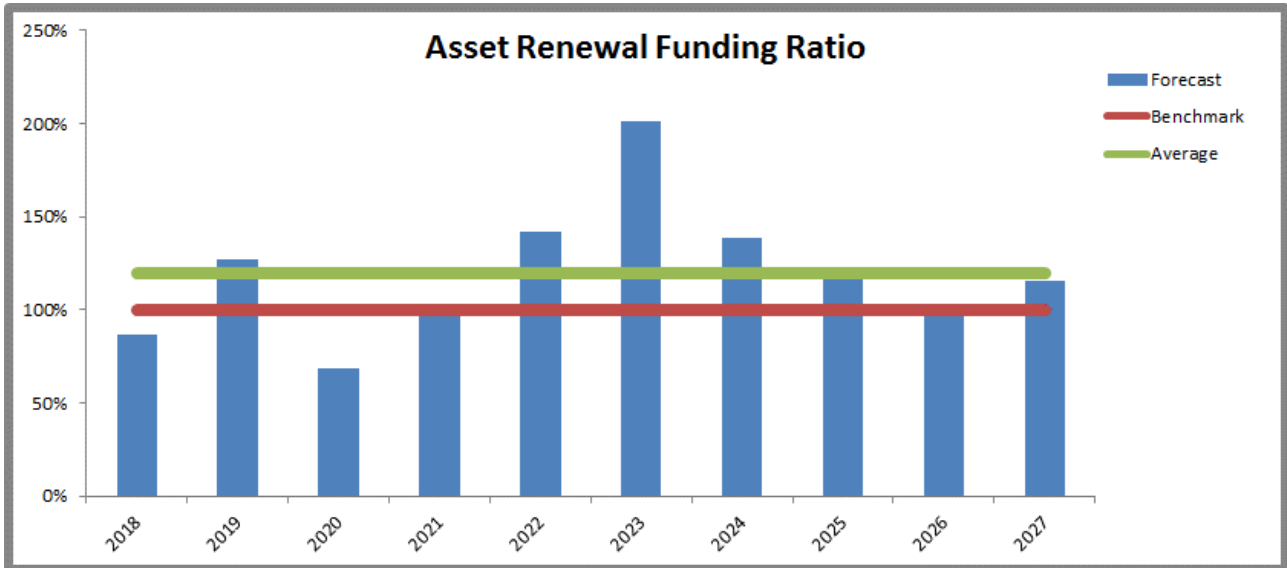
The underlying surplus ratio serves as an overall measure of financial operating effectiveness. To assure long term financial sustainability Council should aim to break even at a minimum, avoiding underlying deficits. Achieving a break even position indicates Council is able to generate sufficient revenue to fulfil the operating requirements including coverage of the depreciation expense.

Council has set a target for the underlying surplus ratio of between 0% and 15% in line with the recommended level set by the Auditor-General. The following graph demonstrates Council achieves this target for 2016/17 and the next 10 years.



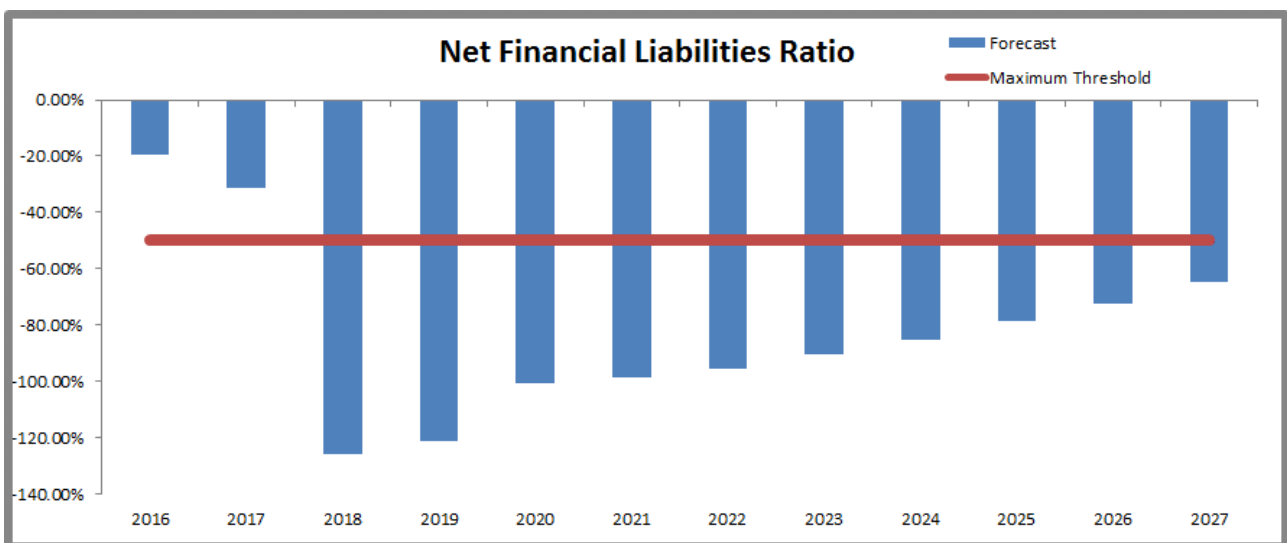
Asset Funding Renewal Ratio

The asset renewal funding ratio compares the required expenditure on renewing Council assets as per the Asset Management Plans with the capital expenditure on renewing assets in the Long Term Financial Plan. This ratio measures whether Council is planning to maintain its assets at the required level. The graph below demonstrates that on average over the next 10 years, Council has allocated sufficient funds to maintain its existing assets.



Net Financial Liabilities Ratio

This ratio measures the net financial obligations of Council compared to the operating income in any one year. Where the ratio is positive, it indicates that liquid assets (cash and receivables) exceed total liabilities. Conversely a negative ratio indicates total liabilities exceed liquid assets. As Council borrows to fund Stage 1 construction of LIVING CITY this ratio will exceed the benchmark of -50%. The LTFP demonstrates the ratio is improved each year with regular principal repayments and the payment of debt with funds from asset sales.



COMMUNITY ENGAGEMENT

A Community Budget Information session was held at the Council Offices on Wednesday 14 June 2017.

The FMS will be available to the public via Council's website.

FINANCIAL IMPLICATIONS

Whilst there are no financial implications directly related to this report, the FMS sets out the 2017/18 budget and forward projections to the 2027 financial year. It incorporates all projected operational and capital expenditure for that period.

RISK IMPLICATIONS

- Financial
The FMS sets out clear financial principles and strategies that will assist to ensure Council remains financially sustainable into the future.

CONCLUSION

The FMS is an important document in Council's financial and risk management frameworks and has the key objective of demonstrating Council's financial sustainability over the medium term.

The FMS has been produced in accordance with legislative requirements and includes relevant and current asset management data and was presented to the Audit Panel on 5 June 2017.

ATTACHMENTS

- [1.](#) Financial Management Strategy 2027 with Appendix

RECOMMENDATION

That Council adopt the attached Financial Management Strategy with immediate effect.

Author:	Kym Peebles	Endorsed By:	Paul West
Position:	Executive Manager Organisational Performance	Position:	General Manager

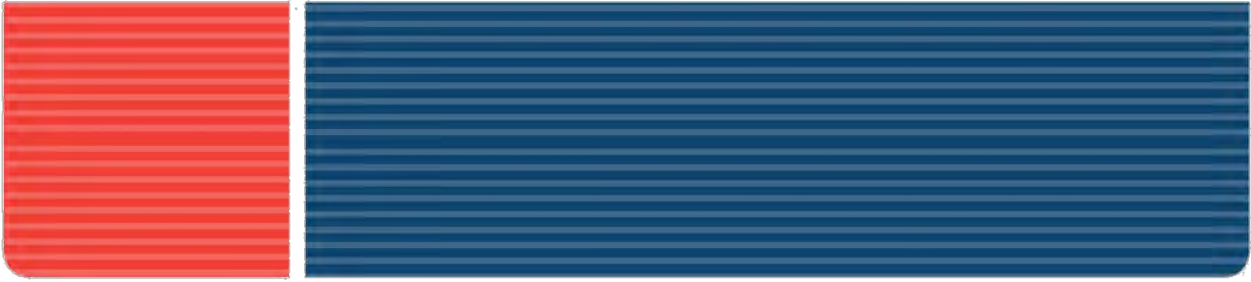
Devonport City Council



The City with Spirit



Financial Management Strategy 2027



Next Date of Review:

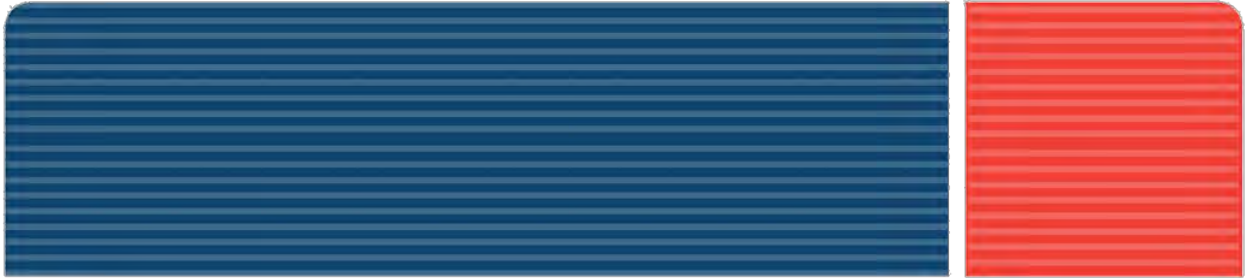
Document Controller:

Document Reviewer:

Date Adopted by Council:

Executive Manager, Organisational Performance

General Manager



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1. Overview

The Financial Management Strategy (FMS) has been prepared to provide the Devonport City Council (Council) with a strategic framework to guide the development of annual budgets and preparation of longer term financial planning. The key objective of the Strategy is to ensure that Council can sustainably fund the ongoing delivery of services whilst implementing the objectives identified in the Strategic Plan.

The FMS is based on the following key financial principles:

- achievement of a balanced underlying result;
- prudent management of assets and liabilities, including debt and cash reserves; and
- timely and accurate disclosure of financial information.



To remain financially sustainable, Council must continue to raise revenue and provide services within the context of a balanced budget. In order to achieve this, Council must ensure all aspects of its operations are adequately funded, including current service delivery and planning for future service delivery, in an affordable and stable environment.

As depicted, ongoing financial sustainability is only achieved when the interdependency of all financial aspects of Council are recognised and planned for today and into the future.

The FMS takes into account the concept of intergenerational equity, so that each generation is responsible for the costs of the resources that they consume.

1. Overview (continued)

A key component of the Strategy is the Long Term Financial Plan (LTFP) shown at Appendix A. The LTFP is Council's ten year financial forecast which includes a statement of comprehensive income, a statement of financial position and a cash flow statement for each year of the plan. Council refers to this model when considering financial decisions, for example new capital expenditure and borrowings. The LTFP is reviewed annually as part of the budget process.

Council's ability to remain financially sustainable can be measured using the Key Performance Indicators as outlined in the *Local Government (Management Indicators) Order 2014*. In addition to the statutory indicators, Council has determined two indicators will be included to assist the measurement of sustainability given the current commitment to the LIVING CITY project. The two indicators are the interest cost ratio and the current ratio, which measure Council's ability to meet its interest commitment and the ability to repay its short term debts.

The indicators, relevant benchmarks and targets are shown below.

Indicator	Benchmark	Council Target
Operating Surplus Ratio	Between 0% and 15%	Between 0% and 15%
Asset Sustainability Ratio	100% of depreciation expense	Between 60% and 100% of depreciation expense
Asset Consumption Ratio	Between 40% and 60%	Between 40% and 60%
Asset Renewal Funding Ratio	Between 90% and 100%	Between 90% and 100%
Net Financial Liabilities Ratio	Between 0% and -50%	Between 0% and -50%
Net Interest Cost Ratio	7% of recurrent revenue	5% of recurrent revenue
Current Ratio	1 times coverage	1 times coverage

In addition to the ratios listed above, Council has a target to maintain a minimum cash balance of \$3,000,000.

Each year the office of the Auditor-General assesses every Tasmanian Council against the key performance indicators noted above, as well as other ratios and statistics relevant to Local Government. According to the Auditor-General's benchmarks, in 2015/16 Council was at a low financial sustainability risk from a financial operating and net financial liabilities perspective and a low to medium financial sustainability risk from an asset management perspective.

2. Financial Management Principles

2.1 Achievement of a Balanced Underlying Result

Council is committed to the equitable and consistent generation of revenue and the effective delivery of services that are appropriate to the community. To remain financially sustainable this must be achieved within the context of a balanced budget, but preferably the generation of small underlying surpluses.

The generation of underlying surpluses indicates that Council can continue to adequately fund existing services into the future. It also assists Council to meet future debt repayments and to fund infrastructure asset renewal projects.

2.2 Revenue Strategies

2.2.1 Rating Strategy

Rates revenue represents the largest share of total income that Council generates each year and therefore is an important component of the financial planning process. Council aims to balance its service levels taking into account the needs and expectations of the community and by setting appropriate levels of tax to adequately fulfil its obligations. Each year Council will take into account the following factors when setting the level of rates and charges:

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

Council aims to spread the rate burden across the community with those that have the greatest capacity to pay, paying more than those with a lesser capacity. Council must balance this principle with the benefit principle acknowledging that some groups of the community have a greater impact on services and derive a greater benefit from some services provided.

Council maintains a Rates & Charges Policy which sets out the property valuation base adopted by Council, the general rate applied to that base and any variations to the general rate. Council will review the Rates & Charges Policy as well as the property valuation base on a regular basis to ensure the most appropriate base is adopted. If Council determines to change the property valuation base, an appropriate community engagement process will be undertaken.

2.2.2 Fees & Charges Strategy

Council will review fees and charges each year with a view to balancing the community need for the service provided and the capacity of the community to pay for that service. Council adopts the general philosophy that users should pay for the service provided but recognises that full cost recovery is not possible in all situations.

Where Council enters into commercial lease arrangements, it is essential that sound commercial principles are applied to the transactions.

2. Financial Management Principles (continued)

2.2 Revenue Strategies (continued)

2.2.2 Fees & Charges Strategy (continued)

These include:

- a market appraisal of rental return;
- assessment of the required rate of return on assets; and
- application of consistent, contemporary lease terms and conditions.

This is particularly relevant for investments and leases entered into through Council's ambitious LIVING CITY project.

All property leases with community and sporting groups will comply with Council's adopted Lease Policy.

2.2.3 Other Revenue Strategy

Other significant revenue streams include investment income from dividends and grant revenue. Council holds a 5.46% equity investment in Tasmanian Water Corporation and a 43.45% share in Dulverton Regional Waste Management Authority. As part owners of these enterprises Council aims to ensure that future entitlements are maintained.

Grant revenue represents a small percentage of overall operating revenue, however Council will continue to review all funding opportunities and identify and apply for appropriate grant funding. The main source of grant income is the Financial Assistance Grant, administered by the State Grants Commission on behalf of the Federal Government. Council will continue to participate in the review of this grant and provide information to the State Grants Commission to assist it in determining the most equitable distribution of the funds.

Council will also continue to pursue grant funding for new capital projects identified.

2.3 Expenditure & Service Delivery Strategies

2.3.1 Service Delivery and Cost Management Strategy

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

At each budget cycle Council will consider the feedback received from the community through the various engagement opportunities to assess any potential changes to services. Additional expenditure highlighted in new strategies developed through the year will be considered through the budget process.

2.3.2 Procurement Strategy

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

2. Financial Management Principles (continued)

2.4 Prudent management of assets and liabilities, including debt and cash reserves

Council aims to maintain community wealth by ensuring that assets and liabilities are managed to provide sustainable service delivery, that is, ensuring that the assets used to support the service delivery continue to function to the determined level of service.

2.4.1 Asset Management Strategy

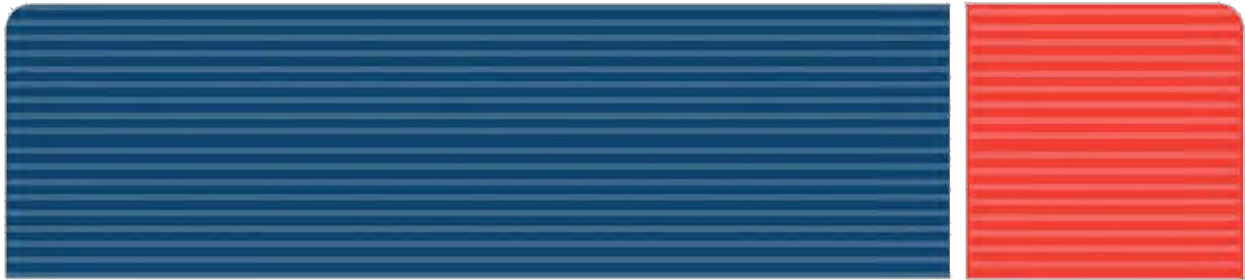
The key objective of Council's asset management processes is to maintain Council's existing assets at desired condition levels. The appropriate management of assets should ensure that they continue to deliver services into the future. To remain sustainable, Council must maintain its ability to meet the asset renewal requirements as outlined in its Long Term Asset Management Plans (LTAMP).

Council has an Asset Management Policy supported by a number of Asset Management Plans and an Asset Management Strategy which together form the framework for the asset management process. This documentation will be reviewed regularly to ensure compliance with relevant legislative requirements and contemporary asset management practices.

The Asset Management Policy aims to ensure adequate provision is made for the long-term replacement of major assets by:

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

The LTAMP integrates the financial resources identified in the asset management plans with the overall financial operations of Council. To adequately plan for the future delivery of services, capital expenditure requirements as well as ongoing maintenance expenditure must be funded in the LTAMP. When these elements are combined with the cost of providing other Council services, the complete funding requirements can be identified and planned for in a sustainable manner. It is critical for Council to understand the inter-relationship of the asset management framework and the financial management framework and to constantly work towards improving the quality of data contained within each and the level of understanding of both frameworks across the entire organisation. Actions to improve and refine the asset management framework are included in the Asset Management Strategy.



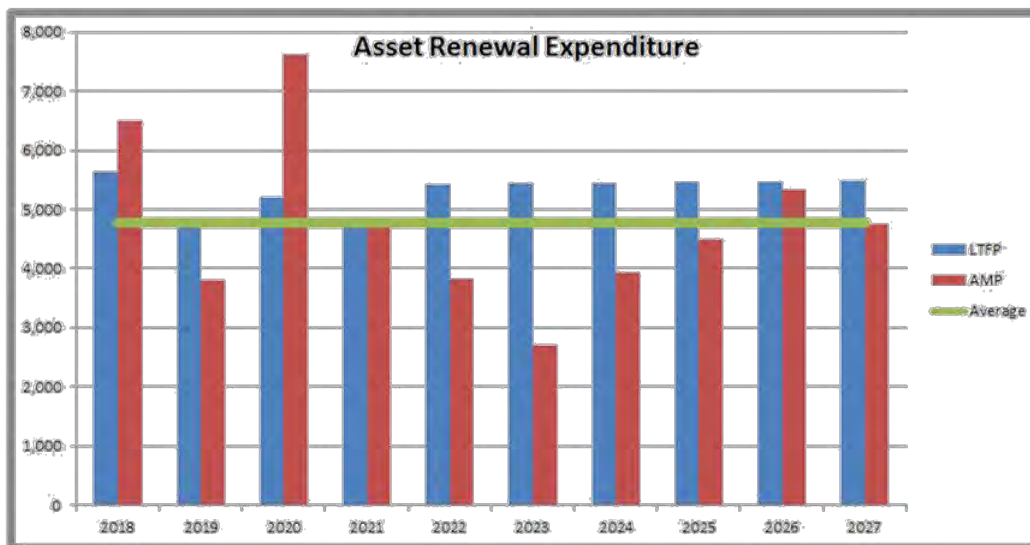
2. Financial Management Principles (continued)

2.4 Prudent management of assets and liabilities, including debt and cash reserves (continued)

2.4.1 Asset Management Strategy (continued)

The following table compares the total asset renewal requirements identified in the Asset Management Plans with the proposed asset renewal funding provided in the LTFP until 30 June 2027. The table does not include plant, furniture & fittings and cultural assets as these asset classes do not have a corresponding Asset Management Plan. This measurement is also expressed as the asset renewal funding ratio.

The table shows that despite the spikes in renewal expenditure identified in the Asset Management Plans in 2018 and 2020, Council is planning to fund the required average asset renewal expenditure over the life of the LTFP.



All new capital expenditure in relation to the LIVING CITY project will be subject to rigorous financial scrutiny. Council has developed a financial model to assess potential investments and to determine the long term impact of new capital expenditure in relation to this project. Funding of all new capital expenditure will be assessed at the time of preparing the annual budget to determine the most appropriate method. This could include loan borrowings, existing cash reserves or capital grants.

2. Financial Management Principles (continued)

2.4 Prudent management of assets and liabilities, including debt and cash reserves (continued)

2.4.2 Investment Strategy

Cash reserves will be managed to achieve optimum investment returns and to ensure that cash is available when needed for planned expenditures.

Council will utilise the Cash Flow Projections contained in the LTFP to assist in the management of cash and investments and to maintain the minimum cash target.

Council has an Investment Policy to set parameters for investments which helps to ensure maximum return on the investment portfolio while managing the risk associated with this activity.

2.4.3 Debt Strategy

Council will consider the use of debt facilities to fund major new capital expenditure which provides benefits to ratepayers into the future. Where possible, Council will assess the term of the debt in relation to the life of the asset. The use of debt in this manner attempts to address the issue of inter-generational equity.

When considering new debt, Council will evaluate the impact of borrowing costs on the sustainability of current and future budgets and its capacity to repay the debt. The target interest coverage ratio will be used as part of this assessment.

Council will utilise the Cash Flow Projections contained in the LTFP to assist in the management of debt and cash reserves. When borrowing, Council will raise all external debt at the most competitive rates and from sources available as defined by legislation.

2.4.4 Timely and accurate disclosure of financial information

In accordance with the Strategic Plan, Council will "practice excellence in governance".

Council will prepare regular management reports that will be available to the public. The reports will contain a Summary Statement of Comprehensive Income, Statement of Financial Position, Capital Expenditure Report and other relevant financial data and commentary. Council will also prepare an Annual Plan and Estimates document that will set out the budget information for the next financial year and the goals and actions for that period.

Council will comply with all statutory requirements in relation to the preparation of its Annual Financial Statement and external audit and will maintain an Audit Panel to provide oversight of risk management and financial performance.

Council will prepare a progress report for the LIVING CITY project at least on a quarterly basis. The report will contain relevant financial information for the period.

2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets

To remain financially sustainable, Council must have sufficient capacity to be able to manage future financial risks. To enable Council to measure performance in this area, the State Government identified a number of ratios and indicators that can be applied to all local government entities. These indicators are contained in the *Local Government (Management Indicators) Order 2014* and are included in Council's Annual Report. The indicators are also scrutinised by the Audit Office and are subject to commentary in the Report of the Auditor-General presented each year to State Parliament. The indicators can be summarised into three groups:

- financial operating performance;
- asset management; and
- liquidity.

Based on the results of these indicators, the Auditor-General assesses the financial sustainability risk of Council in relation to each of the categories.

The performance indicators and the relevant benchmarks and targets are noted in the overview section above and are discussed in more detail below.

2.5.1 Financial Operating Performance

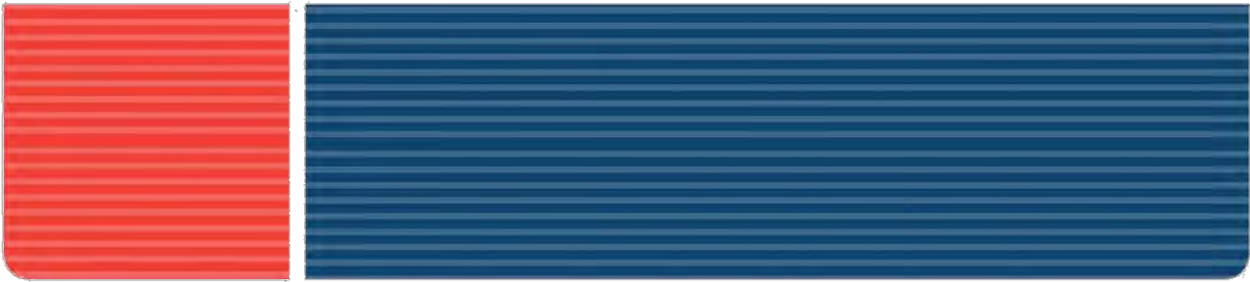
Underlying Surplus Ratio

Benchmark: Between 0% and 15%

Target: Between 0% and 15%

This ratio serves as an overall measure of financial operating effectiveness. To assure long-term financial sustainability Council should budget and operate to break even, thereby avoiding underlying deficits. Achieving a break even position indicates Council is able to generate sufficient revenue to fulfil the operating requirements including coverage of the depreciation expense. Breaking even is represented by an operating surplus ratio of zero.

The achievement of a positive result must always be balanced with the need to provide appropriate services to the community. The generation of excessively positive results for this ratio may indicate that Council is not funding adequate services and also not investing in existing assets to ensure the services can continue into the future. It may also indicate the imposition of a higher than required rate burden on current ratepayers, indicating that today's ratepayers may be subsidising the provision of future services.



2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

2.5.1 Financial Operating Performance (continued)

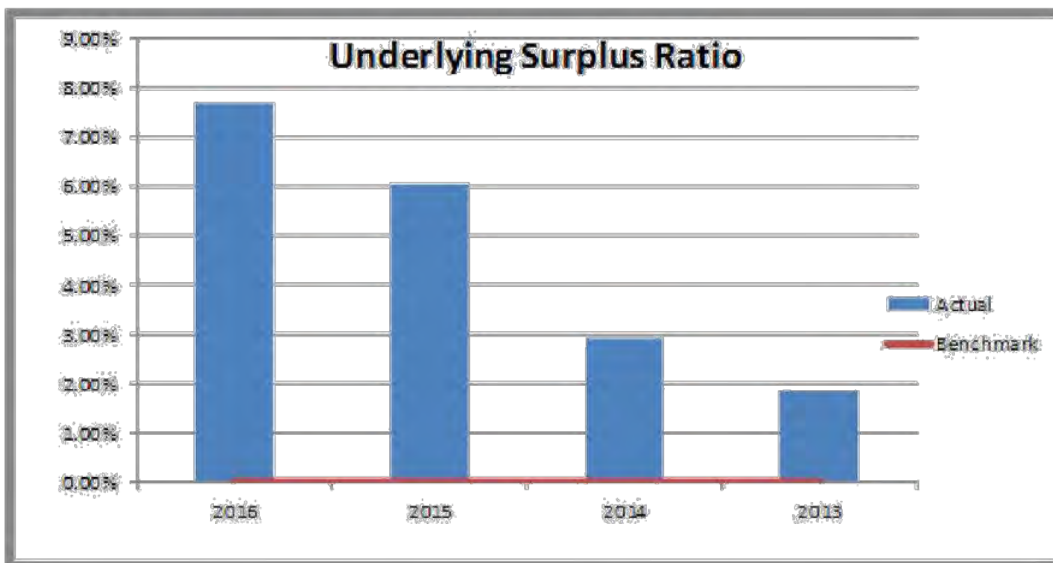
Underlying Surplus Ratio

Benchmark: Between 0% and 15%

Target: Between 0% and 15%

The graph below shows the underlying surplus ratio over the past four years. On average Council has exceeded the benchmark of zero over the past four years.

The LTFP includes projections of this ratio for the next ten years.



2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

2.5.2 Asset Management Performance

Asset Sustainability Ratio

Benchmark: 100% of Depreciation

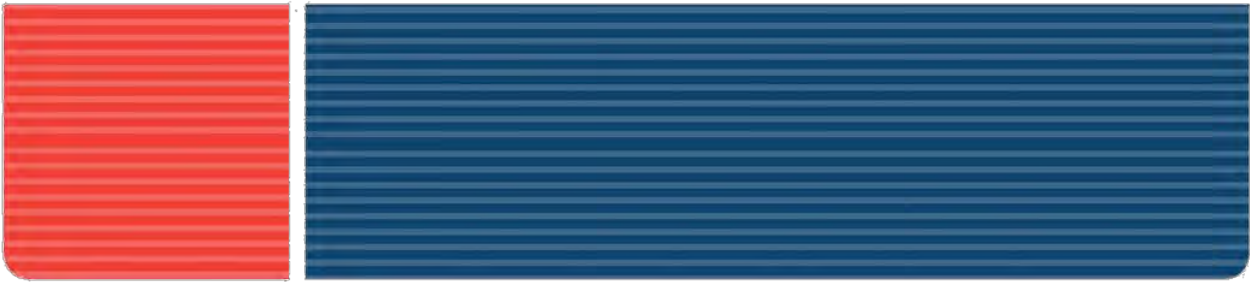
Target: Between 60% and 100% of Depreciation

The Asset Sustainability Indicator compares the rate of capital spending through renewing, restoring and replacing existing assets, with the value of depreciation. The benchmark assumes that if capital expenditure on renewing or replacing existing assets is at least equal to depreciation on average over time, then Council is ensuring the value of existing stock of physical assets is maintained. This assumption is relevant to a stable level of assets with minimal additional new assets. Typically, new assets require less renewal expenditure in the early years of the assets life, however the depreciation expense will increase with new asset stock. This will logically increase the amount required to be spent on renewing assets in accordance with this ratio benchmark, however this may not actually be the case.

Council maintains asset management plans for all major classes of assets. These Plans include estimates of capital expenditure and maintenance required to responsibly manage asset stocks for the next 20 years and are based on expert technical considerations and applicable industry standards. The information contained in these Plans feeds into the five year capital program used in the LTFP. Council believes these Plans provide a sound basis for calculating the actual level of capital expenditure on renewal and replacement of assets into the future. A summary of the comparison of required spending on asset renewals identified in the Asset Management Plans and funding allocated in the LTFP is shown on page 14.

Over the past four years, Council has embarked on a substantial capital expenditure program with a significant investment in new capital projects. Council is also committed to the progression of the LIVING CITY program which will involve substantial capital investment in new assets. Increased spending on new assets, increases the level of depreciation and maintenance expenditure. Council has recognised this increased expenditure in the LTFP. In addition, Council maintains a large stock of stormwater assets. The annual depreciation expense for this asset class is approximately \$1.1million and if Council is to meet the required benchmark, this amount will need to be spent on renewing assets each year. These assets are typically long lived assets, the majority were installed in the 1950's. The Asset Management Plan indicates that the assets will not expire until 2030, that is, as long as they are adequately maintained the assets should not require renewal until this time. The expenditure on renewing existing stormwater assets at present is focussed on replacing assets that have failed prematurely.

Council has set a target range lower than the benchmark for the reasons outlined above. Council also acknowledges that according to the criteria established by the Auditor-General, a ratio that is at the lower end of the target range indicates a medium financial sustainability risk.



2. Financial Management Principles (continued)

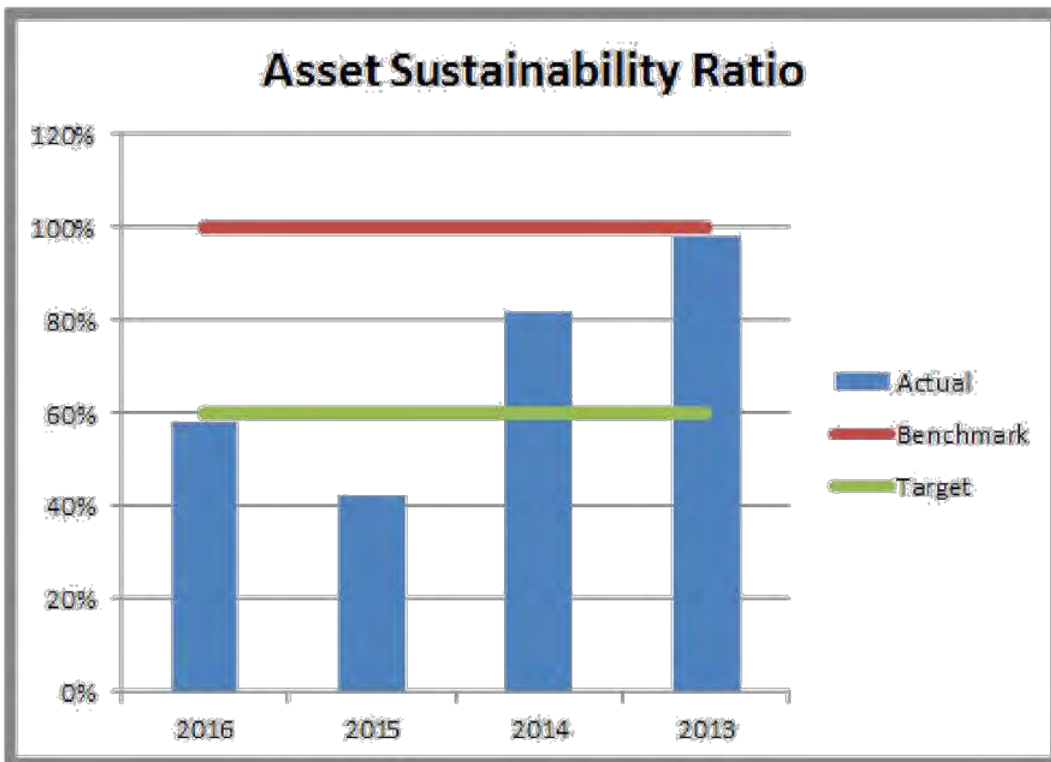
2.5 Key Financial Indicators and Targets (continued)

2.5.2 Asset Management Performance (continued)

Underlying Surplus Ratio

The graph below shows the consolidated asset sustainability ratio over the past four years.

Over this period Council is below the benchmark with an average ratio of 70%.



2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

2.5.2 Asset Management Performance (continued)

Asset Consumption Ratio

Benchmark: Between 40% and 60%

Target: Between 40% and 60%

This ratio indicates the average percentage of remaining useful life of Council's assets, or, the average proportion of new condition left in assets. The higher the percentage, the greater future service potential is available to provide services to ratepayers. The ratio provides a guide or indicator of future renewal requirements.

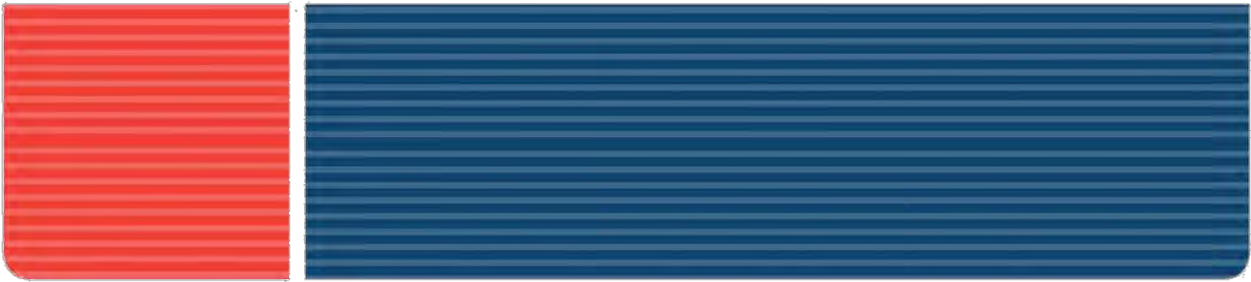
Whilst this ratio is calculated for all asset classes, as shown in the graph, the focus is predominately on the roads asset class as this is typically the largest. At 30 June 2016, Council's road consumption ratio was 45%, indicating a moderate financial sustainability risk. The ratio has remained constant over the past four years.

This ratio is impacted by several factors including:

- capital expenditure, both renewal and new;
- use of residual values;
- componentisation of complex assets and subsequent adjustment to useful lives;
- reliance on financial and asset management plans; and
- growth periods in the City's history.

As part of the annual review process, Council consider the adequacy of the useful lives attributed to each asset class. There is increased focus at present on breaking down, or componentising, complex assets, particularly road assets. This allows Council to attribute varying useful lives to individual components of the one asset, better reflecting the actual renewal cycle. In relation to this ratio, the longer life remaining on an asset, generally will result in a higher percentage.

Council will continue to review asset lives and investigate further componentisation of assets as part of its regular annual review process. Council will also continue to refer to Asset Management Plans to responsibly manage assets in the future.

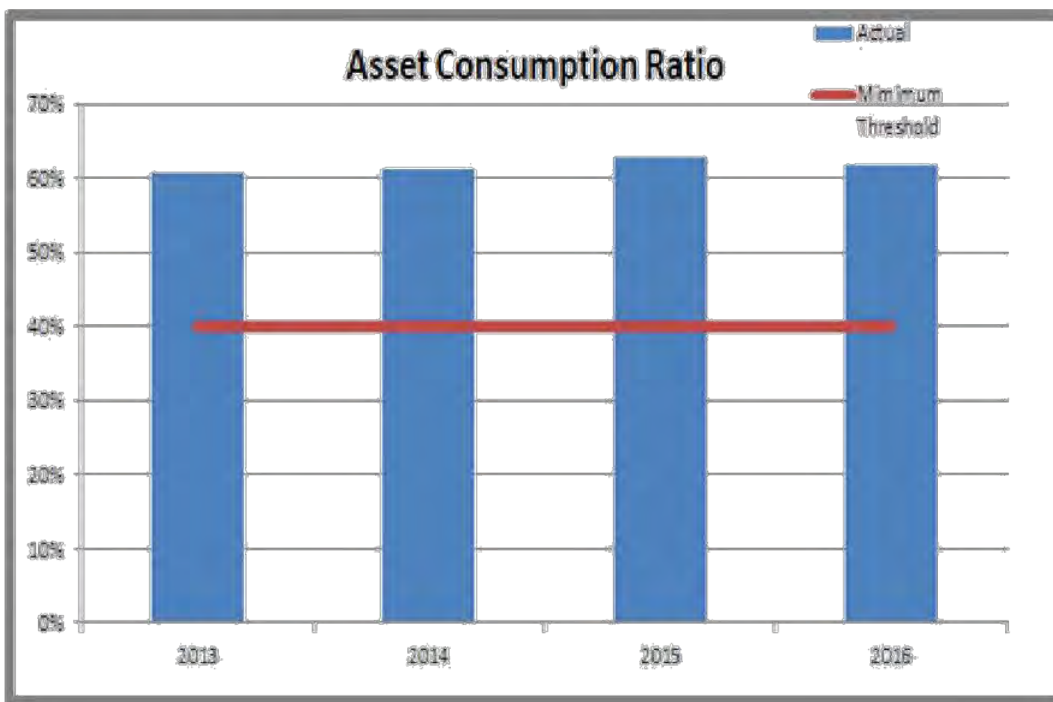


2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

2.5.2 Asset Management Performance (continued)

Asset Consumption Ratio



2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

2.5.2 Asset Management Performance (continued)

Asset Renewal Funding Ratio

Benchmark: Between 90% and 100%

Target: Between 90% and 100%

This ratio measures Council's capacity to fund future asset replacements requirements. An inability to fund future requirements will result in revenue, expenditure or debt consequences, or a reduction in service levels.

This ratio links the planned asset replacement requirements contained in the Asset Management Plans with the planned asset replacement expenditure contained in the LTFP. As shown in the table on page 9, the LTFP indicates Council will meet the benchmark for this ratio over the life of the Plan. Asset replacement expenditure shown in the LTFP for 2018 to 2022 is based on a detailed five year Capital Works Program. After the initial five years, Council has assumed 100% of depreciation will be attributed to capital expenditure with approximately 80% applied to asset renewals and 20% allocated to new assets. As Council reviews the useful lives of assets and updates the Asset Management Plans, required future capital replacements will be adjusted accordingly.

2.5.3 Liquidity Ratios

Net Financial Liabilities Ratio

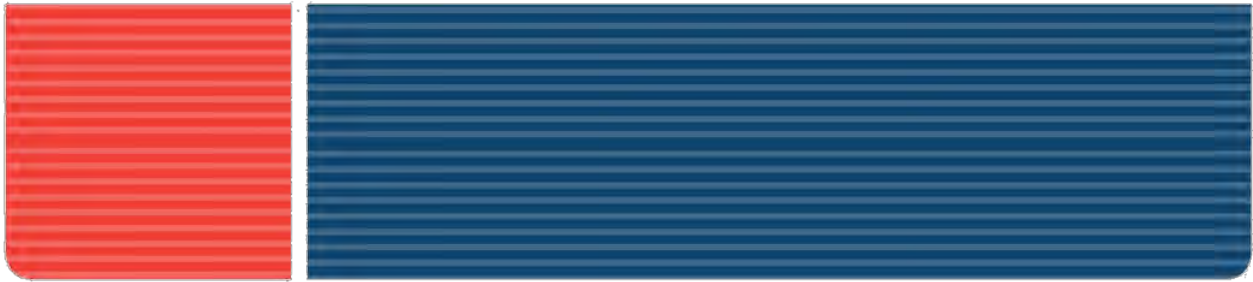
Benchmark: Between 0% and -50%

Target: Between 0% and -50%

This ratio indicates the net financial obligations of Council compared to the operating income in any one year. Where the ratio is positive, it indicates that liquid assets (cash and receivables) exceed total liabilities. Conversely a negative ratio indicates an excess of total liabilities over liquid assets meaning that, if all liabilities fell due at once, additional operating revenue would be needed to fund the shortfall in liquid assets.

Council has consistently recorded a ratio within the target range and has been assessed as being a low financial sustainability risk from a net financial liabilities perspective. Council refinanced its debt in July 2016 to take advantage of lower interest rates. Interest rate swaps have been entered into to protect Council from interest rate rises. The additional borrowings required to progress Stage 1 of LIVING CITY have been factored into the Long Term Financial Plan.

It is anticipated that Council will exceed the benchmark for this ratio due to the increased borrowings, however proceeds of asset sales and regular principal repayments will see the result gradually improve over the next 10 years.

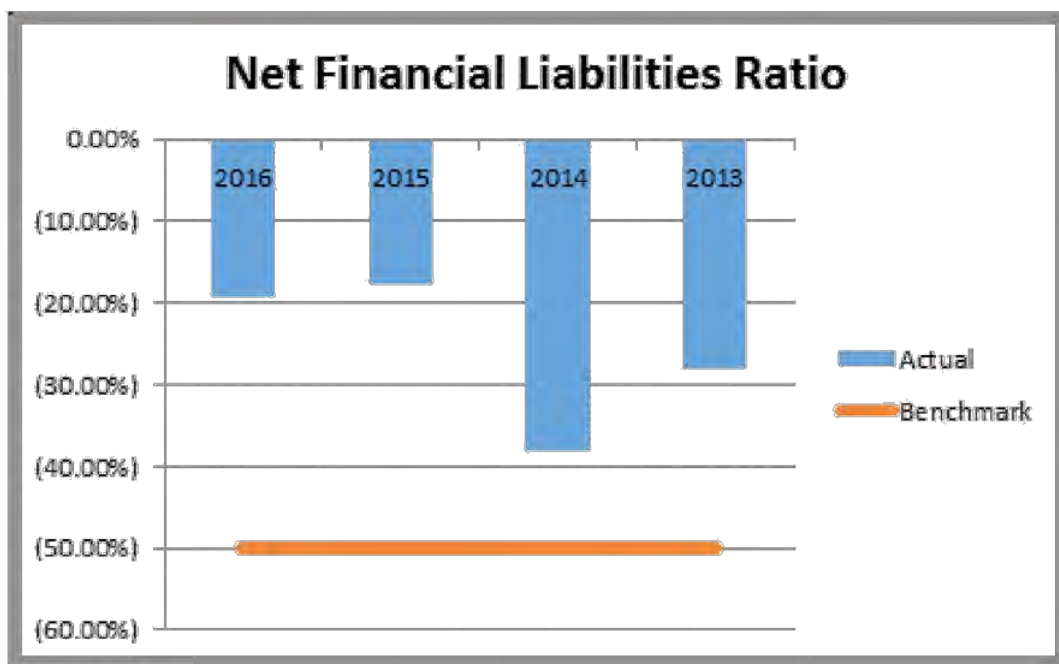


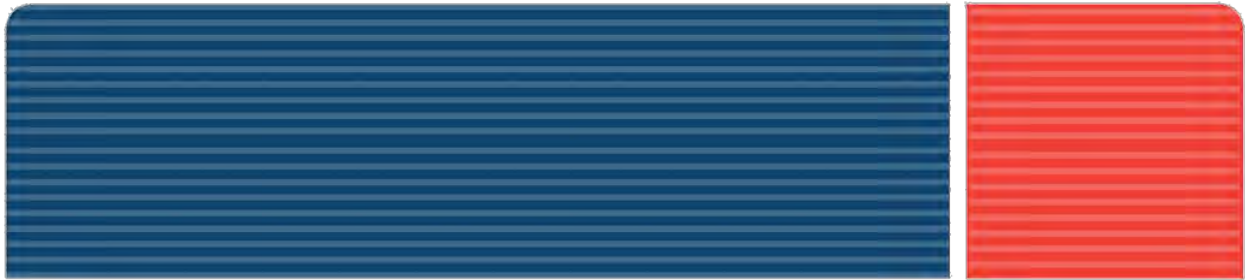
2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

2.5.3 Liquidity Ratios (continued)

Net Financial Liabilities Ratio (continued)





2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

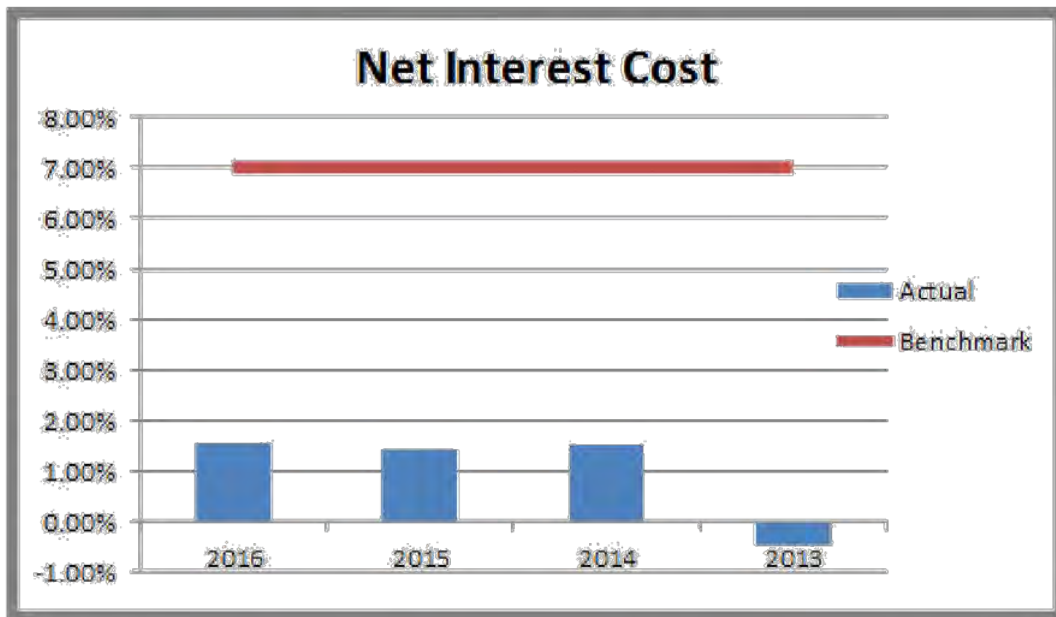
2.5.3 Liquidity Ratios (continued)

Net Interest Cost Ratio

Benchmark: 7%

Target: 5%

This ratio measures the ability of Council to meet its net interest obligations from its operating revenue. Treasury use this measurement when assessing loan requests and set the benchmark at net interest cost of 7% of recurrent revenue or less. Over the past 4 years the actual ratio is well below the benchmark of 7%. In 2013 the ratio was negative, indicating that Council received more interest income on cash reserves than it paid as interest on loans. As Council will continue to borrow to fund progression of the LIVING CITY project, this ratio will be calculated and reported by Council.



2. Financial Management Principles (continued)

2.5 Key Financial Indicators and Targets (continued)

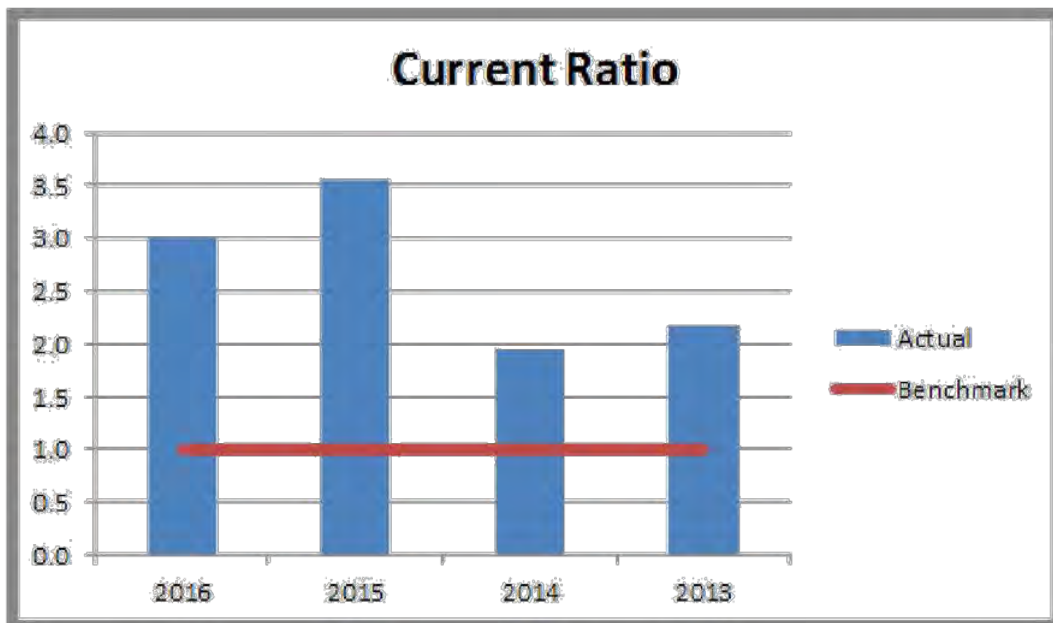
2.5.3 Liquidity Ratios (continued)

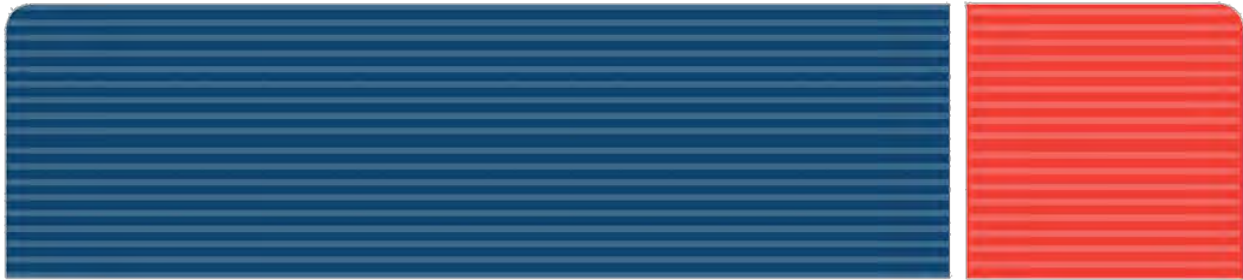
Current Ratio

Benchmark: 1 times coverage

Target: 1 times coverage

The current ratio expresses the extent to which the current liabilities of Council (i.e. liabilities due to be settled within 12 months) are covered by its current assets (i.e. assets expected to be realized within 12 months). A current ratio of 2 would mean that current assets are sufficient to cover twice the amount of Council's short term liabilities. This ratio is measured and reported as part of the monthly management reports prepared during the year. Given the nature of Council's operating cycle, the ratio is generally high at the beginning of the year and reduces throughout the financial year and is usually at its lowest at 30 June each year.





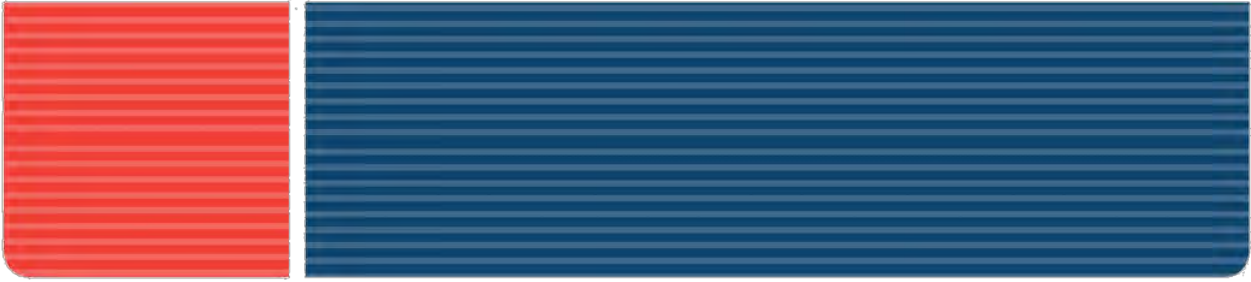
Appendix A: Long Term Financial Plan

Introduction

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



The Plan includes operational and capital expenditure to complete LIVING CITY Stage 1 and progress Stages 2 and 3. As part of the 2015/16 Federal Budget, Council was awarded \$9,999,999 grant funds as part of the National Stronger Regions Funding. The funds will continue to flow over the 2017/18 financial year. The State Government has committed to supporting the project with a sum of \$13,000,000 received in December 2016 relating to the purchase of the LINC and Service Tasmania floor space in the multi purpose building. Treasury has also approved Council's borrowing allocation of up to \$40,500,000. It is anticipated that Council will draw down up to \$39,000,000 in order to complete construction of Stage 1 of the project. The full construction costs and subsequent projected revenues and expenditure have been included in the Plan. The information included is based on the financial modelling provided to Council in March 2016, updated for the latest data available. The projected savings from the refinancing of Council's existing debt has been factored into the Plan, including the market value adjustment of \$1,709,273 paid in July 2016.



Appendix A: Long Term Financial Plan

Introduction (continued)

The Plan includes the impact of the recent decision by TasWater to reduce dividends to owner councils by one third from 1 July 2018. The impact of this decision will reduce revenue by around \$546,000 per year. Council will consider strategies to negate this shortfall in revenue projections.

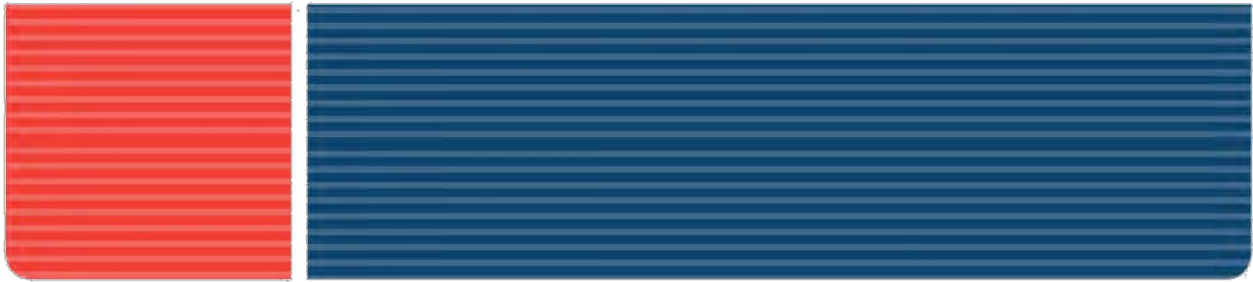
The Plan has been developed with reference to documentation released by the Auditor-General, the Institute of Public Works Engineering Australia and the working group established by the Local Government Financial and Asset Reform Project.

Appendix A: Long Term Financial Plan

Overview of the Long Term Financial Plan

	2015/16 Actual	2016/17 Budget	2016/17 Forecast	2017/18 Budget	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Recurrent Revenue	37.51	37.76	41.01	36.93	40.13	40.16	40.63	40.91	41.00	41.10	41.19	41.29	41.39
Recurrent Expenses	35.75	37.17	38.72	39.43	40.06	39.87	40.21	39.95	40.03	39.91	39.93	39.90	39.88
Operating Result	1.76	0.59	2.29	(0.60)	0.07	0.31	0.41	0.97	0.97	1.19	1.27	1.39	1.52
Underlying Surplus/(Deficit)**	3.02	(0.00)	0.00	(0.00)	0.06	0.25	0.36	0.91	0.91	1.13	1.21	1.33	1.45
Capital Expenditure:													
Carry forwards		2.14	2.14	11.14									
Renewal	5.26	5.84	5.84	6.21	6.07	6.92	6.05	6.14	7.75	7.76	7.76	7.79	7.81
New	7.30	34.02	22.63	42.71	6.23	4.02	10.58	4.50	1.81	1.81	1.82	1.82	1.82
Total Capex	12.56	42.00	30.61	60.07	12.31	10.94	16.63	10.64	9.56	9.59	9.60	9.61	9.62
Cash Balance	16.98	7.45	18.03	13.54	12.68	11.40	10.56	10.24	10.95	11.81	12.67	13.63	14.67
Net Debt Ratio	-9%	-46%	-4%	-114%	-110%	-89%	-87%	-84%	-79%	-74%	-67%	-61%	-54%

** This amount is adjusted for non recurring events and Grants paid in advance



Appendix A: Long Term Financial Plan

Overview of the Long Term Financial Plan (continued)

The above summary highlights the annual operating result, the underlying surplus/(deficit), the total estimated capital expenditure, split between renewal and new, and the anticipated cash balance at the end of each financial year. The summary includes the actual result for the 2015/16 financial year, the budget and forecast position for 2016/17, proposed budget for 2017/18 and projections for the following nine years.

The Plan identifies that Council will return an operating surplus and a small underlying surplus or breakeven position in all years of the Plan from 2018/19. The 2018/19 year reflects small operating surpluses and a breakeven underlying position as it includes the full impact of costs associated with Stage 1 of LIVING CITY. The projected car parking revenues included in the Plan presented in March 2016 have been factored in over 4 years reflecting a conservative estimate of the utilization of the new multi-purpose car park. To remain consistent with the modelling previously adopted by Council, it is assumed that no revenue from the Convention Centre will be realized, however operating costs relating to the multi purpose building have been included.

Capital expenditure is in accordance with the current 5 year capital program and targeted capital expenditure for the remaining period.

The Long Term Financial Plan takes into account the financial impact of the following recent changes to services/commitments:

- progression of the LIVING CITY project;
- revenue impact of changes to waste management charges for commercial properties; and
- ongoing maintenance and additional depreciation on all new capital expenditure.

Financial Projections

The financial statements included in the Plan reflect the projected financial position of the Devonport City Council over the next ten years.

The Plan includes:

- Estimated Statement of Comprehensive Income
- Estimated Statement of Cash Flow
- Estimated Statement of Financial Position

Appendix A: Long Term Financial Plan

Opportunities/Challenges

The financial projections are based on current knowledge and may be impacted by future changes to operating conditions and Council decisions. Some of the potential impacts are noted below:

Population

The Asset Management Plans include a modest increase in the City's population from approximately 25,000 residents to 27,100 in 2029. It is anticipated that this increase in population will be supported by green-field development meaning there will be an increase in the rate base and, in turn, the revenue that can be generated. Council will also take on gifted assets such as roads and stormwater from these developments, which will add to the maintenance and operational expenditure of Council as a whole. The growth in rate revenue and the increased costs associated with gifted assets has been factored into the Plan.

Changing Demographics

The population mix has changed considerably over the last 30 years with the trend towards an aging population set to continue. This may impact on the services and programs offered by Council and also on the facilities provided by Council. The general focus on health and wellbeing of the entire population, and not just the older members of the community, may lead to increased provision of walking/cycling tracks and sporting and recreational facilities. The Plan does not include a change to the service levels and programs currently offered to take account of potential changing demographics.

Government Policy

Council is currently reliant on both the Federal and State Governments for external grants. The amount of funding and the timing of funding is dependent on budget decisions at Federal and State level. Changes in government policy and the impact of cost shifting from one level of government to another can have major implications on the future financial sustainability of Council. It has been assumed that current government policy will remain constant over the life of the Plan.

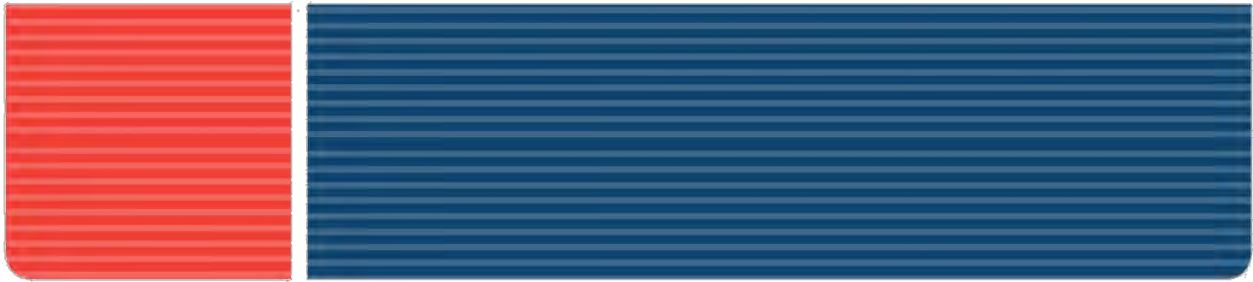
Climate Change

Council is facing potential impacts from climate change across several aspects of its operations which may impact on the Plan. These include:

- changes to the coastal environment and therefore appropriate development of these areas;
- changes to the size and use of parks and reserves surrounding vulnerable areas;
- lifestyle decisions by ratepayers, increased use of water tanks and the ability to reuse water and the potential related positive impact on the stormwater system;
- increased number and intensity of natural disasters such as storms and fires.

Indexation

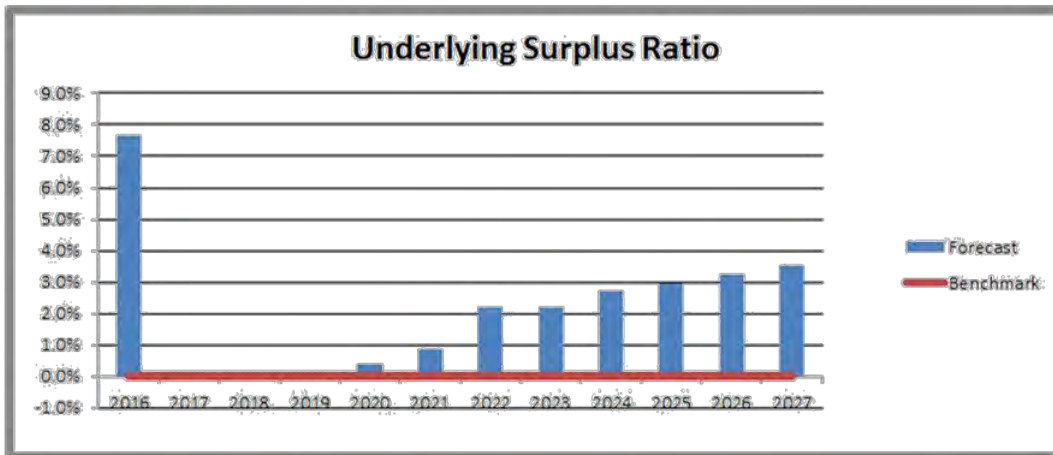
All figures are expressed in current values. Revenue and expenses have not been indexed for CPI. Any increases in revenue or expenses are the result of a change in operations or service levels. It is acknowledged that some revenues and expenses will increase by more than CPI, however it has been assumed that other expenses will increase at a lower rate and these will offset over the term of the Plan.



Appendix A: Long Term Financial Plan

Sustainability Indicators

Underlying Surplus Ratio



As mentioned earlier, this indicator is a basic measure of financial sustainability.

The strong underlying operating surplus in 2015/16 reflects actual results.

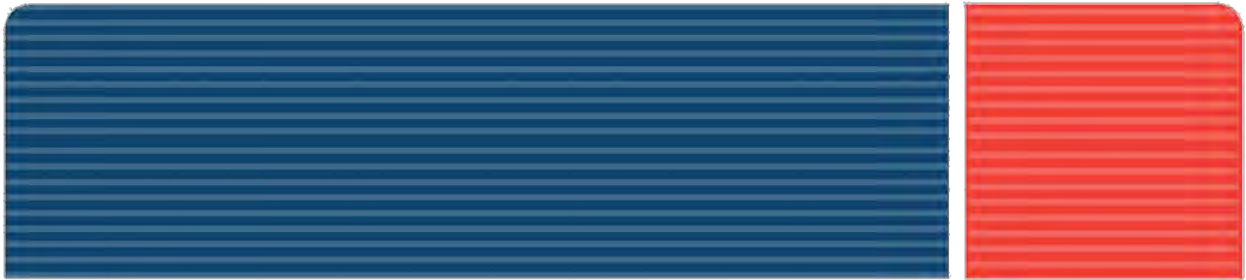
The 2017 year represents the forecast position at April 2017 and reflects a break even underlying surplus position.

The remaining years show a break even or positive underlying operating surplus ratio despite the recognition of new operating costs associated with LIVING CITY Stage 1.

The Plan includes the loss of \$546,000 revenue from TasWater in 2018/19 and the corresponding assumption that cost savings will be realized to offset the loss.

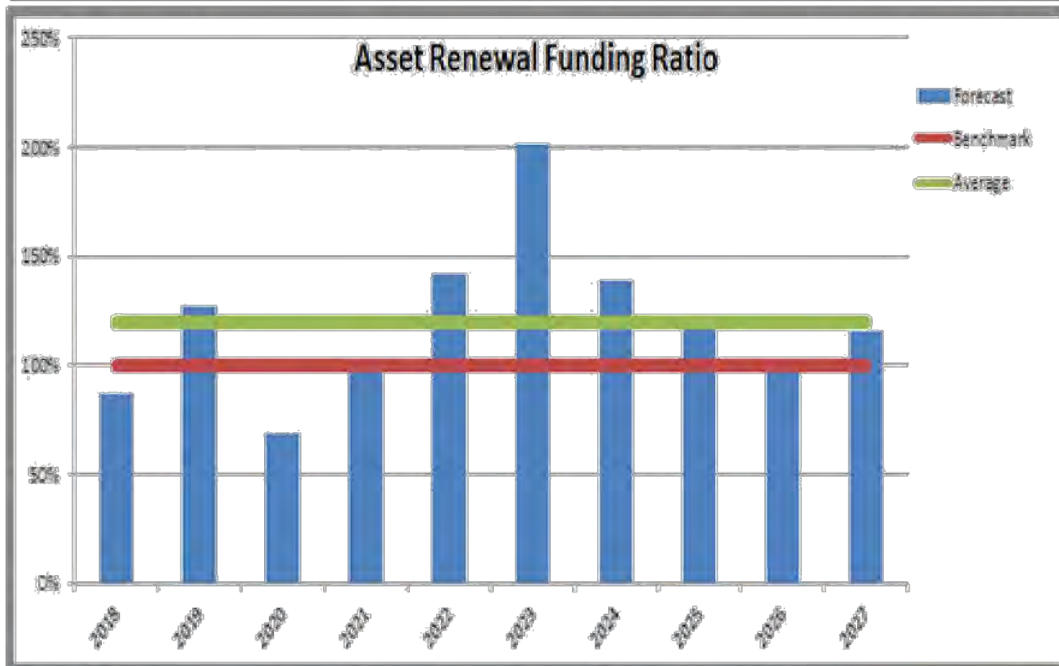
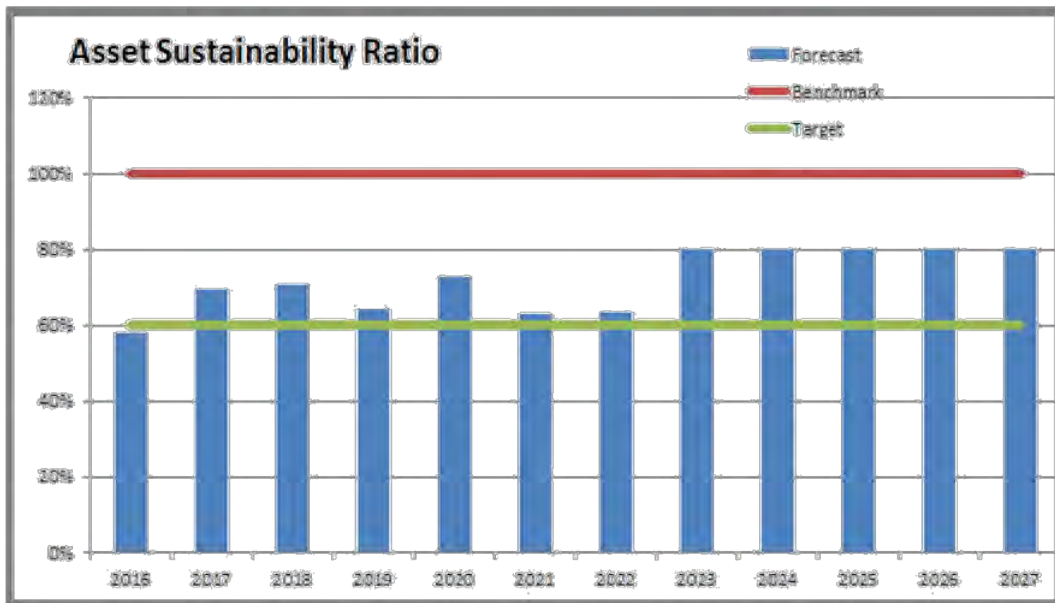
A 1.5% rates increase has been included in 2018/19 with a 1% increase in the following two years.

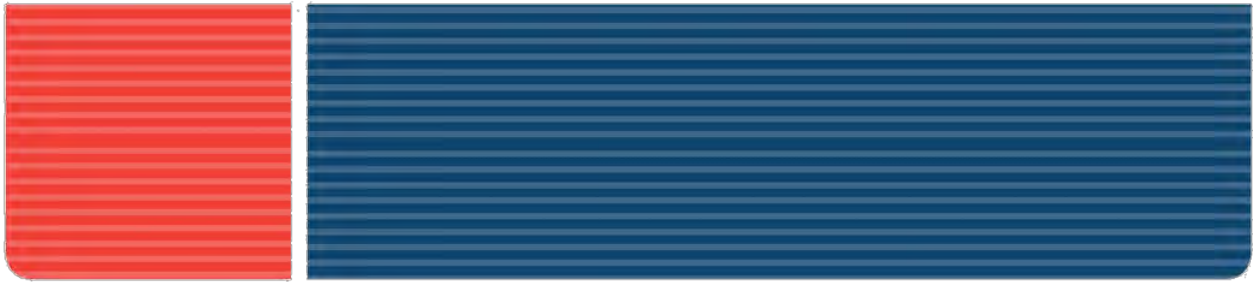
A conservative estimate of rate increases in relation to proposed development in the CBD is also included.



Appendix A: Long Term Financial Plan

Asset Renewal Funding Ratio and Asset Sustainability Ratio





Appendix A: Long Term Financial Plan

Asset Renewal Funding Ratio and Asset Sustainability Ratio (continued)

The asset sustainability ratio, compares the rate of capital spending through renewing, restoring and replacing existing assets, with the value of depreciation. The expenditure on renewing the asset base reflected in the Plan averages between approximately 60% and 80% of the relevant depreciation expense over the years from 2018 to 2027. This figure is below the benchmark set by the Auditor-General, but generally within the DCC target range of 60% to 100%. According to the criteria for assessing financial sustainability established by the Auditor-General, this indicates a medium financial sustainability risk.

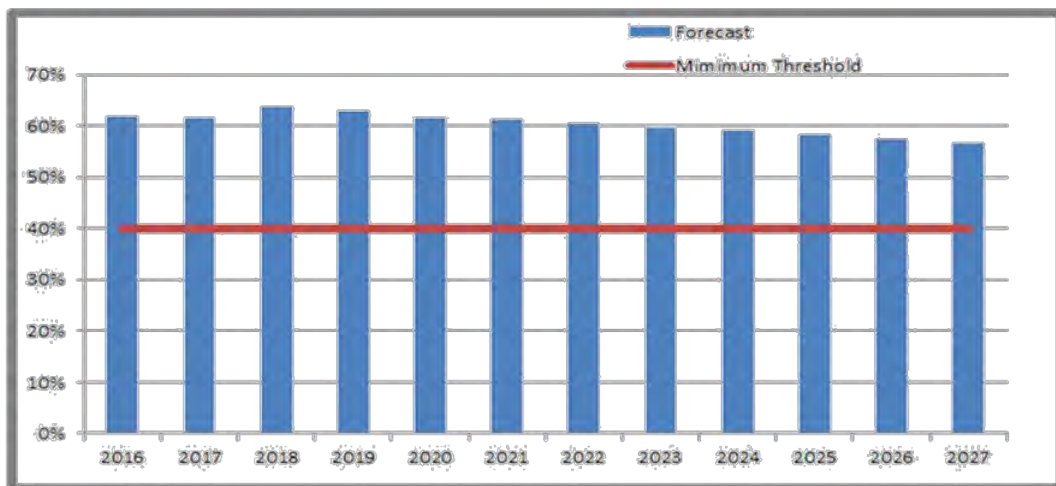
In the commentary included in the Financial Management Strategy, Council has set a target below that set by the Auditor-General as the Asset Management Plans indicate that there is no requirement to renew stormwater assets at this stage, however the asset class carries a depreciation expense of approximately \$1,100,000. This has a significant impact on the calculation of this ratio. The other influence is the increased expenditure on new assets in recent years with the Mersey Bluff redevelopment, the Aquatic Centre and the purchases of properties for the LIVING CITY project and current construction of Stage 1. This expenditure results in additional depreciation expense but does not necessarily translate into an increased renewal requirement in the short to medium term.

The asset renewal funding ratio measures the planned expenditure on renewing assets in the Long Term Financial Plan with the projected renewal expenditure as determined in the Asset Management Plans. As discussed earlier this document demonstrates that Council plan to adequately fund capital renewal requirements as identified in its Asset Management Plans.

It should be noted that the Plan allows for maintenance on the majority of new capital expenditure. This maintenance expenditure may reduce the level of renewal expenditure required in the future.

Appendix A: Long Term Financial Plan

Asset Consumption Ratio



The asset consumption ratio shows the depreciated replacement cost of Council's depreciable assets relative to their replacement value.

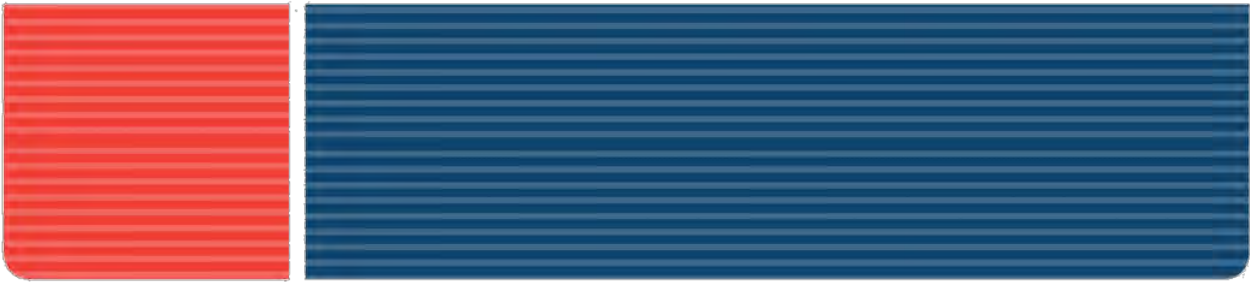
Council is meeting the benchmark of between 40% and 60% considered appropriate for this ratio, however the ratio is declining and Council must continue to closely monitor the ongoing maintenance and condition of assets to ensure they are adequately renewed. Close scrutiny is paid to the asset consumption ratio for roads as this is a major asset class.

At 30 June 2016, the road consumption ratio was 46.1% and had improved slightly over the past four years.

In 2014 DCC engaged contractors to conduct a road condition survey, which included evaluation of the pavement condition, between 1 (new condition) and 5 (requires renewal or replacement).

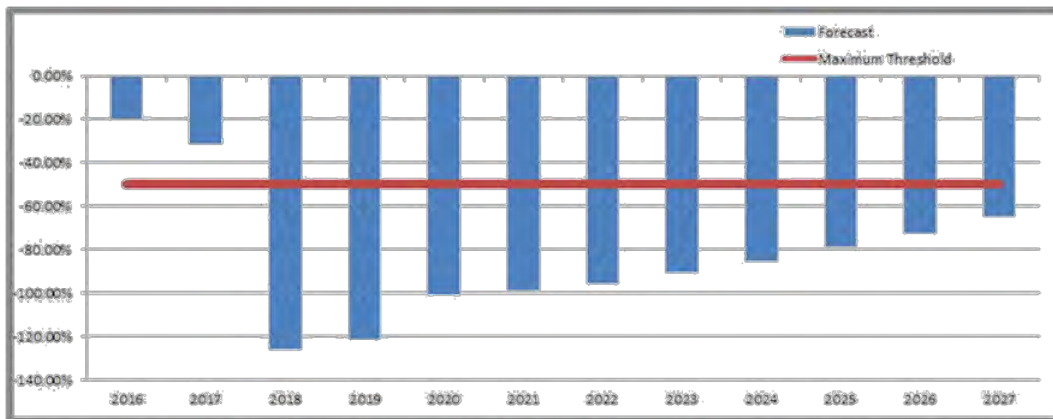
The average condition was 2.2, which indicated the road network was in reasonable condition.

The recent Road Management in Local Government review undertaken by the Tasmanian Audit Office also concluded that Council roads are in a reasonable condition, but recommended that Council continues to monitor its renewal.



Appendix A: Long Term Financial Plan

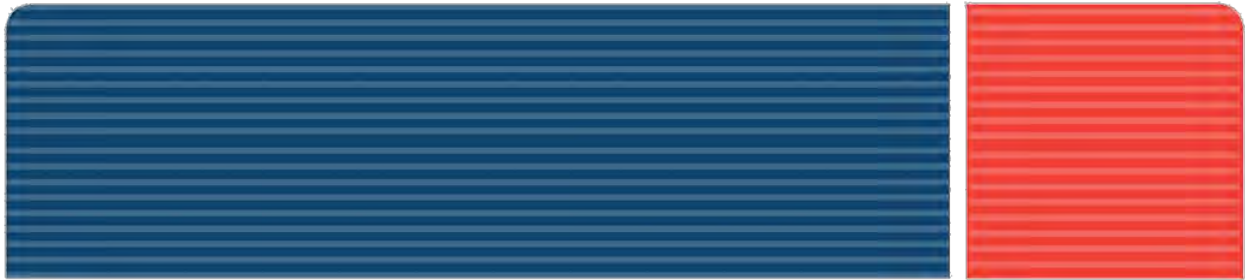
Net Financial Liabilities Ratio



Net Financial Liabilities represent the total value of liabilities less cash and receivables. The net financial liabilities ratio increases in 2017 which reflects the additional borrowings in relation to Stage 1 of LIVING CITY. The maximum additional borrowings for Stage 1 is \$39,000,000.

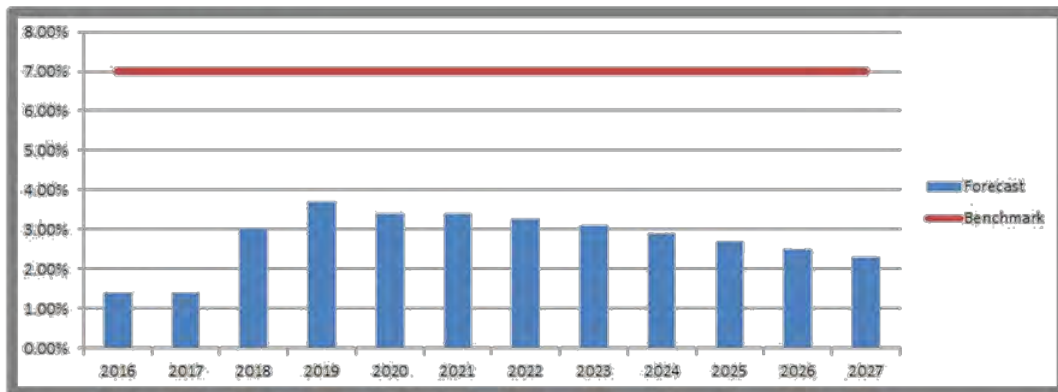
The forecast for the ratio exceeds the benchmark range and the target range set by Council from 2018, which was acknowledged in the LTFP presented to Council in March 2016. The Treasurer has approved the additional borrowing limit despite this result. The Plan includes substantial reduction of the loan balance over the 10 years with the sale of land and buildings and regular principal repayments factored into future cash flows.

Based on the Plan the cash balance will stay above the target balance of \$3,000,000 for the duration of the Plan.



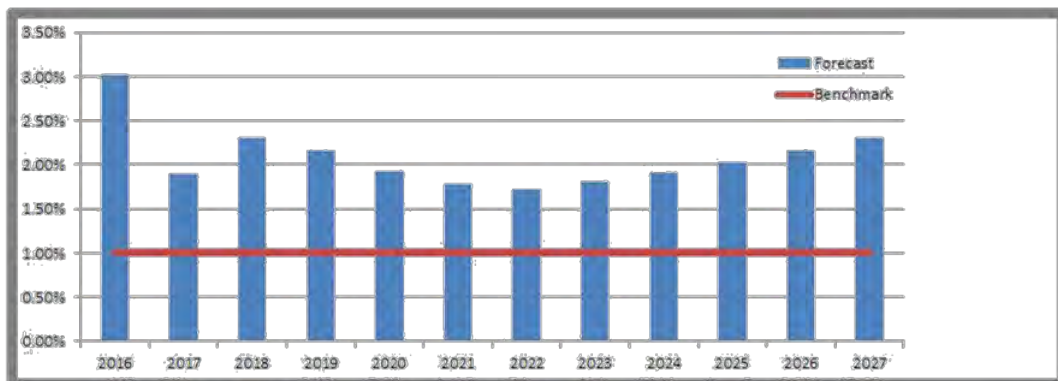
Appendix A: Long Term Financial Plan

Net Interest Cost Ratio



As demonstrated, the net interest cost to Council is well below the benchmark of 7% of recurrent revenue. At the current borrowing levels, Council can comfortably meet its net interest obligations from ongoing operations. This ratio takes into account the additional interest relating to the increased borrowings.

Current Ratio



This ratio demonstrates Council's ability to repay its short term debts from its current assets. The ratio remains above the benchmark for all of the years shown.

Appendix A: Long Term Financial Plan

Estimated Statement of Comprehensive Income

	2018 Actual	2017 Budget	2017 Forecast	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2027 Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurrent income												
Rates and service charges	36,485	36,870	37,535	37,430	38,037	38,937	39,454	39,876	39,876	39,876	39,876	39,876
Fees and charges	5,553	5,333	6,044	6,412	6,739	6,554	6,763	6,763	6,763	6,763	6,763	6,763
Government Grants	1,324	2,127	2,107	1,103	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125
Contributions	62	62	101	62	62	62	62	62	62	62	62	62
Investment returns	2,824	2,227	2,858	2,544	2,928	1,939	1,918	1,926	1,926	1,926	1,926	1,926
Other revenue	1,265	1,059	1,185	1,028	1,140	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Total recurrent income	37,513	37,755	41,010	38,534	40,132	40,181	40,445	40,915	40,715	41,075	41,133	41,313
Recurrent expenses:												
Employee costs	11,369	12,126	11,105	12,041	12,755	12,756	12,554	12,554	12,710	12,719	12,719	12,719
Materials and services	11,805	11,915	12,779	12,356	12,340	12,342	12,402	12,394	12,394	12,403	12,414	12,403
Depreciation	2,645	2,311	2,330	2,314	2,435	2,435	2,441	2,435	2,435	2,435	2,435	2,435
Finance costs	1,451	1,377	2,436	1,470	1,503	1,463	1,463	1,465	1,465	1,465	1,465	1,465
Taxes & fees	2,124	2,238	2,377	2,440	2,439	2,437	2,437	2,437	2,437	2,437	2,437	2,437
Other expenses	938	1,044	1,132	1,425	1,430	1,430	1,430	1,427	1,430	1,430	1,430	1,430
Internal charges	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(657)	(657)
Total expenses	35,749	37,164	38,719	37,450	40,041	39,874	40,211	39,947	40,032	39,909	39,925	39,977
Surplus/(Deficit) before Capital Items	1,764	691	2,291	(816)	71	307	414	949	944	1,166	1,248	1,316
Capital items												
Net Gain/(Loss) on disposal of assets	(3,580)	(697)	(1,375)	(637)	(630)	(6,166)	(200)	(200)	(200)	(200)	(200)	(200)
Change in value of investments	637	103	103	141	141	141	141	141	141	141	141	141
Capital Grants & Contributions	2,862	19,128	6,933	9,611	2,634	1,124	4,494	424	424	424	424	424
Change in value - investments	1,433	-	-	-	-	-	-	-	-	-	-	-
Net surplus/(deficit)	-4,035	19,127	4,355	8,519	2,434	(2,509)	6,777	1,533	1,331	1,751	1,833	2,081

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FINANCIAL MANAGEMENT STRATEGY 2027

Appendix A: Long Term Financial Plan

General Assumptions

Indexation

All data is expressed at current value, that is, data relating to prior years is as stated in the Annual Report for that year and all projections are expressed in 2016/17 values. Revenue and expenses have not been indexed for CPI. Any changes in revenue or expenses in excess of or below CPI are explained below.

Rounding

All amounts in the Plan are rounded to the nearest \$1,000. Any rounding errors have been corrected in the Plan.

Specific Assumptions

Rate & Service Charges

Council currently has two rating categories – general and service rates.

General rates are levied based on the Assessed Annual Value of properties, as determined by the Valuer General. Council adopts differential rating based on the use of the property/land. During 2015/16 Council changed its rating methodology and introduced a \$300 fixed charge and a change cap. The Plan assumes the fixed charge will remain in place at the current level and the change cap will not increase in the future. Supplementary rates are included in each year and take into account both historical trends, predictions for future population growth and construction in the CBD in relation to LIVING CITY Stages 1, 2 and 3.

2017/18 year will see changes to the waste management service charge to improve consistency across all rating categories. The changes have been reflected in the revenue estimate in 2017/18.

The Plan assumes that rates and waste management charges will not increase by more than CPI for the majority of the Plan, however a 1.5%, 1% and 1% increase in the general rate has been included for the 2018/19, 2019/20 and 2020/21 years respectively.

Fees and Charges

This category covers a wide range of Council services including revenue from:

- planning and development applications;
- inspections;
- transfer station;
- animal registrations;
- parking fees and fines; and
- admissions relating to various Council owned facilities, eg, Devonport Recreation Centre and the Devonport Entertainment and Convention Centre, etc.

It has been assumed that parking revenue in relation to the new car park in Best Street will be at the most conservative estimate included in the LTFP adopted in March 2016 and will be recognised progressively over 4 years. All changes to rental income from commercial properties have been factored into the Plan.

Other levels of fees and charges are anticipated to remain constant over the Plan.

Appendix A: Long Term Financial Plan

Specific Assumptions (continued)

Grant Income

Operating grants are received from both State and Federal Government for the purpose of delivering Council services.

The main source of grant revenue is from the State Grants Commission (SGC) in the form of Financial Assistance Grants (FAG). The Federal Government announced in the 2014/15 budget that the level of these grants will be frozen for three years.

In the 2017 Federal budget it was announced the reintroduction of indexation of the FAG; however, the level of FAG revenue has been maintained at the current level, that is, no increase has been factored into the Plan for this item of revenue.

Investment Revenue

Interest Income

Interest on investments has been calculated on the estimated average cash balance. Historically, cash levels are higher in the first half of the financial year than in the second, due to the timing of rate receipts and Council's capital expenditure program. An average interest rate of 2.25% has been used to forecast interest revenue in the Plan. Interest income fluctuates over the term of the Plan due to changing investment balances.

Dividends Received

Dividends from TasWater are based on advice received from the entity and take into account the proposed distribution from 2015/16 to 2017/18 based on the reduced charges recommended by the Economic Regulator. The total distribution was frozen at \$1,638,000 in 2015/16 until 2017/18 and will then reduce by a third to \$1,092,000 for the remainder of the Plan.

Distribution from Dulverton Regional Waste Management Authority is expected to be \$614,000 in 2017/18 and \$500,000 for the remainder of the Plan.

Other Revenue

This category includes commission received through operations of the Devonport Entertainment Centre and the Visitor Information Centre, recoveries from the Monetary Penalties Enforcement Service, and minor sundry income.

The current management agreement with Belgravia to manage Splash – leisure and aquatic centre allows Council to recover utility costs in relation to the centre. The contract with Belgravia is for a period of 5 years ending in 2018. It is assumed that the recoveries will continue for the remainder of the Plan.

Appendix A: Long Term Financial Plan

Specific Assumptions (continued)

Service Levels and New Developments

The Plan assumes existing service levels will remain constant throughout the period. As stated in the introduction, expenditure on new capital will result in increased operational expenditure in the future. Allowance has been made for the additional operating, maintenance and depreciation costs associated with capital expenditure on new assets.

Maintenance costs on these developments and any other new capital expenditure has been allowed for at the following rates:

- Roads & Stormwater 1.0% of new capital expenditure; and
- Facilities and Open Space 1.0% of new capital expenditure.

The additional maintenance costs have been allocated evenly across employee benefits and materials and services. This allows for a real increase in the number of employees and in the cost of materials to undertake this additional work.

Additional operational and maintenance costs of \$433,000 per year in relation to Council owned LIVING CITY buildings has been included in the Plan.

Council is consistently focused on ensuring services are delivered as efficiently and effectively as possible. This involves regular reviews of service levels and the method of delivery to ensure costs are kept at sustainable levels.

Employee Benefits

Employee benefits include salaries and wages and all employment related expenses including payroll tax, employer superannuation, leave entitlements, fringe benefits tax, workers compensation insurance and professional development.

Employee benefits increase annually over the duration of the Plan and represent the increased maintenance required on new capital expenditure. The additional employee numbers to perform these maintenance tasks have not been quantified, however the costs are relative to historical data.

Materials and Services

This category of expenditure covers a wide range of costs and represents the majority of Council's day to day operational expenditure. Despite constant cost increases, the cost management culture evolving throughout Council aims to maintain the level of expenditure in materials and services costs in line with CPI, with adjustments only being made for known variances. These include:

- timing of expenditure for increased valuation costs;
- additional savings to offset the loss of TasWater dividends; and
- movements in the management fee paid to Belgravia in relation to Splash.

This category also includes the additional cost of materials associated with maintenance of new capital expenditure.

Appendix A: Long Term Financial Plan

Specific Assumptions (continued)

Depreciation

Depreciation expense is based on the current written down value of property, plant and equipment, increased for new capital additions. The asset base has not been indexed or revalued in this Plan so as to remain consistent in the presentation of figures in real dollar terms.

The amount of depreciation is expected to increase at a rate of approximately 1% of the value of the related year's capital expenditure estimates, and as such depreciation costs will continually increase over the life of the Plan.

Depreciation is expected to increase by \$877,000 as a result of new buildings and infrastructure within Stage 1 of LIVING CITY.

Finance Costs

Finance costs include interest expense on borrowings and general bank charges across Council accounts. Interest expense over the period of the Plan is based on existing and new debt requirements.

Levies and Taxes

Council rates, land taxes and fire service levies are included in this category of expenditure. Council rates are shown on Council owned properties to reflect the total cost of operating these facilities. Land tax and fire service levies are based on the assessment received from the State Government.

While Council is planning to dispose of surplus properties, it is not anticipated that the sales will have a material impact on the level of rates or land tax.

Other Expenses

This category includes expenses relating to elected members, donations and sponsorships payable to community organisations and rate remissions.

It is expected that these costs will remain constant over the life of the Plan with the only exception being that every fourth year costs will increase to reflect the holding of Council elections.

Internal Charges

The balance shown in this category represents internal charges for plant hire, allocation of employee on-costs and distribution of overheads for the Infrastructure and Works Department applicable to capital jobs.

The dollar amount recharged to capital jobs is directly related to the amount of time Council staff spend on capital jobs.

Capital Grants

Roads to Recovery program increased in 2016/17 and then reverted to the historical funding level for the remaining life of the Plan.

Appendix A: Long Term Financial Plan

Specific Assumptions (continued)

LIVING CITY Project

Council is committed to progressing the LIVING CITY project and the Plan reflects the estimated income and expenditure for the project as is known at the time of writing.

Revenue includes all current rental income in relation to the strategic properties purchased as part of the project and all holding costs. Assets and borrowings in relation to the project are reflected in the Estimated Statement of Financial Position.

The following assumptions relate specifically to LIVING CITY:

- Rental from the Food Pavilion will commence in 2017/18, however the first full year will be 2018/19;
- Rental from the café in the multi-purpose building will commence in 2018/19;
- Revenue from the new car park will not reach total projected levels for 4 years;
- Harris Scarfe rental income will cease at the end of 2019/2020;
- It is assumed that Council will dispose of LIVING CITY assets in 2019/20 for a total of \$6,000,000. These funds will be used to reduce debt at the time;
- Construction of Stages 2 and 3 will progress as planned; and
- Council will borrow up to \$39,000,000 to construct Stage 1, at an average rate of 3.4% over the 10 years.

Appendix A: Long Term Financial Plan

Estimated Statement of Cash Flows

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flow from Operating Activities:													
Receipts:													
- Rates and user charges	31,424	31,745	33,124	33,621	34,470	35,276	35,456	35,456	35,456	35,456	35,456	35,456	35,456
- Government grants	1,225	2,127	3,127	1,100	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125
- Refund of GST tax credits	1,473	1,473	4,050	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473
- Contributions	62	62	61	3	3	3	3	3	3	3	3	3	3
- Interest	641	250	420	252	250	153	141	150	150	150	175	175	216
- Investment revenue from wastewater	929	2,244	2,339	1,700	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269	1,269
- Other receipts	1,452	1,141	1,316	1,076	1,140	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133
Total Receipts	37,144	39,164	44,704	39,230	40,843	40,872	41,134	41,424	41,509	41,404	41,704	41,803	41,904
Payments:													
- Employee & supplier costs	25,975	27,274	27,227	26,219	27,225	27,225	27,225	27,225	27,225	27,225	27,225	27,225	27,225
- Borrowing costs	1,079	1,077	2,435	1,523	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033
- Other expenses	839	1,048	1,132	1,426	1,429	1,429	1,429	1,429	1,429	1,429	1,429	1,429	1,429
Total Payments	27,893	29,411	30,844	31,108	31,101	30,784	30,843	30,784	30,721	30,719	30,877	30,877	30,877
Net Cash from operating activities	9,273	9,745	13,842	8,062	9,542	10,081	10,430	10,444	10,485	10,485	10,915	11,124	11,249
Cash Flow from Investing Activities:													
Receipts:													
- Proceeds from sale of non-current assets	304	300	100	8	100	100	100	100	100	100	100	100	100
- Capital Grants	1,214	4,923	2,929	6,711	2,924	4,374	4,374	4,374	4,374	4,374	4,374	4,374	4,374
- Dividend Revenue	624	372	500	614	500	500	500	500	500	500	500	500	500
- Capital Contributions	-	13,000	13,000	-	-	-	-	-	-	-	-	-	-
- Other Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments:													
- Carry forwards	(2,142)	(2,142)	(2,142)	(11,144)	(4,624)	(4,624)	(4,624)	(4,624)	(4,624)	(4,624)	(4,624)	(4,624)	(4,624)
- Asset disposals	(5,925)	(5,925)	(5,925)	(6,310)	(6,310)	(6,310)	(6,310)	(6,310)	(6,310)	(6,310)	(6,310)	(6,310)	(6,310)
- New assets	(5,982)	(24,020)	(20,824)	(42,711)	(4,823)	(4,823)	(4,823)	(4,823)	(4,823)	(4,823)	(4,823)	(4,823)	(4,823)
Net Cash used in investing activities	(9,771)	(23,500)	(12,078)	(50,735)	(9,332)	(5,743)	(9,444)	(8,564)	(8,403)	(8,403)	(8,421)	(8,434)	(8,450)
Cash Flow from Financing Activities:													
Receipts:													
- New loans	-	6,000	-	36,000	-	-	-	-	-	-	-	-	-
Payments:													
- Loan principal repayments	(283)	(730)	(732)	(828)	(1,024)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
Net Cash from (or used in) financing activities	(985)	4,210	(732)	36,171	(1,075)	(7,141)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
Net Increase/(Decrease) in cash held	(1,483)	(9,545)	(1,052)	(4,462)	(645)	(315)	(711)	(557)	(557)	(557)	(557)	(557)	(557)
Cash at beginning of reporting period	18,553	16,975	16,975	16,027	13,545	12,650	11,395	10,565	10,241	10,952	11,811	12,673	13,625
Cash at end of reporting period	16,175	7,450	16,027	13,545	12,490	11,345	10,684	10,241	10,952	11,811	12,479	13,425	14,470



Appendix A: Long Term Financial Plan

Estimated Statement of Cash Flows (continued)

Sale of Assets

The statement includes proceeds of \$7,000,000 over 10 years from sale of assets and plant and equipment. Sale of assets in relation to LIVING CITY accounts for \$6,000,000 of this total.

Capital Works

The capital expenditure shown in the statement is split between expenditure on renewals and new capital projects as outlined in the 5 year capital program. The remaining years ensure renewal expenditure is 80% of depreciation expense. The expected project cost for Stage 1 of LIVING CITY is \$69,600,000.

Borrowings

An additional \$39,000,000 of borrowings will be drawn down in 2017/18.

Appendix A: Long Term Financial Plan

Estimated Statement of Financial Position

	2018 Actual	2017 Budget	2017 Forecast	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets													
Current Assets													
Cash and cash equivalents	14,225	7,480	10,027	13,845	12,280	11,255	10,556	10,241	10,592	11,211	12,673	12,225	14,570
Receivables	1,370	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Other Assets	76	76	76	76	76	76	76	76	76	76	76	76	76
Total Current Assets	16,771	8,666	11,213	15,031	13,466	12,441	11,742	11,427	12,778	12,397	13,859	14,411	15,856
Non-current Assets													
Capital works in progress	10,395	49,345	35,717	60,235	5,814	5,416	3,451	3,451	3,451	3,451	3,451	3,451	3,451
Provisions	4,239	4,244	4,244	4,244	5,184	5,267	5,409	5,549	5,689	5,831	5,972	6,113	6,254
Investment in associates	83,654	85,654	85,654	85,654	85,654	85,654	85,654	85,654	85,654	85,654	85,654	85,654	85,654
Investment in TowWater	411,443	419,001	429,010	427,001	424,554	423,933	422,552	422,239	422,107	421,820	420,755	420,089	419,022
Property, plant and equipment	512,441	545,904	535,348	548,745	571,148	562,248	546,875	527,442	546,912	564,784	545,852	565,317	544,371
Total Non-current Assets	531,202	554,540	554,561	553,476	555,014	572,549	578,617	578,647	579,050	577,781	579,711	580,128	580,247
Total Assets													
Liabilities													
Current Liabilities													
Payables	2,162	2,162	7,162	2,179	2,179	2,161	2,160	2,160	2,160	2,163	2,159	2,162	2,161
Provisions	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146
Financial liabilities	822	823	823	1,075	7,160	1,211	1,201	1,201	1,203	1,202	1,203	1,204	1,200
Total Current Liabilities	4,250	4,187	10,157	4,400	12,445	6,538	6,607	6,677	6,739	6,831	6,847	6,902	6,897
Non-current Liabilities													
Provisions	455	455	455	455	455	455	455	455	455	455	455	455	455
Income Received in Advance	19,215	20,885	18,000	25,834	45,272	45,561	44,881	43,330	41,507	40,525	38,856	37,232	35,265
Financial liabilities	20,070	24,343	32,344	57,489	50,127	44,416	45,134	43,785	42,342	41,240	39,321	37,747	35,770
Total Non-current Liabilities	24,210	30,500	42,321	43,489	62,572	52,954	51,743	50,462	49,111	48,091	46,188	44,449	42,487
Total Liabilities													
Net Assets	504,912	524,040	512,040	519,787	522,422	519,895	526,874	528,407	529,939	531,690	533,503	535,479	537,540
Equity													
Accumulated Surplus	194,876	216,004	204,004	201,751	204,266	211,939	218,638	220,271	221,923	223,564	225,437	227,443	229,534
Asset Revaluation Reserves	238,770	238,770	238,770	238,770	238,770	238,770	238,770	238,770	238,770	238,770	238,770	238,770	238,770
Other Reserves	9,266	9,266	9,266	9,266	9,266	9,266	9,266	9,266	9,266	9,266	9,266	9,266	9,266
Total Equity	504,912	524,040	512,040	519,787	522,422	519,895	526,874	528,407	529,939	531,690	533,503	535,479	537,540

Appendix A: Long Term Financial Plan

Estimated Statement of Financial Position (continued)

Cash & Cash Equivalents

The cash balance has been derived from the Estimated Statement of Cash Flow. The cash balance has not been discounted for the effect of inflation and is shown in today's dollars.

Capital Work in Progress

This balance relates to capital projects that span more than one financial year.

Investment in Associates and TasWater

A small increase in the value of investment in Dulverton Regional Waste Management Authority has been factored into the Plan. This assumption is based on the forecast Statement of Financial Position as advised. It is assumed that the investment in TasWater will remain constant.

Property, Plant & Equipment

Capital expenditure on new assets and on renewal of existing assets is in accordance with the 5-year capital program. The remaining years ensure renewal expenditure is approximately 80% of depreciation expense.

The balance takes into account any disposals of assets, contributed assets and depreciation of the existing asset base as well as additions.

Financial Liabilities

A maximum of \$39,000,000 of borrowings will be drawn down in 2017/18 and all principal repayments have been included in the Plan.



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5.3 ANNUAL PLAN AND BUDGET ESTIMATES - 2018

File: 33617 D458225

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.5.1 Provide financial services to support Council's operations and meet reporting and accountability requirements

SUMMARY

The purpose of this report is to present Council with the Annual Plan and Budget Estimates for the 2017/18 financial year.

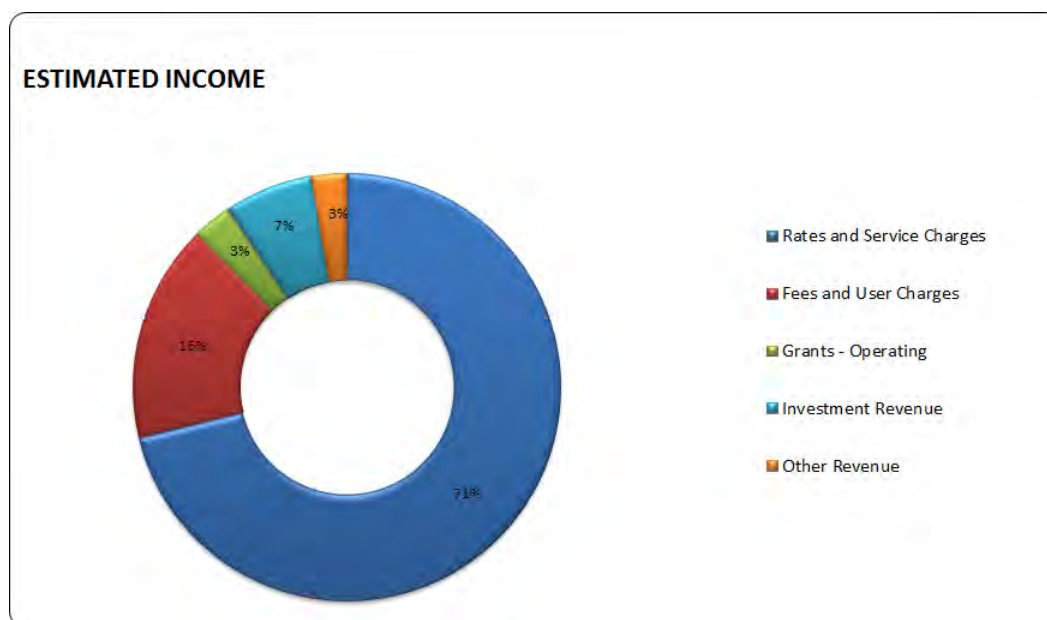
The recommendations provided as part of this report will set the rates and charges that are to apply for the year ending 30 June 2018.

The Annual Plan and Budget Estimates document has been circulated separately to the agenda. It is also available for public viewing on the Council's website at www.devonport.tas.gov.au, the Devonport LINC or at the City Offices.

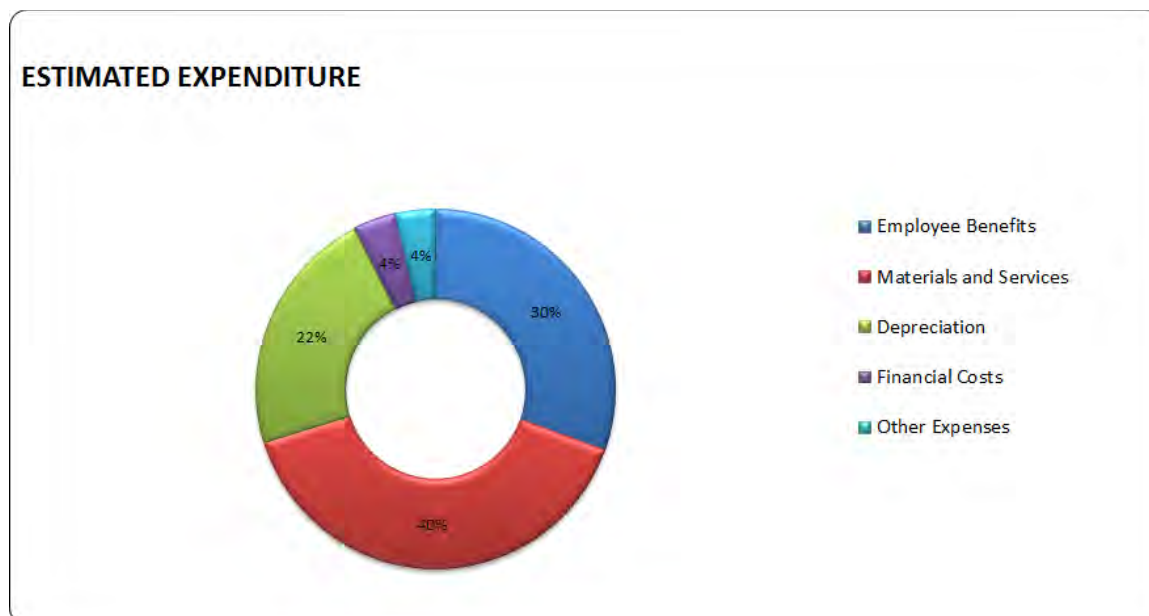
BACKGROUND

Council has developed the 2018 budget, capital works and fees and charges through a Workshop process.

Council receives revenue from a variety of sources, however its main income is generated from rates and charges which equates to approximately 71 per cent of total estimated revenue for the financial year.



In relation to its expenditure approximately 30 per cent is for employee costs, 40 per cent for materials and services and 22 per cent for depreciation.



The following financial statements have been included within the Annual Plan:

- Estimated Statement of Comprehensive Income
- Estimated Statement of Financial Position (Balance Sheet)
- Estimated Statement of Cash Flows

STATUTORY REQUIREMENTS

The *Local Government Act 1993* requires that the General Manager must prepare estimates of Council's revenues and expenditure for each financial year. Estimates are to contain details of the estimated:

- revenue of the council;
- expenditure of the council;
- borrowings by the council; and
- capital works of the council.

Section 71 of the *Act* requires Council to adopt an Annual Plan each year. The Annual Plan is to be:

- consistent with the strategic plan; and
- include a statement of the manner in which the Council is to meet the goals and objectives of the strategic plan; and
- include a summary of the estimates adopted under section 82; and
- include a summary of the major strategies to be used in relation to the Council's public health goals and objectives.

Part 9 of the *Local Government Act 1993* provides Council with the ability to determine the rates and charges that may be applied to properties within its municipal area.

The *Act* requires that rates must be set by Council not earlier than 1 June and not later than 31 August.

Amendments to the *Local Government Act 1993* in 2013 identified the following principles in relation to making or varying rates:

86A. *General principles in relation to making or varying rates:*

- (1) *A council, in adopting policies and making decisions concerning the making or varying of rates, must take into account the principles that –*
 - (a) *rates constitute taxation for the purposes of local government, rather than a fee for a service; and*
 - (b) *the value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.*
- (2) *Despite subsection (1), the exercise of a council's powers to make or vary rates cannot be challenged on the grounds that the principles referred to in that subsection have not been taken into account by the council.*

DISCUSSION

The Annual Plan is an integral part of Council's reporting requirements. The Annual Plan includes the statutory reporting requirements which Council are to meet. It also outlines the Council's plans for the ensuing year which is then reported against in the Annual Report.

Council's 2018 budgeted net operating surplus before depreciation expense and capital related income is \$8.221M. This compares to the 2017 forecasted result of \$10.681M. The overall budget result for the 2018 year is an operating deficit of \$596K inclusive of depreciation expenses of \$8.816M. The budget provides for a breakeven underlying surplus after capital and other items.

Council is required to maintain a Financial Management Strategy (FMS). The FMS covers a 10-year planning horizon and will now be updated annually as part of the budget process. The FMS is an important part of Council's overall financial management and sustainability framework. The updated FMS is subject to a separate report on this agenda.

The General Rate increases and the total rating revenue increase in dollars for the past six (6) years is as follows:

Year	% Increase (General Rate only)	Total rates revenue '000	Increase from previous year '000	Adjusted Increase from previous year %
2013 (actual)	1.8%	25,019	1,183	4.96%
2014 (actual)	1.6%	26,084	1,065	4.25%
2015 (actual)	0.0%	26,384	300	1.15%
2016 (actual)	0.0%	26,458	74	0.28%
2017 (forecast)	0.0%	27,335	877	3.31%
2018 (budget)	0.0%	27,638	303	1.10%

Note: The forecast increase in 2016/17 primarily relates to supplementary rate income received.

Report to Council meeting on 26 June 2017

The Annual Plan includes schedules relating to proposed new capital works and also the fees and charges schedule.

Operational Budget

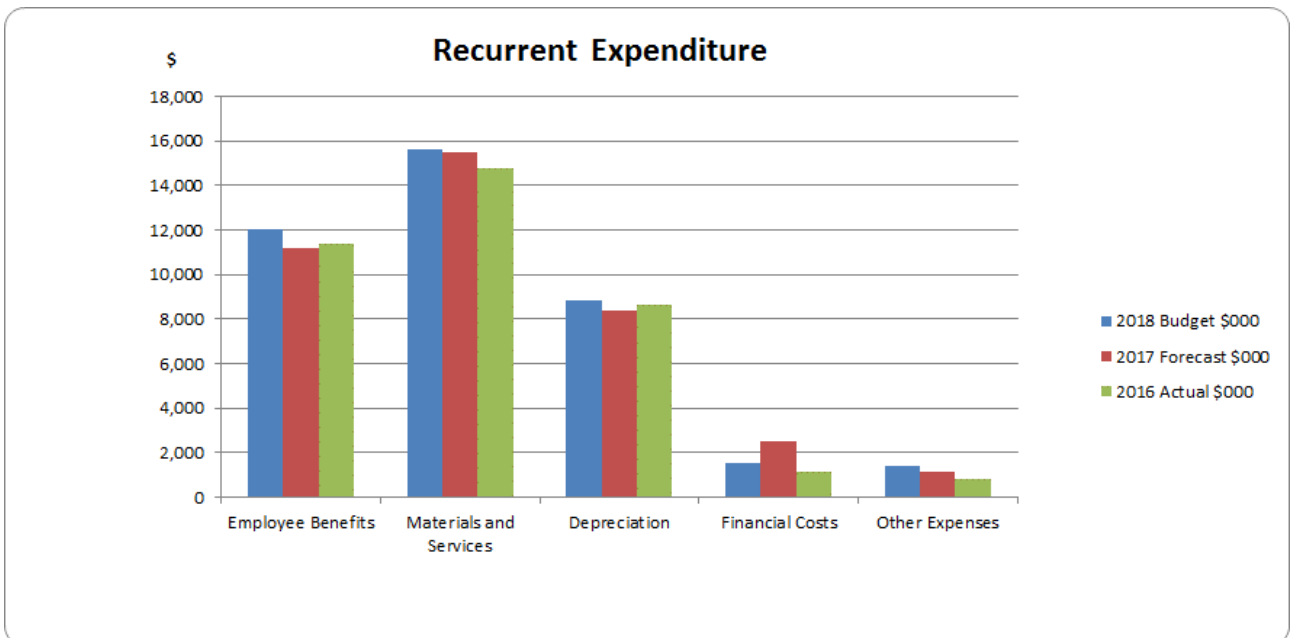
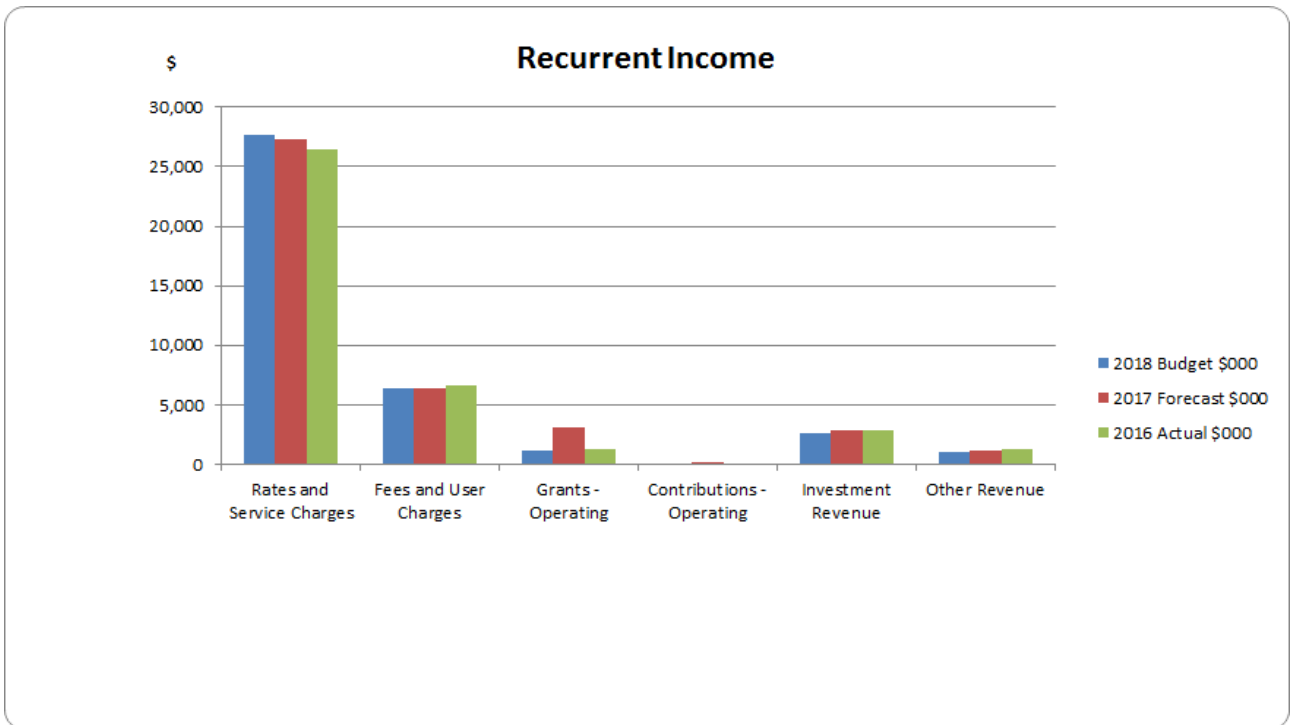
The Estimated Statement of Comprehensive Income has been updated to include the 2016 Actual, 2017 Budget, 2017 Forecast, 2018 Budget and the 2019 and 2020 Projections:

Estimated Statement of Comprehensive Income	2016 Actual \$'000	2017 Budget \$'000	2017 Budget \$'000	2018 Budget \$'000	2019 Projection \$'000	2020 Projection \$'000
Income						
Rates & Service Charges	26,458	26,970	27,335	27,638	28,057	28,399
Fees and User Charges	6,609	6,337	6,344	6,418	6,759	6,536
Grants - Operating	1,286	2,127	3,127	1,133	2,125	2,125
Contributions - Operating	83	82	181	50	3	3
Investment Revenue	2,824	2,287	2,888	2,567	2,048	1,998
Other Revenue	1,304	1,059	1,135	1,028	1,140	1,120
Total Income	38,564	38,862	41,010	38,834	40,132	40,181
Expenses						
Employee Benefits	11,389	12,126	11,185	12,041	12,055	12,076
Materials and Services	14,756	15,687	15,527	15,644	15,148	15,169
Depreciation	8,666	8,311	8,390	8,816	9,495	9,536
Financial Costs	1,151	1,077	2,485	1,503	1,833	1,663
Other Expenses	838	1,068	1,132	1,426	1,530	1,430
Total Expenses	36,800	38,269	38,719	39,430	40,061	39,874
Surplus/(Deficit) before Capital Items	1,764	593	2,291	(596)	71	307
Capital & Other Items						
Capital Grants & Contributions	3,582	19,128	5,934	9,511	2,624	1,124
Loss on disposal of assets/ donated assets	(3,581)	(699)	(1,975)	(537)	(200)	(4,100)
Share of Profits from Associates	837	105	105	141	141	141
Total Capital Income	838	18,534	4,064	9,115	2,565	(2,835)
Surplus / (Deficit)	2,602	19,127	6,355	8,519	2,636	(2,528)
Underlying Surplus/(Deficit)	3,023	0	0	0	60	250

It should be noted that the forecast for the 2017 year includes the prepayment of the first two instalments of the Financial Assistance Grant (FAG) for the 2017/2018 year.

The coming year will see construction of Stage 1 of the LIVING CITY progress. The food pavilion and new CBD car park are due for completion in November 2017. The additional operating and financing costs associated with progressing LIVING CITY have been factored into the budget and the underlying result.

A graphical representation of the estimated consolidated revenues and expenditures for the 2018 financial year, when compared against the forecasted result for 2017 and the actual result in 2016, is as follows:



Capital Works

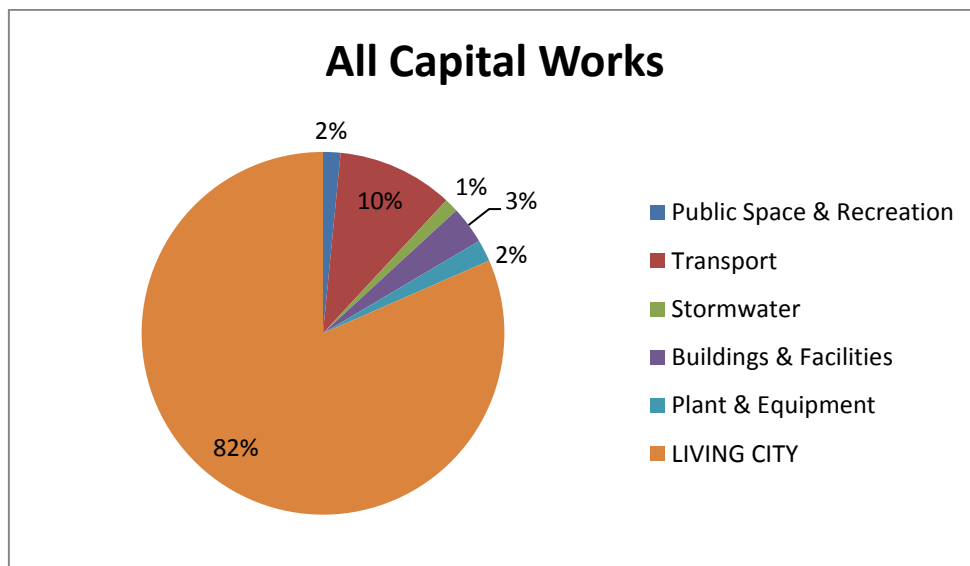
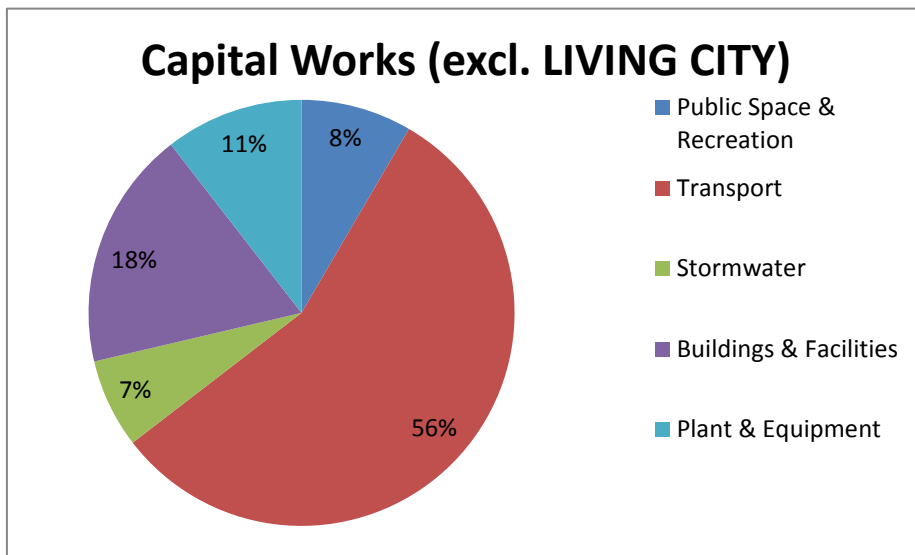
The total new capital works funding for 2018 is \$48.920M. There will also be some carried forward projects and funding that will be updated following the end of year reconciliations which will be reported to Council in September following the completion of the year-end audit process.

Council continues its focus on the LIVING CITY in the forthcoming year. The capital budget reflects an allocation of \$39.9M of new works. Once again there will also be

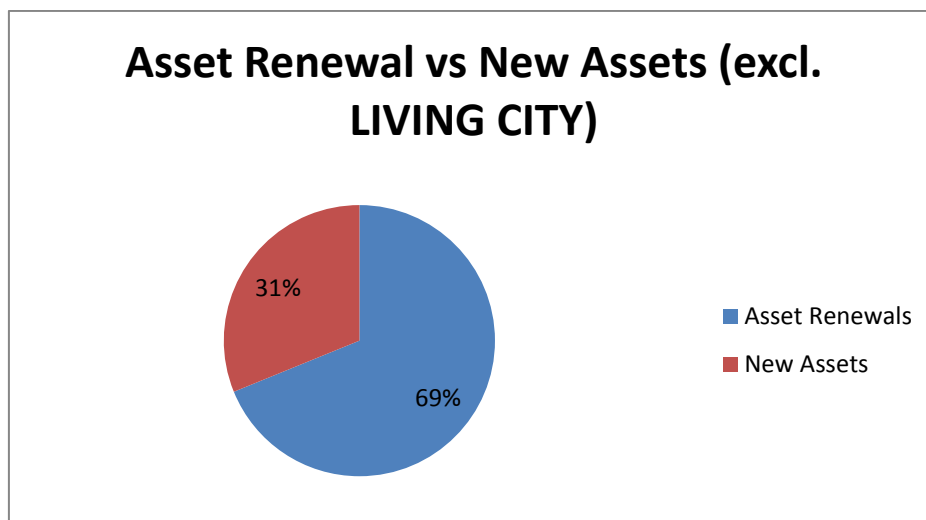
carried forward funding for Stage 1 to be added to the total following the end of year reconciliation and audit processes.

This year's budget will see \$6.210M invested in replacement/renewal projects. This amount is approximately 70.4% of the total value of Council's depreciation expense.

SUMMARY - FUNCTIONAL AREA	New Funding '000	Renewals '000	Total Capital Works '000
Public Space & Recreation	394	365	759
Transport	542	4,523	5,065
Stormwater	466	144	610
Buildings & Facilities	1,388	250	1,638
Plant & Equipment & Information Tech.	20	928	948
LIVING CITY	39,900	-	39,900
TOTAL PROPOSED NEW CAPITAL WORKS	\$42,710	\$6,210	\$48,920



Excluding LIVING CITY the new capital works in 2017/18 is 69 per cent renewals and 31 per cent new works.



The updated 5-year Capital Works Program has also been included within the Annual Plan as Appendix B. The 5-year plan provides an indication of the scheduling of capital projects over the current and subsequent budget years, however it is noted that changes may be made depending on priorities identified each year during budget deliberations.

Rates and Charges

In developing its budget Council considers the Consumer Price Index and the Local Government Association of Tasmania's (LGAT) Council Cost Index. The CPI increase for the 12 month period ended 31 March 2017 was 2.3% and the LGAT Council Cost Index (CCI) increased by 1.5%. The CCI provides an indication of how council expenditure might change over a period of time where spending "behaviour" remains constant.

Despite these external monitored increases, Council has determined that the overall General Rate will be maintained at the same rate as it was for the previous financial year.

Under the *Valuation of Land Act 2001* a revaluation of the municipal area is required at least once every six (6) years. For Devonport this was completed in 2015 with new values taking effect for rating purposes from 1 July 2015.

To limit the impact on residential ratepayers in 2015/16 Council determined to introduce a 15 per cent change cap. This effectively limited the total increase any residential ratepayer could receive. In 2016/17 Council agreed on a 10 per cent change cap, once again limiting the impact of the revaluation.

The General Rate change cap included in the budget has once again been limited to 10 per cent. This will affect 1,295 ratepayers still impacted by the revaluation.

While a full revaluation only occurs each 6 years, the Valuer-General reviews the values of each municipal area every 2 years. The latest data shows that property values across Devonport have increased 5 per cent over this period. Council is required to use the Adjusted Assessed Annual Value (AAAV) for the calculation of its rates.

Last year multiple residential properties waste charges were changed to reflect a per bin charge rather than the previous situation where they were rated based on the \$AAV.

This year Council has determined to further amend its waste management system to align it more with "user pays" principles.

In the past residential collections have been based on a set annual charge whereas non-residential ratepayers were charged for waste management based on the value of the property. To address this inequity, Council has determined that all properties will be charged on a consistent basis reflective of the actual service made available. All residential and primary production properties in receipt of a weekly garbage and fortnightly recycling collection will incur a waste management charge of \$260 (an increase of \$23 from the last year). All other properties will incur a waste management charge of \$780 which will provide for 3 collections per week (either 3 bins once a week or 1 bin three times a week). The new collection arrangements will be phased in during the year.

Council has also determined to cap any increase for the non-residential ratepayer to 10 per cent above what they may have paid last year. Those ratepayers who previously paid significantly more for waste management, than the proposed \$780, will receive the benefit of the full reduction on their rates bill from 1 July.

The Fire Service Levy is determined by the State Fire Commission and Council is required under the *Fire Services Act 1979* to collect the levy. There has been an increase in the fire service levies applied across the City. Council is required to collect \$2,676,204 on behalf of the State Fire Commission, an increase of \$122,253 (4.79%) over the previous year.

A summary of the rates for 2017/18 in comparison to those charged in the previous year is outlined in the table below:

Rate	Proposed 2018	Actual 2017
General Rate – all land	11.6215c	12.2025c
General Rate – Fixed Charge	\$300	\$300
General Rate varied for land which is used or predominately used for primary production	6.7688c	7.1073c
General Rate varied for land separately assessed and is used for residential purposes	7.0854c	7.4396c
General Rate varied for land separately assessed and is used for multiple residential purposes	7.0854c	9.5771
Waste Management Service Rate – Non-Residential Minimum Charge	\$780 -	1.7381c \$20
Waste Management Service Charge where the predominant use of the land is for residential purposes.	\$260	\$237
Fire Service Levy		
- Devonport Urban Fire District	1.3759c	1.3799c
- Forth/Leith Fire District	0.4675c	0.4892c
- General Land Fire District	0.3596c	0.3661c
- Minimum Levy	\$39	\$38

Fees and Charges

All of Council's fees and charges have been reviewed as part of the budget process. There is a mixture of some fee increases while others remain the same as the previous year. Where a fee, charge or fine is linked to State Government legislation (ie parking fines, rate certificates, environmental penalties) Council is required to ensure that it imposes the required fee or charge.

COMMUNITY ENGAGEMENT

Council during March/April invited the community to participate in the budget process through an online engagement tool. A report on the feedback received during the consultation process was provided to Council at its meeting on 24 April 2017.

Report to Council meeting on 26 June 2017

A Community Budget Information session was held at the Council Offices on Wednesday 14 June 2017.

A detailed media release was issued in the leadup to the Community Budget Information session. A further media release will be issued following the formal adoption of the budget by Council.

FINANCIAL IMPLICATIONS

The development and adoption of the Budget Estimates and Annual Plan is an essential function of Council. To retain the current operating result, any subsequent reduction in income or increase in expenditure must be balanced by a corresponding adjustment in other items.

RISK IMPLICATIONS

Should the Budget Estimates not be approved within the anticipated timeframe, it may impact on the issue of rates notices.

Should there not be support for particular aspects of the budget, which will impact on the Council's capacity to deliver programs or capital works, decisions will need to be made on 'what to cut' to ensure that there are sufficient funds to undertake the desired works.

CONCLUSION

Council must continue to develop strategies to ensure that its future operational budgets and capital programs are sufficient to meet the demand for the delivery of services to the community.

Council must adapt to an ever-changing environment to effectively and efficiently meet the current and future demands of its community. The Annual Plan provides a benchmark on which the Council's performance can be measured.

ATTACHMENTS

Nil

RECOMMENDATION

A. ANNUAL PLAN

That in accordance with Section 71 of the *Local Government Act 1993* (as amended) Council adopts the Annual Plan for the financial year ending 30 June 2018 and instructs the General Manager to:

- (a) make a copy of it available for public inspection at the Council's Offices and on the website; and
- (b) provide a copy of it to the Director of Local Government and to the Director of Public Health.

B. ANNUAL ESTIMATES (REVENUE AND EXPENDITURE)

That:

- (a) in accordance with Section 82 of the *Local Government Act 1993* the Council by absolute majority adopts the estimates of revenue and expenditure (excluding estimated capital works) for the 2017/2018 financial year as detailed in the Annual Plan;
- (b) in accordance with section 82(6) of the Act the Council, by absolute majority, authorises the General Manager to make minor adjustments up to \$50,000 to any individual estimate item as he deems necessary during the 2017/2018 financial year provided that the total of the Estimates remains unaltered.

C. RATES AND CHARGES 2017/18

That Council makes the following General Rate, Service Rates and Service Charges under the provisions of the *Local Government Act 1993*, and the *Fire Services Act 1979* for the financial year 1 July 2017 to 30 June 2018 in respect to land in the municipal area which is separately valued under the *Valuation of Land Act 2001*.

Definitions and Interpretations

Unless the context otherwise requires, in the following resolutions, words and expressions defined in the *Local Government Act 1993* have the same meaning as they have in that Act.

Unless the context otherwise requires, in the following resolutions, the following words and expressions have the meaning set out below:

“Act” means the *Local Government Act 1993*;

“AAV” means the assessed annual value as determined by the Valuer-General under the *Valuation of Land Act 2001*;

“land” means a parcel of land which is shown as being separately valued in the valuation list prepared under the *Valuation of Land Act 2001*;

“land used for primary production” means all land used or predominantly used for primary production and includes all land coded “L” in the valuation list;

“land used for residential purposes” means all land used or predominately used for residential purposes and includes all land coded “R” in the valuation list;

“municipal area” means the municipal area of Devonport;

“non-used land” means all land coded “V” in the valuation list;

“supplementary valuation” means a supplementary valuation made under the *Valuation of Lands Act 2001*.

“Tenancy” means a portion of land which the Valuer-General has determined is capable of separate occupation and so has separately determined the AAV of that portion, pursuant to Section 11(3)(c) of the *Valuation of Land Act 2001*; and

“valuation list” means, in respect of the financial year, the valuation list, supplementary valuation list or particulars provided to the Council by the Valuer-General under Section 45 of the *Valuation of Land Act 2001*.

1. RATES RESOLUTION- PART 1 (A)

Pursuant Sections 90 and 91 of the *Local Government Act 1993* the Council makes a General Rate (“the General Rate”) in respect of all rateable land (except land which is exempt pursuant to Section 87 of the *Local Government Act 1993*) consisting of two components being:

- (a) 11.6215 cents in the dollar of assessed annual value (the AAV component);
- (b) A fixed charge of \$300 on all land or tenancy.

2. RATES RESOLUTION – PART 1(B)

Pursuant to Section 107 of the *Local Government Act 1993*, the Council by absolute majority hereby varies the AAV component of the General Rate (as previously made) for land within the municipal area which is used or predominantly used for primary production to 6.7688 cents in the dollar of assessed annual value of such rateable land.

3. RATES RESOLUTION – PART 1(C)

- 3.1. Pursuant to Section 107 of the *Local Government Act 1993*, the Council by absolute majority hereby varies the AAV component of the General Rate (as previously made) for land within the municipal area which is separately assessed and is predominantly used for residential purposes to 7.0854 cents in the dollar of assessed annual value of such rateable land, subject to 3.2.
- 3.2. Pursuant to Section 88A of the Act, the Council, by absolute majority, determines:-
- (a) The maximum percentage increase in the General Rate (as previously made and varied by 3.1 above) for land separately assessed and predominantly used for residential purposes is capped at 10% above the amount which was payable in respect of that land in the 2016/2017 financial year, and
 - (b) To qualify for the maximum increase cap in subparagraph (a), the rateable land must not have been subjected to a supplementary valuation by the Valuer-General during the period 1 July 2016 – 30 June 2017.

4. RATES RESOLUTION – PART 1(D)

Pursuant to Section 129(4) of the *Local Government Act 1993*, the Council determines by absolute majority to grant a remission of \$100 to each member of the class of ratepayers who are liable to pay rates in respect of non-used land within the municipal area.

5. RATES RESOLUTION – PART 2

- 5.1. Pursuant to Sections 94 and 95 of the *Local Government Act 1993*, the Council makes the following service rates and service charges for land within the municipal area (including land which is otherwise exempt from rates pursuant to Section 87, but excluding land owned by the Crown to which Council does not supply any of the following services) for the period 1 July 2017 to 30 June 2018:
- (a) A waste management service charge of \$260 upon all land or tenancy to which Council supplies or makes available a kerbside collection service
- 5.2. Pursuant to Section 107 of the Act the Council, by absolute majority declares that the service charge for waste management is varied by reference to the use or predominant use of land as follows:
- (a) For all land which is predominately used for any purpose other than residential or primary production to which Council supplies and makes available a kerbside collection service the service charge is varied to \$780, subject to 5.3 below; and
 - (b) For all land which is non-used land the service charge is varied to \$0.00
- 5.3. Pursuant to Section 88A of the Act the Council by absolute majority determines:-
- (a) That the maximum percentage increase of the varied service charge for waste management (as previously made and varied by 5.1 and 5.2 above) is capped at 10% above the amount which was

payable in respect of the waste management rate charged in the 2016/2017 financial year and;

- (b) To qualify for the maximum increase cap in subparagraph (a), the rateable land must not have been subjected to a supplementary valuation issued by the Valuer-General during the period from 1 July 2016 to 30 June 2017.

6. RATES RESOLUTION – PART 3

Pursuant to Section 93A of the *Local Government Act 1993* and the provisions of the *Fire Service Act 1979* (as amended), the Council makes the following rates for land within the municipal area for the period 1 July 2017 to 30 June 2018:

- (a) a Devonport Urban Fire District Rate of 1.3759 cents in the dollar of assessed annual value, subject to a minimum amount of \$39 in respect of all rateable land within the Devonport Urban Fire District.
- (b) a Forth/Leith Fire District Rate of 0.4675 cents in the dollar of assessed annual value, subject to a minimum amount of \$39 in respect of all rateable land within Forth/Leith Fire District.
- (c) a General Land Fire Rate of 0.3596 cents in the dollar of assessed annual value, subject to a minimum amount of \$39 in respect of all rateable land within the municipal area, which is not within the Devonport Urban Fire District, or the Forth/Leith Fire District.

7. SEPARATE LAND

In relation to all rates and charges for the 2017/2018 year, as previously made, for the purpose of these resolutions the rates and charges shall apply to each parcel of land which is shown as being separately valued in the valuation list prepared under the *Valuation of Land Act 2001*.

8. ADJUSTED VALUES

For the purposes of each of these resolutions any reference to assessed annual value includes a reference to that value as adjusted pursuant to Sections 89 and 89A of the *Local Government Act 1993*.

9. PAYMENT OF RATES AND CHARGES

Pursuant to Section 124 of the *Local Government Act 1993* the rates for 2017/2018 shall be payable in four instalments, the dates by which the rates are due to be paid are:

First Instalment	31 August 2017
Second Instalment	31 October 2017
Third Instalment	28 February 2018
Fourth Instalment	30 April 2018

Where a ratepayer fails to pay any instalment within 21 days from the date on which it is due, the ratepayer must pay the full amount owing.

Penalties

Pursuant to Section 128 of the *Local Government Act 1993* if any rate or instalment is not paid on or before the date it falls due, a penalty of 5% of the unpaid instalment or part thereof, shall be applied except:

- (a) where the ratepayer has adhered to an approved payment arrangement plan and the total rates are paid in full by 30 April 2018; and

- (b) where the ratepayer has authorised an approved bank direct debit payment arrangement.

Supplementary Rates

- (a) Pursuant with Sections 89A, 92 and 109N of the *Local Government Act 1993* if a supplementary valuation is made of any land prior to 30 June 2018, the General Manager may at his discretion adjust the amount payable in respect of any or all rates for that land for that financial year in line with the new valuation; and
- (b) If a rates notice is issued by the General Manager under sub-clause (a), the amount shown as payable on that notice is due to be paid within 30 days of the date on which that notice is issued.

D. CAPITAL WORKS PROGRAM

That Council:

- (a) pursuant to Section 82 of the *Local Government Act 1993* adopts the Capital Works Program for the 2017/2018 financial year as detailed in the Annual Plan
- (b) notes the draft Capital Works programs proposed for financial years 2018/19, 2019/20, 2020/21 and 2021/22 as detailed in the Annual Plan, which remain subject to change depending on other priorities being identified and financial resources which may be available at the time.

E. FEES AND CHARGES

That in accordance with Section 205 of the *Local Government Act 1993* Council adopts the Fees and Charges Schedule for the 2017/2018 financial year as detailed in the Annual Plan.

Prepared By:	Paul West
Position:	General Manager

5.4 LIVING CITY QUARTERLY REPORT - JUNE 2017

File: 32161 D474351

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.

With the planning phases complete, the focus has now moved to implementation of the plan. Implementation of the Master Plan is to occur in stages, with sub-projects rolling out over a 10 year period.

An independent study has identified that implementation of the LIVING CITY Master Plan will result in significant economic, social and community benefits for the North West Region of Tasmania.

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, expressions of interest process for Waterfront Hotel site, preparation of a traffic report for Waterfront precinct and finalising tender documents 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. All three buildings are now on display above the site fences. Concrete has been poured in the suspended floors for levels 1 and 2 of the car park. Similarly, the 1st floor of the multi-purpose building is now in place. Work on the food pavilion remained steady with the erection of precast panel walls, steel framework and roofing materials. In June there is now on average 95 workers on the site.

The dominance of local workers on site has continued with 21 of the 35 trade packages have now been let, with all but 2 going to a Tasmanian contractor.

The next three months of construction will be another busy construction period. Works on the car park include the remaining concrete pours, lift installation, trolley ramps and stair construction. The food pavilion will see construction of the roof, external cladding, roller

doors and more services installation. For the multi-purpose building works include pouring of the level 2 and 3 floors, installation of façade, structural steel and off-site manufacture of lifts and escalators.

The car park and food pavilion remain on track to be opened by the end of November 2017. However, progress on the multi-purpose building has experienced delays, with the completion now expected by the end of July 2018 (formally 28 April 2018). The delay is largely the consequence of the transfer of structural design to an alternative engineering firm, delaying structural documentation and the various construction components reliant upon these. A number of initiatives to minimise delay have been implemented including, the contractor now working a 6 day week and the construction of multiple elements concurrently.

Works has also started on planning for the operational aspects of Stage 1. Small working groups, consisting of both State Government and Council staff, together with a representative from the Online Access Centre have begun to work through the building operations and customer service aspects of the relocation. The purpose of the working groups are to ensure efficiencies and consistency between the various tenants of the building.

A two-stage "*Furniture supply, delivery and installation*" procurement process to acquire furniture for the Multi-purpose Building and Food Pavilion has commenced, with an advert run in The Advocate on Saturday 4th March 2017. Four conforming submissions were received by the closing date of 17 March 2017. The P + i Group evaluated the tenders received, and have recommended that all 4 tenderers proceed to the second stage of the tender. It is expected that this second stage of the furniture procurement will take place in July and a report provided to Council for consideration in due course. The furniture procurement does not form part of the construction contract, and consequently is being tendered separately, it is however provided for in the overall funding model.

Ben Milbourne has continued as ambassador of the Food Pavilion with his time predominately being spent providing introductions to food producers, marketing the site through various television and print media opportunities, and advocacy to the State Government.

Waterfront Precinct –

In February 2017 (Res 19/17) Council resolved to:

1. note the feedback provided during the consultation period for consideration and inclusion where appropriate in later detailed design phases;
2. undertake further traffic modelling to identify options to maximise priority for pedestrians and public open space usage whilst maintaining adequate traffic flow in and around the CBD;
3. commence expression of interest processes to identify suitable private investment opportunities for the hotel and marina aspects of the plan;
4. progress with further detailed design of selected public open space elements of the Waterfront Precinct in preparation for future grant applications and permit approvals; and
5. adopt the Waterfront Precinct concept plan generally as exhibited, noting further refinement will occur as an outcome of the above recommended actions.

Council has continued to progress this decision over the past 3 months. Expressions of Interest for hotel developer/operator have been sought through both a public advertisement and direct approaches, with the initial period for interest open until 30 June

2017. An update will be provided to Council once the period for Expressions of Interest has closed.

Pitt and Sherry's traffic engineering team have been engaged to undertake further traffic modelling to identify options to maximise priority for pedestrians and public open space usage whilst maintaining traffic flow in and around the CBD. A draft report is due to be received in June, with the findings to be workshopped with Council in early July. Further detailed design of the Precinct will continue once the outcome of the traffic modelling is known.

Art Gallery – Design and documentation to enable the Devonport Regional Gallery to move into the former courthouse complex in the DECC has continued over the past 6 months. The current design provides for improvements to the DECC foyer, a 3 room gallery, the provision of A grade air conditioning and the provision of footings, support columns and a concrete roof to accommodate the proposed future Black Box theatre. The current design also provides for Visitor Information Services and DECC ticketing to be provided from the rear of the site, opening onto the market square.

Tenders for the construction was publicly advertised on 21 June 2017.

It is proposed that the work will occur concurrently with the construction of Stage 1 of LIVING CITY, enabling the gallery to open at the same time as the new LINC, Service Tasmania, council offices, convention centre and market square adjacent. Together, the new facilities will form a cultural heart for the Devonport CBD, attracting visitors and locals alike.

Council allocated \$1.8M in the 2016/17 capital works budget for the Art Gallery relocation. This amount was prior to any detailed design being completed and preceded the increased scope of the project. Based on the quantity surveyors estimate a further \$1.3M is required in the 2017/18 budget to proceed with the project. However, final costs won't be known until the tender process is complete. A separate report on the tenders and associated costs will be provided to Council once the tender process is complete.

COMMUNITY ENGAGEMENT

Community consultation has been a major component of LIVING CITY throughout the project.

Regular updates have also been provided to the public through media releases, eNews and website updates.

In March the Devonport LINC launched The Living Room, a dedicated area in the LINC where they display information and engage with the LINC and Service Tasmania clients about the LIVING CITY project.

Community conversation sessions are held on the 1st Friday of every month between 10-11am. Recent conversations have included, the new LINC space, the history of LIVING CITY, an overview of the complete Master Plan and an overview of the design principles for Stage 1. Future conversations will include construction updates, insights into life onsite, an introduction to Providore Place and a session with the Deputy Premier and Minister for Education and Training, Jeremy Rockliff.

FINANCIAL IMPLICATIONS

Council's 2016/17 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

Report to Council meeting on 26 June 2017

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.

Devonport City Council - LIVING CITY Financial Report					
YTD to May 2017	Budget	YTD Actual	YTD Variance		Full Budget 2017
			\$	%	
INCOME					
Rates & Service Charges					
Fees & Charges	572,113	600,244	28,131	4.9%	623,500
Grants					
Contributions					
Investment Revenue					
Other Income					
TOTAL INCOME	572,113	600,244	28,131	4.9%	623,500
EXPENSES					
Employee Benefits	305,739	324,956	(19,217)	-6.3%	331,303
Materials & Services	431,126	187,848	243,278	56.4%	503,169
Depreciation	78,742	186,159	(107,417)	-136.4%	85,900
Finance Costs	619,785	1,274,510	(654,725)	-105.6%	710,930
Levies & Taxes	194,316	196,415	(2,099)	-1.1%	194,316
Other Expenses	-	-	-	0.0%	0
Internal Charges	52,819	69,118	(16,299)	-30.9%	57,621
TOTAL EXPENSES	1,682,527	2,239,006	(556,479)	-33.1%	1,883,239
NET OPERATING SURPLUS / (DEFICIT)	(1,110,414)	(1,638,762)	(528,348)	47.6%	(1,259,739)

The variance in actual versus budgeted expenditure primarily relates to an interest rate market adjustment paid to the Tasmanian Public Finance Corporation (TasCorp) on the early payout of existing LIVING CITY property loans. Depreciation expenses exceed budget due to the accounting treatment required to depreciate the cost of fitting out 17 Fenton Way for temporary office accommodation over two financial periods.

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 31 May 2017, Council had accrued costs of \$21.9M of the \$71.1M 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, with construction of all three buildings progressed significantly. The highest priorities in coming months are continuing the construction program for Stage 1 and progressing the Waterfront Precinct concept plan by incorporating the traffic study and continuing the expression of interest process for a hotel development.

Report to Council meeting on 26 June 2017

ATTACHMENTS

Nil

RECOMMENDATION

That the quarterly LIVING CITY progress report be received.

Author:	Rebecca McKenna	Endorsed By:	Paul West
Position:	Project Officer Economic Development	Position:	General Manager

5.5 TASWATER - TAKEOVER - LGAT CAMPAIGN

File: 30415 D476771

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

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

SUMMARY

This report is provided to assist Council in considering a request from the Local Government Association of Tasmania (LGAT) for a voluntary contribution to a special fund for the campaign against the TasWater takeover by the State Government.

BACKGROUND

The correspondence has been provided by LGAT following the Special Meeting on 11 May 2017.

At this meeting 23 member councils determined:

That Members confirm there is no water and sewerage crisis, reject the proposed State Government ownership of TasWater and, through LGAT, urge the State Government to work cooperatively with LGAT, Councils and TasWater on the optimal water and sewerage infrastructure upgrade program to achieve the best outcome for Councils and Consumers."

This decision is in line with the current adopted position of Council (Min 79/17 refers)

That the report of the General Manager relating to TasWater be received and noted and that Council confirm its position that it does not support the proposed takeover by the State Government of the Corporation as it is not convinced that such action would be in the best interest of its community.

STATUTORY REQUIREMENTS

TasWater is established under the *Water and Sewerage Corporation Act 2012* (State legislation). Under the Act the State's 29 Councils currently own TasWater.

DISCUSSION

Since the LGAT Special Meeting there has been no indication to suggest that the Treasurer has changed his resolve to legislate to takeover the ownership of TasWater.

Correspondence from LGAT (dated 25 May 2017) states:

As you are aware, on Sunday 19 February, the Minister launched a campaign to support the forced takeover of TasWater by the State Government. Having considered all the information to hand, on the 11th May 2017, the majority (23) of Tasmanian Councils determined:

That Members confirm there is no water and sewerage crisis, reject the proposed State Government ownership of TasWater and, through LGAT, urge the State Government to work cooperatively with LGAT, Councils and TasWater on the optimal water and sewerage infrastructure upgrade program to achieve the best outcome for Councils and consumers.

In so doing, Members tasked the Local Government Association of Tasmania with leading a campaign against the takeover by State Government.

As noted at the meeting, this is an extraordinary role for LGAT in both nature and scale and will require additional expertise and resourcing, particularly given the context of both an election environment and LGAT's broader advocacy and service role which must still be maintained.

A Campaign Steering Committee has been formed and an Expression of Interest process for specialist support has commenced.

When Tasmanian Councils agreed to campaign for Constitutional Recognition a special fund was established towards the national resourcing effort, with unspent funds returned to councils at the end of the campaign. LGAT would like to take a similar approach with Water and Sewerage. However, noting that there is not consensus amongst Members, the GMC has agreed we will invite councils to contribute to this fund, rather than adopt it as part of the budget process.

Given that the TasWater distributions are a significant enabler of local infrastructure and services for most councils, our suggestion is that councils commit to contributing at least the equivalent of 1% of their annual distribution.

We note that some councils have already considered this matter and allocated funds and that is most welcome.

We would appreciate formal advice on your Council's position as soon as possible in order to inform our campaign planning.

Yours sincerely

*Doug Chipman
PRESIDENT*

As a Member organisation, there will be times when some parties do not agree with a particular course of action. Providing the decision is a "majority" then it is reasonable that the decision is binding on all.

Council's General Manager was requested to participate in the Working Group established by the LGAT General Management Committee. To date there has only been one teleconference held to discuss the strategy but no decision on funding was determined. Initial costs are being covered by LGAT at this stage.

COMMUNITY ENGAGEMENT

There has been no specific community engagement undertaken in relation to the potential funding of a campaign by local government.

There has been significant coverage of the State Government's proposed takeover in the media. Significant commentary from TasWater Chairman and other interested parties has also been provided in the press.

FINANCIAL IMPLICATIONS

The contribution sought from Devonport is based on the proposed future distributions as advised by TasWater effective 2018/19 financial year:

- Distributions (future \$1,092,000) \$10,920

There is no specific allocation in the 2017/18 budget for a contribution to the LGAT campaign fund. If a contribution is agreed by Council it would be paid prior to 30 June 2017 and allocated against the consultancy budget in the General Management program area.

RISK IMPLICATIONS

The primary risk to Council is the impact on its financial activities as a result of the reduced revenue over an extended period of time. It is also unknown at this stage what the financial impacts of the Government's takeover will be to individual councils going forward, in particular post the 2024/25 financial year.

A campaign which targets the State Government (an in particular the current Minister for Local Government) may result in the further deterioration of the relationship between the parties, which ultimately may not be in the best interests of either party or indeed the community.

CONCLUSION

The current request from LGAT is on a "voluntary" basis. Considering all councils are owners of TasWater and will be impacted by any decision, it is questioned if it is reasonable to request funding voluntarily.

A series of options have been provided to assist Council in reaching its position in relation to the request.

ATTACHMENTS

Nil

RECOMMENDATION

That Council in relation to the request from the Local Government Association of Tasmania for funding assistance to support the campaign against the takeover of TasWater by the Tasmanian Government determine to:

Option 1

agree to contribute an amount of \$10,920 being 1 per cent of its future distributions from the Corporation, providing a majority of Councils (16/29) also agree to participate.

Option 2

advise the Association that whilst Council's position is that it does not support the takeover of TasWater by the State Government, it does not believe that it should be providing ratepayer money to fund a campaign of this nature.

Option 3

advise the Association that whilst Council's position is that it does not support the takeover of TasWater by the State Government:

- (a) it firmly believes that any campaign funding should be the subject of a formal vote at a General Meeting; and
- (b) on that basis at this stage Council will not be contributing to the voluntary campaign fund.

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

5.6 MONEY IN SPORT CONFERENCE - MAYOR MARTIN

File: 20877 D477465

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

To seek approval for Mayor Steve Martin to attend the "Money in Sport" Conference to be held at the Gold Coast from 12-14th November 2017.

BACKGROUND

The annual "Money in Sport" conference will be held on the Gold Coast from 12-14th November 2017. Mayor Martin is seeking Council approval for him to attend this conference.

STATUTORY REQUIREMENTS

Clause 4.3 of Council's "Payment of Aldermen's Allowances, Expenses and Provisions of Facilities" policy states that:

"In respect of any interstate conferences, the matter shall be referred to Council who shall make a determination as to whether any elected member should attend the conference in question. If attendance is approved, Council will pay on behalf of the Aldermen, registration, accommodation and out-of-pocket expenses where supported by receipt, other than those paid in accordance with Clause 2.2 of this policy.

DISCUSSION

The "Money in Sport" conference provides three days of speakers and workshops focussing on sports marketing, development and emerging trends in sport. Details relating to the 2017 conference speakers can be found at www.moneyinsport.com

Over the years, Council has been successful in attracting many sporting events, bringing with them large economic benefits. Council's sports strategy is also currently under review. The Money in Sport conference will provide an opportunity to listen to and see emerging trends, best practises and future opportunities.

COMMUNITY ENGAGEMENT

No community engagement has been undertaken as a result of this report.

FINANCIAL IMPLICATIONS

The registration fee of \$1,250 requires payment prior to 30 June 2017 to gain the benefit of the early bird registration.

In the current financial year, \$6118.32 has been expended to date against Professional Development/Conferences against a \$15,000 allocation. Therefore, there are sufficient funds in this year's budget for the registration fee.

Regarding other expenses to attend, allocations have been made in Council's 2017/18 operating budget for Aldermen to attend conferences and undertake training. These allocations are as listed:

Report to Council meeting on 26 June 2017

Budget item	Allocation
Travel - airfares	\$ 3,000
Travel - accommodation	\$ 7,000
Travel – general costs	\$ 1,000

Airfares to Brisbane from Devonport are approximately \$650 return. Accommodation at the conference venue is approximately \$290 per night therefore based on arriving on 11 November and departing 15 November costs would be \$1,160 (alternative accommodation options will be explored if approval to attend is provided). Miscellaneous costs for meals, taxi transfers etc. would be approximately \$300.

In total, the approximate cost for the Mayor's attendance would be \$3,360 (including early bird registration fee).

RISK IMPLICATIONS

It is believed there are no risk implications relating to this report.

CONCLUSION

That in accordance with Clause 4.3 of Council's "Payment of Aldermen's Allowances, Expenses and Provisions of Facilities" policy, the Mayor request to attend the Money in Sports conference is listed for consideration.

If Council does not support the Mayor's attendance an alternative to the recommendation may be:

That Council decline the request by Mayor Steve Martin to attend the "Money in Sport" conference in Brisbane.

ATTACHMENTS

Nil

RECOMMENDATION

That Council authorise the attendance of Mayor Steve Martin at the "Money in Sport" conference in Brisbane in accordance with the "Payment of Aldermen's Allowances, Expenses and Provisions of Facilities" policy.

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

5.7 UNCONFIRMED MINUTES - SHARED AUDIT PANEL - 5 JUNE 2017

File: 30196 D472079

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 5 June 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.**

Following the resignation of Sue Smith and subsequent position advertising, Robert Atkinson was appointed the new Chairperson for the Audit Panel and chaired his first meeting on 5 June 2017.

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 5 June 2017 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:

- Results of the recent review of credit cards by the Tasmanian Audit Office;
- Proposed State Government takeover of TasWater; and
- Shared Service review co-ordinated by Cradle Coast Authority.

The Devonport City Council Audit Panel discussed:

- The 2017/18 proposed budget;
- The Long Term Financial Plan for 2018-2027; and
- 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 5 June 2017 are presented to the Aldermen as per the recommendation below.

ATTACHMENTS

- [1.](#) Unconfirmed Audit Panel Minutes 5 June 2017 - Shared
- [2.](#) Unconfirmed Audit Panel Minutes 5 June 2017 - DCC

RECOMMENDATION

That the unconfirmed minutes of the Audit Panel meeting held on 5 June 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
SHARED AUDIT PANEL

Unconfirmed minutes of meeting held Monday 5 June 2017
at Devonport City Council commencing at 2.10pm

Attendance

Members – Robert Atkinson (Chair): John Howard: Ald Charlie Emmerton & Ald Grant Goodwin: Cr Gary Carpenter & Cr Tony Van Rooyen (Proxy Member)

Officers - Paul West (General Manager DCC), Kym Peebles (Executive Manager Organisational Performance DCC), Sandra Ayton (General Manager CCC) and Bill Hutcheson (Director Organisational Services CCC)

Apologies

Cr Philip Viney

1. Confirmation of the minutes

The Panel resolved that the Minutes of Shared Audit Panel Meeting held on 20 March 2017 be confirmed as true and correct.

Carried Unanimously

2. Matters arising from previous meeting

It was noted that all outstanding matters from previous meetings of the Shared Panel had been addressed.

3. Policies & Procedures

3.1 Credit Card Review

- Both Councils provided an overview of the findings from the recent review of credit card usage undertaken by the Tasmanian Audit Office and the draft Credit Card Policies tabled.
- All matters raised by Audit Office staff have been addressed in the draft Policies presented.
- The Panel discussed the findings and endorsed the Policies presented.

3.2 Related Parties Disclosures

- CCC and DCC have both adopted Policies in relation to Related Party information in accordance with the guidelines issued by Tasmanian Audit Office and LGAT. Both Councils have collected data and are maintaining a register of declarations. Once all related party relationships have been established, transactions will be identified for disclosure in the financial statements.
- The Panel noted the adoption of the accounting standard may lead to a review of the definition of pecuniary interest in the *Local Government Act 1993*.

4. Governance

4.1 Shared Services Review

- Paul West provided an update on the status of the Shared Services Review currently underway by Third Horizon. Work is continuing on the review and member councils are not expecting to receive a draft report before 30 June.

5. Legislative

The Panel noted the proposed changes to the Local Government Act have been discussed with the respective councils and all feedback has been provided to LGAT. It is expected the amended Act will be tabled in Parliament in the Spring sitting.

5.1 Delegations

DCC presented the Delegations Procedure as tabled.

CCC are currently converting the delegation process from a paper based process to using a system (Advent Manager). This system will greatly reduce Council's exposure to risk whilst at the same time create efficiencies in the process. Once this process has been bedded down, a formal procedure will be developed.

The Panel discussed the responsibility for oversight of regulatory compliance. The relevant manager of a department is responsible for compliance at CCC, whereas the Governance Co-ordinator is ultimately responsible for compliance at DCC. It was noted that LGAT manage communication of legislative changes to all Tasmanian councils, ensuring the information comes from one source.

6. General Business

6.1 Audit Panel Charter

The Panel noted that each Council had adopted an Audit Panel Charter as tabled and discussed the concept of the Shared Panel and the role of each council in the arrangement.

6.2 TasWater

- Paul West provided commentary on the latest developments regarding the proposed takeover of TasWater by the State Government. As 23 of the 29 councils do not support the takeover, LGAT in conjunction with TasWater, are proposing mounting a legal challenge based on legal advice received. Each council would be required to contribute financially to fund the challenge.
- The Panel discussed each councils' opposition to the proposal and the lack of detail provided by the Minister to support the claims currently being made.

There being no further business relating to the Shared Audit Panel Meeting the Chair closed the meeting at 3.08pm.

DEVONPORT CITY COUNCIL

AUDIT PANEL

Unconfirmed minutes of the meeting held Monday 5 June 2017
at Devonport City Council commencing at 3.22pm

1. Present
Members – Robert Atkinson (Chair) John Howard, Ald Charlie Emmerton and Ald Grant Goodwin
Council Officers - Paul West (General Manager), Kym Peebles (Executive Manager Organisational Performance)
2. Apologies
Nil
Business Arising
Nil
3. Confirmation of the Minutes
The Panel resolved that the Minutes of Shared Audit Panel Meeting held on 20 March 2017 be confirmed as true and correct.

Carried Unanimously

4. Risk Management
 - 4.1 Claims Update
 - Kym Peebles (KP) advised that Council do not have any current insurance claims outstanding, however there are 2 workers' compensation claims open.
 - KP also outlined 3 potential insurance claims known to Council
5. Financial Report
 - 5.1 April 2017 Finance Report
KP presented the April 2017 Finance Report as tabled and the Panel noted the following:
 - The favourable year to date operating result compared to budget of \$975,579 despite Council incurring unbudgeted refinancing costs of approximately \$1.7m;
 - The change in timing of receipt of the next NSRF grant instalment (\$2m) from the Federal Government from June 2017 to July 2017;
 - The receipt of \$13m from the State Government in December in relation to the purchase of the LINC and Service Tasmania areas in the multi-purpose building; and
 - The balance of Cash at Bank and Debtors balances at month end.
 - 5.2 2017/18 Budget
Paul West (PW) provided an overview of the budget process to date and noted the following:

- The general rate will remain unchanged for the fourth consecutive year. Around 1,300 ratepayers are still impacted by the revaluation in 2015/16, however increase will be capped at 10%. The Aldermen relayed the views debated at the recent budget workshop and noted that rate increases for the following 3 years have been factored into the Long Term Plan;
- The proposal to move to a 'user pays' approach to waste management charges for all categories of ratepayers. This will result in an increase of \$23 to the residential charge and in some cases a significant decrease to commercial and industrial properties;
- The impact of the Federal Government budget decision to prepay \$991,000 being 2 instalments of the 2017/18 Financial Assistance Grant in 2016/17; and
- The relationship between the budget and the Strategic Plan.

PW advised that the draft Annual Plan is being finalised and will be circulated as soon as possible. Action: KP

5.3 Long Term Financial Plan

The Panel discussed the draft Plan tabled and commented on the level of Balance Sheet growth and asset renewal included in the Plan. KP provided an overview of the evolution of the Plan in the light of prior documents adopted in relation to LIVING CITY and the projected impact of LIVING CITY on the Plan.

It was noted that Financial Liabilities are expected to peak in the 2018 financial year at approximately \$58m and progressively decrease over the forecast period to approximately \$37m in 2027. The need for a strong Balance Sheet to underwrite future major capital works programmes was discussed. KP advised that the projections were based on conservative assumptions and in particular the unbudgeted proceeds of asset disposals would be applied to debt reduction

John Howard tabled a paper in relation to the impact of LIVING CITY on the budget and the Panel agreed to add reporting relating to this topic as a standing item on future agendas. Action: KP

6. Major Projects

6.1 LIVING CITY

- PW provided an update on expected completion dates for the food pavilion, carpark and multi-purpose building.

7. General Business

7.1 2016/17 Financial Statements

- The Panel noted that the draft 2016/17 financial statements will be circulated just prior to the next meeting given the timing in early August.

There being no further business the Chair declared the meeting closed at 4.31pm

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
31 May 2017	LIVING CITY	Council's appointed Development Managers provided a briefing to Aldermen on the LIVING CITY project.
5 June 2017	Public Question Time Guidelines	A review of the current guidelines has commenced with the intent for development of a policy.
	Gifts and Benefits Awareness	An overview of the requirements of Council's Gifts and Benefits Policy.
	Paper Mache Sculptures	Devonport Entertainment and Convention Centre currently have four Paper Mache Sculptures on display at the entrance to Centenary Court, representing a string quartet. The future of the display discussed with the intention that an expression of interest process be undertaken to provide them to a community group on permanent loan.
	Billboard Advertising	Designs for the use of the billboard allocated for Council use discussed.
	Budget and Annual Plan	Final Budget discussion. A draft of the Annual Plan had previously been provided to Aldermen for feedback.
	Long Term Financial Plan	An updated Long Term Financial Plan provided to Aldermen.
	TasWater	Discussion on the proposed takeover of TasWater by the State Government and the LGAT's proposed campaign.
Firelight 18 Proposal	Ald Jarman outlined a proposal for Devonport to be involved in the Firelight 18 plan.	

RECOMMENDATION

That the report advising of Workshop/Briefing Sessions held since the last Council meeting be received and the information noted.

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

6.2 MAYOR'S MONTHLY REPORT

File: 22947 D454203

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 May 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 May 2017:

- Deputy Mayor Annette Rockliff
- Devonport Community House Volunteer Appreciation
- Toast for Kids Charity Gala meeting
- Planning Authority Committee
- Cradle Coast Authority Destination Action Plan
- The Huddle Program – media event
- Karingal Nursing Home Volunteer Appreciation
- National Volunteer Week Appreciation Breakfast & presentation
- Cradle Coast Mayors meeting – Devonport
- Readers Cup – Principal meeting
- TAS Water Owner Reps meeting – Launceston
- LGAT Special Meeting – Launceston
- Elanora's 40th Birthday tree planting
- Breakfast Forum – Deputy Leader of the Opposition Tanya Plibersek
- Leader of the Opposition Rebecca White
- Don College Youth Workshop
- Ian Moore – Spreyton, Devonport Bowls Clubs
- Toast for Kids Charity Gala meetings
- Radio 7AD Darren Kerwin interview
- Reece High School Principal Grant Armistead & Adrian Singline
- Community Council visit by Fijian family
- Empress Craft Beer
- Football Federation of Tasmania
- Breakfast launch Red Shield Appeal, Salvation Army
- Learning Communities Special Interest Group

- Don College Youth Workshop
- Radio 7AD interview Martin Agatyn
- Orana Respite Centre Volunteer Appreciation Presentations
- TasTAFE official opening new nursing wing
- **Elanora's 40th Birthday Celebrations**
- Resident meetings
- National Simultaneous Reading – Devonport LINC
- Child & Family Centre East Devonport
- **Poppie Millie Children's clothing store**
- SEA FM Radio Lee & Jess
- Cradle Coast Authority Reps meeting – Burnie
- CCA media event – Australian Masters Games
- Officially opened the East Devonport Community Garden
- Orana Respite Centre – Judged Billycart competition
- Toast for Kids Charity Gala 27th May
 - Clean up Sunday
- 50-year Celebration Maidstone Park
- Bill Oosting Rotary Club Devonport
- Road Safety Bike Park Pioneer Park Official Opening
- My Coastal Realty
- East Devonport Special Interest Group
- Don College Economics Class – LIVING CITY
- Reece High School
- Ald Jeff Matthews
- Council Workshop – LIVING CITY P&I
- Sport & Recreation Strategic Special Committee

ATTACHMENTS

Nil

RECOMMENDATION

That the Mayor's monthly report be received and noted.

6.3 UNCONFIRMED MINUTES - CRADLE COAST AUTHORITY - REPRESENTATIVES MEETING - 25 MAY 2017

File: 31710 D477926

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 Representative's meeting which was held on 25 May 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 25 May 2017 are attached for consideration.

From the minutes, it is noted that:

- Mr Sid Sidebottom was recently appointed Chairman of the Authority for a period of four years; and
- the request by the Cradle Coast Authority for funding to appoint a project officer to progress the delivery of the Coastal Pathway project was not approved by the Representatives.

COMMUNITY ENGAGEMENT

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

FINANCIAL IMPLICATIONS

The Representatives approved the CCA's Budget for 2017/18 resulting in an amount of \$193,567 being payable by Council, an increase of \$2,861 from 2016/17. An amount has been included in Council's 2017/18 budget to cover this expense.

RISK IMPLICATIONS

There are no risk implications as a result of this report.

CONCLUSION

The unconfirmed minutes of the Cradle Coast Authority Representatives meeting which was held on 25 May 2017 are presented.

ATTACHMENTS

- [1.](#) Minutes - CCA Representatives - 25/05/2017

RECOMMENDATION

That the unconfirmed minutes of the Cradle Coast Authority Representatives meeting which was held on 25 May 2017 be received and noted.

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

REPRESENTATIVES MEETING

25 MAY 2017



MEETING HIGHLIGHTS

Appointment of New Chairperson

Representative's approved the appointment of Mr Sid Sidebottom as the Authority Chairperson for a 4-year term. A sub-committee of the Representative's interviewed three candidates for the role with Mr Sidebottom demonstrating the best understanding of the issues and capacity to fulfil the responsibilities. Mr Sidebottom has served and represented the region at the federal level and will be a great asset to the region.

2017-18 Strategic Agenda & Budget

Representative's approved the Authority's 2017-18 Strategic Agenda & Budget. The 2017-18 Strategic Agenda will focus on:

- Refining the role and purpose of the Cradle Coast Authority through the development of a new Strategic Corporate Plan
- Developing the region's capacity to support economic development.
- Developing regional collateral (assets) to guide the region's planning, development and investments.
- Creating partnerships with government and industry to support and co-invest in the actions and initiatives required to address the region's living standards.
- Key projects including the Coastal Pathway, Australian Masters Games and Shared Services Review.

The 2017-18 budget highlights included:

- Total operational costs are approximately 23% lower than 2014-15 budget.
- Council contributions increase by 1.5% despite underlying cost pressure from fixed costs of between 2-4% as a result of additional efficiencies made during 2016-17.
- Council contributions are approximately 16% lower than in 2014-15.
- Employee costs reduced by 3.5% and are approximately 28% lower than in 2014-15.

Australian Masters Games

Representatives agreed to the distribution of the remaining costs associated with hosting the Australian Masters Games. Costs were allocated based on a formula using the number of participants and accommodation. It is expected that the AMG will attract over \$12M in direct economic benefit to the region.

MEETING MINUTES REPRESENTATIVES MEETING



Date: 25 May 2017
Time: 10:00am
Location: Cradle Coast House, 1-3 Spring St, Burnie.

1. WELCOME/APOLOGIES

1.1. ACKNOWLEDGEMENT OF COUNTRY

1.2. WELCOME / APOLOGIES / PROXIES

Chief Representative and meeting chair, Mayor Jan Bonde, opened the meeting at 10:04 am, welcoming attendees and observers, and noting apologies.

The Attendees, Observers and Apologies are noted at Attachment 1.

2. PRESENTATION

Warwick Clark, Acting Director Trade & Migration from the Department of State Growth presented facts and details on international relations.

3. STANDING ITEMS

3.1. DECLARATIONS

Nil

3.2. CONFIRMATION OF MINUTES

Minutes of 2 March 2017 Representatives Meeting were provided at Agenda Item 3.2.

Action

1. CEO to provide a discussion paper for the August Representatives meeting to clarify the treatment of unconfirmed minutes under the current rules, and the treatment of them in council agendas.

Motion

That Representatives ENDORSE the 2 March 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.

Motion

That the Representatives ACCEPT and NOTE the Activity Register.

Moved: Mayor Walsh / Seconded: Mayor Vickers / CARRIED

3.4. CORRESPONDENCE

Copies of correspondence received and sent were presented at Agenda Item 3.4.

Action

1. CCA to provide an electronic link/attachment for all correspondence to reduce the size of the agenda.

Motion

That the Representatives NOTE the Correspondence.

Moved: Mayor Freshney / Seconded: Mayor Quilliam / CARRIED

4. CRADLE COAST AUTHORITY UPDATE

4.1. QUARTERLY REPORT & FINANCIAL STATEMENTS – JANUARY TO MARCH 2017

The Quarterly Report and Financial Statements were presented at Agenda Item 4.1.

CCA Chairman, Mrs Cheryl Bellchambers spoke to a presentation of the quarterly activities and discussion noted:

CEO provided an update on the recruitment of the project officer position to manage the Cradle Mountain Master Plan activity with an appointment expected in coming weeks.

Discussion was held regarding the priority projects for the region that require external funding, confirming that Cradle Mountain Masterplan REMAINED as number one and the Coastal Pathway as being the second priority.

The Chairman advised Representatives that the CCA was still waiting on a decision regarding the appointment of a project officer to progress the delivery of the Coastal Pathway project, an item outstanding from the previous meeting.

Discussion was held regarding this appointment, the responsibilities of individual councils and the sharing of the burden on all members in order to progress the project.

Councillor Wilson expressed frustration that the project was now into its 10th year with only partial resolution. Mayor Freshney indicated that he had an expectation that work that

needed to be done by individual councils would have been already completed or in their actions as part of the regional commitment to the project.

Burnie Council moved that CCA fund a project officer position to progress the delivery the Coastal Pathway project from internal funds. A lengthy discussion was had between Representatives, resulting in the motion being overturned.

Motion

That the Representatives ACCEPT and NOTE the Quarterly Report and January to March 2017 Financial Statements.

Moved: Mayor Vickers / Seconded: Mayor Martin / CARRIED

5. FOR DECISION

5.1. 2017/18 STRATEGIC AGENDA AND ANNUAL BUDGET

A briefing note, 2017/18 Strategic Agenda and Annual Budget were presented at Agenda Item 5.1.

BCC raised concerns about investing funds without a business case for the upcoming China visit and suggested that a clear plan should be developed before we proceed with the visit.

Motion

That the Representatives APPROVE the Annual Strategic Agenda and Council Contribution Budget for 2017/18.

Moved: Mayor Martin / Seconded: Mayor Vickers / CARRIED

5.2. AUSTRALIAN MASTERS GAMES CONTRIBUTIONS

A briefing note and breakdown of distributions of costs between councils were presented at Agenda Item 5.2.

Mayor Quilliam raised concerns about the limited number of sporting events in Circular Head. CCA CEO advised that he will organise for the AMG team to contact Mayor Quilliam regarding their concerns.

Mayor Freshney requested the current data used in the AMG funding model to distribute the costs be provided for validation. The CEO advised the agreed funding model methodology remained unchanged, the re-allocation of costs was simply based on the revised participation numbers and confirmed venue locations provided by AMG.

Action

1. CCA to circulate participation numbers used in the funding model to the Representatives.

Motion

That the Representatives APPROVE the 2017/18 financial contributions for the Australian Masters Games licence fee and project management, marketing and promotion as detailed in Table 3.

Moved: Mayor Martin / Seconded: Mayor Vickers / CARRIED

5.3. RELATED PARTY DISCLOSURES

A briefing note and documents associated to Related Party Disclosure requirements were presented at Agenda Item 5.3.

Motion

That the Representatives NOTE the Related Party Disclosure requirements, and supply a Key Management Personnel Declaration for the Financial Year Ending 30 June 2017.

Moved: Alderman Rockliff / Seconded: Mayor Thwaites / CARRIED

Representatives broke for lunch at 12:16 and resumed at 12:30pm.

5.4. APPOINTMENT OF INDEPENDENT CHAIRPERSON OF THE BOARD OF DIRECTORS

A briefing note and confidential Selection Panel Report were tabled at Agenda Item 5.4.

Motion

That the Representatives APPROVE the appointment of the recommended candidate as the independent Chairperson of the Board of Directors.

Moved: Deputy Mayor Boyd / Seconded: Mayor Vickers / CARRIED

6. FOR DISCUSSION

6.1. CCA RULES REVIEW

The CEO provided a verbal update at Agenda Item 6.1.

The Representatives NOTE the CCA Rules Review update provided.

8. FOR NOTING

8.1. INTERNATIONAL RELATIONS - CHINA

A briefing note was presented at Agenda Item 7.1.

Burnie City Council moved that given the budgetary pressure currently facing councils, initiatives such as the China visits should only proceed following a detailed cost benefit analysis. A lengthy discussion was had between Representatives, resulting in the motion being overturned.

Motion

That the Representatives NOTE the advice in relation to international relations.

Moved: Alderman Rockliff / Seconded: Mayor Quilliam / CARRIED

8.2. AUSTRALIAN MASTERS GAMES UPDATE

A briefing note and update report from the General Manager AMG were presented.

Dee Kapene, Volunteer Workforce Coordinator AMG entered the meeting at 12:35 pm on behalf of Scott Wade, General Manager AMG.

The AMG team are aiming for 1000 volunteers with just over 200 currently registered.

The 13 July 2017 marks 100 days until the games begin.

Motion

That the Representatives NOTE the report.

Moved: Mayor Martin / Seconded: Mayor Quilliam / CARRIED

8.3. STRATEGIC CORPORATE PLAN

A briefing note and the associated Strategic Planning documents were presented at Agenda Item 7.3.

CEO informed the Representatives that it was difficult to gauge differing perspectives on issues explored in the survey that was circulated to Councils. However, the workshops provided a more robust and open conversation around the future strategic direction of the CCA.

Director McFie commented that it was good the strategic planning workshops did not result in a finished product as it now needs to go back to council for ownership. How councils manage this process to gain thorough engagement will councillors is key.

A more refined plan will be discussed by the board on 8 June 2017 and then be circulated to stakeholders and councils for input before the final endorsement being sought at the August Representatives meeting.

Motion

That the Representatives NOTE the report and documents provided to participants at the Strategic Corporate Planning workshop.

Moved: Mayor Quilliam / Seconded: Mayor Walsh / CARRIED

9. ISSUES OF REGIONAL SIGNIFICANCE

(Representatives to raise issues of regional significance for discussion)

Gerald Monson questioned whether the economic plan would cover issues such as backpacker tax and seasonal workers.

Andrew Wardlaw raised the Burnie Port expansion and shipping as an issue of regional significance. Burnie City Council are in regular contact with DP world and will provide an update when necessary.

The CEO confirmed that matters for discussion should be added to the Agenda by Representatives prior to the meeting, when background information and reports are required.

Action

1. Representatives to raise matters for inclusion in the agenda.

10. GENERAL BUSINESS

CEO advised the Representatives that a media release will be sent out today relating to the appointment of the new Chairperson for the CCA Board.

A verbal acceptance has been received from the preferred candidate for the Regional Tourism Manager role, with a tentative start date of 10 July 2017.

Mayor Bonde acknowledged and thanked Mrs Cheryl Bellchambers for her role as Chair and Director of the CCA Board.

11. MEETING CLOSE

Meeting closed at 1:15 pm.

The next meeting will be held on 24 August at Cradle Coast House.

Confirmed:

Chief Representative

Date

Attachment 1: Attendees, Observers and Apologies**Representatives**

Alderman Alwyn Boyd	Deputy Mayor, Burnie City Council
Mr Andrew Wardlaw	General Manager, 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
Alderman Steve Martin	Mayor, Devonport City Council
Councillor Don Thwaites	Mayor, Kentish Council
Councillor Tim Wilson	Deputy Mayor, Kentish Council
Mr Gerald Monson	General Manager Kentish and Latrobe Councils
Mr David Laughler	General Manager, King Island Council
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
Alderman Annette Rockliff	Proxy for Paul West, Devonport City Council

Cradle Coast Authority

Ms Cheryl Bellchambers	Director
Mayor Duncan McFie	Director (via Skype)
Mr Michael Stretton	Director
Mr Brett Smith	Chief Executive Officer
Ms Lauren Clarke	Administration Support Officer
Ms Claire Smith	Finance and Corporate Services Manager
Mr Richard Ingram	Manager, NRM
Ms Cat Gale-Stanton	Communications Officer

Observers

Councillor Jan Bishop	Deputy Mayor, Circular Head Council
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Apologies

Mr Paul West	General Manager, Devonport City Council
Mayor Anita Dow	Director
Mr Tony Smart	General Manager, Circular Head Council
Councillor Jim Cooper	Deputy Mayor, King Island Council
Mr Malcolm Wells	Director
Mr Bob Calvert	Director
Mr Rod Stendrup	Director
Councillor Mary Duniam	Deputy Mayor, Waratah-Wynyard Council

6.4 GENERAL MANAGER'S REPORT - JUNE 2017

File: 29092 D462034

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, 18 May to 21 June 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. **Met with recently appointed Chairman of the Council's Shared Audit Panel, Mr Rob Atkinson.** This was an introductory meeting to provide relevant information relating to the recent activities of the Audit Panel. The General Manager of Central Coast Council also attended this briefing session.
- 1.4. Attended a meeting of the Central Coast and Devonport City Councils Shared Audit Panel. Also attended a meeting of the Devonport City Council's Audit Panel held on the same day. A copy of the minutes from both meeting provided to Council under separate report.
- 1.5. Presented at the draft budget community information session held on Wednesday 14 June.

2. LIVING CITY

- 2.1. Participated in a LIVING CITY Working Group meeting. This is a regular meeting where Council officers and representatives of P+i Group discuss progress and activities associated with the project.
- 2.2. Met with a mainland developer interested in pursuing investments in Devonport. A number of opportunities for investment were being actively considered and advice particularly around planning and development issues were discussed.

An outline of other developments undertaken by this company on the mainland (particularly in NSW and Queensland) were provided.

- 2.3. Attended the Project Control Group (PCG) meeting on three occasions during the period. The PCG includes representatives of Council, Fairbrothers, and P+i Group. All PCG meeting are chaired by the appointed Independent Superintendent.
- 2.4. A Workshop presentation provided to Aldermen by P+i Group on the status of LIVING CITY. Included in the presentation was details on current activity relating to the various components of LIVING CITY. Also in attendance was a representative of Lyons Architects and Ben Millbourne.
- 2.5. Attended the Devonport Living City Reference Group meeting. This Group consists of representatives of LINC, Service Tasmania and Council and is working through operational aspects of the new Civic Building.
- 2.6. Chaired a meeting of the LIVING CITY Steering Committee established to meet requirements outlined in the development agreement between Council and the State Government. The Steering Committee includes members representing LINC; Service Tasmania, Treasury and Department of State Growth. The main purpose of the Steering Committee is to monitor progress on the development of the multi-purpose building and ensuring a coordinated response is provided to matters to be determined.

3. COMMUNITY ENGAGEMENT (RESIDENTS & COMMUNITY GROUPS)

- 3.1. Met with a property owner to discuss a rates issue relating to valuation.
- 3.2. Attended the formal opening of the Bike Safety Park at East Devonport. This project was community driven and was achieved following a grant from the Tasmanian Community Fund and a budget allocation by Council. A number of local businesses also provided assistance in developing the Bike Park.
- 3.3. Met with a local commercial property owner to discuss matters relating to **Council's rating policies, in particular waste management.**
- 3.4. Met with a property investor looking at opportunities for investment in Devonport.
- 3.5. Met with representatives of Ambulance Tasmania to discuss the options which may be available to them for relocation in Devonport. This discussion was triggered by the Council's decision to request the State Government to consider relocating both Ambulance and the Fire Brigade from their current Victoria Parade location.
- 3.6. With the Mayor met with the Advocate Newspaper to outline the 2017/18 draft budget and capital works program. The purpose of the meeting was to promote the Community Budget Information session on Wednesday 14 June.
- 3.7. With the Mayor met with the local coordinator of Beacon Foundation to be updated on the work the organisation is doing in the Devonport and greater north-west region.
- 3.8. Attended the Devonport Country Club open house at the Devonport Golf Club. The purpose of the open house was to celebrate the official launch of the Country Club project.

- 3.9. Met with representatives of the Rotary Club Devonport North to be updated on the progress with the development of the Mersey Bluff Seawalk. It is proposed at this stage that a community consultation workshop facilitated by their appointed Consultants will be held on Saturday 5 August 2017.

4. NATIONAL, REGIONAL AND STATE BASED LOCAL GOVERNMENT

- 4.1. Attended a meeting of the Cradle Coast General Managers Group. The meeting was held at Latrobe and items on the agenda included:

- Cradle Coast Authority update including discussion around the Representatives Agenda for the scheduled meeting on 25 May.
- Masters Games update
- Shared Services Project update.
- State-wide Planning Scheme and the development of local provisions
- Waste Management Group
- TasWater

- 4.2. Attended the final session of the Local Government Professional National Congress in Hobart. This year Devonport's Management Challenge Team were involved in the Australasian Final held in conjunction with the National Congress. Teams participating this year included:

- New South Wales - Mid Western Regional Council
- Victoria - City of Greater Dandenong
- South Australia - City of Adelaide
- Western Australia - City of Gosnells
- Northern Territory - Alice Springs City Council
- Queensland - Brisbane City Council
- New Zealand - Tauranga City Council
- Tasmania - Devonport City Council

The Devonport team consisted of JoHanna Robertson, Kym Peebles, Karen Hampton, Karina Moore, Alex Mountney and Amandeep Singh. the Management Challenge is one of the major opportunities for professional development in local government available to both new and aspiring managers.

The Challenge was won by the team from Brisbane City Council.

- 4.3. As a member of a Working Group appointed by LGAT participated in a teleconference to discuss opportunities for a campaign against the takeover of TasWater by the State Government.
- 4.4. Attended a forum in Burnie where a briefing was provided on the State-wide Planning Reform program. In particular discussion around the development of the local provisions for the new Planning Scheme occurred. There are concerns that the timeline the State Government is pursuing for the introduction of the new Planning Scheme will be difficult to achieve, however Council will continue to work towards completing the local provisions as quickly as possible.

5. STATE AND FEDERAL GOVERNMENT PROGRAMS

- 5.1. The Minister for Planning and Local Government, Hon Peter Gutwein has written to Council outlining the arrangements in relation to councils preparing their Local Provisions Schedule (LPS) and the assistance to be provided by the State Government. A copy of the correspondence is provided as an attachment.
- 5.2. As a proxy member for the General Manager, Central Coast Council participated in a teleconference by the Premier's Local Government Council (PLGC) Officials Group to finalise the agenda for the upcoming meeting of PLGC on 28 June.

6. OTHER

- 6.1. An appeal has been lodged with the Resource Management and Planning Appeal Tribunal (RMPAT) in relation to Council's decision to donate land situated at 108 Tarelton Street, East Devonport. The basis as notified in the 'Notice of Appeal' form are:
 1. *To lose the park residents suffer a severe loss of amenity.*
 2. *The park is currently a green buffer between residential dwelling and industrial complex and to our knowledge was donated to the Council on the condition it remain parkland after being used for many years as the East Devonport landfill.*

As a result, RMPAT will proceed to determine the matter in accordance with its legislative powers.

A preliminary directions hearing was held on Tuesday 20 June. Following the hearing the Tribunal issued a "direction" to the appellants requesting that within 14 days they were "to deliver further and better particulars of the grounds of appeal addressing the issues that arise for consideration under Section 178A(3) of the Local Government Act 1993".

Failure to comply with this direction will result in the appeal being dismissed.

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. Minister for Planning & Local Government 29 May 2017
2. Current and Previous Minute Resolutions Update - June 2017
3. CONFIDENTIAL - Current and Previous Minute Resolutions Update - Confidential June 2017

RECOMMENDATION

That the report of the General Manager be received and noted.

Author:	Paul West
Position:	General Manager

31/05/2017 D475410

Treasurer

Level 9 Executive Building
15 Murray Street HOBART TAS 7000
Ph +61 3 6165 7670
Email treasureroffice@dpac.tas.gov.au

**COPY**

Mayor Ald Steve Martin
Devonport City Council
PO Box 604
DEVONPORT TAS 7310

29 MAY 2017

Dear Mayor,

I am writing to confirm arrangements for Councils to prepare their Local Provisions Schedules (LPS) and assistance the Government is providing to expedite this important reform.

I understand that Council planners in the three regions have prepared draft work plans clarifying LPS mapping and drafting tasks and timeframes. This is a positive initiative and provides practical opportunities for Councils to coordinate and share resources for timely completion of the LPS process.

The Government strongly supports this constructive approach and has allocated each region \$100,000 in the 2017/18 State Budget to assist. I have asked the Planning Policy Unit (PPU) in the Department of Justice to work with Councils and the regional council bodies to finalise work plans and budgets so funds can be allocated.

The Government is also committed to provide information, advice and guidance to ensure draft LPSs give effect to the State Planning Provisions and meet statutory requirements.

On 5 May 2017, I endorsed the release of Guidelines in accordance with Section 8A of the *Land Use Planning and Approvals Act 1993*, and Practice Notes to assist Councils with the preparation of their draft LPS. The Tasmanian Planning Commission (TPC) has established a Planners Portal on its website to receive and respond to drafting and mapping questions from Council planners.

An Advisory Statement will also be issued shortly covering the transitioning of existing particular provisions in interim planning schemes to an LPS, such as the conversion of specific area plans and particular purposes zones.

Inevitably there will be some matters that arise which will require more detailed consideration. For example, a solution is currently being developed to address an issue with the listing of heritage places identified by some Councils. Advice and assistance in relation to such matters will be provided as and when required during the LPS process.

To ensure actions and communications are coordinated, a State LPS Steering Committee has been formed. The Steering Committee comprises the Department Secretary (Chair), the PPU, the TPC, LGAT and the Planning Reform Taskforce.

31/05/2017 D475410

2

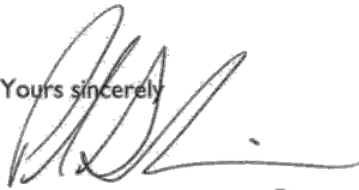
The Government is also moving quickly to identify any considerations in relation to the three Regional Land Use Strategies (Regional Strategies) to ensure they are consistent with the State Planning Provisions. This is to ensure a draft LPS is consistent with a Regional Strategy.

As the Government is committed to a major review of Regional Strategies after introduction of the Tasmanian Planning Scheme and Tasmanian Planning Policies, any immediate strategic changes will be limited to those essential to the drafting of an LPS and based on comprehensive regional or local planning study.

An Advisory Statement will be released shortly clarifying the Regional Strategy process.

Finally, I acknowledge the planning expertise of Councils and their staff and look forward to the timely preparation and submission of the draft LPSs to the TPC over coming months.

Yours sincerely



Peter Gutwein MP
Treasurer
Minister for Planning and Local Government

Cc General Manager: Paul West

Current and Previous Minute Resolutions Update

OPEN SESSION Current Resolutions	
Resolution Title:	Disposal of 108 Tarleton Street, East Devonport to Oak Possability (D467357)
Date:	22 May 2017
Minute No.	78/17
Status:	In progress
Responsible Officer:	Governance Coordinator
Officers Comments:	Appeal lodged by 6 objectors – Preliminary hearing with RMPAT held 20 June 2017. Further information sought from the appellants
Resolution Title:	TasWater - State Government Takeover (D471928)
Date:	22 May 2017
Minute No.:	79/17
Status:	Completed
Responsible Officer:	General Manager
Officers Comments:	Advice provided of Council's position
Resolution Title:	Council Committees Policy Review (GFC 64/17)
Date:	22 May 2017
Minute No.:	85/17
Status:	Completed
Responsible Officer:	Governance Coordinator
Officers Comments:	Policy updated in preparation for 1 July commencement
Previous Resolutions Still Being Actioned	
Resolution Title:	Development of Prospectus for Devonport Municipality – Notice of Motion – Ald L M Laycock
Date:	24 April 2017
Minute No.:	53/17
Status:	In progress
Responsible Officer:	Governance Coordinator
Officers Comments:	Listed for July Council workshop
Resolution Title:	Southern Rooke Street Upgrade – Notice of Motion – Ald L M Laycock
Date:	24 April 2017
Minute No.:	54/17
Status:	Completed
Responsible Officer:	General Manager
Officers Comments:	Item considered at budget workshops and included on the 2017/18 CAPEX budget for adoption in June 2017

Previous Resolutions Still Being Actioned	
Resolution Title:	Payment Options
Date:	24 April 2017
Minute No.:	63/17
Status:	Completed
Responsible Officer:	Executive Manager Corporate Community & Business
Officers Comments:	Agreement with Service Tasmania finalised
Resolution Title:	Permanent Art Collection Acquisition (CSC 05/17 – 10 April 2017)
Date:	24 April 2017
Minute No.:	69/17
Status:	Completed
Responsible Officer:	Executive Manager Corporate Community & Business
Officers Comments:	Purchase order has been raised and approved, tax invoice received.
Resolution Title:	Sports Carnivals Association of Tasmania – Application for Funding (CSC 06/17 – 10 April 2017)
Date:	24 April 2017
Minute No.:	69/17
Status:	In progress
Responsible Officer:	Executive Manager Corporate Community & Business
Officers Comments:	Report to be presented to a future Council meeting once further information is received.
Resolution Title:	Promotional Signage Horsehead Creek Roadside
Date:	27 February 2017
Minute No.:	17/17
Status:	Completed
Responsible Officer:	Deputy General Manager
Officers Comments:	Lease terms updated and signed by all parties – First 'skin' to be installed promoting Jazz Festival prior to 1 July
Resolution Title:	Harbourmaster's Café – Erection of Commercial Umbrellas
Date:	27 February 2017
Minute No.:	20/17
Status:	In Progress
Responsible Officer:	General Manager
Officers Comments:	All documentation lodged by the proponent and provided to Crown Land Services for approval.

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Status:	In Progress
Responsible Officer:	General Manager
Officers Comments:	All documentation lodged by the proponent and provided to Crown Land Services for approval.

Previous Resolutions Still Being Actioned	
Resolution Title:	Agree to review Pioneer Park Master Plan in 2017/18 (Community Services Committee – 12 December 2016)
Date:	19 December 2016
Minute No.:	238/16
Status:	Completed
Responsible Officer:	Executive Manager Corporate Community & Business Services
Officers Comments:	The Pioneer Park Master Plan review will commence 2017-2018 – has been included as an Annual Plan item for 2017/18
Resolution Title:	Reservation – area in Pioneer Park – future memorial garden (Community Services Committee – 12 December 2016)
Date:	19 December 2016
Minute No.:	238/16
Status:	Completed
Responsible Officer:	Executive Manager Corporate Community & Business Services
Officers Comments:	The Pioneer Park Master Plan review will commence 2017-2018 – this item to be considered as part of the Plan.
Resolution Title:	Feasibility Study – development mobile phone app (Community Services Committee – 12 December 2016)
Date:	19 December 2016
Minute No.:	238/16
Status:	In Progress
Responsible Officer:	Executive Manager Corporate Community & Business Services
Officers Comments:	Development of a Devonport Information Mobile application is an action of the Digital Strategy, with a medium priority to be completed in 3-5 years only if external funds can be sourced.
Resolution Title:	Beach Volleyball Courts (Community Services Committee– 12 December 2016)
Date:	19 December 2016
Minute No.:	238/16
Status:	Completed
Responsible Officer:	Executive Manager Corporate Community & Business Services
Officers Comments:	Report provided to recent Community Services Committee meeting 19 June
Resolution Title:	Investigation – Staging – Tasmanian Masters Games (Community Services Committee – 17 October 2016)
Date:	24 October 2016
Minute No.:	197/16
Status:	In Progress
Responsible Officer:	Executive Manager Corporate Community & Business Services
Officers Comments:	Preliminary investigation and actions commenced – Report to be provided to future Council meeting

Previous Resolutions Still Being Actioned	
Resolution Title:	Funding & Assistance – Home Hill – NOM – Ald Laycock
Date:	26 September 2016
Minute No.:	170/16
Status:	In Progress
Responsible Officer:	Executive Manager Corporate Community & Business Services
Officers Comments:	Discussions have commenced with National Trust of Australia. Waiting for further information from National Trust.
Resolution Title:	Pay by Phone Parking Technology – Review (Governance & Finance committee – 19 September 2016)
Date:	26 September 2016
Minute No.:	181/16
Status:	In Progress
Responsible Officer:	Executive Manager Corporate Community & Business Services
Officers Comments:	Documentation prepared for release at appropriate time.

7.0 SECTION 23 COMMITTEES

7.1 INFRASTRUCTURE WORKS AND DEVELOPMENT COMMITTEE
MEETING - 13 JUNE 2017

File: 29528 D477205

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 Tuesday, 13 June 2017.

ATTACHMENTS

[1.](#) Minutes - Infrastructure Works and Development Committee - 2017/06/13

RECOMMENDATION

That the minutes of the Infrastructure Works and Development Committee meeting held on Tuesday, 13 June 2017 be received and the recommendations contained therein be adopted.

IWC 20/17 Tender Report Contract 1314 Supply & Delivery of Pre-Mixed Concrete
 IWC 21/17 Stormwater connection policy
 IWC 22/17 Public Lighting Strategy - Year 3 Status
 IWC 23/17 Waste Management Review
 IWC 24/17 Request for Commemorative Seat - Mersey Vale Memorial Park
 IWC 25/17 Infrastructure and Works Report
 IWC 26/17 Development and Health Services Report

Author:	April Nelson	Endorsed By:	Paul West
Position:	Executive Assistant - Governance	Position:	General Manager

MINUTES OF AN INFRASTRUCTURE WORKS AND DEVELOPMENT COMMITTEE MEETING OF THE
DEVONPORT CITY COUNCIL HELD IN THE COUNCIL CHAMBERS
ON TUESDAY, 13 JUNE 2017 COMMENCING AT 5:30PM

PRESENT: Ald L M Perry (Chairman)
Ald C D Emmerton
Ald G F Goodwin (from 5:34pm)
Ald L M Laycock
Ald J F Matthews

ABSENT: Ald AJ Jarman

Aldermen in Attendance:
Ald S L Martin
Ald T M Milne
Ald A L Rockliff

Council Officers:
General Manager, P West
Manager Development, B May
Infrastructure and Works Manager, K Lunson
Governance Co-ordinator, K Hampton

Audio Recording:

All persons in attendance were advised that it is Council policy to record Council meetings, in accordance with Council's Audio Recording Policy. The audio recording of this meeting will be made available to the public on Council's website for a minimum period of six months.

1.0 APOLOGIES

There were no apologies received.

2.0 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3.0 PROCEDURAL

3.1 PUBLIC QUESTION TIME

3.1.1 Questions on notice from the public
Nil

3.1.2 Questions without notice from the public

DOUGLAS JANNEY – 23 WATKINSON STREET, DEVONPORT
Agenda item 6.1 page 46. From April to May the forecast Capital Works Expenditure has been reduced from \$36,000,254 to some \$30,606,340 a reduction of \$5,393,914.

In the same period the Total expenditure has gone from \$21,136,486 to \$24,387,200 an increase of \$3,250,714 which suggests that the Total expenditure will not exceed \$28m a shortfall on the revised forecast by some \$2.6m.

Some explanation was given by Mr West at the May GFC meeting. However, it appears to me that further challenges have arisen since then.

Q. Please explain what is going on?

Response

The General Manager responded that there is expected to be increased expenditure in the June period, noting that at the end of June a full reconciliation of projects will identify either projects completed or to be carried forward. The bulk of the reduction in the forecast has to do with LIVING CITY the Art Gallery Relocation.

Ald Goodwin arrived 5:34pm

3.2 QUESTIONS FROM ALDERMEN

Nil

3.3 NOTICES OF MOTION

Nil

4.0 TENDERS

4.1 TENDER REPORT CONTRACT 1314 SUPPLY & DELIVERY OF PRE-MIXED CONCRETE (D469708)

IWC 20/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Laycock

That the Infrastructure, Works and Development Committee in relation to Contract 1314 for Supply & Delivery of Pre-Mixed Concrete and in accordance with the delegated authority provided to it by Council under Minute 198/15, award the contract to Boral Construction Materials Pty Ltd based on their submitted schedule of rates.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Emmerton	✓		Ald Matthews	✓	
Ald Goodwin	✓				

CARRIED UNANIMOUSLY

5.0 INFRASTRUCTURE AND WORKS REPORTS

5.1 STORMWATER CONNECTION POLICY (D471962)

IWC 21/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Matthews

That it be recommended to Council that the report of the City Engineer regarding the Stormwater Connection Policy be received and noted and

that Council:

- 1) adopt the Stormwater Connection Policy with immediate effect; and
- 2) accept that the adoption of this Policy redefines the meaning of "reasonable" under Section 19 (1) of the *Urban Drainage Act 2013*.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Emmerton	✓		Ald Matthews	✓	
Ald Goodwin	✓				

CARRIED UNANIMOUSLY

5.2 PUBLIC LIGHTING STRATEGY - YEAR 3 STATUS (D471963)

IWC 22/17 RESOLUTION

MOVED: Ald Matthews

SECONDED: Ald Emmerton

That it be recommended to Council that the report of the City Engineer be received and Council note the status of actions listed in the Devonport City Council Public Lighting Strategy.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Emmerton	✓		Ald Matthews	✓	
Ald Goodwin	✓				

CARRIED UNANIMOUSLY

5.3 WASTE MANAGEMENT REVIEW (D473040)

IWC 23/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Emmerton

That it be recommended to Council that the report of the Infrastructure and Works Manager regarding commercial waste management review be noted and that Council endorse the proposed changes as outlined in the report.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Emmerton	✓		Ald Matthews	✓	
Ald Goodwin	✓				

CARRIED UNANIMOUSLY

5.4 REQUEST FOR COMMEMORATIVE SEAT - MERSEY VALE MEMORIAL PARK (D473819)

IWC 24/17 RESOLUTION

MOVED: Ald Laycock

SECONDED: Ald Matthews

That it be recommended to Council that the application from Anne Lowe for the placement of a commemorative seat at Mersey Vale Cemetery be received and Council advise the applicant that, subject to final determination of the placement of the seat, her request is approved.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Emmerton	✓		Ald Matthews	✓	
Ald Goodwin	✓				

CARRIED UNANIMOUSLY

6.0 INFRASTRUCTURE AND WORKS MONTHLY UPDATE

6.1 INFRASTRUCTURE AND WORKS REPORT (D470928)

IWC 25/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Emmerton

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 Emmerton	✓		Ald Matthews	✓	
Ald Goodwin	✓				

CARRIED UNANIMOUSLY

6.2 DEVELOPMENT AND HEALTH SERVICES REPORT (D473462)

IWC 26/17 RESOLUTION

MOVED: Ald Emmerton

SECONDED: Ald Matthews

That it be recommended to Council that the Development and Health Services Report be received and noted.

	For	Against		For	Against
Ald Perry	✓		Ald Laycock	✓	
Ald Emmerton	✓		Ald Matthews	✓	
Ald Goodwin	✓				

CARRIED UNANIMOUSLY

7.0 CLOSURE

There being no further business on the agenda the Chairman declared the meeting closed at 5:50pm.

Confirmed

Chairman

7.2 PLANNING AUTHORITY COMMITTEE MEETING - 19 JUNE 2017

File: 29133 D477905

RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.3.2 Provide appropriate support to elected members to enable them to discharge their functions

SUMMARY

The purpose of this report is to receive the minutes and endorse the recommendations provided to Council by the Planning Authority Committee meeting held on Monday, 19 June 2017.

ATTACHMENTS

[1.](#) Minutes - Planning Authority Committee - 2017/06/19

RECOMMENDATION

That the minutes of the Planning Authority Committee meeting held on Monday, 19 June 2017 be received and the recommendations contained therein be adopted.

PAC 13/17 Planning Applications approved/refused under Delegated Authority 1 May 2017 - 9 June 2017

PAC 14/17 PA2017.0017 Two lot subdivision and assessment under Historic Cultural Heritage Act 1995 - 36 Cutts Road, Don

Author:	April Nelson	Endorsed By:	Paul West
Position:	Executive Assistant - Governance	Position:	General Manager

MINUTES OF A PLANNING AUTHORITY COMMITTEE MEETING OF THE DEVONPORT CITY
COUNCIL HELD IN THE COUNCIL CHAMBERS
ON MONDAY, 19 JUNE 2017 COMMENCING AT 5.15PM

PRESENT: Ald C D Emmerton
Ald G F Goodwin
Ald J F Matthews
Ald L M Perry

Aldermen in Attendance:
Ald L M Laycock
Ald T M Milne
Ald A L Rockliff

Council Officers:
General Manager, P West
Manager Development and Health Services, B May
Senior Town Planner, C Milnes

APPOINTMENT OF CHAIRMAN

PAC 12/17 RESOLUTION

MOVED: Ald Emmerton
SECONDED: Ald Matthews

That Ald Goodwin be appointed as Chairman for tonight's Planning Authority Committee meeting.

	For	Against		For	Against
Ald Goodwin	✓		Ald Matthews	✓	
Ald Emmerton	✓		Ald Perry	✓	

CARRIED UNANIMOUSLY

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 apology was received for the meeting.

Alderman	Reason
Ald Martin	Apology

2.0 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3.0 DELEGATED APPROVALS

3.1 PLANNING APPLICATIONS APPROVED/REFUSED UNDER DELEGATED AUTHORITY 1 MAY 2017 - 9 JUNE 2017 (D476706)

PAC 13/17 RESOLUTION

MOVED: Ald Perry

SECONDED: Ald Matthews

That the list of delegated approvals be received.

	For	Against		For	Against
Ald Goodwin	✓		Ald Matthews	✓	
Ald Emmerton	✓		Ald Perry	✓	

CARRIED UNANIMOUSLY

4.0 DEVELOPMENT REPORTS

4.1 PA2017.0017 TWO LOT SUBDIVISION AND ASSESSMENT UNDER HISTORIC CULTURAL HERITAGE ACT 1995 - 36 CUTTS ROAD, DON (D476387)

PAC 14/17 RESOLUTION

MOVED: Ald Emmerton

SECONDED: Ald Perry

That the Planning Authority, pursuant to the provisions of the *Devonport Interim Planning Scheme 2013*, Part 3 of the *Local Government (Building and Miscellaneous Provisions) Act 1993* and Section 57 of the *Land Use Planning and Approvals Act 1993*, approve application PA2017.0017 and grant a Permit to develop land identified as 36 Cutts Road, Don as follows:-

1. Two lot subdivision – assessment against *Historic Cultural Heritage Act 1995*

Subject to the following conditions:

2. The subdivision is to be developed and configured generally in accordance with the following submitted plans and documents, copies of which are attached and endorsed as documents forming part of this Planning Permit:
 - a. Plan of subdivision – Drawing no. D14734-P03 rev 01 by Lester Franks, dated 28/03/17;
 - b. Landslide Risk Assessment – Proposed 2 lot subdivision – 36 Cutts Road, Don – Document Reference TG14077/1 – 01report, by Tasman Geotechnics, dated 27/6/14;
 - c. Letter (Building Area on Proposed New Lot) – Reference TG14077/1 – 02letter by Tasman Geotechnics, dated 4/8/14;
 - d. Letter (Response to Council Request for Clarification) – Reference TG17005/1 – 02letter by Tasman Geotechnics, dated 10 May 2017

3. The developer is to comply with the conditions contained in the 'In-principle agreement for Roads and Stormwater' issued by the Devonport City Council on the 16 May 2017 (copy attached).
4. A building envelope is to be placed on the Final Plan to indicate the suitable location of a future dwelling in accordance with Tasman Geotechnics' recommendation.
5. The Final Plan is to be endorsed as follows:
On-site sewage and sullage disposal:
Lot 1 is suitable for the installation of a septic tank with evapotranspiration beds or an aerated on-site wastewater management system.'
6. The subdivider is to enter into an agreement in accordance with Part 5 of the *Land Use Planning and Approvals Act 1993* to ensure the report prepared by Tasman Geotechnics in regard to geotechnical and onsite wastewater disposal considerations is available to all subsequent owners.
7. The easements on the existing sealed plan in regard to water and access rights are to be removed in accordance with section 103 of the *Local Government (Building and Miscellaneous Provisions Act) 1993* at the time of, or prior to, submission of the final plan of subdivision.
8. The subdivider is not to include any covenants within the Schedule of Easements that by their intended purpose are inconsistent with the relevant zone and code standards of the *Devonport Interim Planning Scheme 2013*.
9. The developer is to either identify the location of the land application disposal system for existing septic tank 1; or submit to Council a design report, including a site and soil evaluation in accordance with **AS/NZS1547:2012** and the **Director's Guidelines for On-site Wastewater Management Systems**, as well as an application for a plumbing permit, for a land application disposal system. As part of this, the report is to assess whether the existing septic tank is suitable for use with regard to its general condition and wastewater loadings.
10. All existing onsite wastewater treatment systems, including land application areas, are to be confined within the boundary of the property they are servicing.
11. The developer is to comply with the conditions specified in the Notice of Heritage Decision which the Tasmanian Heritage Council has required to be included in the planning permit pursuant to section 39 of the *Historic Cultural Heritage Act 1995* (copy attached).
12. The person responsible for the activity must comply with the conditions contained in the *Submission to Planning Authority Notice* which the regulated entity (trading as TasWater) has required the Planning Authority to include in the planning permit, pursuant to section 56P(1) of the *Water and Sewerage Industry Act 2008* (copy attached).

Note: The following is provided for information purposes.

Lot 1 will remain registered on the Tasmanian Heritage Register. Any future development on the site must be assessed by the Tasmanian Heritage Council.

The address of Lot 1 will be 24 Cutts Road. The address of the balance lot will remain as 36 Cutts Road.

The subdivider should contact Telstra and Tas Networks to assist them with their forward planning of infrastructure.

In regard to condition 12 the applicant/developer should contact the TasWater – Ph 136992 with any enquiries.

In regard to condition 3 the applicant should contact Council's City Infrastructure Department – Ph 6424 0511 with any enquiries.

Enquiries regarding other conditions can be directed to Council's Development & Health Services Department – Ph 6424 0511.

	For	Against		For	Against
Ald Goodwin	✓		Ald Matthews	✓	
Ald Emmerton	✓		Ald Perry	✓	

CARRIED UNANIMOUSLY

5.0 CLOSURE

With no further business on the agenda the Chairman declared the meeting closed at 5:19pm.

Confirmed

Chairman

7.3 COMMUNITY SERVICES COMMITTEE MEETING - 19 JUNE 2017

File: 29530 D477906

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 Community Services Committee meeting held on Monday, 19 June 2017.

ATTACHMENTS

[1.](#) Minutes - Community Services Committee - 2017/06/19

RECOMMENDATION

That the minutes of the Community Services Committee meeting held on Monday, 19 June 2017 be received and the recommendations contained therein be adopted.

CSC 09/17 Beach Volleyball Courts

CSC 10/17 Minutes of the Sport and Recreation Strategic Special Committee Meeting - May 2017

CSC 11/17 Sporting Precinct Master Plan

CSC 12/17 Devonport Gymnastics Club

CSC 13/17 Terms of Reference Council Special Interest Groups, Working Groups and Advisory Boards

CSC 14/17 Community Financial Assistance - Review 2016/2017

CSC 15/17 Julie Burgess performance 2016/2017 and business plan 2017/2018

CSC 16/17 Community Services Report - June 2017

Author:	April Nelson	Endorsed By:	Paul West
Position:	Executive Assistant - Governance	Position:	General Manager

MINUTES OF A COMMUNITY SERVICES COMMITTEE MEETING OF THE DEVONPORT CITY
COUNCIL HELD IN THE COUNCIL CHAMBERS
ON MONDAY, 19 JUNE 2017 COMMENCING AT 5:30PM

PRESENT: Ald A L Rockliff (Chairman)
Ald G F Goodwin
Ald A J Jarman
Ald L M Laycock
Ald T M Milne

Aldermen in Attendance:
Ald C D Emmerton
Ald J F Matthews
Ald A L Rockliff

Council Officers:
General Manager, P West
Executive Manager Corporate, Community & Business, S Crawford
Community and Cultural Development Manager, B de Jong

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 apology was received for the meeting.

Ald Martin	Apology
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2.0 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3.0 PROCEDURAL

- 3.1 PUBLIC QUESTION TIME
- 3.2 QUESTIONS FROM ALDERMEN
Nil
- 3.3 NOTICES OF MOTION
Nil

4.0 COMMUNITY SERVICES REPORTS

4.1 BEACH VOLLEYBALL COURTS (D457148)

CSC 09/17 RESOLUTION

MOVED: Ald Laycock
SECONDED: Ald Jarman

That it be recommended to Council that the report relating to Beach Volleyball be received and Council:

1. Note the outcomes of the discussions with the Devonport Volleyball Association;
2. Ensure the proposal for a new beach volleyball court is considered as part of the Bluff Precinct Master Planning process;
3. Conduct further community engagement regarding a suitable site for the project prior to any further development; and
4. Remove existing infrastructure at the EDR&FC in 2017/18 and reinstate the area with grass.

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

4.2 MINUTES OF THE SPORT AND RECREATION STRATEGIC SPECIAL COMMITTEE MEETING - MAY 2017 (D473762)

CSC 10/17 RESOLUTION

MOVED: Ald Milne

SECONDED: Ald Jarman

That it be recommended to Council that the minutes of the Sport and Recreation Strategic Special Committee meeting held on Wednesday 31 May 2017 be received and noted.

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

4.3 SPORTING PRECINCT MASTER PLAN (D469857)

CSC 11/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Milne

That it be recommended to Council that the Sporting Precinct Master Plan be endorsed.

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

4.4 DEVONPORT GYMNASTICS CLUB (D475977)

CSC 12/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Milne

That it be recommended to Council that the report relating to a new Gymnastics facility be received and noted that Council advise the Devonport Gymnastics Club that:

1. It is willing to act as guarantor for a loan of no more than \$300,000 specifically to be used for a new Gymnastics facility at Maidstone Park subject to confirmation of funding from State and Federal Government and the entering into of a formal agreement; and
2. Ongoing discussions regarding the exact location of the facility are continuing

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

4.5 TERMS OF REFERENCE COUNCIL SPECIAL INTEREST GROUPS, WORKING GROUPS AND ADVISORY BOARDS (D475983)

CSC 13/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Laycock

That it be recommended to Council that the report of the Community and Cultural Development Manager relating to the terms of reference for Interest Groups, Working Groups and Advisory Boards be received and noted and that Council adopts the:

- (a) Active City Special Interest Group Terms of Reference
- (b) East Devonport Special Interest Group Terms of Reference
- (c) Liveable Communities Special Interest Group Terms of Reference
- (d) Public Art Special Interest Group Terms of Reference
- (e) Devonport Regional Gallery Advisory Board Terms of Reference
- (f) Devonport Food and Wine Working Group Terms of Reference
- (g) Devonport Jazz Working Group Terms of Reference
- (h) Tidal Festival Working Group Terms of Reference

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

4.6 COMMUNITY FINANCIAL ASSISTANCE - REVIEW 2016/2017 (D474266)

CSC 14/17 RESOLUTION

MOVED: Ald Laycock

SECONDED: Ald Jarman

That it be recommended to Council that the report of the Community and Cultural Development Manager outlining community financial assistance outcomes be received and noted.

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

4.7 JULIE BURGESS PERFORMANCE 2016/2017 AND BUSINESS PLAN 2017/2018 (D476365)

CSC 15/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Milne

That it be recommended to Council that the Julie Burgess Year to Date Performance and 2017/2018 Business Plan Report be received and noted.

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

4.8 COMMUNITY SERVICES REPORT - JUNE 2017 (D473761)

CSC 16/17 RESOLUTION

MOVED: Ald Goodwin

SECONDED: Ald Laycock

That it be recommended to Council that the Community Services report be received and noted.

	For	Against		For	Against
Ald Rockliff	✓		Ald Laycock	✓	
Ald Goodwin	✓		Ald Milne	✓	
Ald Jarman	✓				

CARRIED UNANIMOUSLY

5.0 CLOSURE

There being no further business on the agenda the Chairman declared the meeting closed at 5:55pm.

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	<i>Local Government (Meeting Procedures) Regulations 2015 Reference</i>
8.1	Application for Leave of Absence	15(2)(h)
8.2	Unconfirmed Minutes - Joint Authorities	15(2)(g)
8.3	Local Government Association of Tasmania - Election of President - General Management Committee	15(2)(g)
8.4	Fenton Villas	15(2)(c),(f)

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	
8.3	Local Government Association of Tasmania - Election of President - General Management Committee	
8.4	Fenton Villas	

9.0 CLOSURE

There being no further business the Mayor declared the meeting closed at pm.
