



*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 25 June 2018, commencing at 5:30pm.

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

## QUALIFIED PERSONS

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

Paul West  
GENERAL MANAGER

**20 June 2018**

## JULY 2018

<b>Meeting</b>	<b>Date</b>	<b>Commencement Time</b>
Governance Finance & Community Services	16 July 2018	5:30pm
Council	23 July 2018	5:30pm

**AGENDA FOR AN ORDINARY MEETING OF DEVONPORT CITY COUNCIL  
HELD ON MONDAY 25 JUNE 2018 AT THE COUNCIL CHAMBERS AT 5:30PM**

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Agenda of an ordinary meeting of the Devonport City Council to be held at the Council Chambers, Fenton Way, Devonport on Monday, 25 June 2018 commencing at 5:30pm.

**PRESENT**

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

**ACKNOWLEDGEMENT OF COUNTRY**

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

**IN ATTENDANCE**

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

**1.0 APOLOGIES**

The following apology was received for the meeting.

Ald L M Perry	Leave of Absence
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**2.0 DECLARATIONS OF INTEREST**

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**3.0 PROCEDURAL**

**3.1 CONFIRMATION OF MINUTES**

**3.1.1 COUNCIL MEETING - 28 MAY 2018**

**RECOMMENDATION**

That the minutes of the Council meeting held on 28 May 2018 as circulated be confirmed.

### 3.2 PUBLIC QUESTION TIME

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

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

### 3.2.1 RESPONSES TO QUESTIONS RAISED AT PRIOR MEETINGS

File: 28779 D508412

Responses to questions raised at prior meetings are attached.

#### ATTACHMENTS

- [1.](#) Response to Patricia Ellison - Public Question - Council Meeting 28 May 2018 - Item 5.2 Kelcey Tier Mountain Bike Trail
- [2.](#) Response to Josh Cox - Public Question - Council Meeting 28 May 2018 - Item 5.2 Kelcey Tier Mountain Bike Trail
- [3.](#) Response to Peter Symons - Public Question - Council Meeting 28 May 2018 - Item 5.2 Kelcey Tier Mountain Bike Trails
- [4.](#) Response to Justin Warren - Public Question - Council Meeting 28 May 2018 - Item 5.2 Kelcey Tier Mountain Bike Trails
- [5.](#) Response to Bob Vellacott - Public Question - Council Meeting May 28 - Living City Borrowings
- [6.](#) Response to Malcolm Gardam - Public Question Council Meeting 28 May 2018 - LIVING CITY Master Plan

#### RECOMMENDATION

That the responses to questions from Ms Patricia Ellison, Mr Josh Cox, Mr Peter Symons, Mr Justin Warren, Mr Bob Vellacott and Mr Malcolm Gardam at the 28 May 2018 Council meeting be noted.

Author:	Paul West
Position:	General Manager



30 May 2018

*In reply please quote:*  
File 28779

Ms Patricia Ellison  
9 Lethborg Avenue  
TURNERS BEACH TAS 7315

Dear Ms Ellison,

**QUESTION WITHOUT NOTICE - 28 MAY 2018**

I refer to your question raised at the Council meeting on 28 May 2018 in relation to item 5.2 Kelcey Tier Mountain Bike Trails, and provide the following response:

**Question**

Is Council putting in place management strategies that will:

- 1) Minimize its liability for injuries; and
- 2) Ensure that other users of the Reserve, outside the mountain bike community, will feel confident to continue their activities there without concerns for their own safety?

**Response**

The Kelcey Tier Master Plan, together with the Licence Agreement entered into between Council and the Mersey Valley Devonport Cycling Club regarding their use of the area, will ensure that the area is maintained and used appropriately by club members, to ensure that other users of the Reserve are able to continue to undertake their activities in a safe environment.

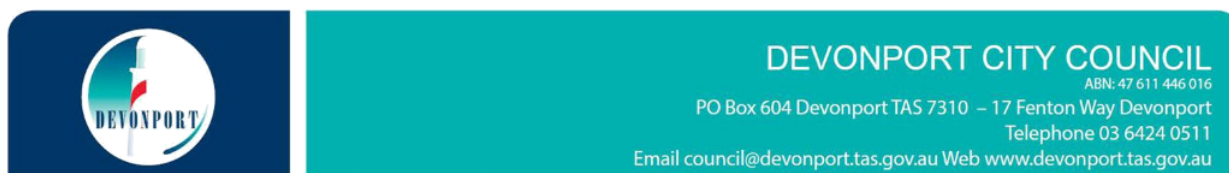
Insurance requirements for the Mersey Valley Devonport Cycling Club will be considered as part of the Licence Agreement.

Yours sincerely

A handwritten signature in black ink that reads 'Paul West'.

Paul West  
GENERAL MANAGER





31 May 2018

*In reply please quote:*  
File 28779

Mr Josh Cox  
12 Westbury Place  
DEVONPORT TAS 7310

Dear Mr Cox,

**QUESTION WITHOUT NOTICE - 28 MAY 2018**

I refer to your question raised at the Council meeting on 28 May 2018 in relation to item 5.2 Kelcey Tier Mountain Bike Trails, and provide the following response:

**Question**

Page 285, attachment (4) of the agenda – a letter addressed to the General Manager from Mr Peter Simms on behalf of Friends of Kelcey Tier included several photos of felled trees and the opening statement of “The noise from chainsaws felling trees...” The inference being the trees were felled as part of the most recent trail building. Has Council been made aware that this is NOT the case, in fact no live trees have been felled?

**Response**

Yes, Council were advised at a Workshop, that no live trees had been felled by the Mersey Valley Devonport Cycling Club.

Council has considered all the information received from various interested parties regarding the Kelcey Tier Mountain Bike Trails.

Yours sincerely

A handwritten signature in black ink that reads 'Paul West' with a checkmark at the end.

Paul West  
GENERAL MANAGER







30 May 2018

*In reply please quote:*  
File 28779

Mr Peter Symons  
100 North Street  
DEVONPORT TAS 7310

Dear Mr Symons,

**PUBLIC QUESTION – COUNCIL MEETING 28 MAY 2018**

I refer to your question raised at the Council meeting on 28 May 2018 in relation to item 5.2, Kelcey Tier Mountain Bike Trails, and provide the following response:

**Question**

In regard to the agenda item 5.2 Kelcey Tier Mountain Bike Trails, the State Government made funding available through the Tasmanian Cycle Tourism Fund of \$4.2 million with a minimum grant of \$50,000 which is now finalised. If the Government introduced a stage 2 would Council give consideration to apply or support an application in the future (pending the outcome of the Kelcey Tier Management plan of course)?

**Response**

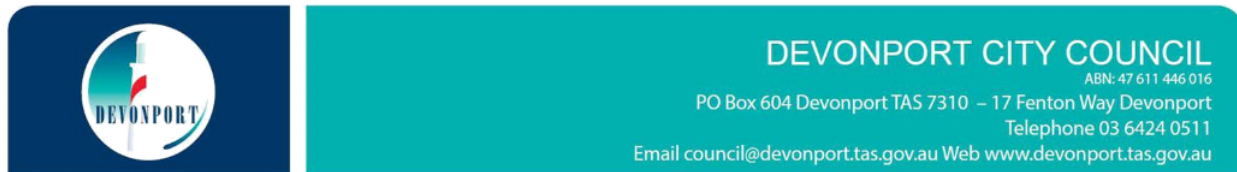
Council is not able to give a firm commitment to apply for, or to support an application in the future for additional funding at this stage. Any future applications would be considered on their merit and in accordance with relevant criteria at the time.

Yours sincerely

A handwritten signature in black ink that reads 'Paul West'.

Paul West  
GENERAL MANAGER





31 May 2018

*In reply please quote:*  
File 28779

Mr Justin Warren  
142 Oldaker Street  
DEVONPORT TAS 7310

Dear Mr Warren,

**QUESTION WITHOUT NOTICE - 28 MAY 2018**

I refer to your question raised at the Council meeting on 28 May 2018 in relation to item 5.2 Kelcey Tier Mountain Bike Trails, and provide the following response:

**Question**

Page 287 of the agenda, on page 3 of the same letter as previously mentioned, there is a picture of an "ancient Aboriginal quartzite axe chopper" laying on some pretty green grass. I have ridden in Kelcey Tier for twenty years and I have never seen lush green grass in Kelcey Tier. Have Council verified this photo was taken at Kelcey Tier or has the relic been removed for the photo to be taken – and is this allowed?

**Response**

Council was provided with the photo but has not verified where it was taken.

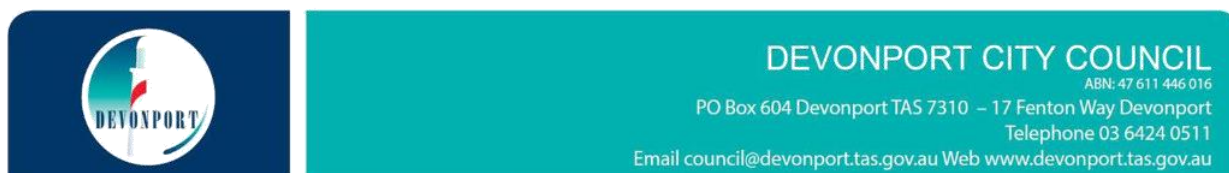
Council has considered all the information received by the various interested parties regarding to the Kelcey Tier Mountain Bike Trails.

Yours sincerely

A handwritten signature in black ink that reads 'Paul West'.

Paul West  
GENERAL MANAGER





31 May 2018

**In reply please quote:**  
File 32161

Mr Bob Vellacott  
11 Cocker Place  
DEVONPORT TAS 7310

Email: [vellacottrobert@yahoo.com.au](mailto:vellacottrobert@yahoo.com.au)

Dear Mr Vellacott,

**QUESTION WITHOUT NOTICE - 28 MAY 2018**

I refer to your question raised at the Council meeting on 28 May 2018 in relation to LIVING CITY borrowings, and provide the following response:

**Question**

Acting Mayor will you please confirm that Devonport City Council's financial liabilities, in other words debt or borrowings, are expected to peak in the 2018 financial year at approximately \$58 million and also as per the response to Mr Malcolm Gardam's questions – that 85% or \$49 million of the \$58 million is directly associated with LIVING CITY, is correct?

**Response**

Devonport City Council loan debt will not reach \$58 million in the 2018 financial year. At 30 April 2018 the loan balance was \$39,698,9411 – of this total, \$31,117,255 or 78% relates to LIVING CITY.

As previously advised Council has authorised borrowings of up to \$39M for the purposes of Stage 1 of LIVING CITY. The detail of the final amount of the borrowings drawn down will be publicly provided once all works have been completed.

Yours sincerely

A handwritten signature in black ink that reads 'Paul West'.

Paul West  
GENERAL MANAGER





31 May 2018

*In reply please quote:*  
File 32161

Mr Malcolm Gardam  
4 Beaumont Drive  
MIANDETTA TAS 7310

Email: mgardam@outlook.com.au

Dear Mr Gardam,

#### **QUESTIONS WITHOUT NOTICE - 28 MAY 2018**

I refer to your questions raised at the Council meeting on 28 May 2018 in relation to the LIVING CITY Master Plan, and provide the following response:

##### **Question 1**

At the previous meeting I noted as Q2, without notice, that it was publicly reported in The Advocate on the 7<sup>th</sup> August 2014, just prior to adopting the LIVING CITY Master Plan, that "Securing Federal Government funds for the waterfront precinct remains the final requirement in allowing LIVING CITY to become a reality" and accordingly, is it correct that according to this statement all funding other than the Federal Government funding for the waterfront precinct was a known value in August 214? The Council response was "Following a review of Council's records, there does not appear to be any such statement made by Council in The Advocate on 7 August 2014. Regardless, your assumption regarding the statement is incorrect."

My follow up question is:

Does Council also refute that this same statement on Page 3 of the Devonport City Master Plan is also "incorrect", and therefore misleading, or if correct then is it also correct that according to those statements all funding other than the Federal Government funding for the waterfront precinct was a known value in August 2014 as per the statement

##### **Response**

Council is comfortable that statements in the LIVING CITY Master Plan are accurate and reflect the situation and status of the project at that point in time (2014).

##### **Question 2**

At the previous meeting I noted as Q2, that, it was publicly reported in The Advocate on the 7<sup>th</sup> August 2014 that "The Council is not the main financier of LIVING CITY, but instead is taking on the role of project leader in creating opportunities for public and private investors." And accordingly, when were all Aldermen first made aware of the massive funding shortfall for Stage 1 only, necessitating the need for the \$50 million ratepayer financing lifeline being \$11 million in cash reserves and up to \$39 million in borrowings?



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-2-

The Council response was "There has never been a shortfall for Stage 1. The scope and value of Stage 1 was progressively developed and workshopped with Aldermen prior to the funding model being released for public consultation. A report detailing the community feedback was presented to Council at a meeting in March 2016, following which the funding model was formally adopted."

My follow up question is:

Can Council please explain what budget document was used prior to adopting the LIVING CITY Master Plan (if any), in September 2014, and used as a basis to indicate what levels of government grants were necessary to substantiate statements that Stage 1 was viable in its own right and not be a Council funded project?

**Response**

As previously advised the scope and value of LIVING CITY Stage 1 was progressively developed, this involved input from relevant professionals such as quantity surveyors and architects and their advice assisted in supporting government grant applications. There was no "budget document" as such produced prior to adopting the LIVING CITY Master Plan.

Yours sincerely



Paul West  
GENERAL MANAGER

### 3.2.2 QUESTIONS ON NOTICE FROM THE PUBLIC

File: 27452 D501463

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

Questions on notice received from Mr Malcolm Gardam on 15 June 2018 are reproduced as attachment 1.

#### **DISCUSSION**

In relation to the questions received 15 June 2018, it is proposed Mr Gardam be advised of the following:

**Q1.** The following sub-questions are in relation to the above and include the splitting of the question as rejected by the Acting Mayor at the last Ordinary Meeting of 28/05/18; with all requiring individual responses are:

- a) **That the Acting Mayor provides precise explanation as to what was “offensive” in relation to Q3, immediately above, as asked and subsequently rejected at the meeting of the 28/05/18?**

#### **Response**

The Acting Mayor provided her reason for the refusal of the question on the basis she found it offensive not only because the question had previously been asked and answered but also because of the inference made in your statement that Council had in some way been negligent in undertaking its responsibilities, an insinuation totally rejected by the Council. On this basis the question was considered insulting and offensive. In future questions without derogative remarks would be appreciated.

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

#### **Response**

As previously advised the scope and value of Stage 1 was progressively developed and workshopped with Council prior to the funding model being released for public consultation. Council in Closed Session at its meeting on 22 February 2016, endorsed the funding model for release for public consultation. Subsequently the Council formally adopted the funding model at its meeting on 15 March 2016. Council has nothing further to add.

- c) **At what point in time (month and year will suffice) were ALL Aldermen first made aware of the likely quantum of ratepayer cash and borrowings (ultimately announced as \$50m on the 29/02/16) necessary to support Stage 1 of Living City proceeding to construction?**

#### **Response**

Council has nothing further to add in relation to your question than what has previously been provided. Council also has no intention of responding to any further questions from you relating to the same matter.

**Q2. Providore Place** - Does council either directly, or indirectly, under contract or otherwise, pay for or reimburse Providore Place (Devonport) Pty Ltd, as head lessee for:

- a) Costs associated with the use of the overhead gas heaters in the Providore Place food pavilion?
- b) Additional management, operational or any type of on-costs associated with the food pavilion?

**Response**

Council has entered into a confidential lease with Providore Place Pty Ltd. This has previously been communicated to you and Council has no intention of providing any further information in relation to the lease arrangements.

**Q3. Julie Burgess** - Council has promoted on several occasions in the media (Advocate 11<sup>th</sup> and 17<sup>th</sup> April) that the Julie Burgess would be going to Hobart at the end of April 2018 for 3 months to sail the Derwent River "under a profit-share arrangement" with the Tasmanian Sail Training Association; and considering that the vessel has not appeared to have left Devonport will the Acting Mayor please advise individually as to the following:

- a) Why has this arrangement not eventuated as promoted?
- b) Does this mean that the promoted arrangement is now abandoned for the foreseeable future?
- c) Is this a case of the Acting Mayor/Council publicly promoting an arrangement that was not in fact formally in place?

**Response**

In good faith on 10 April Council released details of an agreement it was entering into with the Tasmanian Sail Training Association (TSTA) which would have seen the Julie Burgess relocated to Hobart for three months.

In finalising the agreement TSTA were not prepared to accept responsibility for any loss suffered to the vessel whilst it was in their control, instead expecting Council to be fully responsible for any damage or liability. As a result, and following consultation with Council's insurers, the General Manager determined to withdraw from the agreement.

On 1 May a media release was issued advising that the arrangement would not be proceeding.

Copies of both media releases are attached.

- d) Has a new or revised Business Plan for the Julie Burgess operations, frequently referred to for some time now by Council as being developed, been finalised yet and available for public release?

**Response**

No - when a new Business Plan is completed it will be considered by Council and released publicly at the appropriate time.

**MR JONATHAN BOURKE - 20 CROFT AVENUE, DEVONPORT**

Questions on notice received from Mr Jonathan Bourke on 18 June 2018 are reproduced as attachment 4.

**DISCUSSION**

In relation to the questions received 18 June 2018, it is proposed Mr Bourke be advised of the following:

**Q1** When were the 5 Triton Road blocks actually sold?

**Response**

The land in Triton Road was listed for sale in October 2017 following the Council's decision at its meeting on 28 August 2017 to dispose of this land. The detail of the sale of the blocks is as follows:

Address	Settlement	Sale Price
Lot 60	23 May 2018	\$55,000
Lot 61	23 May 2018	\$55,000
Lot 62	23 May 2018	\$55,000
Lot 63	23 May 2018	\$55,000
Lot 64	4 April 2018	\$55,000

**Q2** Has, or when was Council going to make these sales known to the ratepayers?

**Response**

Information relating to land sales will be outlined in the Annual Report.

**Q3** Will Council be making sale prices known to ratepayers?

**Response**

See response to Question 1.

**Q4** Considering that Council appears to be actively trying to sell properties, will Council provide a list of those properties it has under consideration, or may have under consideration, to sell?

**Response**

Address	Property Details	Sale Process
169 Steele Street, Devonport	Former Maternity Hospital site	Tenders closing 22 June 2018
1-3 North Caroline Street, East Devonport	Former Keiko Child Care Centre – operated by CatholicCare Tasmania. CatholicCare, due to the unviability of the service, ceased their long-term lease with Council in May 2018.	Listed with Michael Burr Real Estate. Currently under contract.
80-82 River Road, Ambleside	Vacant land.	No action has been taken due to matters pertaining to the zoning under the current Interim Planning Scheme. Council will further consider the zoning in conjunction with the introduction of the new State-wide Planning Scheme.
Lot 65 Triton Road	Vacant Land	Listed with Michael Burr Real Estate for sale.



35 Loane Avenue, East Devonport	Vacant Land – has been on the market for a number of years.	Listed with One Agency for sale. Two adjacent blocks in Loane Avenue were sold by Council: No 31 - \$45,000 (sold 13 July 2012) No 33 - \$50,000 (sold 28 April 2018)
2-12 Murray Street, East Devonport	Vacant Land – purchased by Council in 2009 for the purposes of developing a Information Centre. Council determined not to proceed with the development therefore the land is surplus to requirements.	Conditional Contract entered into for the sale of the property subject to a successful rezoning application. The rezoning was refused by the Tasmanian Planning Commission; therefore, sale will not proceed. Council yet to consider its options in relation to the property.
92 North Fenton Street, Devonport	Fenton Villas is a 12 unit facility which has been owned and operated by Council since around 1987.	Under Contract for Sale at \$1.2M. Information relating to the sale publicly released on 1 May 2018.
Best Street, Devonport	Land associated with the development of new hotel.	Council has entered into a 2-year exclusive agreement with Fairbrother Pty Ltd as the preferred developer of a new hotel.

Council will no doubt continue to review its property holdings and may identify other property surplus to its requirements from time to time. The list above provides details of current/proposed property sales which have been formally determined by Council at the present time, any future sales will be subject to future decision by Council.

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

Questions on notice received from Mr Bob Vellacott on 18 June 2018 are **reproduced as attachment 5.**

#### **DISCUSSION**

In relation to the questions received 18 June 2018, it is proposed Mr Vellacott be advised of the following:

**Q1** Please inform why it was necessary to strengthen the Food Pavilion mezzanine floor and possibly the cooking school floor?

#### **Response**

Council has previously answered questions from yourself regarding the mezzanine floor and has nothing further to add to the responses provided.

**Q2** I ask again why these alterations are to be paid for by ratepayers despite the supposed level of forward planning and oversight for a project budgeted in 2016 to cost \$8.6 million?

#### **Response**

Refer Q1.

**Q3** Will the floor area where Southern Wild Distillery will be situated also have to be strengthened.

#### **Response**

Refer Q1.

**ATTACHMENTS**

- [1.](#) Letter - Questions on Notice - Council Meeting - 25 June 2018 - Malcolm Gardam
- [2.](#) Media Release - Julie Burgess to sail the Derwent
- [3.](#) Media Release - Julie Burgess to return to Mersey River
- [4.](#) Letter - Questions on Notice - Council Meeting - 25 June 2018 - Jonathan Bourke
- [5.](#) Letter - Questions on Notice - Council Meeting - 25 June 2018 - Bob Vellacott

**RECOMMENDATION**

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

Author: Position:	Robyn Woolsey Executive Assistant General Management	Endorsed By: Position:	Paul West General Manager
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15<sup>th</sup> June 2018

Devonport City Council  
17 Fenton Way  
DEVONPORT TAS 7310

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

ATTENTION: MR. PAUL WEST – GENERAL MANAGER

RE: LIVING CITY – QUESTIONS ON NOTICE DCC ORDINARY MEETING 25/06/18 (File 32161)

Dear Sir,

The following are questions on notice to the scheduled Ordinary Meeting of the 25<sup>th</sup> June 2018.

**Basis of Q1.** - I refer to earlier questions and council responses noted below as submitted at previous ordinary meetings with the last as Q3 on Monday 28<sup>th</sup> May 2018, subsequently refused to be accepted by the Acting Mayor citing “offensive” as the reason for doing so.

At the 30/04/18 meeting I noted as Q3, without notice, that “It was publicly reported in The Advocate on the 7th August 2014 that “The council is not the main financier of Living City, but instead is taking on the role of project leader in creating opportunities for public and private investors.” and accordingly when were all Aldermen first made aware of the massive funding shortfall for Stage 1 only, necessitating the need for the \$50 million ratepayer financing lifeline being \$11 million in cash reserves and up to \$39 million in borrowings?”

The Council response was “There has never been a shortfall for Stage 1. The scope and value of Stage 1 was progressively developed and workshopped with Aldermen prior to the funding model being released for public consultation. A report detailing the community feedback was presented to Council at a meeting in March 2016, following which the funding model was formally adopted.”

At the 28/05/18 meeting I noted as Q3, without notice, that “My follow up question is directed to the Acting Mayor and is “When were all Aldermen first made aware of the need for a \$50 million ratepayer financing lifeline being \$11 million in cash reserves and up to \$39 million in borrowings to support Stage 1 construction?””

The Council meeting minutes record “The Acting Mayor declined to accept question 3 on the basis that she found it offensive and asked that it be rephrased.”

- Q1.** The following sub-questions are in relation to the above and include the splitting of the question as rejected by the Acting Mayor at the last Ordinary Meeting of 28/05/18; with all requiring individual responses are:
- a) **That the Acting Mayor provides precise explanation as to what was “offensive” in relation to Q3, immediately above, as asked and subsequently rejected at the meeting of the 28/05/18?**
  - b) **At what point in time (month and year will suffice) did the former Mayor, Deputy General Manager and the appointed Development Manager first become aware of the likely quantum of ratepayer cash and borrowings (ultimately announced as \$50m on the 29/02/16) necessary to support Stage 1 of Living City proceeding to construction?**

- c) **At what point in time** (month and year will suffice) **were ALL Aldermen first made aware of the likely quantum of ratepayer cash and borrowings** (ultimately announced as \$50m on the 29/02/16) **necessary to support Stage 1 of Living City proceeding to construction?**

**Q2. Providore Place** - Does council either directly, or indirectly, under contract or otherwise, pay for or reimburse Providore Place (Devonport) Pty Ltd, as head lessee for:

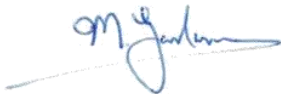
- a) Costs associated with the use of the overhead gas heaters in the Providore Place food pavilion?
- b) Additional management, operational or any type of on-costs associated with the food pavilion?

**Q3. Julie Burgess** - Council has promoted on several occasions in the media (Advocate 11<sup>th</sup> and 17<sup>th</sup> April) that the Julie Burgess would be going to Hobart at the end of April 2018 for 3 months to sail the Derwent River "under a profit-share arrangement" with the Tasmanian Sail Training Association; and considering that the vessel has not appeared to have left Devonport will the Acting Mayor please advise individually as to the following:

- a) Why has this arrangement not eventuated as promoted?
- b) Does this mean that the promoted arrangement is now abandoned for the foreseeable future?
- c) Is this a case of the Acting Mayor/council publicly promoting an arrangement that was not in fact formally in place?
- d) Has a new or revised Business Plan for the Julie Burgess operations, frequently referred to for some time now by Council as being developed, been finalised yet and available for public release?

Please ensure this letter and written responses are included in full in the next Ordinary Meeting Agenda.

Yours sincerely,



Malcolm Gardam

CC: Acting Mayor and Aldermen



DEVONPORT CITY COUNCIL

ABN: 47 611 446 016

PO Box 604 Devonport TAS 7310 – 17 Fenton Way Devonport

Telephone 03 6424 0511

Email [council@devonport.tas.gov.au](mailto:council@devonport.tas.gov.au) Web [www.devonport.tas.gov.au](http://www.devonport.tas.gov.au)

## MEDIA RELEASE

### Julie Burgess to sail the River Derwent

Tuesday 10 April 2018

Devonport's historic ketch the *Julie Burgess* will ply Hobart's River Derwent for three months from the end of April under a loan arrangement with the Tasmanian Sail Training Association (TSTA).

It will replace the TSTA's *Lady Nelson*, which is currently undergoing repairs on the Devonport Slipway.

Acting Mayor Annette Rockliff said that after an interrupted sailing season - due to its own repairs, poor weather and crewing issues - the Council welcomed the opportunity for the *Julie Burgess* to sail on the Derwent.

“It is an opportunity to positively promote the *Julie Burgess* and Devonport to a greater visitor market and, with the Derwent being less affected by poor weather, it will allow for more consistent sailings at this time of the year,” she said.

Acting Mayor Rockliff said the vessel would be jointly crewed by both *Julie Burgess* and *Lady Nelson* volunteers, allowing for the existing crew to be upskilled in a new territory and to attract and train new volunteers in operating the *Julie Burgess*.

She said the arrangement was part of an ongoing partnership with TSTA, which dated back to the establishment of the *Julie Burgess*, when the TSTA provided many templates, resources and information.

The parties will enter a profit share arrangement while the *Julie Burgess* is sailing out of Hobart.

A limited number of passenger berths are available for the three-day voyage to Hobart later this month. Anyone interested in travelling on the *Julie Burgess* should contact the Bass Strait Maritime Centre, on 6424 7100, for further information.

**ENDS**

**Media Contact:**

**Nigel Tapp**

03 6424 0562 or 0427 132 972

[ntapp@devonport.tas.gov.au](mailto:ntapp@devonport.tas.gov.au)



*The City with Spirit*



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## MEDIA RELEASE

### Julie Burgess to remain in Devonport

Tuesday 1 May 2018

Devonport's historic ketch the *Julie Burgess* will continue its sailing schedule on the Mersey River after a decision was made not to proceed with a loan arrangement with the Tasmanian Sail Training Association (TSTA).

The vessel was to replace the TSTA's *Lady Nelson*, which is currently undergoing repairs at the Devonport Slipway, on the River Derwent for a three-month period.

However, Council and the TSTA were unable to agree on acceptable terms in the unlikely event of an accident while the *Julie Burgess* was in Hobart.

“Both parties had the best intentions but, being a volunteer organisation, the TSTA was unable to accept any financial risk,” Acting Mayor Annette Rockliff.

“While that was regrettable, Council understands the TSTA's position and we look forward to having the ketch back out on the Mersey River.”

**ENDS**

#### Media Contact

Nigel Tapp | Media & Communications Officer Devonport City Council  
03 6424 0562 | 0427 132 972 | ntapp@devonport.tas.gov.au



*The City with Spirit*

June 17, 2018

The General Manager  
Devonport City Council  
17 Fenton Way  
**DEVONPORT TAS 7310**

Jonathan Bourke  
20 Croft Avenue  
Devonport, TAS, 7310

Dear Mr West,

I refer to your email response, dated 8/6/18, to my request for a status update as to the listed sales of 80-82 River Road and 24-26 Triton Road, East Devonport, as approved at the August 2017 ordinary meeting.

You advised as follows:

“I can advise that of the 6 blocks approved for sale at Triton Road – 5 have been sold.

In relation to 80-82 River Road although approved by Council for sale at present no further action has been taken due to issues around the zoning under the current the Interim Planning Scheme. Council will further consider the zoning in conjunction with the introduction of the new Statewide Planning Scheme.”

My follow up question on notice for the next monthly meeting are:

1. When were the 5 Triton Road blocks actually sold?
2. Has, or when was council going to make these sales known to the ratepayers?
3. Will council be making sale prices known to ratepayers?
4. Considering that council appears to be actively trying to sell properties, will council provide a list of those properties it has under consideration, or may have under consideration, to sell?

Please distribute to all aldermen and include questions and responses in the June Meeting Agenda.

Yours sincerely,

Jonathan Bourke

LC RBV QoN 25 June 2018 Providore Place send

R. B. VELLACOTT – RATEPAYER  
11 COCKER PLACE DEVONPORT 7310

Question on Notice for DCC meeting 25<sup>th</sup> June 2018.

Ref DCC Agenda 28th May 2018

Council has advised that it was necessary to strengthen the mezzanine floor in the Food Pavilion which, I understand was designed by renowned architects, engineered by highly qualified personnel and constructed by a major Tasmanian building company. All overseen and managed by, among others, the Deputy General Manager, Risk Manager, and Council's Living City Managers. The head lessor Providore Place PL who has direct connections to the Food Pavilion management company no doubt would have also had input in advising as to the type of businesses that would be conducted therein.

I also note that there is the possibility the section that could be used for the proposed cooking school may also have to be strengthened and all of this rectification work will, as I have been told, have to be paid for by ratepayers "Because it is part of the overall cost".

It does seem strange that these required alterations should be necessary because the building was purposely designed to accommodate a publicly promoted conglomeration of supposedly secured tenants. It is obvious all of this should have been considered and allowance for all eventualities taken for not only the repeatedly promoted current requirements but also those easily foreseeable for the future.

My questions are -

Q1 Please inform why it was necessary to strengthen the Food Pavilion mezzanine floor and possibly the cooking school floor?

Q2 I ask again why these alterations are to be paid for by ratepayers despite the supposed level of forward planning and oversight for a project budgeted in 2016 to cost \$8.6 million?

Q3 Will the floor area where Southern Wild Distillery will be situated also have to be strengthened.

*R. B. Vellacott*

R. B. VELLACOTT

Please include all of the above and Councils responses in the DCC Agenda and minutes for 25<sup>th</sup> June 2018.



**3.2.3 Question without notice from the public**

**3.3 QUESTIONS ON NOTICE FROM ALDERMEN**

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

#### **4.0 PLANNING AUTHORITY MATTERS**

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

## 5.0 REPORTS

### 5.1 RATES AND CHARGES POLICY

File: 27321 D527115

#### 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 2017 (Min 96/17). There are no changes recommended to the policy which was adopted in June 2017.

#### 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.

The purpose of providing this policy to Council prior to the adoption of the rates and charges, is to ensure it remains relevant and up to date.

**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 - 2018

**RECOMMENDATION**

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

Author:	Paul West
Position:	General Manager

	<b>RATES AND CHARGES POLICY</b>		
POLICY TYPE	POLICY ADOPTED (DATE)	MINUTE NUMBER	POLICY DOCUMENT NUMBER (TRIM):
Council	25 June 2018	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 2019
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"> <li>• revenue raising powers under the provisions of the <i>Local Government Act 1993</i>;</li> <li>• strategic focus;</li> <li>• the valuation basis for rating purposes;</li> <li>• the use of differential rates where appropriate;</li> <li>• setting of a fixed charge and rate capping;</li> <li>• objections to rate notices;</li> <li>• rebates and remissions;</li> <li>• payment of rates;</li> <li>• late payment of rates;</li> <li>• sale of property for unpaid rates; and</li> <li>• postponement of rates.</li> </ul>		
POLICY	<p><b>1. Introduction:</b> 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>.</p> <p><b>2. Legislative Requirements:</b> 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.</p> <p>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:</p> <p>(1) A council, in adopting policies and making decisions concerning the making or varying of rates, must take into account the principles that –</p> <p>(a) rates constitute taxation for the purpose of local government, rather than a fee for a service; and</p> <p>(b) the value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.</p>		

(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 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

	<p>Office to make an alternative payment plan. Such enquiries are treated confidentially by Council.</p> <p>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><b>8. Late Payment of Rates:</b> 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>.</p> <p>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><b>9. Sale of Property if Rates Remain Unpaid:</b> 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"> <li>(a) notify the owner of the land of its intention to sell the land;</li> <li>(b) provide the owner with details of the outstanding amounts; and</li> <li>(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.</li> </ul> <p><b>10. Postponement of Rates:</b> 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>
<b>LEGISLATION AND RELATED DOCUMENTS</b>	<p><i>Local Government Act 1993</i> <i>Fire Services Act 1979</i> <i>Valuation of Land Act 2001</i></p>
<b>ATTACHMENT/S (IF APPLICABLE)</b>	N/A

## 5.2 ANNUAL PLAN AND BUDGET ESTIMATES - 2018-2019

File: 35276 D529402

### 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 2018/19 financial year, which in turn will allow Council to set the rates and charges which are to apply for the year ending 30 June 2019.

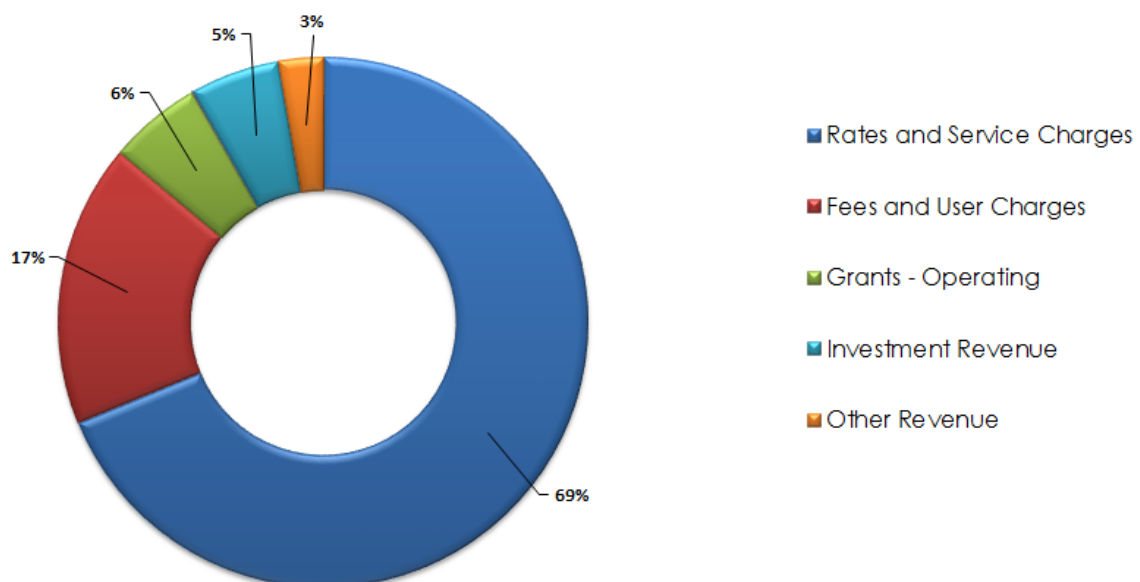
The Annual Plan and Budget Estimates document has been circulated separately to the agenda. The Annual Plan is available for public viewing on the Council's website at [www.devonport.tas.gov.au](http://www.devonport.tas.gov.au), the Devonport LINC or at the City Offices.

### BACKGROUND

Council has developed the 2019 budget, capital works and fees and charges during the past few months.

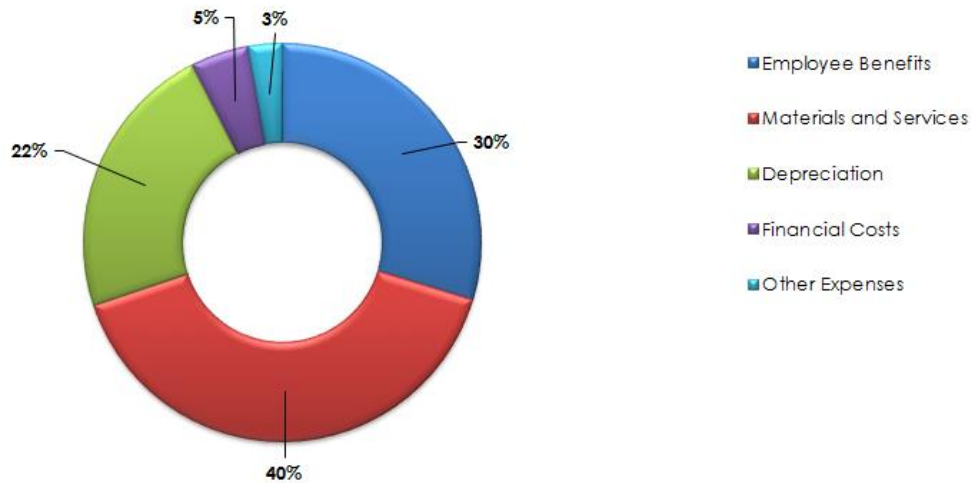
Council receives revenue from a variety of sources, however its main income is generated from rates and charges which equates to approximately 69 per cent of total estimated revenue for the financial year.

### ESTIMATED INCOME



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.

## ESTIMATED EXPENDITURE



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, by absolute majority, 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 important 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 2018/19 budgeted net operating surplus before depreciation expense and capital related income is \$9.287M. This compares to the 2017/18 forecasted result of \$10.678M. The overall budget result for the 2018/19 year is an operating surplus of \$146,368 inclusive of depreciation expenses of \$9.140M. 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 is 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 (actual)	0.0%	27,335	877	3.31%
2018 (forecast)	0.0%	27,350	150	0.55%
2019 (budget)	1.0% (overall)	27,912	562	2.05%

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 2016/17 Actual, 2017/18 Budget, 2017/18 Forecast, 2018/19 Budget and the 2019/20 and 2020/21 Projections:

<b>Estimated Statement of Comprehensive Income</b>	<b>2017 Actual \$'000</b>	<b>2018 Budget \$'000</b>	<b>2018 Forecast \$'000</b>	<b>2019 Budget \$'000</b>	<b>2020 Projection \$'000</b>	<b>2021 Projection \$'000</b>
<b>Income</b>						
Rates & Service Charges	27,334	27,227	27,350	27,912	28,254	28,551
Fees and User Charges	6,416	6,418	6,500	7,028	7,097	7,197
Grants - Operating	3,200	1,133	3,143	2,299	2,299	2,299
Contributions - Operating	205	50	50	35	35	35
Investment Revenue	2,947	2,567	3,095	2,186	2,162	2,111
Other Revenue	1,084	1,028	1,028	1,117	1,238	1,238
<b>Total Income</b>	<b>41,186</b>	<b>38,423</b>	<b>41,166</b>	<b>40,577</b>	<b>41,085</b>	<b>41,431</b>
<b>Expenses</b>						
Employee Benefits	11,440	12,041	11,400	12,002	12,016	12,035
Materials and Services	15,522	15,644	16,565	16,247	16,265	16,514
Depreciation	8,395	8,816	8,520	9,140	9,438	9,542
Financial Costs	2,736	1,503	1,503	1,904	1,880	1,840
Other Expenses	1,042	1,015	1,020	1,137	1,029	1,069
<b>Total Expenses</b>	<b>39,135</b>	<b>39,019</b>	<b>39,008</b>	<b>40,430</b>	<b>40,628</b>	<b>41,000</b>
<b>Surplus/(Deficit) before Capital Items</b>	<b>2,051</b>	<b>(596)</b>	<b>2,158</b>	<b>147</b>	<b>457</b>	<b>431</b>
<b>Capital &amp; Other Items</b>						
Capital Grants & Contributions	6,482	9,511	9,807	2,555	4,774	5,774
Loss on disposal of assets/ donated assets	(1,242)	(537)	(2,237)	(397)	(3,200)	(200)
Share of Profits from Associates	798	141	200	400	400	200
<b>Total Capital Income</b>	<b>6,038</b>	<b>9,115</b>	<b>7,770</b>	<b>2,558</b>	<b>1,974</b>	<b>5,774</b>
<b>Surplus / (Deficit)</b>	<b>8,089</b>	<b>8,519</b>	<b>9,928</b>	<b>2,705</b>	<b>2,431</b>	<b>6,205</b>
<b>Underlying Surplus/(Deficit)</b>	<b>1,225</b>	<b>0</b>	<b>552</b>	<b>147</b>	<b>500</b>	<b>400</b>

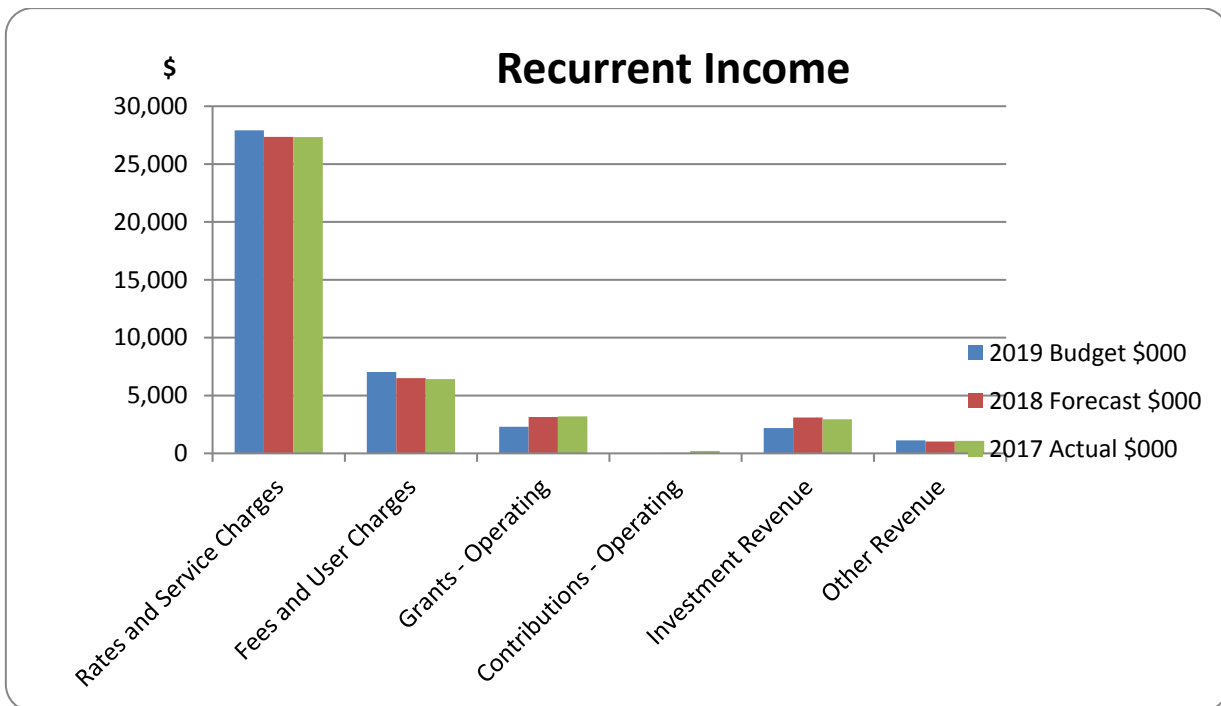
The Federal Government in the last few years have had a tendency to prepay 50 per cent of the Council's entitlement to Financial Assistance Grants (FAGs). This has impacted on the development of the budget and the year end results as presently the grant has to be recognised as income in the year which it is received. The Government has advised it is their intention to again pay 50 per cent of the grant prior to 30 June. Council has concluded that for the 2018/19 year it should assume that the Federal Government is likely to do the same thing prior to 30 June 2019, therefore no adjustment for the FAG grant has been included in this budget.

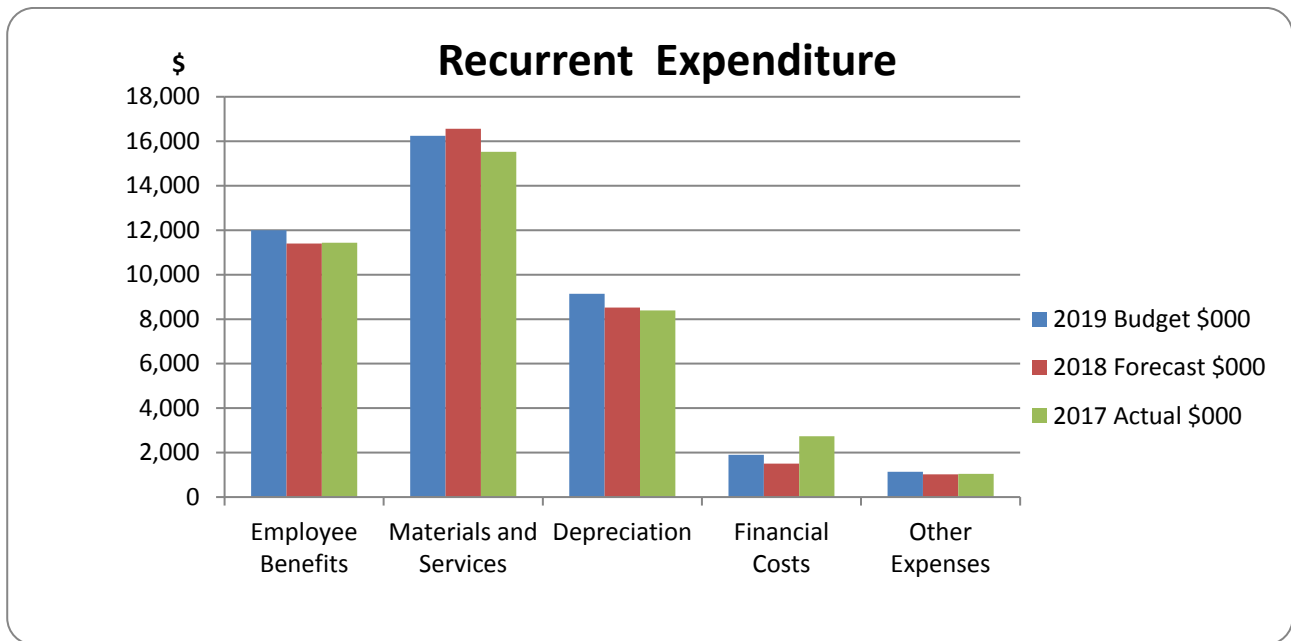
The coming year will see construction of Stage 1 of the LIVING CITY finalised. The additional operating and financing costs associated with LIVING CITY have been factored into the budget and the underlying result.

The following information is a summary of the operational impacts of LIVING CITY on the 2018/19 budget estimates:

<b>LIVING CITY Stage 1</b>		
<b>Operational Budget Inclusions</b>		
<b>Income</b>	\$	
Rentals	1,128,500	
Sundry Income	14,800	
Parking (Multi-Level)	303,200	
<b>Total Income</b>	<b>1,446,500</b>	
<b>Expenses</b>		
Operational	978,439	
Interest Expense	1,575,126	
Council Rates & Land Tax	191,163	
<b>Total Expenses</b>	<b>2,744,728</b>	
<b>Cash Result</b>	<b>- 1,298,228</b>	
Depreciation	652,600	
<b>Net Cost</b>	<b>- 1,950,828</b>	
		<ul style="list-style-type: none"> <li>• No consideration of rate growth due to LIVING CITY</li> <li>• Costs of operating previous Council Offices \$350K</li> </ul>
		<b>Net Cost</b> \$ 1.95M <b>Council Offices</b> \$ .35M <b>Adjusted Net Cost</b> <b>\$ 1.60M</b>

A graphical representation of the estimated consolidated revenues and expenditures for the 2018/19 financial year, when compared against the forecasted result for 2017/18 and the actual result in 2016/17, is as follows:





### Capital Works

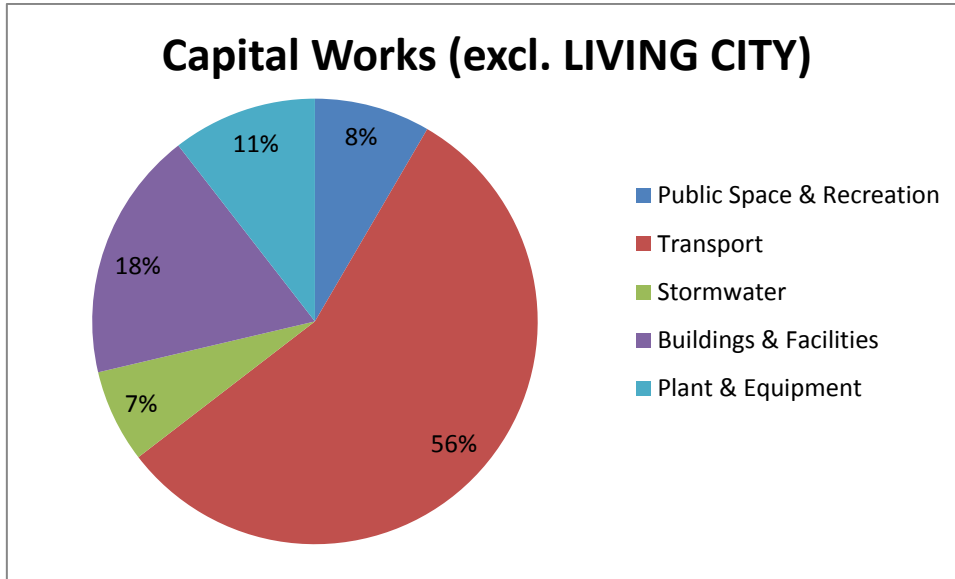
The total new capital works funding for 2019 is \$11,856,200. There will also be some carried forward projects and funding that will be updated following the end of year reconciliations which will be reported to Council in September following the completion of the year-end audit process.

Council continues its focus on LIVING CITY in the forthcoming year. The capital budget reflects an allocation of \$3,000,000 of new works, primarily for the development of the waterfront public precinct (dependent on receiving a Federal Government grant). 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.

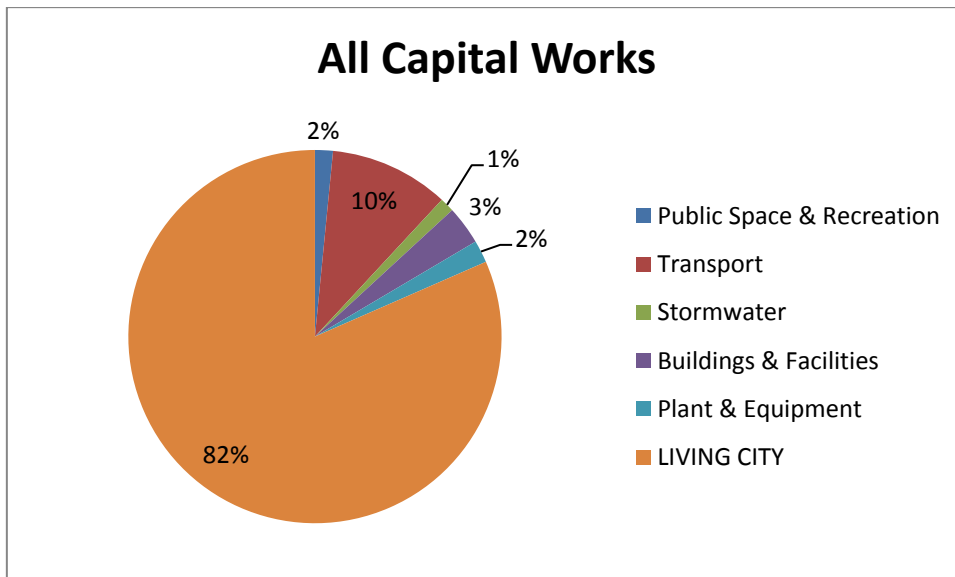
This year's budget will see \$6.158M invested in replacement/renewal projects. This amount is approximately 67% of the total value of Council's depreciation expense.

SUMMARY - FUNCTIONAL AREA	New	Renewals	Total Capital Works
Public Space & Recreation	1,588,500	361,700	1,950,200
Transport	1,060,500	3,279,500	4,340,000
Stormwater	745,000	435,000	1,180,000
Buildings & Facilities	80,000		80,000
Plant & Fleet & Equipment	224,200	1,081,800	1,306,000
LIVING CITY	2,000,000	1,000,000	3,000,000
<b>TOTAL PROPOSED NEW CAPITAL WORKS</b>	<b>\$5,698,200</b>	<b>\$6,158,000</b>	<b>\$11,856,200</b>





Excluding LIVING CITY the new capital works in 2018/19 is 58 percent renewals and 42 percent 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 2018 was 2.1% and the LGAT Council Cost Index (CCI) increase was 2.42%. The CCI provides an indication of how Council expenditure may have changed over a period of time where spending "behaviour" remains constant.

The budget has been prepared on the basis of an average rate increase across all classes of ratepayer around 1 per cent. This has been achieved whilst absorbing the \$500,000 reduction in the TasWater Dividend. The actual impact on the ratepayer will vary depending on the class of property (ie residential, commercial, industrial, primary production).

## Report to Council meeting on 25 June 2018

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 for the 2015/16 financial year. Due to the revaluation Council had applied differential rates and caps on a number of properties since. This year's budget sees the end of adjustments whereby in future there will only be one differential rate applied.

In 2017/18 Council altered its waste management charges for commercial/industrial properties. A number of properties are continuing to pay less than the full charge for waste removal and this year the change cap has been set at 25 per cent.

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 \$2,789,825 on behalf of the State Fire Commission, an increase of \$113,621 (4.24%) over the previous year.

A summary of the rates for 2018/19 in comparison to those charged in the previous year is outlined in the table below:

Rate	Actual 2017/18	Proposed 2018/19
General Rate – all land	11.6215c	11.6215c
General Rate – Fixed Charge	\$300	\$300
General Rate varied for land which is used or predominately used for primary production	6.7688c	7.2271c
General Rate varied for land separately assessed and is used for residential purposes	7.0854c	7.2271c
General Rate varied for land separately assessed and is used for multiple residential purposes	7.0854c	7.2271c
Waste Management Service Rate – Non-Residential	\$780	\$780
Waste Management Service Charge where the predominant use of the land is for residential purposes.	\$260	\$260
Fire Service Levy		
- Devonport Urban Fire District	1.3759c	1.4209c
- Forth/Leith Fire District	.4675c	0.4693c
- General Land Fire District	.3596c	0.3768c
- Minimum Levy	\$39	\$40

There will be variations in the actual increases incurred by ratepayers. Devonport is predominately a residential area with 10,746 of the total 12,456 properties being residential. The proposed general rate for 80 per cent (8,678) of the residential properties will be equal to or less than 1.5%. There has been no increase factored into the budget for those properties paying the highest rate in the \$AAV (commercial/industrial). An average residential property will receive an increase of around \$22 per year. The primary production properties will next year pay the same differential rate as residential properties.

### 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/penalty unit (ie parking fines, rate certificates, environmental penalties) Council is required to ensure that it imposes the required fee or charge.

The penalty unit has been set at \$163 by the State Government effective 1 July 2018. As a result, there will be an increase of \$1 for a standard parking fine from \$25 to \$26.

There has also been an increase of \$1 on a number of the entrance charges for the Waste Transfer Station. The base fee increase is the first in a number of years.

With the move of Harris Scarfe to 17 Fenton Way the budget has proposed that the open air car park adjacent to the building, be altered from a "worker" to a "shopper" car park.

A budget initiative this year is to offer a "free after 3" promotion in the Council controlled car parks during the month of July. This offer will be available in all car parks except the new CBD car park in Best Street.

### **COMMUNITY ENGAGEMENT**

Council invited the community to participate in the budget process with a report on the feedback received provided to Council during March. A number of the suggestions have been taken on board in developing this year's budget.

A Community Budget Information session was held at the Council Offices on Wednesday 13 June 2018.

A 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 should 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 2019 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 2018/2019 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 (including capital works) as he deems necessary during the 2018/2019 financial year provided that the total of the Estimates remains unaltered.

**C. RATES AND CHARGES 2018/19**

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 2018 to 30 June 2019 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 7.2271 cents in the dollar of assessed annual value of such rateable land.

**3. RATES RESOLUTION – PART 1(C)**

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 residential purposes to 7.2271 cents in the dollar of assessed annual value of such rateable land.

**4. RATES RESOLUTION – PART 2**

4.1 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 2018 to 30 June 2019:

- (a) A waste management service charge of \$260 upon all land or tenancy to which Council supplies or makes available a kerbside collection service

4.2 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 4.3 below; and
- (b) For all land which is non-used land the service charge is varied to \$0.00

4.3 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 4.1 and 4.2 above) is capped at 25% above the amount which was payable in respect of the waste management rate charged in the 2017/2018 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 2017 to 30 June 2018.

**5. 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 2018 to 30 June 2019:

- (a) a Devonport Urban Fire District Rate of 1.4209 cents in the dollar of assessed annual value, subject to a minimum amount of \$40 in respect of all rateable land within the Devonport Urban Fire District.
- (b) a Forth/Leith Fire District Rate of 0.4693 cents in the dollar of assessed annual value, subject to a minimum amount of \$40 in respect of all rateable land within Forth/Leith Fire District.
- (c) a General Land Fire Rate of 0.3768 cents in the dollar of assessed annual value, subject to a minimum amount of \$40 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.

**6. SEPARATE LAND**

In relation to all rates and charges for the 2018/2019 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*.

**7. 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*.

**8. PAYMENT OF RATES AND CHARGES**

Pursuant to Section 124 of the *Local Government Act 1993* the rates for 2018/2019 shall be payable in four instalments, the dates by which the rates are due to be paid are:

First Instalment	31 August 2018
Second Instalment	31 October 2018
Third Instalment	28 February 2019
Fourth Instalment	30 April 2019

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 2019; 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 2019, 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 2018/2019 financial year as detailed in the Annual Plan
- (b) notes the draft Capital Works programs proposed for financial years 2019/20, 2020/21, 2021/22 and 2022/23 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 2018/2019 financial year as detailed in the Annual Plan.

Prepared By:	Paul West
Position:	General Manager

## 5.3 FINANCIAL MANAGEMENT STRATEGY

File: 35276 D530612

### 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) 2019 - 2028 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 current information. The most recent FMS was adopted in June 2017.

### STATUTORY REQUIREMENTS

*Local Government (Content of Plans and Strategies) Order 2014* requires Council to prepare an 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:

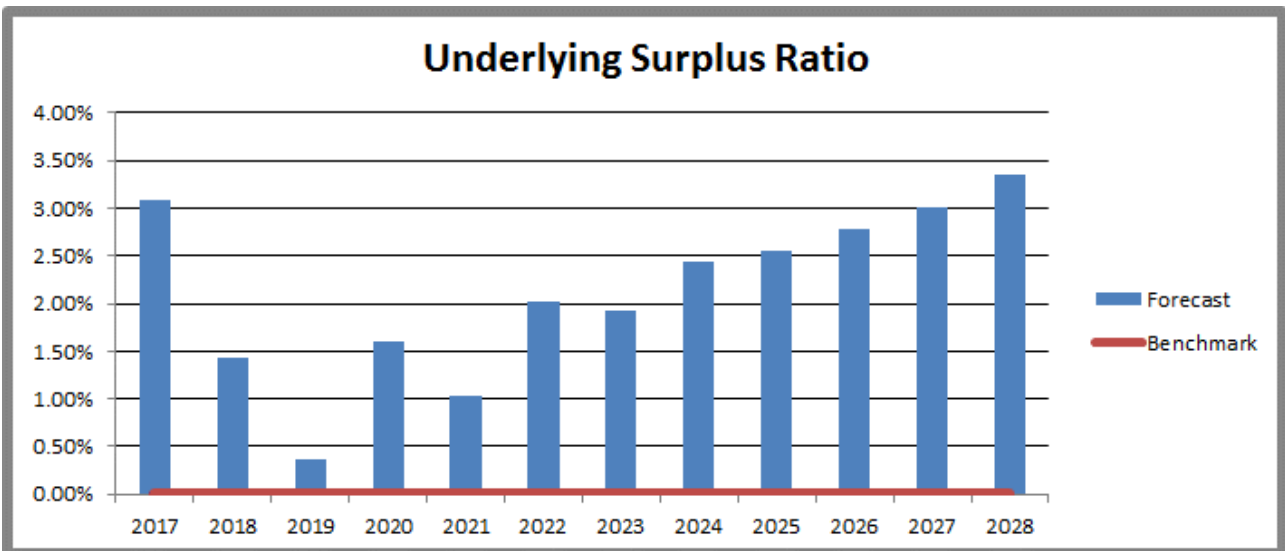
- The achievement of a break even result or underlying surplus in all years;
- Maintaining cash balances well above the target of \$3 million at year end;
- Investment in new and existing assets while progressing the LIVING CITY project. On average, the asset renewal funding ratio is above the target 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**

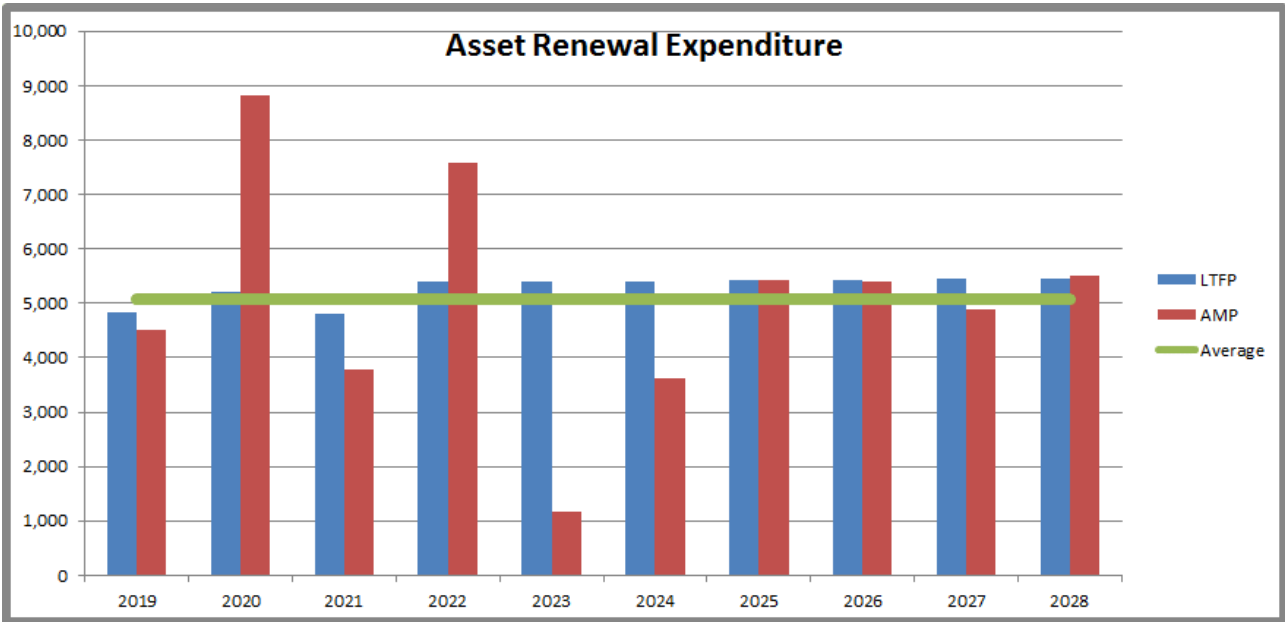
The underlying surplus ratio serves as an overall measure of financial operating effectiveness. To assure long term financial sustainability Council should aim to break even at a minimum, avoiding underlying deficits. Achieving a break-even position indicates Council is able to generate sufficient revenue 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 achieved this target in 2016/17 and expects to return a positive ratio for the years to 2028.



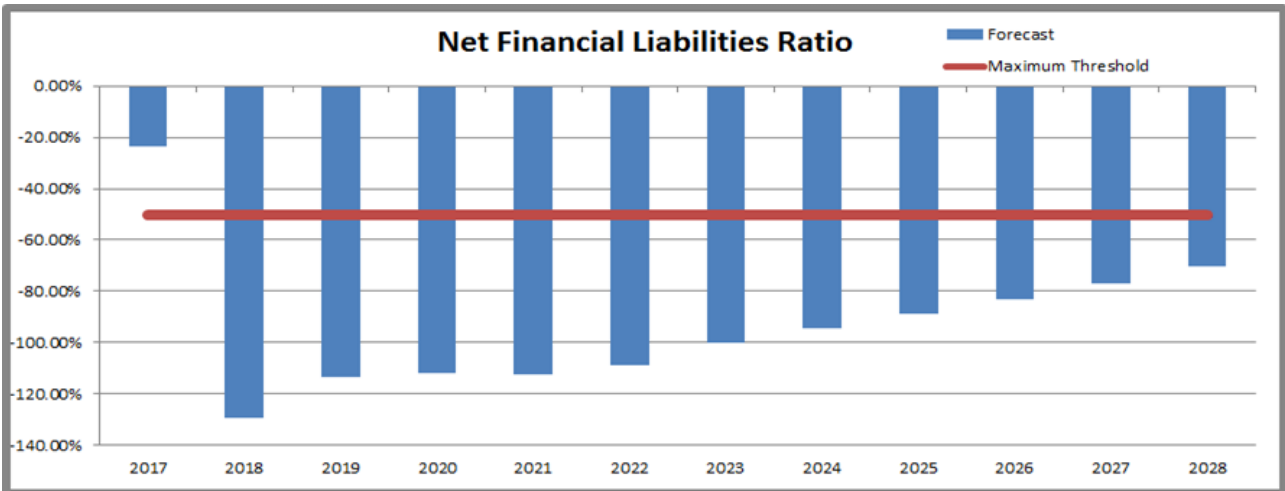
**Asset Funding Renewal Ratio**

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.



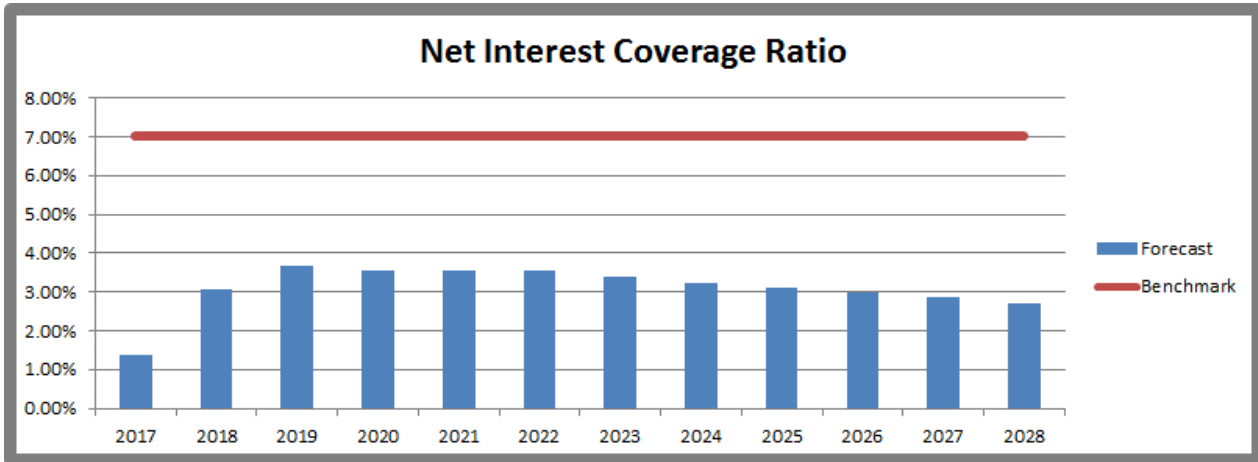
**Net Financial Liabilities Ratio**

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.



**Net Interest Coverage Ratio**

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. The ratio demonstrates that the total cost of servicing debt is well below the Treasury benchmark. 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.



**COMMUNITY ENGAGEMENT**

A Community Budget Information session was held at the Council Offices on Wednesday 13 June 2018.

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 2018/19 budget and forward projections to the 2028 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 4 June 2018.

**ATTACHMENTS**

- [1.](#) Financial Management Strategy 2028 with Appendix

**RECOMMENDATION**

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

Author: Position:	Kym Peebles Executive Manager Organisational Performance	Endorsed By: Position:	Paul West General Manager
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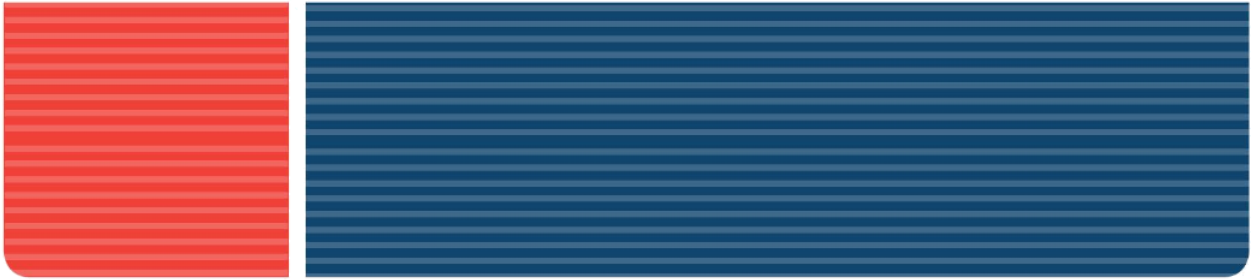
# Devonport City Council



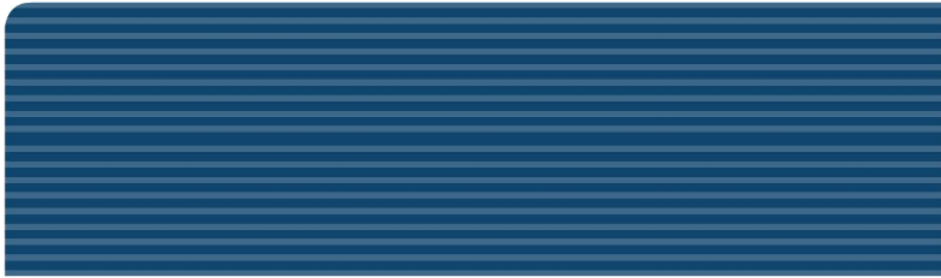
*The City with Spirit*



Financial Management Strategy 2028

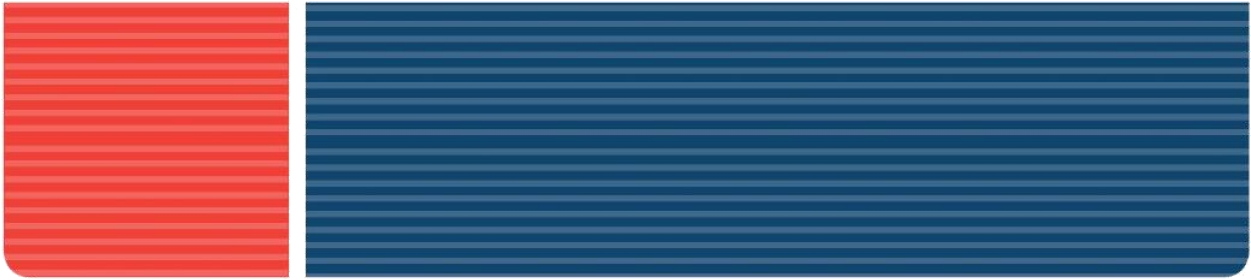


**Next Date of Review:** June 2019  
**Document Controller:** Executive Manager, Organisational Performance  
**Document Reviewer:** General Manager  
**Date Adopted by Council:** 25 June 2018



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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 (LTFF) shown at Appendix A. The LTFF 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 LTFF 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 will calculate the net interest cost ratio to assist the measurement of sustainability given the current commitment to the LIVING CITY project.

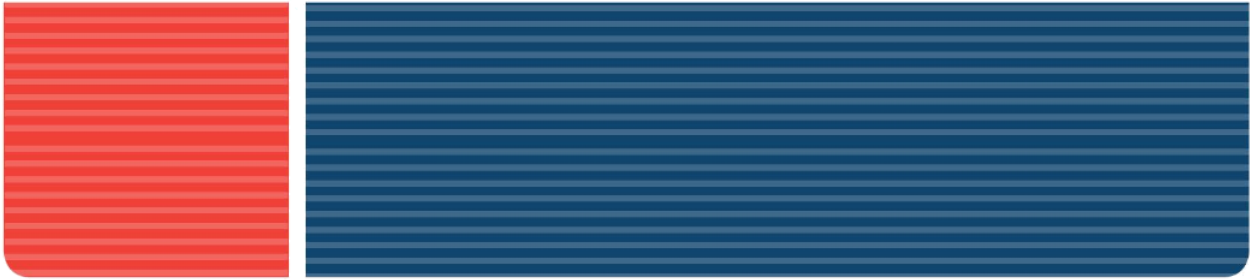
The indicators, relevant benchmarks and targets are shown below.

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

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. Commentary on the assessment is included in the annual report to Parliament which is accessible to the public.





## 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

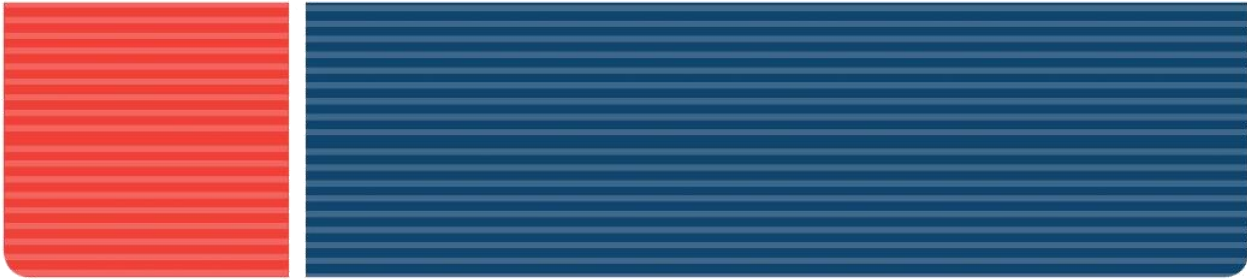
Council will continually review service levels and delivery to ensure they are delivered as efficiently as possible and continue to meet the needs of the community. Council is focussed on developing a cost management culture across the organisation, encouraging all managers to be involved in minimising 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

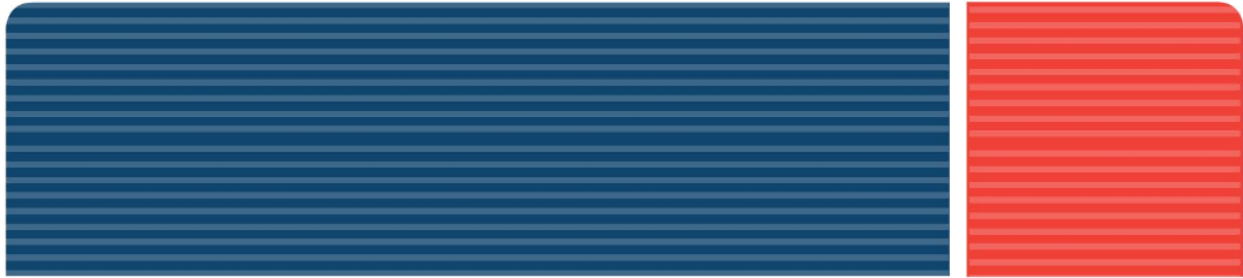
The key objective of Council's asset management processes is to maintain Council's existing assets at desired condition levels. The appropriate management of assets should ensure that they continue to deliver services into the future. To remain sustainable, Council must maintain its ability to meet the 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 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 LTFP 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 LTFP. 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.



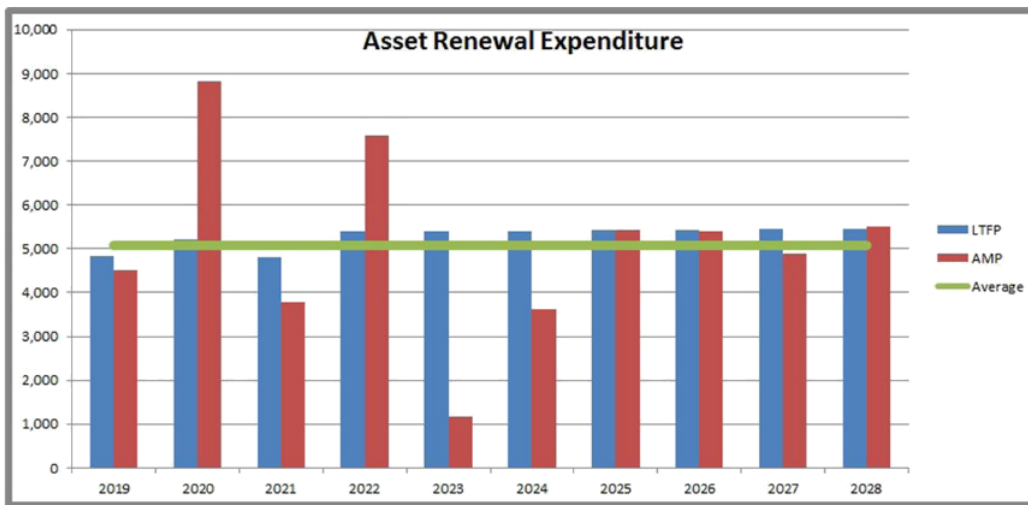
## 2. Financial Management Principles (continued)

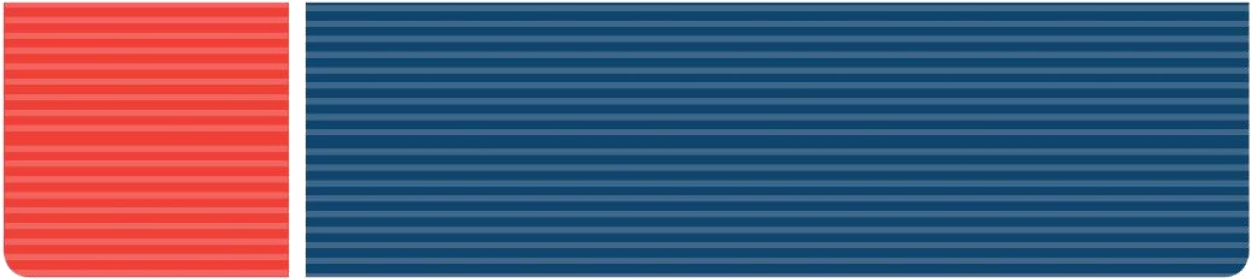
### 2.4 Prudent management of assets and liabilities, including debt and cash reserves (continued)

#### 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 2028. 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 ratio for the period 2019 to 2028 is 104%, which exceeds the benchmark of between 90% and 100%.

The table shows that despite the spikes in renewal expenditure identified in the Asset Management Plans in 2020 and 2022, Council is planning to fund the required average asset renewal expenditure over the life of the LTFP.





## 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

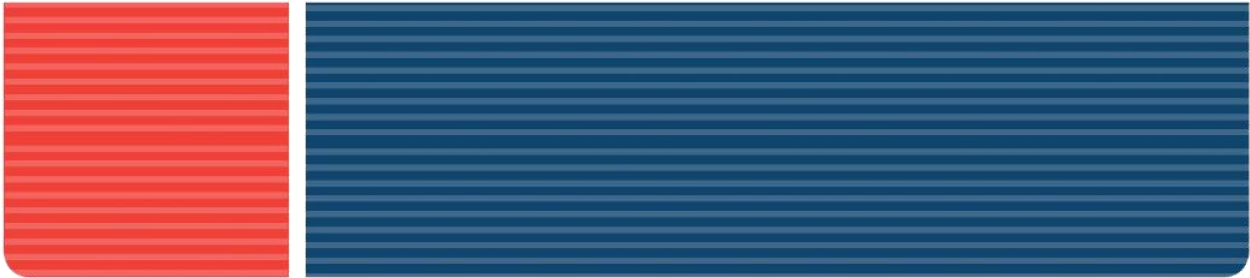
##### Underlying Surplus Ratio

*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.



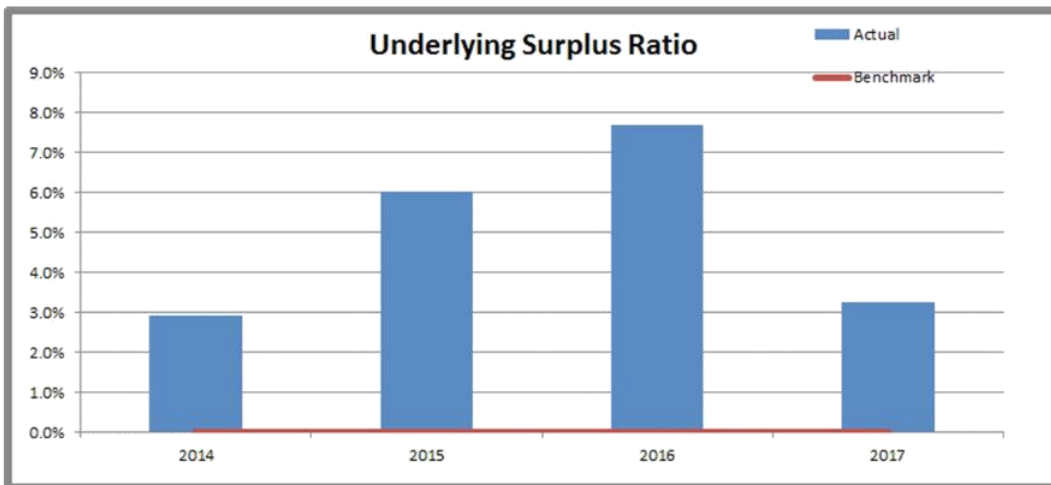
## 2. Financial Management Principles (continued)

### 2.5 Key Financial Indicators and Targets (continued)

#### 2.5.1 Financial Operating Performance (continued)

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*

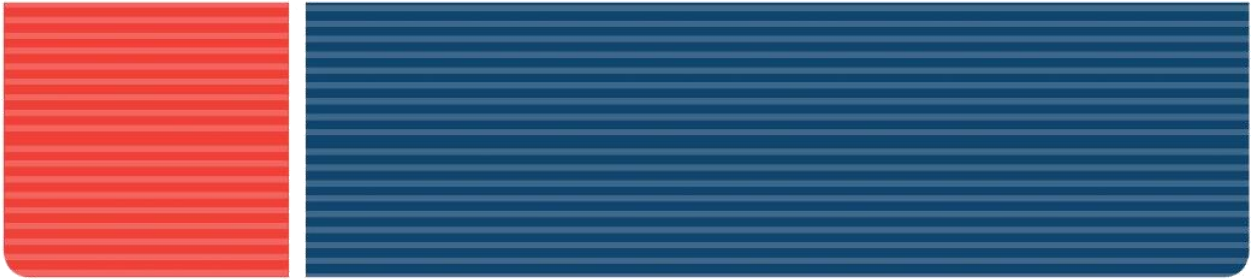
The Asset Sustainability Indicator compares the rate of capital spending through renewing, restoring and replacing existing assets, with the value of depreciation. The benchmark assumes that if capital expenditure on renewing or replacing existing assets is at least equal to depreciation on average over 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 9.

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.





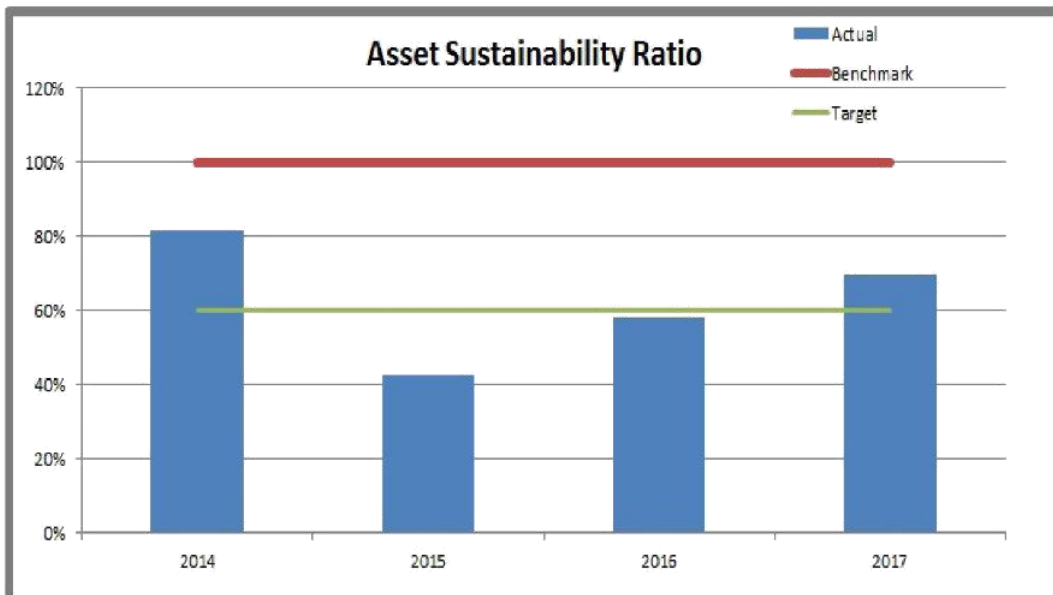
## 2. Financial Management Principles (continued)

### 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.



## 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.

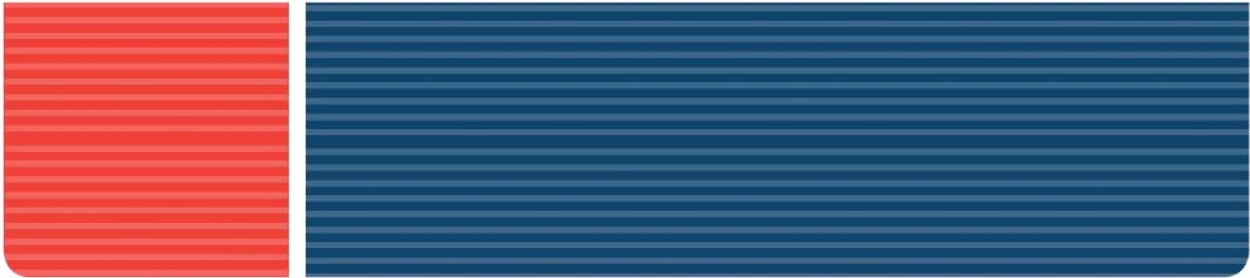
Whilst this ratio is calculated for all asset classes, as shown in the graph, the focus is predominately on the roads asset class as this is typically the largest. At 30 June 2017, Council's road consumption ratio was 45%, indicating a moderate financial sustainability risk. The ratio has remained constant over the past four years

This ratio is impacted by several factors including:

- capital expenditure, both renewal and new;
- 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.

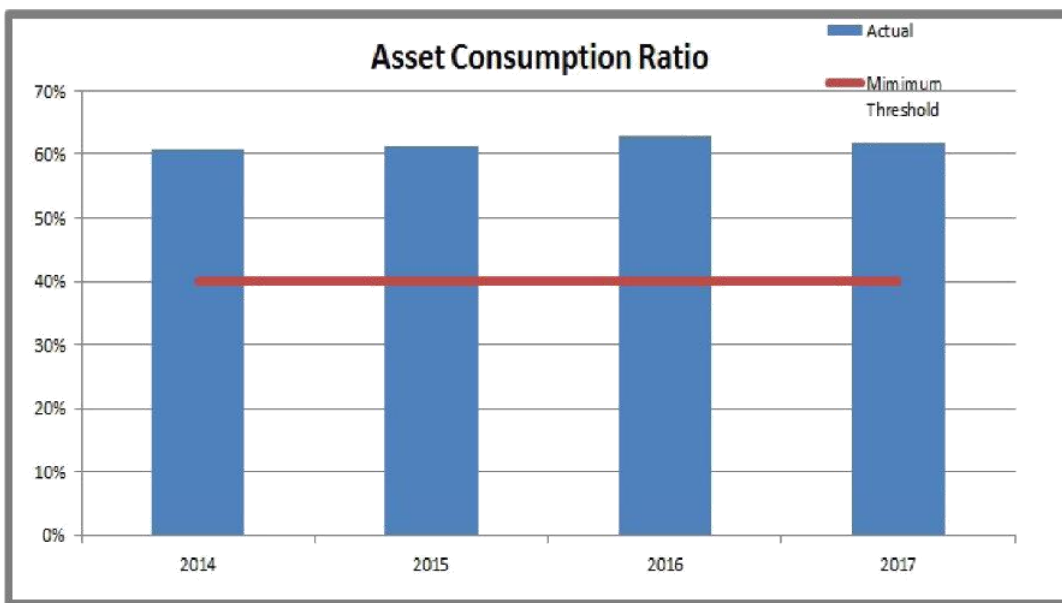


## 2. Financial Management Principles (continued)

### 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

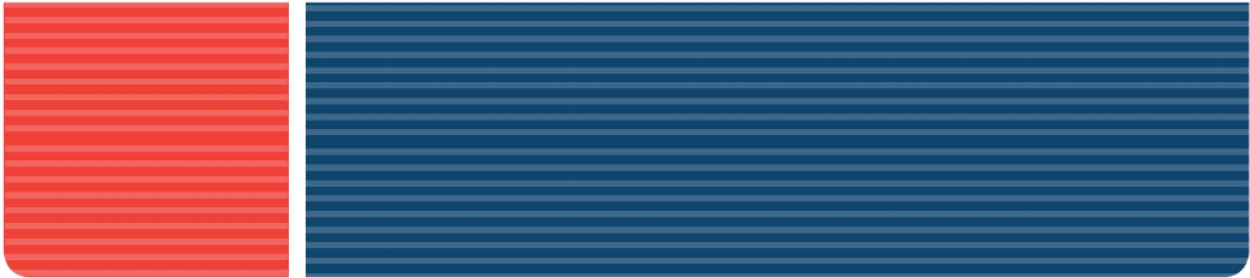
*Benchmark: Between 0% and -50%*

*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.

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.

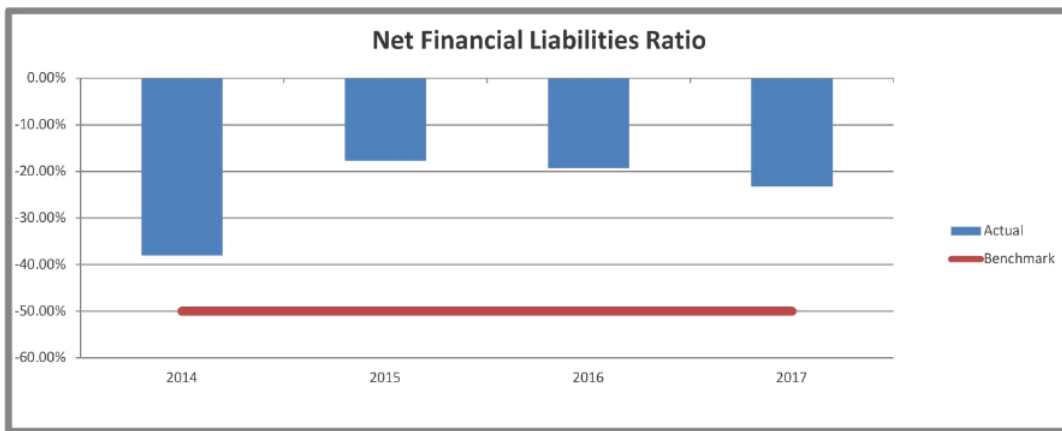


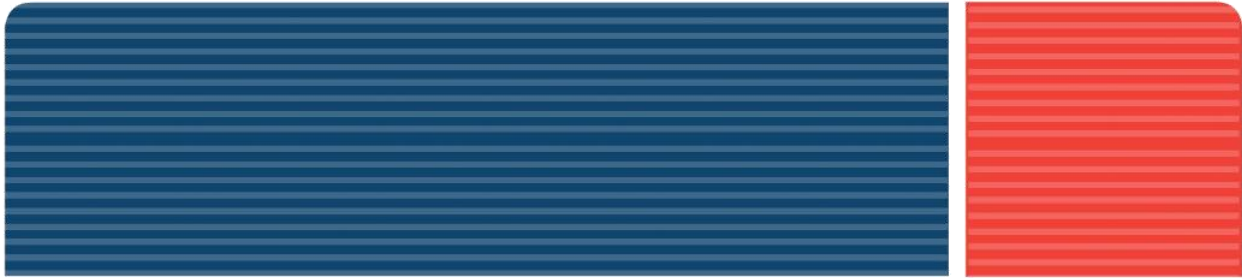
## 2. Financial Management Principles (continued)

### 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)

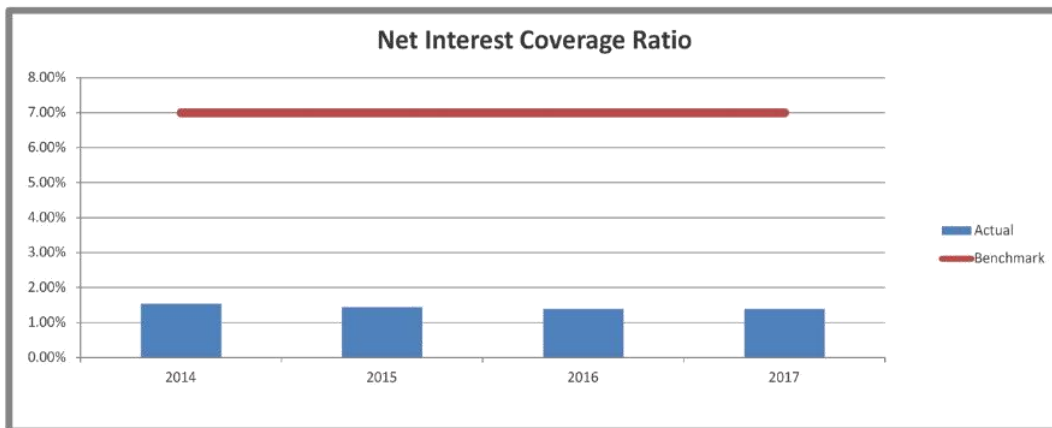
#### 2.5.3 Liquidity Ratios (continued)

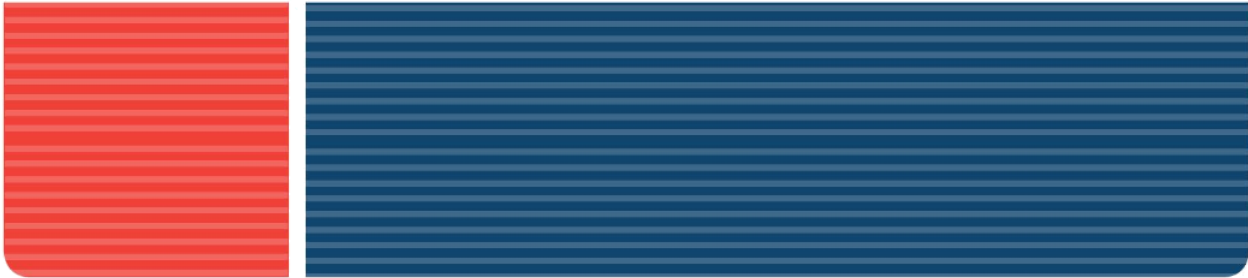
##### Net Interest Cost Ratio

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%. As Council will continue to borrow to fund progression of the LIVING CITY project, this ratio will be calculated and reported by Council.





# Appendix A: Long Term Financial Plan

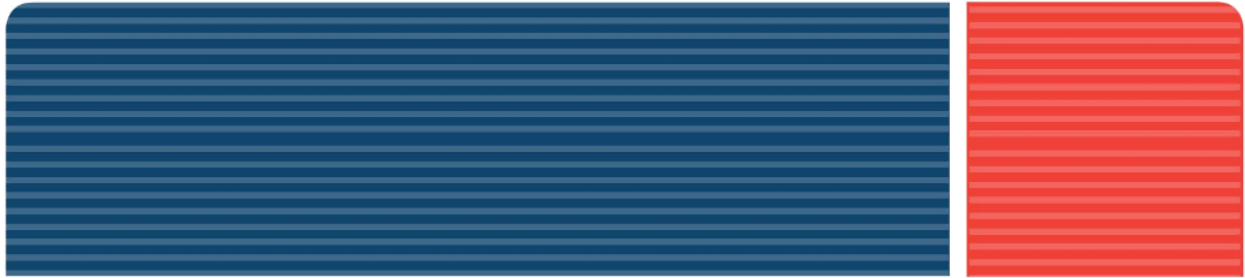
## Introduction

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



The Plan includes operational and capital expenditure to progress the LIVING CITY project into Stages 2 and 3. Council have brought forward Stage 3 Waterfront development following and Expression of Interest process undertaken in 2017. Stage 2 relates to retail development on the existing LINC site and Griffith Street.

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 State Government also committed to supporting the project with a grant of \$13,000,000 and Treasury has 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 projected savings from the refinancing of Councils' existing debt has been factored into the Plan.



## Appendix A: Long Term Financial Plan

### Introduction (continued)

The Plan also includes the impact of the decision by TasWater to reduce dividends to owner councils by one third from 1 July 2018. The impact of this decision is to reduce revenue by \$546,000 pa and it is assumed that revenue will remain at this reduced level for the remainder of the Plan.

The Plan has been determined 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

	2016/17 Actual	2017/18 Budget	2017/18 Forecast	2018/19 Budget	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Recurrent Revenue	41.19	38.42	41.17	40.58	41.08	41.43	41.59	41.68	41.78	41.86	41.94
Recurrent Expenses	39.13	39.02	39.01	40.43	40.63	41.00	40.76	40.88	40.77	40.79	40.78
Operating Result	2.05	(0.60)	2.16	0.15	0.46	0.43	0.84	0.80	1.02	1.07	1.17
Underlying Surplus/(Deficit)*	1.22	(0.00)	0.55	0.15	0.66	0.43	0.84	0.80	1.02	1.07	1.17
<b>Capital Expenditure:</b>											
Carry forwards	0.00	14.34	10.00	15.00							
Renewal	5.58	6.21	6.21	6.16	6.18	6.34	6.75	5.62	7.68	7.69	7.71
New	25.33	42.71	32.05	5.70	9.73	10.44	3.41	2.29	1.81	1.82	1.82
<b>Total Capex</b>	<b>30.91</b>	<b>63.26</b>	<b>48.26</b>	<b>26.86</b>	<b>15.91</b>	<b>16.78</b>	<b>10.16</b>	<b>7.91</b>	<b>9.49</b>	<b>9.51</b>	<b>9.53</b>
<b>Cash Balance</b>	<b>16.13</b>	<b>8.45</b>	<b>16.05</b>	<b>15.24</b>	<b>13.39</b>	<b>10.72</b>	<b>10.06</b>	<b>11.60</b>	<b>11.76</b>	<b>12.04</b>	<b>12.38</b>
<b>Net Debt Ratio</b>	<b>-9%</b>	<b>-129%</b>	<b>-73%</b>	<b>-101%</b>	<b>-100%</b>	<b>-101%</b>	<b>-97%</b>	<b>-89%</b>	<b>-83%</b>	<b>-78%</b>	<b>-72%</b>

\* 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 2016/17 financial year, adopted budget for 2017/18 year, forecast for 2017/18 year and projections for the following ten years.

The Plan identifies that Council will have an operating surplus and a small underlying surplus in all years of the Plan. The projected car parking revenues for the CBD carpark have been factored in over 4 years reflecting a conservative estimate of the utilization of the new facility.

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 changes to services/commitments:

- relocation to and operation of the paranapple centre;
- consolidation of Visitor Information Services, Art Gallery and Entertainment Centre into the paranapple arts centre;
- lease of the Food Pavilion;
- progression of the Stage 3 of the LIVING CITY project; 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 and 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 both the 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.

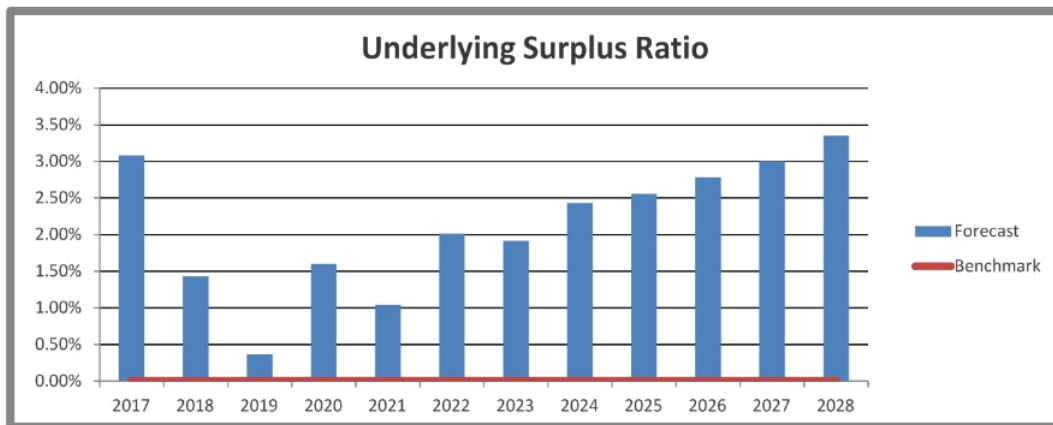
#### Indexation

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

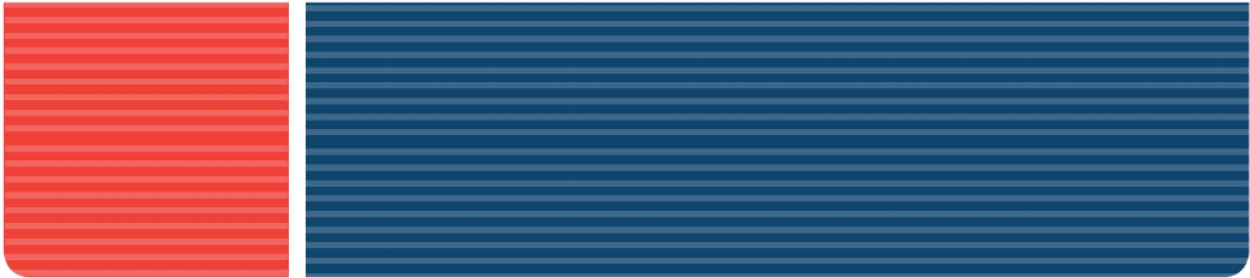
### Sustainability Indicators

#### Underlying Surplus Ratio



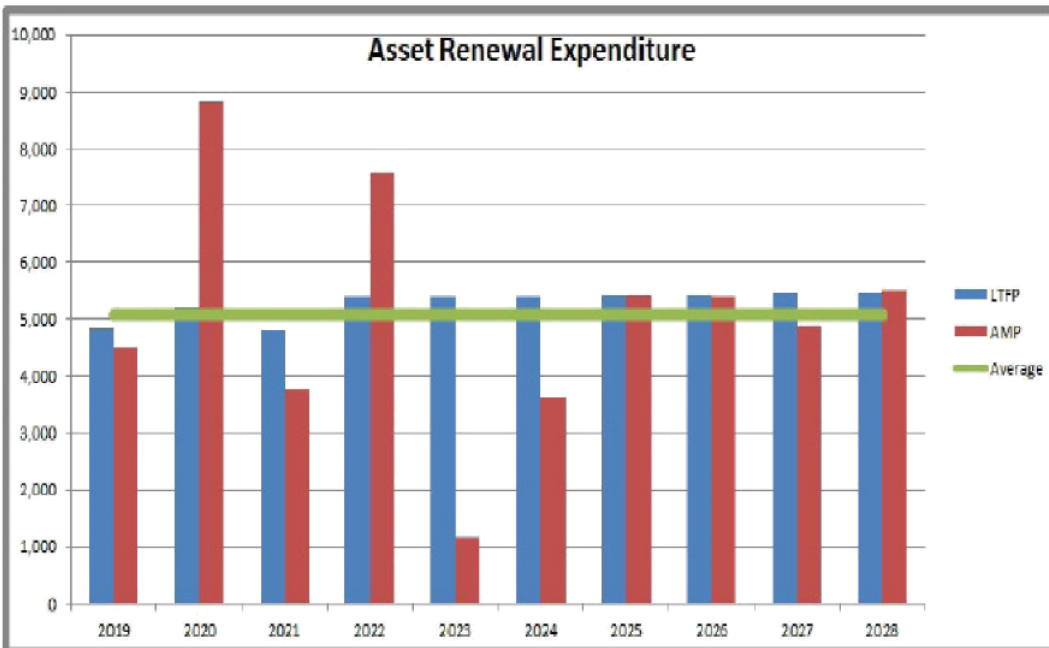
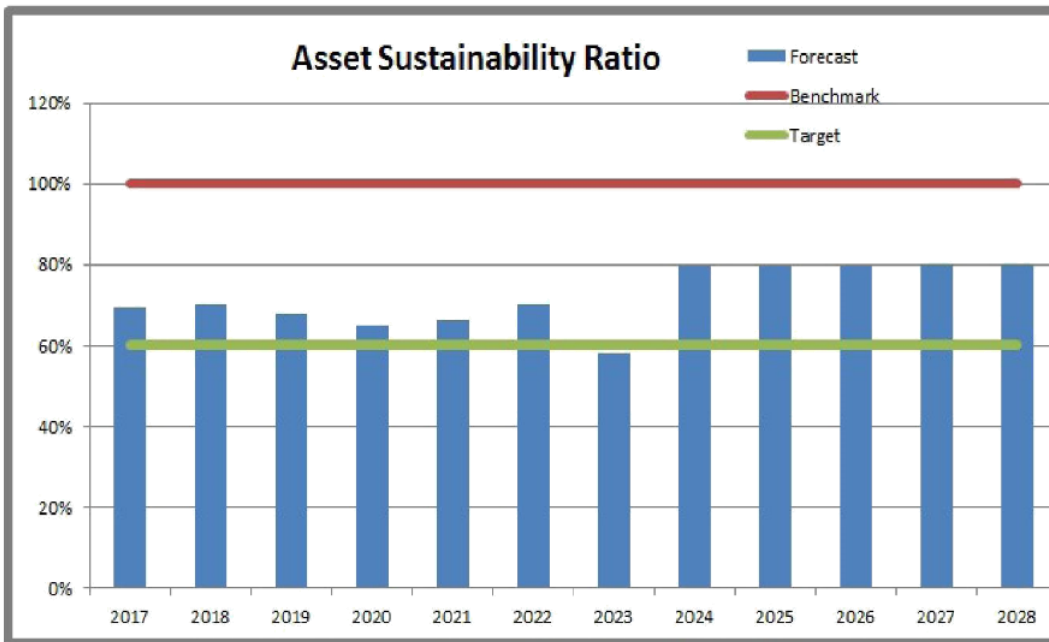
As mentioned earlier, this indicator is a basic measure of financial sustainability. The strong underlying operating surplus in 2016/17 reflects actual results. The 2018 year represents the forecast position for the year end and reflects a break even underlying surplus position. The remaining years show a positive underlying operating surplus 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 a 2% increase to the General rate in the same year. A 1% increase in the General rate has been included in both 2019/20 and 2020/21. 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

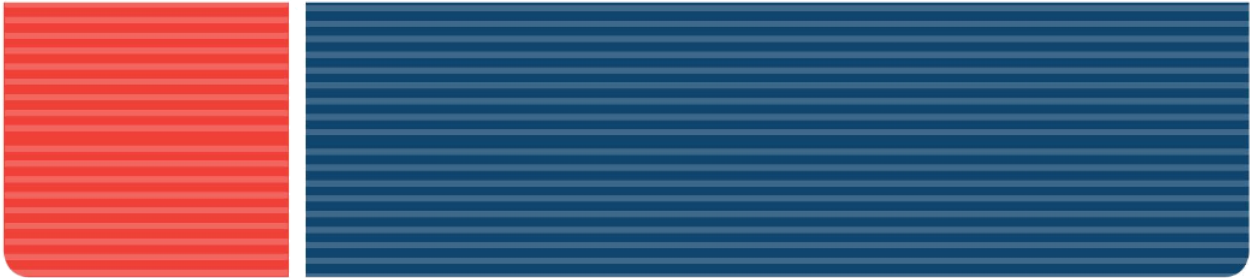
### Asset Renewal Funding Ratio and Asset Sustainability Ratio (continued)

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 2019 to 2028. 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 \$1,000,000. 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. This expenditure results in additional depreciation expense but does not necessarily translate into an increased renewal requirement.

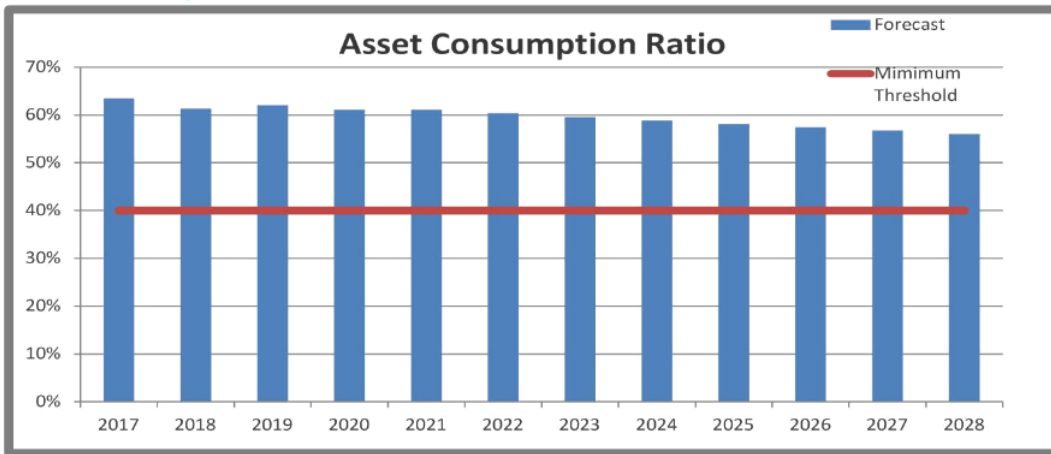
The asset renewal funding ratio measures the planned expenditure on renewing assets in the Long Term Financial Plan with the projected renewal expenditure as determined in the Asset Management Plans. As discussed earlier this document demonstrates that Council plan to adequately fund capital renewal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

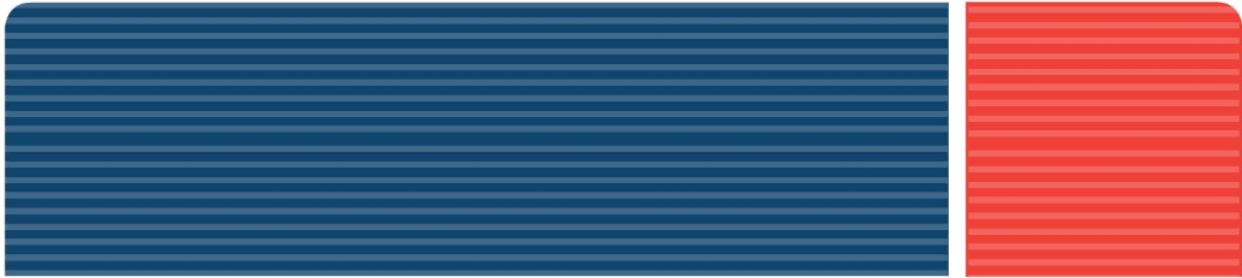
Council is meeting the benchmark of between 40% and 60% considered appropriate for this ratio, however the ratio is declining and Council must continue to closely monitor the ongoing maintenance and condition of assets to ensure they are adequately renewed. Close scrutiny is paid to the asset consumption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

At 30 June 2017, the road consumption ratio was 45% and is consistent over the past 4 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).

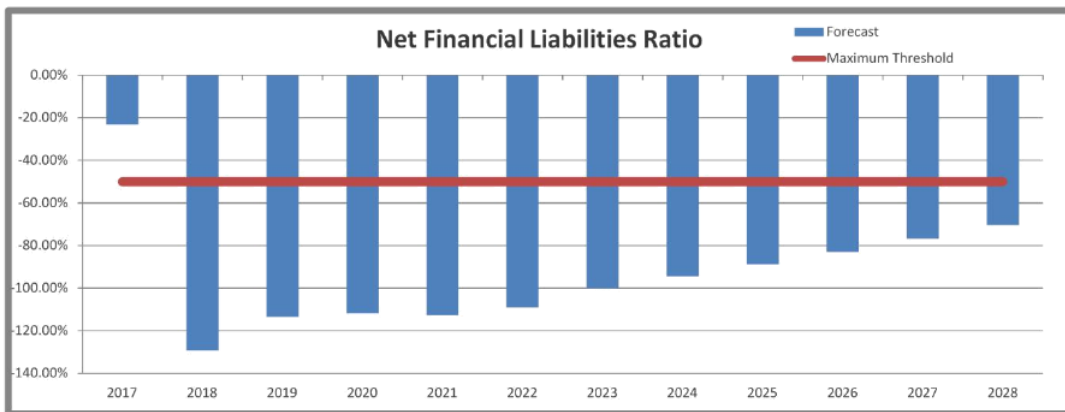
The average condition was 2.2, which indicated the road network was in reasonable condition.

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 review the level of renewal.



## Appendix A: Long Term Financial Plan

### Net Financial Liabilities Ratio

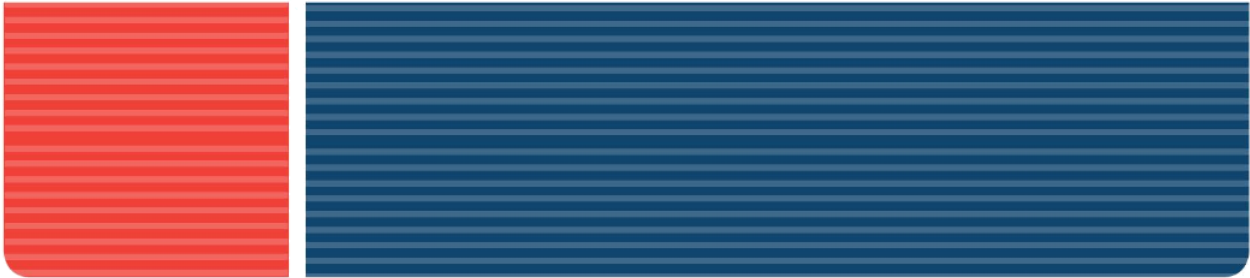


Net Financial Liabilities represent the total value of liabilities less cash and receivables. The net financial liabilities ratio increases in 2018 which reflects the additional borrowings in relation to Stage 1 of LIVING CITY. The total additional borrowings for Stage 1 is expected to be \$39,000,000.

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.

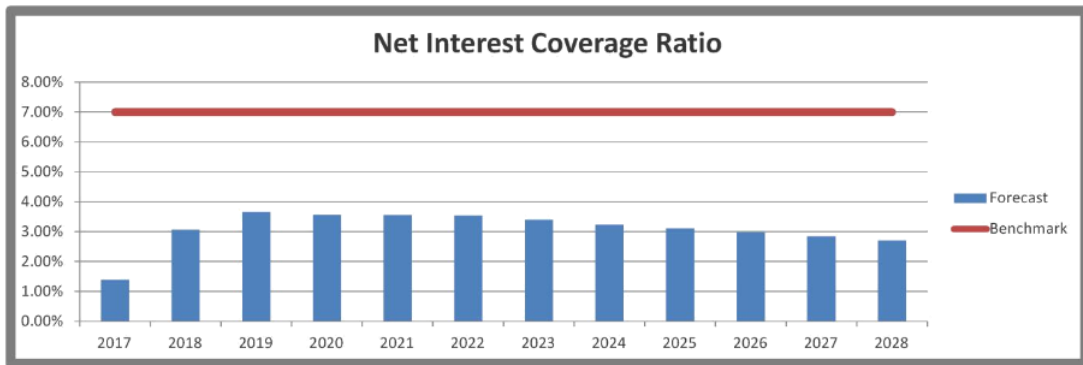
Based on the Plan the cash balance will stay above the target balance of \$3,000,000 for the duration of the Plan.





## 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.

# Appendix A: Long Term Financial Plan

## Estimated Statement of Comprehensive Income

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan
	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurrent income</b>													
Rates and service charges	27,334	27,227	27,350	27,912	28,254	28,551	28,750	28,830	28,910	28,990	29,070	29,150	29,230
Fees and charges	6,416	6,418	6,500	7,028	7,097	7,197	7,197	7,197	7,197	7,197	7,197	7,197	7,197
Government Grants	3,201	1,133	3,143	2,299	2,299	2,299	2,299	2,299	2,299	2,299	2,299	2,299	2,299
Contributions	205	50	50	35	35	35	35	35	35	35	35	35	35
Investment revenue	2,958	2,566	3,095	2,186	2,162	2,111	2,074	2,085	2,102	2,103	2,105	2,108	2,114
Other revenue	1,072	1,028	1,028	1,117	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238
<b>Total recurrent income</b>	<b>41,186</b>	<b>38,423</b>	<b>41,166</b>	<b>40,576</b>	<b>41,085</b>	<b>41,431</b>	<b>41,593</b>	<b>41,684</b>	<b>41,781</b>	<b>41,862</b>	<b>41,944</b>	<b>42,027</b>	<b>42,113</b>
<b>Recurrent expenses</b>													
Employee costs	11,440	12,041	11,400	12,002	12,016	12,035	12,052	12,069	12,080	12,089	12,098	12,107	12,116
Materials and services	12,666	12,836	13,701	13,292	13,310	13,559	13,346	13,363	13,374	13,383	13,392	13,401	13,360
Depreciation	8,395	8,816	8,520	9,140	9,438	9,542	9,576	9,599	9,617	9,635	9,653	9,672	9,690
Finance costs	2,736	1,503	1,503	1,904	1,880	1,840	1,800	1,760	1,710	1,660	1,610	1,560	1,510
Levies & taxes	3,302	3,440	3,395	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566
Other expenses	1,042	1,015	1,020	1,137	1,029	1,069	1,026	1,138	1,029	1,069	1,069	1,069	1,069
Internal charges	(446)	(632)	(530)	(611)	(611)	(611)	(611)	(611)	(611)	(611)	(611)	(611)	(611)
<b>Total expenses</b>	<b>39,135</b>	<b>39,019</b>	<b>39,009</b>	<b>40,430</b>	<b>40,628</b>	<b>41,000</b>	<b>40,755</b>	<b>40,884</b>	<b>40,765</b>	<b>40,791</b>	<b>40,777</b>	<b>40,764</b>	<b>40,700</b>
<b>Surplus/(Deficit) before Capital Items</b>	<b>2,051</b>	<b>(596)</b>	<b>2,158</b>	<b>146</b>	<b>457</b>	<b>431</b>	<b>838</b>	<b>800</b>	<b>1,016</b>	<b>1,071</b>	<b>1,167</b>	<b>1,263</b>	<b>1,413</b>
<b>Capital Items</b>													
Net Gain/(Loss) on disposal of assets	(1,242)	(537)	(2,237)	(397)	(3,200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
Change in Value of Investments	798	141	400	400	400	200	200	200	200	200	200	200	200
Capital Grants & Contributions	6,482	9,511	9,807	2,555	4,774	5,774	774	774	774	774	774	774	774
Change in Value - Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>8,088</b>	<b>8,519</b>	<b>10,127</b>	<b>2,704</b>	<b>2,431</b>	<b>6,205</b>	<b>1,612</b>	<b>1,574</b>	<b>1,790</b>	<b>1,845</b>	<b>1,941</b>	<b>2,037</b>	<b>2,187</b>

## 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 2017/18 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 Annual Assessed Value of properties, as determined by the Valuer General. Council adopts differential rating based on the use of the property/land.

The service rates cover waste management.

The Plan assumes that rates and waste management charges will not increase by more than CPI in any year. 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 be removed in 2018/19. 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 and 3. The Plan includes a 1% increase in the general rate in the dollar for 2019/20 and 2020/21.

The changes made to the commercial waste management charge in 2017/18 are assumed to continue throughout the Plan and the change cap will be reviewed annually.

#### 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 CBD car park will be recognized 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).

From the 2018/19 year onwards, the level of FAG revenue has been maintained at the 2017/18 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*

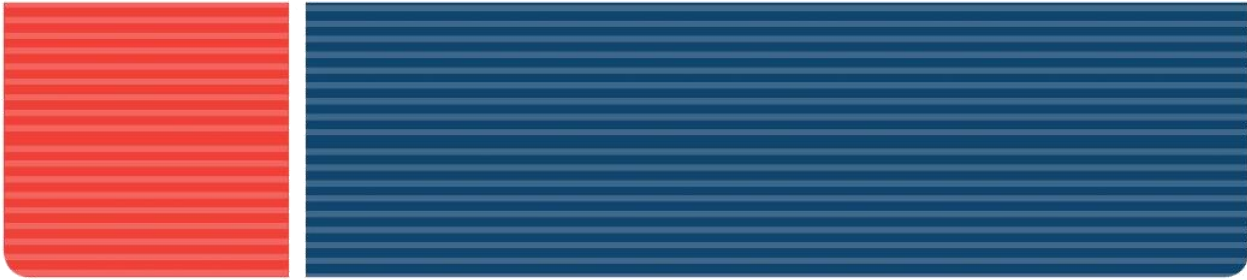
Dividends from TasWater are based on advice received from the entity and take into account the proposed distribution from 2015/16 to 2017/18 based on the reduced charges recommended by the Economic Regulator. The total distribution from TasWater has been reduced by \$546,000 and it is assumed it will remain at this level for the remainder of the Plan.

Distribution from Dulverton Regional Waste Management Authority based on the latest advice received from the entity.

#### 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. Belgravia has recently been appointed for a further period of 5 years ending in 2023. 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 general materials. This allows for a real increase in the number of employees and an increase in the cost of materials due to additional materials being required to undertake this additional work.

Additional operational and maintenance costs in relation to the paranapple centre, paranapple convention centre and paranapple arts centre have 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 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.

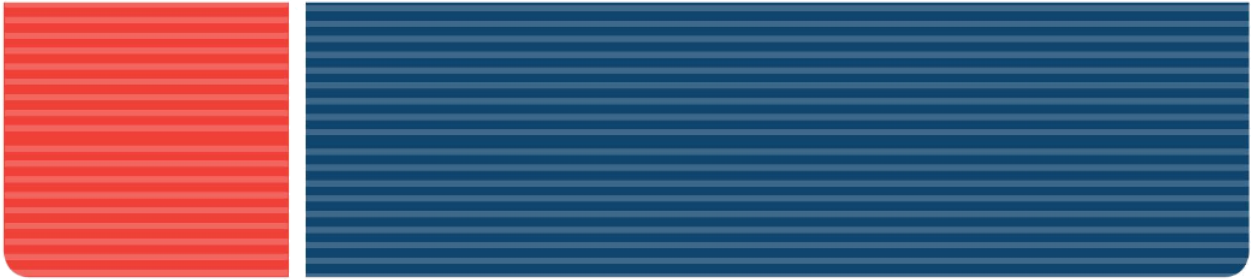
#### Internal Charges

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

It is assumed the Roads to Recovery program from 2018/19 revert 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:

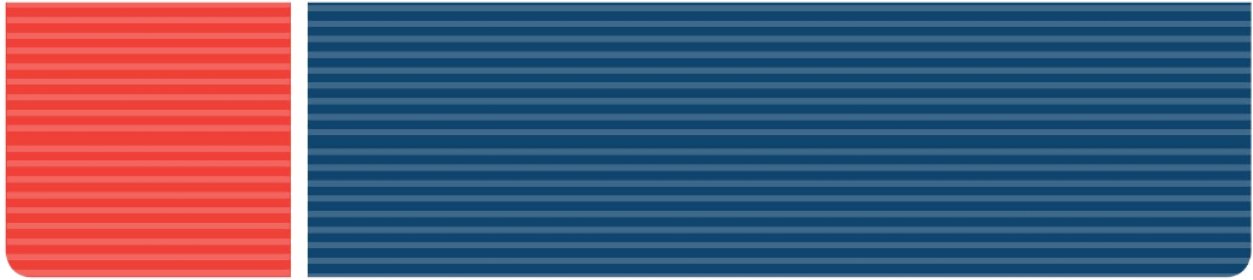
- Revenue and expenditure from various components of Stage 1 have been incorporated into the Plan;
- Revenue from the new car park will not reach total projected levels for 4 years;
- Harris Scarfe rental income will continue, however the business will relocate from 26 Best Street to 17 Fenton Way during 2018/19;
- It is assumed that Council will dispose of land for the hotel development in 2019/20 for \$1,000,000.
- Construction of Stage 3 will progress as planned; and
- Council will borrow up to \$39,000,000 to construct Stage 1, at a rate of 3.2% over the 10 years.

## Appendix A: Long Term Financial Plan

### Estimated Statement of Cash Flows

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan
	'\$000	'\$000		'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000
<b>Cash Flows from Operating Activities</b>													
<b>Receipts</b>													
Rates and user charges	31,902	33,180	33,850	34,464	34,875	35,272	35,471	35,551	35,631	35,711	35,791	35,871	35,951
Government grants	3,200	1,133	3,143	2,299	2,299	2,299	2,299	2,299	2,299	2,299	2,299	2,299	2,299
Refund of GST tax credits	3,129	1,473	3,129	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473
Contributions	205	3	50	3	3	3	3	3	3	3	3	3	3
Interest	494	252	445	350	346	295	258	269	286	287	289	292	298
Investment revenue from TasWater	2,417	1,700	1,850	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Other receipts	1,084	1,078	1,078	1,151	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273
<b>Total Receipts</b>	<b>42,431</b>	<b>38,819</b>	<b>43,545</b>	<b>40,940</b>	<b>41,469</b>	<b>41,815</b>	<b>41,977</b>	<b>42,068</b>	<b>42,165</b>	<b>42,246</b>	<b>42,328</b>	<b>42,411</b>	<b>42,497</b>
<b>Payments</b>													
Employee & supplier costs	27,460	28,219	28,965	27,772	28,805	29,073	28,877	28,911	28,933	28,951	28,969	28,987	28,955
Borrowing costs	2,253	1,503	1,203	2,004	1,980	1,940	1,900	1,860	1,817	1,660	1,610	1,560	1,510
Other expenses	1,042	1,015	1,020	1,137	1,029	1,069	1,026	1,138	1,029	1,069	1,069	1,069	1,069
<b>Total Payments</b>	<b>30,755</b>	<b>30,737</b>	<b>31,188</b>	<b>30,913</b>	<b>31,814</b>	<b>32,082</b>	<b>31,803</b>	<b>31,909</b>	<b>31,779</b>	<b>31,680</b>	<b>31,648</b>	<b>31,616</b>	<b>31,534</b>
<b>Net Cash from operating activities</b>	<b>11,676</b>	<b>8,082</b>	<b>12,357</b>	<b>10,027</b>	<b>9,655</b>	<b>9,733</b>	<b>10,174</b>	<b>10,159</b>	<b>10,386</b>	<b>10,566</b>	<b>10,680</b>	<b>10,795</b>	<b>10,963</b>
<b>Cash Flows from Investing Activities</b>													
<b>Receipts</b>													
Proceeds from sale of non current assets	51	5	180	2,650	1,100	100	100	100	100	100	100	100	100
Capital Grants	3,104	8,711	8,675	2,555	4,524	5,524	524	524	524	524	524	524	524
Dividend revenue	759	614	800	616	616	616	616	616	616	616	616	616	616
Capital Contributions	13,270	-	-	-	-	-	-	-	-	-	-	-	-
Other Investments	(35)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>													
Carry forwards	-	(14,339)	(10,000)	(15,000)									
Asset renewals	(5,581)	(6,210)	(6,210)	(6,158)	(6,178)	(6,335)	(6,751)	(5,622)	(7,679)	(7,694)	(7,708)	(7,723)	(7,737)
New assets	(23,325)	(42,711)	(32,049)	(5,698)	(9,729)	(10,443)	(3,410)	(2,291)	(1,813)	(1,817)	(1,817)	(1,817)	(1,817)
<b>Net Cash used in investing activities</b>	<b>(11,757)</b>	<b>(53,930)</b>	<b>(38,604)</b>	<b>(21,035)</b>	<b>(9,667)</b>	<b>(10,538)</b>	<b>(8,921)</b>	<b>(6,673)</b>	<b>(8,252)</b>	<b>(8,271)</b>	<b>(8,285)</b>	<b>(8,300)</b>	<b>(8,314)</b>
<b>Cash Flows from Financing Activities</b>													
<b>Receipts</b>													
New loans	-	39,000	27,000	12,000	-	-	-	-	-	-	-	-	-
<b>Payments</b>													
Loan principal repayments	(769)	(829)	(829)	(1,800)	(1,836)	(1,872)	(1,908)	(1,944)	(1,980)	(2,016)	(2,052)	(2,088)	(2,100)
<b>Net Cash from (or used in) financing activities</b>	<b>(769)</b>	<b>38,171</b>	<b>26,171</b>	<b>10,200</b>	<b>(1,836)</b>	<b>(1,872)</b>	<b>(1,908)</b>	<b>(1,944)</b>	<b>(1,980)</b>	<b>(2,016)</b>	<b>(2,052)</b>	<b>(2,088)</b>	<b>(2,100)</b>
<b>Net Increase/(Decrease) in cash held</b>	<b>(850)</b>	<b>(7,677)</b>	<b>(76)</b>	<b>(808)</b>	<b>(1,848)</b>	<b>(2,677)</b>	<b>(655)</b>	<b>1,542</b>	<b>154</b>	<b>279</b>	<b>343</b>	<b>407</b>	<b>549</b>
Cash at beginning of reporting period	16,975	16,125	16,125	16,049	15,240	13,392	10,715	10,060	11,602	11,756	12,035	12,378	12,785
<b>Cash at end of reporting period</b>	<b>16,125</b>	<b>8,448</b>	<b>16,049</b>	<b>15,240</b>	<b>13,392</b>	<b>10,715</b>	<b>10,060</b>	<b>11,602</b>	<b>11,756</b>	<b>12,035</b>	<b>12,378</b>	<b>12,785</b>	<b>13,334</b>





## Appendix A: Long Term Financial Plan

### Estimated Statement of Cash Flows (continued)

#### **Sale of Assets**

The statement includes proceeds of \$1,900,000 from 2019/20 from sale of assets and plant and equipment. Sale of assets in relation to LIVING CITY accounts for \$1,000,000 of this total. The proceeds shown in the 2019 budget relate to non LIVING CITY properties that Council has previously announced are for sale or have been sold and will settle in the 2018/19 financial year.

#### **Capital Works**

The capital expenditure shown in the statement is split between expenditure on renewals and new capital projects as per the 5 year capital program. The remaining years ensure renewal expenditure is 80% of depreciation expense.

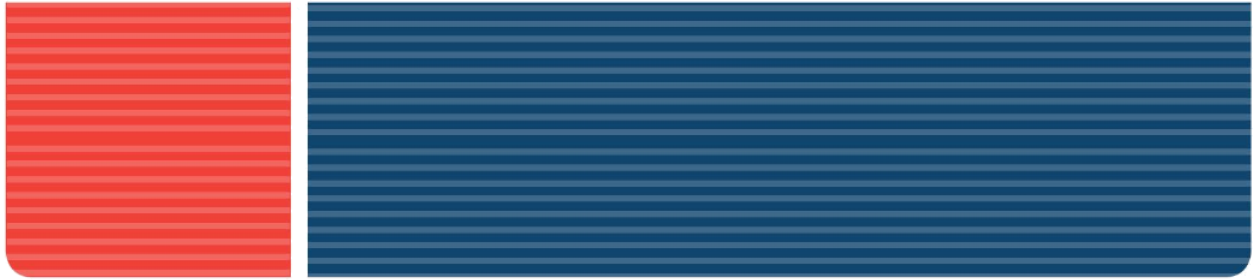
#### **Borrowings**

The remainder of the \$39,000,000 of borrowings will be drawn down in 2018/19.

## Appendix A: Long Term Financial Plan

### Estimated Statement of Financial Position

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan
	'\$000	'\$000		'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000
<b>Assets</b>													
<b>Current Assets</b>													
Cash and cash equivalents	16,125	8,448	16,049	15,241	13,393	10,716	10,061	11,603	11,757	12,036	12,379	12,786	13,335
Receivables	1,410	1,110	1,410	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Other Assets	96	76	96	76	76	76	76	76	76	76	76	76	76
<b>Total Current Assets</b>	<b>17,631</b>	<b>9,634</b>	<b>17,555</b>	<b>16,427</b>	<b>14,579</b>	<b>11,902</b>	<b>11,247</b>	<b>12,789</b>	<b>12,943</b>	<b>13,222</b>	<b>13,565</b>	<b>13,972</b>	<b>14,521</b>
<b>Non-current Assets</b>													
Capital works in progress	29,400	53,489	59,374	5,814	11,414	3,451	3,451	3,451	3,451	3,451	3,451	3,451	3,451
Receivables	31	-	25	-	-	-	-	-	-	-	-	-	-
Investment in associates	5,515	4,985	5,915	6,315	6,715	6,915	7,115	7,315	7,515	7,715	7,915	8,115	8,315
Investment in TasWater	86,226	85,664	86,226	86,226	86,226	86,226	86,226	86,226	86,226	86,226	86,226	86,226	86,226
Property, plant and equipment	422,545	431,439	421,783	474,011	470,357	485,029	485,088	482,876	482,229	481,577	480,921	480,265	479,602
<b>Total Non-current Assets</b>	<b>543,717</b>	<b>575,577</b>	<b>573,323</b>	<b>572,366</b>	<b>574,712</b>	<b>581,621</b>	<b>581,880</b>	<b>579,868</b>	<b>579,421</b>	<b>578,969</b>	<b>578,513</b>	<b>578,057</b>	<b>577,594</b>
<b>Total Assets</b>	<b>561,348</b>	<b>585,211</b>	<b>590,878</b>	<b>588,793</b>	<b>589,291</b>	<b>593,523</b>	<b>593,127</b>	<b>592,657</b>	<b>592,364</b>	<b>592,191</b>	<b>592,078</b>	<b>592,029</b>	<b>592,115</b>
<b>Liabilities</b>													
<b>Current Liabilities</b>													
Payables	4,197	3,178	5,000	3,178	3,181	3,180	3,180	3,179	3,183	3,181	3,179	3,180	3,179
Provisions	2,145	2,146	2,145	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146
Financial liabilities	19,738	57,909	46,000	56,109	54,273	52,401	50,493	48,549	46,569	44,553	42,501	40,413	38,313
<b>Total Current Liabilities</b>	<b>26,080</b>	<b>63,233</b>	<b>53,145</b>	<b>61,433</b>	<b>59,600</b>	<b>57,727</b>	<b>55,819</b>	<b>53,874</b>	<b>51,898</b>	<b>49,880</b>	<b>47,826</b>	<b>45,739</b>	<b>43,638</b>
<b>Non-current Liabilities</b>													
Provisions	432	455	432	455	455	455	455	455	455	455	455	455	455
Income Received in Advance	13,000	-	13,000	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	307	607	607	507	407	307	207	107	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-current Liabilities</b>	<b>13,739</b>	<b>455</b>	<b>14,039</b>	<b>962</b>	<b>862</b>	<b>762</b>	<b>662</b>	<b>562</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>455</b>
<b>Total Liabilities</b>	<b>39,819</b>	<b>63,688</b>	<b>67,184</b>	<b>62,395</b>	<b>60,462</b>	<b>58,489</b>	<b>56,481</b>	<b>54,436</b>	<b>52,353</b>	<b>50,335</b>	<b>48,281</b>	<b>46,194</b>	<b>44,093</b>
<b>Net Assets</b>	<b>521,529</b>	<b>521,523</b>	<b>523,694</b>	<b>526,398</b>	<b>528,829</b>	<b>535,034</b>	<b>536,646</b>	<b>538,221</b>	<b>540,011</b>	<b>541,856</b>	<b>543,797</b>	<b>545,835</b>	<b>548,022</b>
<b>Equity</b>													
Accumulated Surplus	204,096	213,487	215,095	217,799	220,230	226,435	228,047	229,622	231,412	233,257	235,198	237,236	239,423
Asset Revaluation Reserves	307,604	298,770	298,770	298,770	298,770	298,770	298,770	298,770	298,770	298,770	298,770	298,770	298,770
Other Reserves	9,829	9,266	9,829	9,829	9,829	9,829	9,829	9,829	9,829	9,829	9,829	9,829	9,829
<b>Total Equity</b>	<b>521,529</b>	<b>521,523</b>	<b>523,694</b>	<b>526,398</b>	<b>528,829</b>	<b>535,034</b>	<b>536,646</b>	<b>538,221</b>	<b>540,011</b>	<b>541,856</b>	<b>543,797</b>	<b>545,835</b>	<b>548,022</b>



## 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

Up to an additional \$39,000,000 of borrowings will be drawn down over 2017/18 and 2018/19 and all principal repayments have been included in the Plan.

## 5.4 PIANO ACQUISITION FOR THE PARANAPLE CONVENTION CENTRE

File: 34518 D530236

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

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

### SUMMARY

This report seeks Council's approval to acquire a Yamaha Semi Concert Grand Piano for the paranaple convention centre.

### BACKGROUND

Council sought a quote for a piano from Yamaha Music Australia who sell pianos direct to Local Government at commercial rates.

A provision sum allowance is included in the Stage 1 building contract for the supply of audio-visual equipment. However, rather than procure through the contract, it was determined to source a piano directly due to Council's commercial sales rate with Yamaha Music Australia.

### STATUTORY REQUIREMENTS

There are no statutory requirements associated with this report.

### DISCUSSION

The paranaple convention centre is being equipped to be the premier functions and events venue on the North-West Coast of Tasmania. Council has sought to appropriately fit-out the paranaple convention centre to meet the expectations of clients.

A grand piano is a sought-after instrument for potential clients and highly suited to the paranaple convention centre due to the anticipated usage of the centre. It is likely a suitable piano will enable:

- a) special concerts;
- b) support to major Devonport festivals, such as Devonport Jazz;
- c) support to community events, such as the Devonport Eisteddfods;
- d) major touring concerts, such as the Tasmanian Symphony Orchestra;
- e) weddings, dinners and cocktail events as a source of background music.

Yamaha Music Australia's Direct Education and Commercial Sales Manager has provided Council with a quote for the purchase of a Yamaha Grand Piano suitable for the paranaple convention centre.

Model	RRP	DCC Price ex GST
C3X 6'1" grand piano	\$54,995	\$31,500
C5X 6'5" grand piano	\$64,995	\$37,000
C7X 7'6" semi concert grand piano	\$81,995	\$41,700
C7XSH 7'6" semi concert grand piano (with midi)	\$88,000	\$39,500

Yamaha has provided Council a special run-out price on a Yamaha C7XSH (silent). The C7XSH is a normal Yamaha C7 piano which has the ability to switch from an acoustic piano to silent mode. This is beneficial if a client wishes to run a line direct with input into the paranaple convention centre's sound system. This would be useful when the piano is being

used in a big band situation instead of using microphones on the piano. Additionally, the piano has a MIDI which means it can be connected to an external synthesiser.

Either Yamaha C7 semi concert grand piano model would be suitable for the paranapple convention centre. A C5X would be the minimum size recommended, however based on the price variance of \$4,700, a C7 would represent best value for money.

Purchasing a new Yamaha piano has the added benefit of up to 12 complimentary tunings, depending on the model purchased. This can be performed by a piano tuner in the North West region, reimbursed by Yamaha Music Australia.

The purchase price from Yamaha Music Australia includes delivery, matching adjustable stool, installation tuning, stage truck and padded cover.

Council will impose a hire fee for use of the piano. A reasonable hire fee would be between \$150-\$200 per-day, depending on the length of the hire. Tuning would be additional as required. It is estimated approximately 10 events a year will utilise a piano, resulting in \$1,500-\$2,000 revenue. In addition, a Grand Piano is a slow depreciating asset that if cared for would have a useful life of more than 40 years. Considering the annual hire, low depreciation and likely retained disposal value due to the reduced purchase price, the purchase of a C7 Semi Concert Grand Piano is ideally suited to the paranapple convention centre.

### COMMUNITY ENGAGEMENT

There was no community engagement undertaken.

### FINANCIAL IMPLICATIONS

It is recommended that Council proceed with purchasing a C7XSH 7'6" semi concert grand piano (with midi) from Yamaha Music Australia. The piano would be purchased from the Living City Stage 1 project contingency.

### RISK IMPLICATIONS

There are no risk implications associated with this report.

### CONCLUSION

Acquiring a Yamaha C7XSH Semi Concert Grand Piano for the paranapple convention centre direct from Yamaha Music Australia provides the best return on investment and meets Council's requirement for the provision of the paranapple convention centre.

### ATTACHMENTS

[1](#). Devonport Municipal Council Quote Yamaha Grand Piano May 2018

### RECOMMENDATION

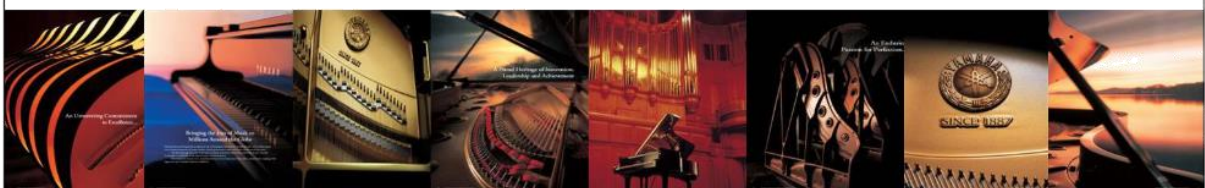
That Council authorise the purchase of a Yamaha C7XSH Semi Concert Grand Piano direct from Yamaha Music Australia for the quoted sum of \$39,500 (ex GST), which is to be funded from the Living City Stage 1 project contingency allowance.

Author:	Geoff Dobson	Endorsed By:	Paul West
Position:	Convention & Arts Centre Manager	Position:	General Manager



Yamaha Music Australia

Quotation Yamaha Grand Piano  
Devonport Municipal Council



**Overview**

As the world's largest manufacturer of musical instruments, Yamaha has an enviable reputation of producing instruments of consistently high quality, trouble free durability and superior musical performance.

Yamaha has played an important role in fostering the development of musical talent and furthering the cause of musical expression in Universities, Schools, Homes, Studios and Performance Venues.

Yamaha Pianos have long been the choice of concert pianists from around the world and its production reflects the accumulated expertise of over a century of Piano manufacturing excellence.

**Yamaha piano features and benefits**

- Manufactured by Yamaha. One of the world's oldest piano manufacturers with over 100 years experience
- Solid spruce soundboard and ribs for superior tone and resonance
- Back Posts for structural strength and greater tuning stability
- Vertically laminated hardwood bridges for greater sound transmission to the soundboard
- Copper wound bass strings producing a full rich balanced bass register
- Aluminium alloy action rails for perfect alignment of the hammer action assembly
- Yamaha balanced action for perfect key touch and response
- Spruce keys with hardwood buttons for greater durability and stability
- Premium Yamaha designed hammers with T-fasteners used to produce the full rich tone Yamaha Pianos are renowned for
- Reinforced key frame pin with adjustable guide to enable finer regulation and stability of the key action
- Patented Humid-A-Seal pin block™ adding greater stability to the tuning plank making it less susceptible to variations in temperature and humidity.
- Cut thread tuning pins enables the pin to be set perfectly during tuning and adds to greater tuning stability during performances
- Polyester finish for a long lasting durable high gloss ebony finish
- Soft-Close™ fallboard- safety feature to prevent the fallboard from dropping on hands –Grands and U series Uprights
- Locking fallboard
- Heavy duty casters making it easy to position the piano for performances
- Yamahas proven track record for reliability has made it the most preferred instrument amongst pianists and piano tuner technicians.

Yamaha are proud to have supplied pianos to many of Australia's institutions and performance venues including;

- University of Tasmania Hobart Conservatorium of Music
- Burnie Regional Art Gallery
- Sydney Opera House
- University of NSW
- University of Sydney Conservatorium of Music
- Opera Australia
- Melbourne Recital Centre
- The Arts Centre Victoria
- Australian National University
- Qld Conservatorium of Music
- Edith Cowan University WAAPA
- Monash University
- Wollongong Conservatorium of Music
- Victorian College of the Arts
- Charles Darwin University
- Elder Conservatorium Adelaide
- University of Queensland
- James Cook University
- Australian Institute of Music

#### Yamaha Contemporary Artists

ELTON JOHN	NORAH JONES	ALECIA KEYS
JOHN LEGEND	BARRY MANILOW	SARAH MCLACHLAN
LAUREN CHRISTY	AJ CROCE	DAVID GRAY
DR JOHN	MARC COHN	BURT BACHARACH
DIANE BIRCH	JAMES BLUNT	JIM BRICKMAN
MICHAEL BUBLE	ZAC BROWN	CAROLE BAYER SAGER
BRANDI CARLILE	ALAN CHANG	MICHAEL CAVAHAUGH
VANESSA CARLTON	BRANDY CHRISTY	SHERYL CROW
LAUREN CHRISTY	SHANNON COREY	NIKKA COSTA
DAVID FOSTER	KARA DIOGUARDI	MARK HALL

#### Yamaha Classical Artists

JAMES ADLER	KOJI ATTWOOD	JEAN-EFFLAM BAVOUZET
PRISCA BENOIT	RAFFI BESALYAN	ALEXANDER BRAGINSKY
ALICE BURLA	JIE CHEN	SARA DAVIS BUECHNER
MATHEW CAMERON	ANA CERVANTES	FREDERIC CHIU
RUFUS CHOI	NAIDA COLE	ANTHONY DE MARE
JED DISTLER	INNA FALIKS	NIKITA FITENKO
JB FLOYD	HAMANN SISTERS	MADELEINE FORTE
THOMAS HRYNKIW	CHING-YUN HU	CLAIRE HUANGCI
GABRIELA IMREH	OLGA KERN	MARIA JOAO PIRES
FRANK LEVY	ROBERT MANNO	ADAM MARKS
DENIS MATSUEV	BLAIR MCMILLEN	KLARA MIN
PEDJA MUZIJEVIC	YANA REZNIK	STEVEN ROSENHAUS
JULIUS RUDEL	PAUL SHEFTEL	EDISHER SAVITSKI
JADE SIMMONS	ABBEY SIMON	MEI-TING SUN
ALEX WU	RUI (RAE) SHI	KATHLEEN SUPOVE

#### Yamaha Jazz Artists

DENNIS BURNSIDE	CHICK COREA	JAMIE CULLUM
TAYLOR EIGSTI	MATTHEW FOGG	GEORGE WEIN
MIKE GARSON	BENNY GOLSON	ROBERT GLASPER
TOM GRANT	HENRY HEY	DICK HYMAN
BOB JAMES	HANK JONES	MARCUS JOHNSON
MARCUS LOEBER	BOBY LYLE	MICHAEL KAESHAMMER
ERIC MINTEL	JONNY O'NEAL	EDDIE PALMIERI
JEAN-MICHEL PILC	ERIC REED	GONZALO RUBALCABA



**Pricing**

Model	Recommended Retail Price	Devonport Council Price ex GST
C3X 6'1" grand piano	\$54,995	\$31,500 (\$34,650 inc GST)
C5X 6'5" grand piano	\$64,995	\$37,000 (\$40,700 inc GST)
C7X 7'6" semi concert grand piano	\$81,995	\$41,700 (\$45,870 inc GST)
C7XSH 7'6" semi concert grand piano (with midi)	\$88,000	\$39,500 (\$43,450 inc GST)

\* Includes delivery, matching adjustable stool, installation tuning, stage truck, padded cover.

**Stage truck****Warranty**

Yamaha Pianos are supplied with a 10 year warranty. This warranty covers any defects in materials or workmanship and is additional to any statutory warranties that may exist. Further details are contained in the Yamaha Piano warranty booklet.

**Yamaha Premium Care Tuning Program**

C3X- Six free tunings

C5X- Ten free tunings

C7X- Twelve free tunings

**Terms - Cash with order**

- \* Prices correct at time of quoting
- \* Prices subject to change without notice
- \* Pricing confidential
- \* Errors and omissions excepted

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Signed on behalf of Yamaha Music Australia Pty Ltd

4th May 2018

\_\_\_\_\_  
 Bernard Crowe  
 Direct Education and Commercial Sales Manager  
 Yamaha Music Australia  
 Level1, 80 Market st  
 South Melbourne Victoria 3205  
 Ph 0418 822955  
 Fax 03 96964579  
 Email bernard.crowe@music.yamaha.com



## 5.5 PETITION - REQUEST TO SEAL WEBBERLEYS ROAD, FORTHSIDE

File: 18984 D529344

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 2.3.1 Provide and maintain roads, bridges, footpaths, bike paths and car parks to appropriate standards

### SUMMARY

This item was considered at the Council meeting in May 2018, however it was deferred pending discussion at a Workshop. The matter was listed for discussion at the Council Workshop on 4 June 2018 and therefore is now re-listed for Council consideration.

### BACKGROUND

The petition (copy provided on the 28 May 2018 agenda) contains 33 signatures and requests that Webberleys Road be sealed due to it being a danger to road users. The road is currently gravel and is maintained by Council. Although servicing only eight properties, at times the road is regularly used by heavy vehicle traffic associated with vegetable growing and processing operations at Premium Fresh. The road is also impacted by the weather extremes and irrigation systems which is exacerbated by the steep grade of the road.



Webberleys Road, May 2018

In May 2017, Council's City Engineer prepared a report outlining erosion to Webberleys Road, and costs associated with maintaining the road in its current state as an unsealed road, compared to the cost of sealing it. As a result of that report a project was included in the 2017/2018 capital expenditure budget to seal the road if the project was eligible for funding from the State Government's Flood Recovery Program.

Unfortunately, the project was deemed ineligible for the external funding and therefore did not progress.

In May 2018, Council was due to commence culvert works to the open drain on the west side of Webberleys Road, which has eroded badly in recent years. The objective of these works is to reduce the maintenance requirements on the road and roadside drain, by diverting some of the runoff to the east side of the road.

Residents were sent letters on 9 May 2018 advising of the intended works and subsequent road closure. However, the works have since been put on hold pending the outcome of this report.

### **STATUTORY REQUIREMENTS**

Sections 57 to 60 of the *Local Government Act 1993* relate to petitions. Section 57(2) of the *Act* requires:

"A person lodging a petition is to ensure that the petition contains –

1. a clear and concise statement identifying the subject matter and the action requested; and
2. in the case of a paper petition, a heading on each page indicating the subject matter; and
3. in the case of a paper petition, a brief statement on each page of the subject matter and the action requested; and
4. a statement specifying the number of signatories; and
5. at the end of the petition –
  - In the case of a paper petition, the full name, address and signature of the person lodging the petition"

Section 58(2) of the *Local Government Act 1993* requires that "A general manager who has been presented with a petition or receives a petition under subsection (1)(b) is to table the petition at the next ordinary meeting of the Council.

### **DISCUSSION**

The petition presented to Council meets the requirements of the *Local Government Act 1993*.

The purpose of the petition is to request that Webberleys Road be sealed as the road 'is a danger to all road users'. Crash data supplied from the Department of State Growth's crash database shows there has not been a crash reported in Webberleys Road since this data started being compiled in 2001. However, it is important to note that the crash database does not include near misses or crashes that are not reported to the Police.

The road, although steeper and narrower than most other roads in the area, is within acceptable design standards for an unsealed road, so there are no fundamental safety issues, provided the road is suitably maintained.

Other recent correspondence regarding Webberleys Road has been about the condition of the road, which is an ongoing issue for Council and residents alike. Erosion of the roadside drains and water damage to the road surface are the main areas of concern and considerable maintenance has been undertaken in the last three years to maintain the road in acceptable condition.

Sealing of the section of Webberleys Road where the most maintenance work is required has been considered as a strategy to reduce long term costs to Council. It is estimated that

work to place suitable gravel on the first 450m of the road and seal would cost \$150,000. This significantly reduces annual maintenance from an estimated \$7,000 per year to around \$900 per year. However, the work increases annual depreciation from \$1,500 per year to \$4,950 per year. The analysis of these estimates shows that sealing the road does not provide a long term saving for Council due to the significant capital expenditure required and the relatively small difference between maintenance saving and increased depreciation. This is reflected in the graph below.



Further analysis of this data shows that if the annual maintenance expense on the unsealed road was doubled to \$14,000, the option to seal the road would have a payback period of around 12 years. This supports the option of continuing to maintain the unsealed road.

**COMMUNITY ENGAGEMENT**

Community engagement has not been undertaken in relation to this report.

**FINANCIAL IMPLICATIONS**

Any proposed upgrades would have to be fully funded by Council's capital works program. The estimated cost to prepare and seal the road is \$150,000. Sealing the road would save an estimated \$6,100 annually in maintenance, but depreciation would increase by \$3,450 annually.

**RISK IMPLICATIONS**

Council has a requirement to meet its obligations under the *Local Government Act 1993* in relation to tabling of petitions.

- Environmental Sustainability  
Maintenance work to the unsealed road will include regrading and resheeting and erosion repair on the drain and road after intense rain events.

Sealing the road would provide a waterproof surface on the road, preventing erosion of the road surface and the drain.

- Consultation and/or Communication

Whilst the road only services eight residences, thirty-three people have signed the petition, and correspondence has been received in the past by residents complaining about the state of the road and requesting a long-term solution. If Council continues to maintain the road as unsealed, there may be the perception that Council is not concerned about the safety and wellbeing of its ratepayers. However, objectively there are no safety issues maintaining Webberleys Road as unsealed road. Upgrading roads to sealed surfaces can sometimes encourage greater speeds for drivers.

### CONCLUSION

Webberleys Road is an unsealed road that requires regular maintenance on the road surface and the open drain. A petition has been received requesting that the road be sealed to improve safety. However, there have been no reported crashes on the road and the width and grade are within acceptable standards for a road with low traffic volumes.

Sealing the road has also been considered as an option to reduce costs long term. However, based on the estimated cost to prepare and seal the road, and estimated future maintenance and depreciation costs, continuing to maintain the unsealed road is the lowest long-term cost option for Council.

#### General Manager's Comment

Based on the discussion at the Workshop, if there is a view by Council that the road should be considered for sealing an alternative motion Council may consider is:

That Council receive and note the petition relating to the sealing of Webberleys Road and determine:

- (1) to include the sealing project in its 5-year capital works schedule as a prioritisation project in Year 4 of the program; and
- (2) the petitioners be advised accordingly.

### ATTACHMENTS

Nil

### RECOMMENDATION

That Council receive and note the petition relating to the sealing of Webberleys Road and determine to advise the proposers of the petition that Council intends at the present time to continue to maintain the road as a gravel surface for the foreseeable future.

Author:	Jacqui Surtees	Endorsed By:	Paul West
Position:	Executive Officer	Position:	General Manager

## 6.0 INFORMATION

### 6.1 WORKSHOPS AND BRIEFING SESSIONS HELD SINCE THE LAST COUNCIL MEETING

Council is required by Regulation 8(2)(c) of the *Local Government (Meeting Procedures) Regulations 2015* to include in the Agenda the date and purpose of any Council Workshop held since the last meeting.

Date	Description	Purpose
4/06/2018	Emergency Management	Provision of outline on recent changes to Emergency Management arrangements.
	Webberleys Road, Forthside	Further consideration of petition submitted by local residents requesting sealing of road.
	Home Hill – Landscape Management Plan	Discussion of Draft Landscape Management plan.
	Concept Plans for Sporting Precincts	Outline of preliminary draft concept plans prepared for Devonport Oval, Maidstone Park, Devonport Recreation Centre was provided.
	Budget Update	Update on budget following 17 May Workshop.
	Grand Piano	Presentation on reasons why opportunity to purchase should be considered.
	Edward Street Carpark - Valuation	Review of the valuation of the carpark.
	Shared Services Update	Update on progress of pursuing greater shared services in the Cradle Coast region was provided.
	Tasmanian Industrial Commission	Consideration of report into Councillor Allowances.
18/06/2018	Planning Scheme – Local Provisions	Continuation of discussions surrounding the local provisions to be included as part of the new Statewide Planning Scheme.

## RECOMMENDATION

That the report advising of Workshop/Briefing Sessions held since the last Council meeting be received and the information noted.

Author: Position:	Robyn Woolsey Executive Assistant Management	General	Endorsed By: Position:	Paul West General Manager
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## 6.2 MAYOR'S MONTHLY REPORT

File: 22947 D498987

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.3.2 Provide appropriate support to elected members to enable them to discharge their functions

### SUMMARY

This report details meetings and functions attended by the Acting Mayor.

### BACKGROUND

This report is provided by the Mayor to provide a list of meetings and functions attended by him for the month of May 2018.

### STATUTORY REQUIREMENTS

There are no statutory requirements which relate to this report.

### DISCUSSION

In her capacity as Acting Mayor, Alderman Annette Rockliff attended the following meetings and functions during May 2018:

- Various Council Committee, Special Interest Groups and Working Groups as required.
- Meeting re R U Okay event
- Rural Clinical School (events during Rural promotions week)
- Fenton Villas - met with residents and new owners
- Met with members of Devonport branch of the Embroiderers Guild of Tasmania
- Media commitments including The Advocate, 7AD, ABC, Coastal FM
- Guest Speaker at Devonport Soroptimists International meeting
- DCCI - Office Professionals Breakfast
- Open Day event at OneAgency Collins Real Estate
- LINC - Living Ro (May and June)
- Devonport Harness Racing Club
- MS Forum and Morning Tea (Supported by Council's Community Small Grants Programme)
- Beacon Foundation Careers Event
- Red Cross Morning Tea
- East Devonport Community House
- With GM met with Soccer Tasmania reps re Junior soccer programme
- Tim Blair - re Childhood Cancer Awareness Month
- Attended Opening night of Young Frankenstein
- Chaired meeting of NW Suicide Trial Working Group
- Met with State Cabinet - followed by a tour of the paranapple centre and a community lunch hosted by the Premier.
- Met with Anita Dow MP
- Sister Cities Association meeting
- Attended the official opening of the Costa's Distribution Centre at East Devonport
- DCCI Federal Budget lunch
- Beacon Foundation meeting
- Senator Martin
- Devonport Show Society AGM

Report to Council meeting on 25 June 2018

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- LGAT General meeting - Launceston
- Meet with DCCI President Stacey Sheehan
- Read a story at the LINC for National Simultaneous Storytime
- Volunteers Week events:
  - Meercroft Care
  - East Devonport Community House
  - Council's Volunteers - thank you breakfast
  - Devonfield
  - Karingal
  - Mersey Community Care
  - Devonport On-line Access Centre
- Tasmanian Life Awards and Suicide Prevention Forum
- Met with Leader of the Opposition, Rebecca White together with Shane Broad MP
- Official opening of the refurbished Oldaker Street Church
- With the GM attended Dinner with the Board of Bank of Us
- Attended National Reconciliation Week Breakfast at Rhododendron Gardens in Burnie
- Service Tas celebration of 20 years of operation
- CWA Meeting
- Met with CEO of Harris Scarfe
- Toast for Kids
- LGAT Candidates session - Ulverstone

**ATTACHMENTS**

Nil

**RECOMMENDATION**

That the Mayor's monthly report be received and noted.



## 6.3 GENERAL MANAGER'S REPORT - JUNE 2018

File: 29092 D498969

### 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, 24 May to 20 June 2018. It also provides information on matters that may be of interest to Aldermen and the community.

### BACKGROUND

A monthly report provided by the General Manager to highlight management and strategic issues that are being addressed by Council. The report also provides regular updates in relation to National, Regional and State based local government matters as well as State and Federal Government programs.

### STATUTORY REQUIREMENTS

Council is required to comply with the provisions of the *Local Government Act 1993* and other legislation. The General Manager is appointed by the Council in accordance with the provisions of the Act.

### DISCUSSION

#### 1. COUNCIL MANAGEMENT

- 1.1. Attended and participated in several internal staff and management meetings.
- 1.2. Attended Workshops, Section 23 Committee and Council Meetings as required.
- 1.3. Represented Council at the Directions Hearing associated with the refusal for an Optus Telecommunications Tower at 94 Winspears Road, East Devonport. A Hearing has now been listed for 30 July 2018. Simmons Wolfhagen Solicitors have been appointed to represent Council at the scheduled hearing. As part of the Directions Hearing it was queried if there was a possibility to locate the tower at an alternate location to which the Solicitor representing Optus (Shaun McElwaine) indicated no interest.
- 1.4. Participated in a discussion and update provided by Technology One on matters relating to Council's IT systems. Advances in technology and more opportunities for moving to the 'cloud' are currently being investigated.
- 1.5. Attended the Devonport City Audit Panel and the Shared Audit Panel meetings held in Devonport on 4 June 2018.
- 1.6. Provided budget briefings to staff through a series of meetings.
- 1.7. Presented the Council's draft budget at a community information forum on 13 June 2018. Six members of the public and five Aldermen attended the session at which time a number of questions were raised and responded to.

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 the Chief Executive Officer of Harris Scarfe to be updated on their relocation from their current premises in Best Street to 17 Fenton Way. An agreement with Harris Scarfe has been agreed and they will likely take possession of the building in early September 2018, with the intention of opening prior to the end of November.
- 2.3. Attended the bi-monthly meeting of the LIVING CITY Steering Committee. This Committee has oversight responsibility for the project and is made up of representatives of Council, LINC, Service Tasmania, Treasury and the Co-Ordinator General's Office.

3. COMMUNITY ENGAGEMENT (RESIDENTS & COMMUNITY GROUPS)

- 3.1. Met with a local resident who has an interest in understanding the role of an Alderman before deciding whether to nominate as a candidate in the upcoming Council elections.
- 3.2. With the Acting Mayor attended an informal meeting with the Board of Bank of Us.
- 3.3. Met with a local developer to discuss concerns with the planning processes as they relate to development in Devonport and in particular to his projects.
- 3.4. Met with a representative of the Devonport Surf Club to discuss opportunities for the Club memorabilia to be better displayed in their premises. Opportunities to improve the aesthetics of the entrance foyer also discussed.
- 3.5. Met with the Chair of the Devonport Regional Gallery Board to discuss matters relating to the Gallery and the future staffing arrangement put in place following the departure of the former Director.
- 3.6. Met with the President of the Devonport Football Club in relation to Council's future plans for the upgrading of the Devonport Oval. An indication was provided that Council does not have any specific plans at the present time although it has had some very draft long-term concept plans developed. The Football Club intends to submit an application for funding under the 'Levelling the Playing Field' grant program.
- 3.7. Met with a bulk fuel supplier to discuss possible future opportunities relating to the Council's purchase of fuel supplies.
- 3.8. With the Acting Mayor and Aldermen attended the funeral service for the late Mary Binks OAM, former Mayor of Devonport.

4. NATIONAL, REGIONAL AND STATE BASED LOCAL GOVERNMENT

- 4.1. Attended with the Acting Deputy Mayor the quarterly Cradle Coast Authority Representatives Meeting. The minutes of this meeting have been provided on this agenda.
- 4.2. Attended a meeting with the Director of Local Government to provide an update on the activities that have been undertaken in relation to the Shared Services Project. The purpose of the briefing was to allow the Director to update the Minister.

Report to Council meeting on 25 June 2018

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- 4.3. Met with the General Managers' of Waratah-Wynyard and Central Coast Councils to discuss progressing the Shared Services activities relating to reviewing regulatory services as they currently operate at individual council level.
- 4.4. Attended a meeting at Dulverton Waste Management Authority to discuss preliminary plans for a business opportunity for the Authority.
5. STATE AND FEDERAL GOVERNMENT PROGRAMS
  - 5.1. Met with a representative of the Coordinator General's office and the General Manager of Burnie City Council to further discuss opportunities to work together on an application for funding through the Federal Government's Smarter Cities Program.
  - 5.2. Met with representatives of TasPorts for a preliminary discussion regarding the development of the Port Master Plan and the Airport Master Plan. When the Plans are available for consultation arrangements will be made for a presentation at a Workshop session.
6. OTHER
  - 6.1. TasWater Update – details surrounding the MOU with the State Government will be considered with councils receiving a full information pack, (including financial modelling and proposed constitutional and legislative changes) in mid to late July. Regional forums open to all elected members (convened by Chair of TasWater and the Treasurer) will be held in mid to late August, as well as an Owner's Representative Meeting to further discuss the detail. There will be an Owners Representative Special Meeting in late September to vote on the constitutional changes, by which time councils will have needed to form a position and formally authorise their owner representative to vote on those matters.

### **COMMUNITY ENGAGEMENT**

The information included above details any issues relating to community engagement.

### **FINANCIAL IMPLICATIONS**

Any financial or budgetary implications related to matters discussed in this report will be separately reported to Council.

There is not expected to be any impact on the Councils' operating budget as a result of this recommendation.

### **RISK IMPLICATIONS**

Any specific risk implications will be outlined in the commentary above. Any specific issue that may result in any form of risk to Council is likely to be subject of a separate report to Council.

### **CONCLUSION**

This report is provided for information purposes only and to allow Council to be updated on matters of interest.

### **ATTACHMENTS**

1. [Current and Previous Minute Resolutions Update - June 2018](#)
2. CONFIDENTIAL - Current and Previous Minute Resolutions Update - Confidential June 2018

**RECOMMENDATION**

That the report of the General Manager be received and noted.

Author:	Paul West
Position:	General Manager

## Current and Previous Minute Resolutions Update

<b>OPEN SESSION Current Resolutions</b>	
<b>Resolution Title:</b>	<b>Funding 2018/19 Budget – Design and Construction of Contemporary Children’s Playground – Parkland in Miandetta – Notice of Motion – Ald L M Perry (D526093)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	83/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Deputy General Manager
<b>Officers Comments:</b>	Allocation made in draft 2018/19 Budget.
<b>Resolution Title:</b>	<b>PA2018.0062 Residential (Outbuilding) – Assessment Against performance Criteria for Setbacks and Building Envelope – 14 Glen Court, Devonport (D526326)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	84/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Development Manager
<b>Officers Comments:</b>	Permit issued.
<b>Resolution Title:</b>	<b>Petition – Request to Seal Webberleys Road, Forthside (D525863)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	85/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Executive Manager Organisational Performance
<b>Officers Comments:</b>	Workshopped by Aldermen on 4 June 2018 resubmitted report to June Council meeting.
<b>Resolution Title:</b>	<b>Kelcey Tier Mountain Bike Trails – Kelcey Tier Reserve (D526270)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	86/18
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Consultants have commenced Kelcey Tier Master Plan.

<b>Resolution Title:</b>	<b>Tender Report Contract 1322 PC's &amp; Services (GFC 22/18 – 21 May 2018)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	90/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Corporate & Business Manager
<b>Officers Comments:</b>	Order placed with supplier for 6-10 week delivery, lease arrangement finalised.
<b>Resolution Title:</b>	<b>Draft Environment Strategy 2019-2024 (GFC 26/18 – 21 May 2018)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	90/18
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Community consultation ends 1 Jul 2018.
<b>Resolution Title:</b>	<b>Draft Regional Youth Strategy 2019-2024 (GFC 27/18 – 21 May 2018)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	90/18
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Community Services Manager
<b>Resolution Title:</b>	Community Consultation ends 1 July 2018.
<b>Resolution Title:</b>	<b>Draft Devonport Retail Strategy 2018-2023 (GFC 28/18 – 21 May 2018)</b>
<b>Date:</b>	28 May 2018
<b>Minute No.:</b>	90/18
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Community Services Manager
<b>Resolution Title:</b>	Community Consultation ends 1 July 2018.

#### Previous Resolutions Still Being Actioned

<b>Resolution Title:</b>	<b>PA2018.0029 Utilities (Telecommunication Infrastructure) – 94 Winspears Road, East Devonport (D522733)</b>
<b>Date:</b>	30 April 2018
<b>Minute No.:</b>	63/18
<b>Status:</b>	Ongoing
<b>Responsible Officer:</b>	Deputy General Manager
<b>Officers Comments:</b>	Council decision currently under appeal by applicant.

<b>Resolution Title:</b>	<b>Budget Consultation 2018-19 (GFC 50/18 – 19 March 2018)</b>
<b>Date:</b>	26 March 2018
<b>Minute No.:</b>	52/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Executive Manager Organisational Performance
<b>Officers Comments:</b>	Budget to be presented to June Council meeting, responses to be provided following budget adoption.
<b>Resolution Title:</b>	<b>Request for Commemorative Seat – Mersey River Foreshore (IWC 53/18 – 12 February 2018)</b>
<b>Date:</b>	26 February 2018
<b>Minute No.:</b>	30/18
<b>Status:</b>	Completed
<b>Responsible Officer:</b>	Executive Manager Organisational Performance
<b>Officers Comments:</b>	Applicant advised that approval has been granted.
<b>Resolution Title:</b>	<b>Mersey Bluff Precinct (D504218)</b>
<b>Date:</b>	18 December 2017
<b>Minute No.:</b>	248/17
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	City Engineer on behalf of Executive Manager Organisational Performance
<b>Officers Comments:</b>	Expecting to receive draft report in June
<b>Resolution Title:</b>	<b>Disability/Equal Access and Inclusion (D491448)</b>
<b>Date:</b>	25 September 2017
<b>Minute No.:</b>	181/17
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Community Services Manager
<b>Officers Comments:</b>	Workshop held with Liveable Communities Special Interest Group and community members.
<b>Resolution Title:</b>	<b>Funding &amp; Assistance – Home Hill – NOM – Ald Laycock</b>
<b>Date:</b>	26 September 2016
<b>Minute No.:</b>	170/16
<b>Status:</b>	In progress
<b>Responsible Officer:</b>	Convention and Arts Centre Director
<b>Officers Comments:</b>	Landscape Management Plan workshoped with Aldermen 4 June 2018. Comment provided to landscape architects. Awaiting revised costing of implementation plan.

## **6.4 UNCONFIRMED MINUTES - CRADLE COAST AUTHORITY - REPRESENTATIVES MEETING - 24 MAY 2018**

File: 31710 D530605

### **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 24 May 2018.

### **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 can be considered by Council in open session.

### **DISCUSSION**

The unconfirmed minutes of the Cradle Coast Authority Representatives meeting which was held on 24 May 2018 are attached for consideration.

From the minutes it is noted that:

- The Regional Tourism Manager presented the new Tourism website for the region.
- Representatives endorsed Acting Mayor Annette Rockliff (Devonport City Council) as a CCA Board Director.
- Australian Government has committed \$4.8M which is a third of the costs for the next development ready stages of the North West Coastal Pathway. Representation will be made to the State Government to secure a commitment for \$4.8M, with the balance contributed by the affected Councils to enable commencement of the project.

### **COMMUNITY ENGAGEMENT**

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

### **FINANCIAL IMPLICATIONS**

There are no financial implications as a result of this report.

### **RISK IMPLICATIONS**

There are no risk implications as a result of this report.

### **CONCLUSION**

The unconfirmed minutes of the Cradle Coast Authority Representatives meeting which was held on 24 May 2018 are presented.



**ATTACHMENTS**

- [1.](#) Unconfirmed Minutes - Cradle Coast Authority - Representatives Meeting - 24 May 2018
- [2.](#) Cradle Coast Authority - Representatives Meeting - 24 May 2018 - Battery of The Nation Presentation
- [3.](#) Cradle Coast Authority - Representatives Meeting - 24 May 2018 - Coordinator General Presentation

**RECOMMENDATION**

That the unconfirmed minutes of the Cradle Coast Authority Representatives meeting which was held on 24 May 2018 be received and noted.

Author:	Paul West
Position:	General Manager

## REPRESENTATIVES MEETING

24 May 2018



### MEETING HIGHLIGHTS

#### **Battery of The Nation Initiative**

Representatives received a presentation from representatives of the Hydro Tasmania project team responsible for the Battery of the Nation (BotN) initiative. The BotN initiative is about setting up a blueprint for how Tasmania's renewable resources are developed over coming decades, which highlighted that the goal is to be entirely renewable energy driven by 2022. Under the BotN initiative, Hydro Tasmania is looking at development options that can comprehensively assure energy security for Tasmania and give Tasmanians access to the lowest possible power prices.

When realised, this initiative will be great for Tasmania's economy through increased investment, regional development and employment opportunities. This initiative could create up to \$5 billion of infrastructure investment and up to 3000 jobs across a 10 to 15-year construction period.

#### **Coordinator-General, Mr John Perry**

Mr John Perry presented an overview of the Office of Coordinator General's (OCG) projects and initiatives. A key focus for the OCG is investment attraction and Mr Perry advised that councils can make their locality/region more attractive to investors by providing incentives such as fee and rate relief. The State Government has a Payroll Tax relief program designed to encourage new investment. The OCG will work with the CCA and councils on investment opportunities.

#### **Tourism Website Overview**

Regional Tourism Manager, Ms Theresa Lord presented the new Tourism website for the region. The website is being designed based on research that has highlighted the region's experiences and assets that are most attractive to potential visitors. It will use an "always on" approach to ensure information is up-to-date and contemporary to visitor interests. It was noted and agreed that there was significant opportunity to align and refresh local visitor websites and explore opportunities to better services the needs of potential visitors to increase visitation to the region.

#### **Director Appointment**

Representatives endorsed Acting Mayor Annette Rockliff (Devonport City Council) as a CCA Board Director.

#### **Key Actions**

1. Circular Head and Waratah-Wynyard Councils to present information of the regional importance of the Bass Highway at the August Representatives Meeting
2. Representatives agreed to nominate an employee from each council to form a networking group with Regional Tourism Manager, Ms Theresa Lord to explore opportunities to align local tourism website and information with the regional offering.

## MEETING MINUTES

### REPRESENTATIVES MEETING

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Date: 24 May 2018  
Time: 10 am  
Location: 1-3 Spring Street, Burnie

#### 1. WELCOME/APOLOGIES

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##### 1.1. WELCOME/APOLOGIES/PROXIES

Chief Representative and meeting Chair, Mayor Jan Bonde, opened the meeting at 10:05 am, welcoming attendees.

Attendees and apologies are noted at Attachment 1.

#### 2. PRESENTATIONS

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##### 2.1. Battery of The Nation (BoTN)

Hydro Tasmania Representatives, Mr Paul Molnar, Ms Ari Magalhaes, Ms Rachel Johnson and Mr Dave Procter joined the meeting at 10:07 am and presented an overview of the Battery of The Nation (BoTN) project and their investigations over the past twelve (12) months.

Key highlights from the presentation were:

- There's currently 5,000 megawatts of hydro in Tasmania with a lot of hydro sites based on the West Coast and in the Mersey Forth catchment
- 90% of renewable power around the world is pumped hydro
- The goal is to make Tasmania entirely renewable by 2022

##### ACTIONS

EA to circulate a summarised version of the presentation to Representatives.

EA to draft a letter to the Hydro Tasmania Representatives, thanking them for their attendance.

Chief Representative Bonde thanked them for their presentation and attendance. Hydro Tasmania Representatives left the meeting at 10:44 am.

## 2.2. JOHN PERRY, COORDINATOR GENERAL OF TASMANIA

*Coordinator General, Mr John Perry joined the meeting at 10:44 am to provide an overview of the Office of Coordinators General's (OCG) activities and priorities for the State and region and the means of seeking investment attraction in Tasmania.*

Mr Perry presented a promotional video used to market Tasmania's competitive advantages and opportunities to potential investors. It was noted that Tasmania's hydro power is attractive to businesses wanting to demonstrate and market their commitment to environmental sustainability. Mr Perry advised that he is working with the Cradle Coast Authority (CCA) to optimise potential opportunities within the Cradle Coast noting that he saw the role of the OCG was managing large investment opportunities with the CCA focusing on smaller investment opportunities.

*Mr Sid Sidebottom left the meeting at 11:12 am.*

With regard to how councils could assist with attracting investment opportunities, Mr Perry asked councils to consider how they could provide incentives such as fee and rates relief. Mr Perry advised that the State Government was committed to providing Payroll Tax relief for appropriate investments to attract new investment.

*Chief Representative Bonde thanked Mr Perry for his attendance and noted that CCA Representatives look forward to working with Mr Perry on issues of regional significance. Mr Perry left the meeting at 11:38 am.*

### ACTION

*EA to draft a letter to Mr Perry, thanking him for his attendance.*

*The meeting paused at 11:39 am and resumed at 11:45 am.*

Chief Representative Bonde welcomed new council Representatives Alderman Leon Perry (Devonport City Council), General Manager Troy Brice (King Island Council) and Cradle Coast Authority's Industry Development Manager Daryl Connelly to the meeting.

General Manager Brice introduced himself to the Representatives and gave a brief overview of his background.

## 3. STANDING ITEMS

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### 3.1. DECLARATIONS

*Alderman French declared her association with the Burnie City Council and the Cruise Ship volunteer with respect to Agenda Item 7.1 Cruise Ship Funding Model.*

### 3.2. CONFIRMATION OF MINUTES

*Minutes of 22 February 2018 Representatives Meeting were provided at Agenda Item 3.2*

Alderman French noted that she attended the February Meeting and requested that her attendance be reflected in the Meeting Minutes.

**Recommendation**

That Representatives **ENDORSE** the 22 February 2018 Representatives Meeting Minutes.

Moved: Mayor Quilliam / Seconded: Alderman French / CARRIED

**3.3. ACTIVITY REGISTER**

A schedule of activities was presented at Agenda Item 3.3

The Activity Register was discussed with edits noted.

**Recommendation**

That the Representatives **ACCEPT** and **NOTE** the Activity Register.

Moved: Mayor Walsh / Seconded: General Manager Ayton / CARRIED

**3.4. CORRESPONDENCE**

*A briefing note was presented at Agenda Item 3.4*

All correspondence was circulated separately to reduce the size of the agenda.

**Recommendation**

That the Representatives **NOTE** the Correspondence.

Moved: Mayor Quilliam / Seconded: Mayor Vickers / CARRIED

**4. CRADLE COAST AUTHORITY UPDATE**

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**4.1. QUARTERLY REPORT & FINANCIAL STATEMENTS**

*The Quarterly Report and Financial Statements were presented at Agenda Item 4.1. The Quarterly Report was circulated as a separate attachment to the Agenda.*

**Recommendation**

That the Representatives **ACCEPT** and **NOTE** the Quarterly Report and March 2018 Financial Statements.

Moved: Mayor Walsh / Seconded: Mayor Vickers / CARRIED

**5. FOR DECISION**

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**5.1. ANNUAL PLAN AND BUDGET 2018/19**

*A briefing note was presented at Agenda Item 5.1*

- *National Landcare Program (NLP) Tender Submission*

General Manager West queried the impact of the National Landcare Program (NLP) tender submission for Natural Resource Management (NRM). CEO advised that this year, the Australian Government (AG) advertised for an open tender process for project delivery for the 56 NRM regions of Australia. In early May, the CCA were advised that they were unsuccessful in their bid for funding for the next five (5) years within the NRM space. CEO advised the CCA has not received any additional information, and that he is currently working with the AG at this time. It was noted that the Board has and will continue to closely monitor the situation with the objective of mitigating any financial impact on the councils.

- *Bass Highway Priority*

Mayor Quilliam noted that the Annual Plan did not include the Bass Highway as an issue for advocacy by the CCA. It was noted that the Bass Highway was of significance for exporting products from the Wynyard/Circular Head areas. The CEO noted that in correspondence to the Council on this matter, Council was invited to bring the matter to the attention of Representative for support as an issue of regional significance.

The Representatives endorsed that the Bass Highway as a significant issue for the Cradle Coast and Circular Head /Waratah-Wynyard Councils were requested to provide specific information on what was needed in order to enable the CCA to advocate clearly on the matter.

**ACTION**

*Circular Head and Waratah-Wynyard Councils to present information to highlight the regional importance of the Bass Highway at the August Representatives Meeting.*

**Recommendation**

That the Representatives **ENDORSE** the 2018/19 Annual Plan and Budget.

Moved: Mayor Walsh / Mayor Vickers / CARRIED

*Mayor Boyd entered the meeting at 12:01 pm.*

**5.2. DIRECTOR APPOINTMENT**

*A briefing note was presented at Agenda Item 5.2*

**Recommendation**

That the Representatives **ENDORSE** the appointment of Devonport City Council Acting Mayor, Alderman Annette Rockliff as Director of the Board of the Cradle Coast Authority.

Moved: Mayor Quilliam / Seconded: Councillor Wilson / CARRIED

**6. FOR DISCUSSION**

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*Nil*

## 7. FOR NOTING

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### 7.1. CRUISE SHIP FUNDING MODEL

*A briefing note was presented at Agenda Item 7.1*

Alderman French spoke to the matter noting that Burnie City Council encouraged the other councils to be supportive of the cruise ship funding model in light of the economic benefit provided outside of Burnie local government area. As a volunteer tour guide for the Cruise Ships, Alderman French is constantly promoting the region to passengers and would like to think that the Representatives see a contribution to the costs borne by Burnie City Council as a reasonable contribution to the benefits provided by Cruise Ships visitors.

*Alderman French removed herself from the meeting to avoid any further discussion around the Cruise Ships.*

Representatives discussed in great length, the three (3) different funding models for the Cruise Ships that dock in Burnie. Kentish and Waratah-Wynyard Councils agreed to contribute although each supported a different funding option.

#### **Recommendation**

That the Representatives determine not to support the proposal to provide cost recovery assistance to Burnie City Council in relation to cruise ships on the basis:

- (a) All councils have made / will make decisions relating to their individual involvement in activities / programs from time to time that may have flow-on effects within the broader region; and
- (b) Providing support to Burnie City Council for cruise ships would likely set a precedent

Moved: General Manager West / Seconded: General Manager Monson / CARRIED

*Kentish and King Island Councils voted against the recommendation.*

*Alderman French re-entered the meeting.*

### 7.2. SHARED SERVICES

General Manager West provided an update on the Shared Services workshop that was held on 3 May 2018 with General Managers.

The Shared Services workshop was facilitated by CCA's Industry Development Manager, Mr Daryl Connelly. Key highlights from the meeting were that:

- The meeting was attended by all General Managers (other than King Island who had only just commenced in the role) and that there was consensus on the need to find opportunities to do things more efficiently and effectively
- Kentish and Latrobe Councils whilst not participating as they have made significance progress on their own shared services initiatives would provide advice

- The agreed focus areas were information technology, waste management and regulatory services
- It was also agreed to develop working groups to consider opportunities for procurement including legal services
- General Managers West, Ayton and Crawford were developing a brief to investigate opportunities for sharing regulatory services

CEO advised he and General Manager Wardlaw would be briefing General Manager Brice (King Island Council) next week on the outcomes and next steps. It was also noted that Mr Alex Tay (Director, Local Government Division) would be briefed on the councils program in early June when he was visiting the region.

#### ACTION

*General Manager West to circulate his presentation to all Representatives in relation to the Shared Services project.*

### 7.3. SIGNIFICANT PROJECTS UPDATE

#### 7.3.1. CRADLE MOUNTAIN MASTER PLAN

*A briefing note was presented at Agenda Item 7.3.1*

There has been significant progress on project funds from the Federal Government since the Cradle Mountain Master Plan report had been written. It was acknowledged that the Australian Government has committed an additional \$30M to the project.

CEO noted the response from the Premier addressing Master Plan concerns as raised by this group, which provided some comfort to the issue. Chief Representative Bonde received a phone call from the Premiers office, in addition to the letter and she was assured that the Visitor Centre will always be in the new building at Cradle Mountain.

*Director McFie and General Manager Brice left the meeting at 12:42 pm.*

#### Recommendation

That the Representatives **NOTE** the report.

#### 7.3.2. NORTH WEST COASTAL PATHWAY

*A briefing note was presented at Agenda Item 7.3.2*

It was noted that the Australian Government has committed a third (\$4.8M) of the costs for the next development ready stages of the project between Latrobe and Devonport, Don to Leith, Ulverstone to Penguin and Penguin to Sulphur Creek. The CCA will be making representations to the State Government to secure a commitment for the remaining \$4.8M to enable commencement of the project.



CEO advised that consultant's Pitt & Sherry have advised a cost of \$10M to complete the last remaining section of the Coastal Pathway between Wivenhoe to Sulphur Creek. The cost is significantly higher than other sections as it is the most technically challenging space to build within the constraints of the ocean, rail line, Bass Highway and hills.

#### **Recommendation**

That the Representatives **NOTE** the report.

### **8. LOCAL GOVERNMENT UPDATE**

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*The Representatives broke for lunch at 12:45 and resumed at 12:59 pm.*

### **9. GENERAL BUSINESS**

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#### **9.1. TOURISM CONSUMER WEBSITE**

*Ms Theresa Lord presented the Tourism Consumer Website at 1:00 pm.*

Highlights of the presentation included:

- Website branding and how our region can work together for brand alignment
- Updating content and managing your website
- Recommendations for website resourcing and determining if councils need a website
- Supporting / linking websites to promote working together regionally
- Social Media resourcing
- Change of brand strategy and URL for the tourism website to 'Visit Cradle Coast' to leverage our iconic and most visited asset to allow for a content strategy which aims to disperse visitors
- Reducing the amount of signage to minimise confusion and configure a streamlined approach

The Representatives agreed that a wholistic approach to marketing the region was necessary to increase the potential for visitors. It was agreed to nominate an employee from each council to form a networking group with Ms Lord to consider if and how councils could align their own website with the regional website.

The Representatives noted that this website overview helped to better understand the opportunities and challenges and thanked Ms Lord for her time.

- *Cultivate Proposal Status*

Alderman French inquired about the status of the Cultivate proposal. CEO advised that the CCA are still working through the proposal with Cultivate and that the CCA are very conscious of not exposing CCA/councils to unmanageable risk.

CEO noted that the CCA Amended Rules resolutions have not been received from King Island, West Coast and Circular Head Councils.

**10. MEETING CLOSE**

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Meeting closed at 1:31 pm.

The next meeting will be held on 23 August 2018 at Cradle Coast Authority.

Confirmed:

\_\_\_\_\_  
Chief Representative

\_\_\_\_\_  
Date

Unconfirmed

**Attachment 1: Attendees, Observers and Apologies****Representatives**

Alderman Alwlyn Boyd	Mayor, Burnie City Council
Alderman Sandra French	Burnie City Council
Councillor Jan Bonde	Mayor Central Coast Council (Chief Representative)
Ms Sandra Ayton	General Manager, Central Coast Council
Councillor Daryl Quilliam	Mayor, Circular Head Council
Mr Scott Riley	General Manager, Circular Head Council
Alderman Leon Perry	Acting Deputy Mayor, Devonport City Council
Mr Paul West	General Manager, Devonport City Council
Mr Gerald Monson	General Manager Kentish and Latrobe Councils
Councillor Peter Freshney	Mayor, Latrobe Council (Deputy Chief Representative)
Mr Shane Crawford	General Manager, Waratah-Wynyard Council
Councillor Robby Walsh	Mayor, Waratah-Wynyard Council
Councillor Tim Wilson	Kentish Council
Mr Dirk Dowling	General Manager, West Coast Council
Councillor Phil Vickers	Mayor, West Coast Council
Mr Troy Brice	King Island Council

**Cradle Coast Authority**

Mr Sid Sidebottom	CCA Board Chair
Mayor Duncan McFie	Director
Mr Rod Stendrup	Director
Mr Brett Smith	Chief Executive Officer
Ms Lauren Clarke	Executive Assistant, Meeting Secretariat
Ms Claire Smith	Finance and Corporate Services Manager
Ms Cat Gale-Stanton	Communications Officer
Ms Theresa Lord	Manager, Regional Tourism
Mr Daryl Connelly	Industry Development Manager
Mr Andrew Wardlaw	Director

**Apologies**

Councillor Mary Duniam	Deputy Mayor, Waratah Wynyard Council
Councillor Don Thwaites	Mayor, Kentish Council
Alderman Annette Rockliff	Acting Mayor, Devonport City Council
Councillor Jim Cooper	King Island Council
Mr Malcolm Wells	Director

**Observers**



# *Battery of the Nation:* *Vision for Tasmania's role in Australia's future NEM*

Presentation to the CCA Representatives Meeting  
May 24, 2018

# The *Battery of the Nation* initiative



**April 20, 2017**

The Prime Minister and Federal Energy Minister meet in Tasmania to announce plans for Tasmania to become the 'battery of the nation'.



# Becoming the renewable energy *Battery of the Nation*



What's the shape of Australia's  
future energy market?

How can Tasmania help the country  
meet its future energy challenges?

With ARENA funding support, we are assessing:

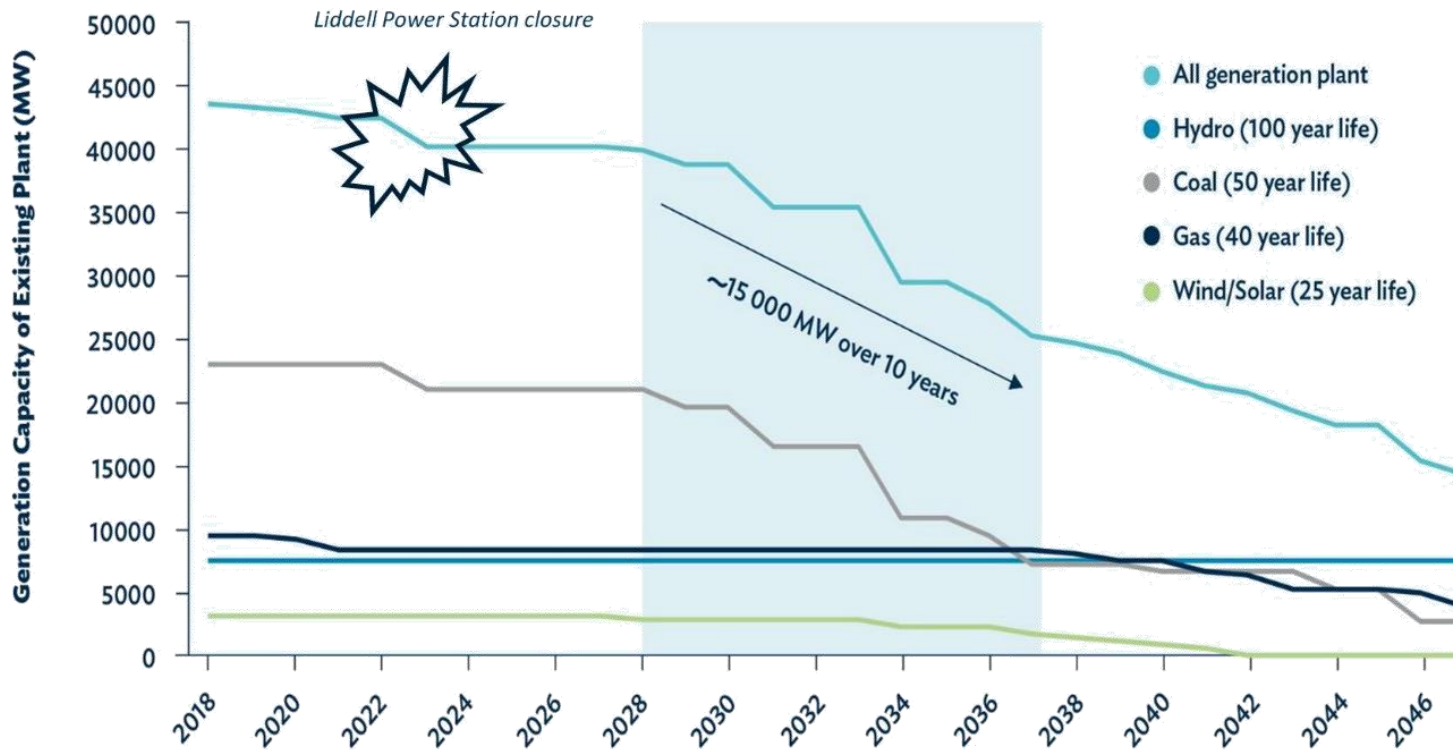
- Tasmanian 'future state' analysis of the National Electricity Market (NEM)
- Tasmanian pumped hydro opportunities
- Hydropower system improvement



# Where did this come from?



*Australia's NEM is on the cusp of a national transformation.*



***Does Tasmania have a role to play in this transformation?***

## Can Tasmania be a “Battery for the Nation”?



We believe it can. Tasmania has

- High quality, undeveloped wind resources – 1000s of MW
- A well established hydropower system
- Ample opportunity to invest in pumped hydro technology



But more interconnection will be needed...

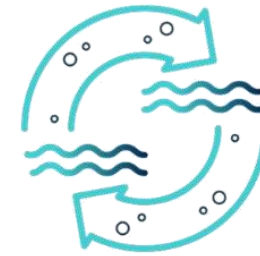




## The pumped hydro opportunity...



Early assessment:	2000+ sites in Tasmania
Refinement:	~ 30 sites
Next stage:	10-15 sites for pre-feasibility

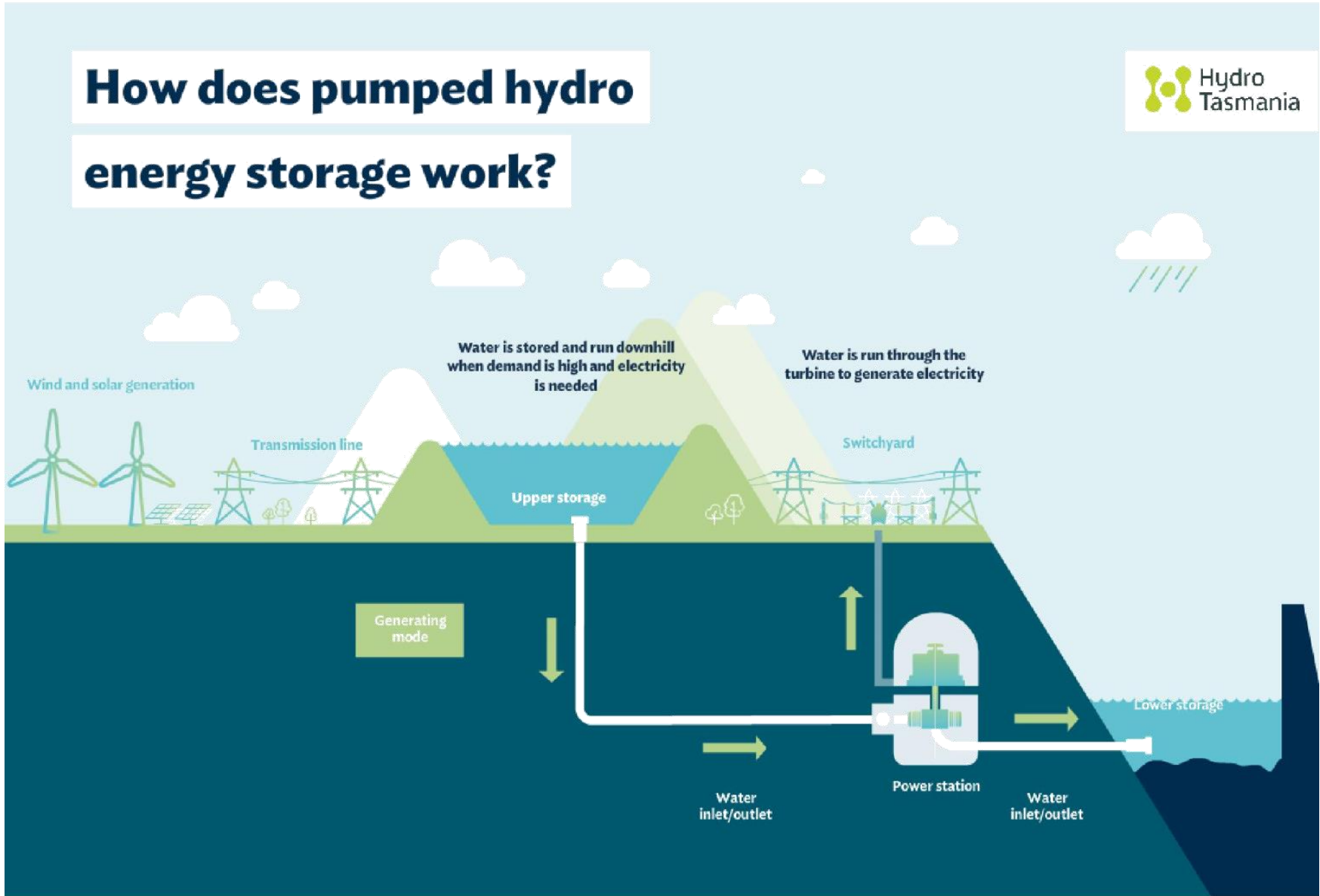


### Key finding:

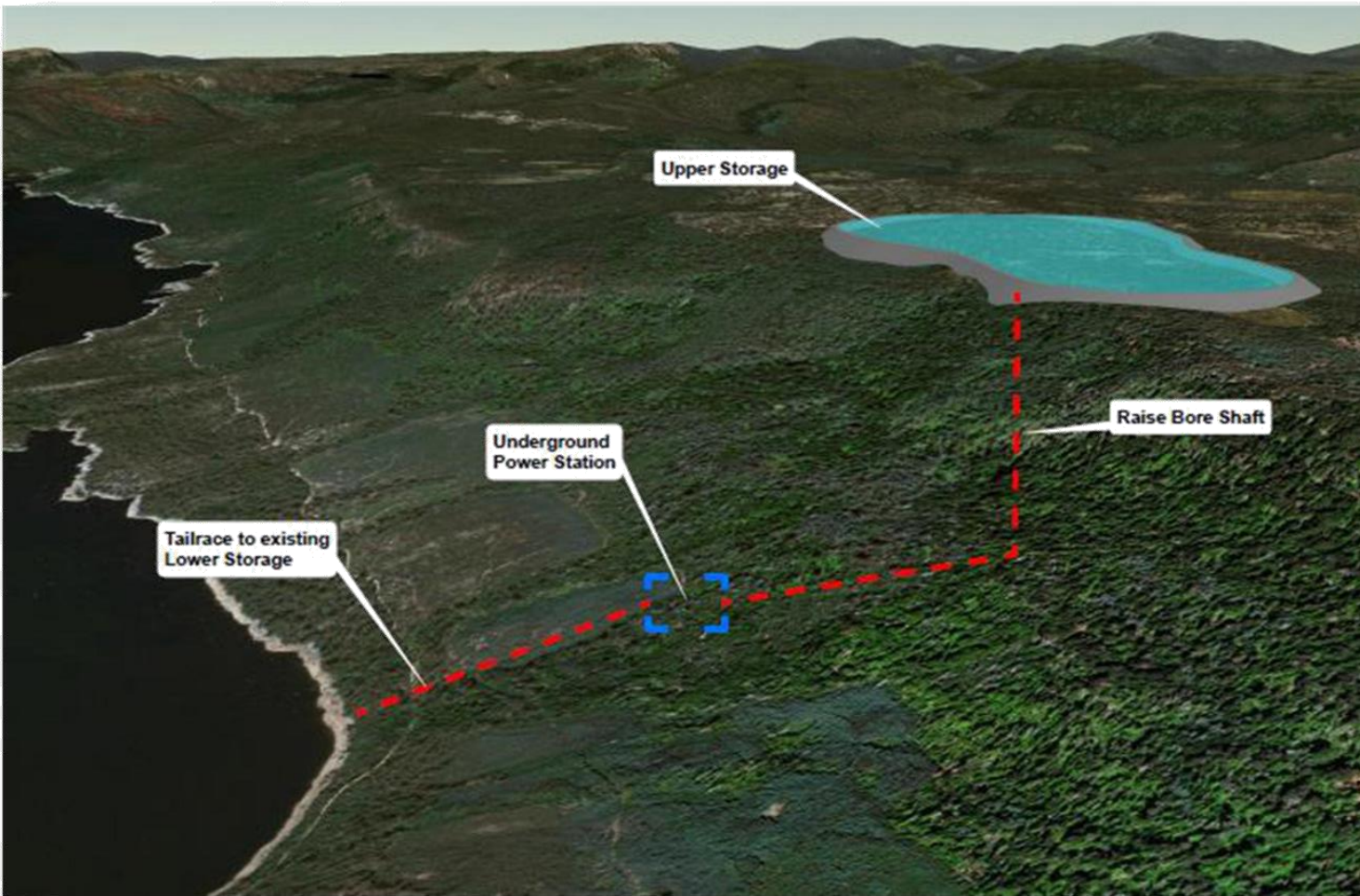
- Substantial pumped hydro development potential in Tasmania – more than we would need with very attractive “cost to construct” estimates.

### Options include...

- Converting existing hydropower stations
- Linking existing reservoirs together
- Utilising existing reservoirs and linking to a new off-stream reservoir.

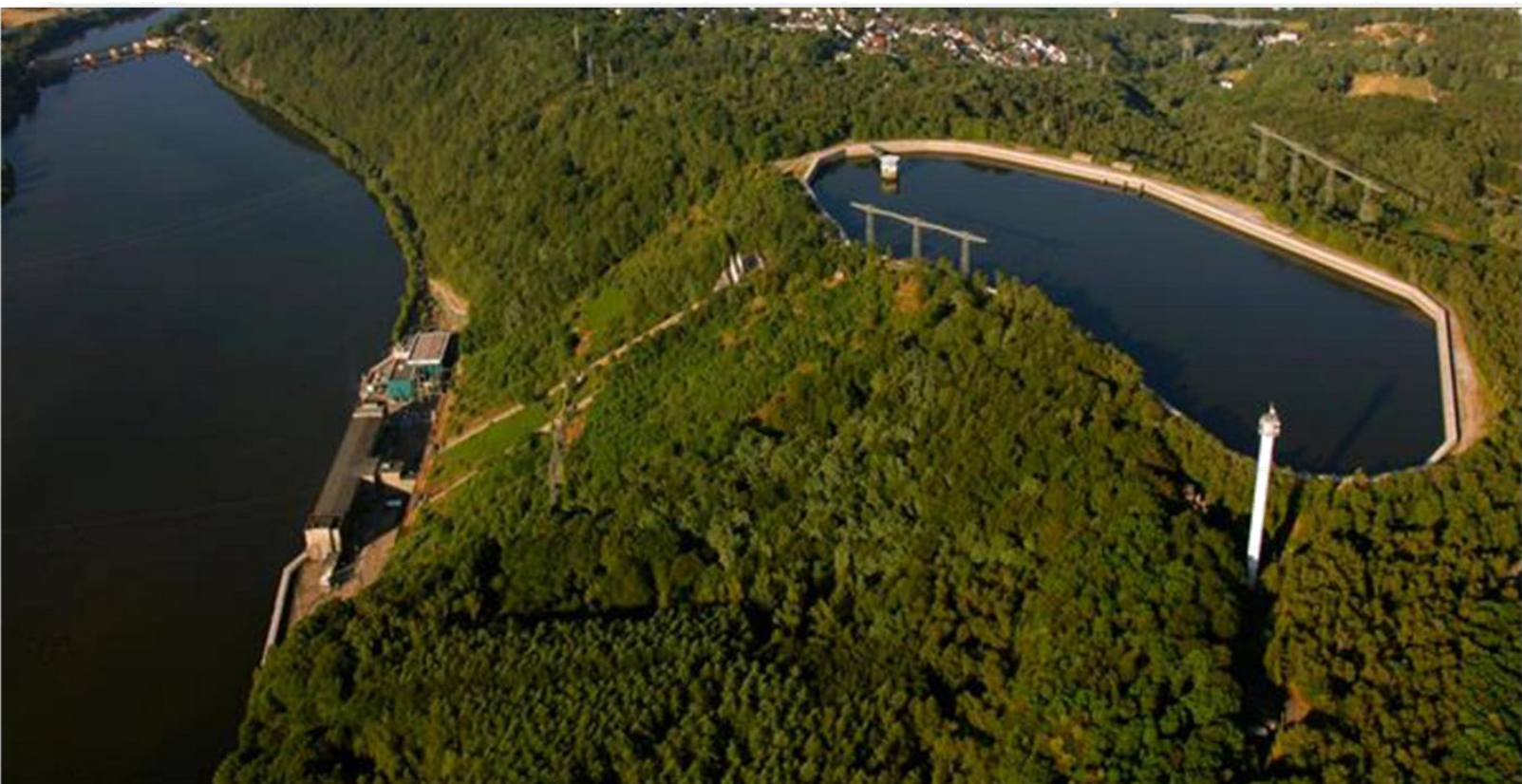


# Example pumped hydro arrangement





## Example pumped hydro arrangement



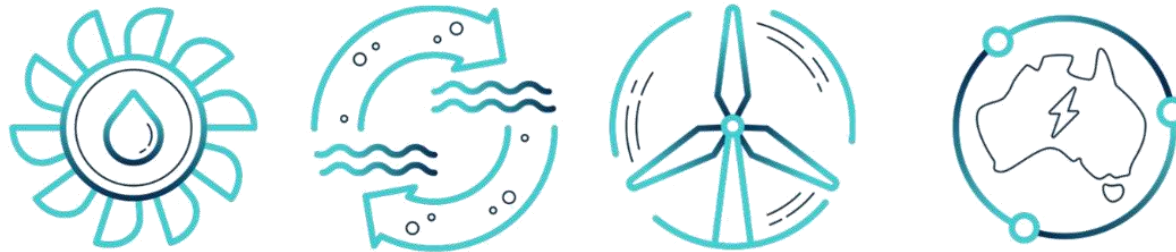
# Repurposing the Tarraleah Power Scheme for the future energy market



## Looking to the future



- Boost the hydropower system with pumped hydro
- Further develop our world-class wind power
- Increase interconnection



Tasmania could **double** its current clean energy production

## What benefits could this bring?



**This opportunity has significant potential benefits for Tasmanians and the nation. Realising the *Battery of the Nation* concept would:**

1. Ensure the lowest possible power prices for Tasmanians and customers in the NEM.
2. Ensure long term energy supply security for Tasmania, and provide stable, secure and reliable energy supply to the NEM
3. Provide a long term economic stimulus to regional areas of Tasmania
4. Help meet Australia's energy sustainability targets.

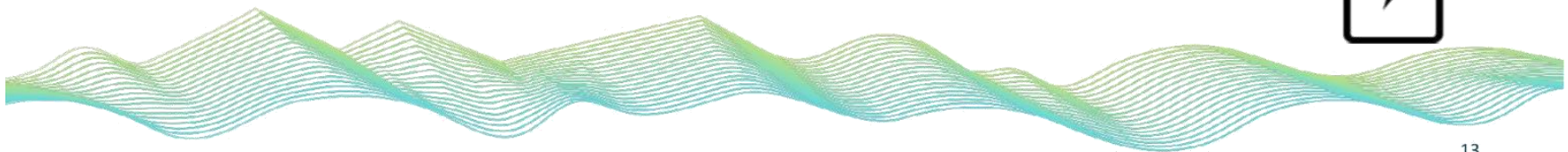
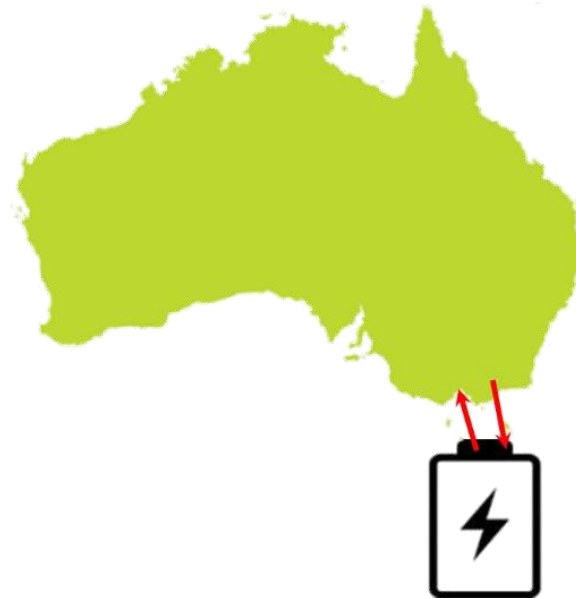
*Thank you*



Questions?

[www.hydro.com.au/clean-energy/battery-of-the-nation](http://www.hydro.com.au/clean-energy/battery-of-the-nation)

[batteryofthenation@hydro.com.au](mailto:batteryofthenation@hydro.com.au)





# CCA UPDATE

## REGIONAL ACTIVITIES

Office of the Coordinator-General

Office of the Coordinator-General



## ECONOMIC UPDATE



### Population

Strongest growth in 6 years



### Unemployment

Unemployment rate – 6.0%



### Education

Significant investment in leading edge facilities



### Businesses

High Survival Rate



### Construction

Total non-residential construction up 4.0% over last 12 months



### Exports

Upward trend - \$3.0 billion 12 months to Sept 2017



### AA+

Standard & Poor's Credit Rating

OFFICE OF THE COORDINATOR-GENERAL

## INVESTMENT ACTIVITIES



### Real business investment

- Up 16.6% over previous 12 months

### Foreign investment approvals for Tasmania

- \$1.1 billion, 2 year total

### The OCG is facilitating

- Over \$3 billion cross sector investments which will create 6 200 jobs if all realised

OFFICE OF THE COORDINATOR-GENERAL

## INVESTMENT ATTRACTION (some examples)



Investment/Project	Industry	Investment Value	Comments
Hyatt Centric Hobart	Tourism	\$40 million	60 FTE ongoing
Kangaroo Bay	Education/Tourism	\$90 million	130 jobs ongoing
Moon Lake / Van Milk	Agribusiness	\$280 million	95 jobs ongoing
Ridley	Aquaculture	Up to \$50 million	20+ FTE ongoing
IT company	Software development	\$35 million	90 FTE ongoing
Int'l Fin Services	Financial Services	\$16.4 million	40 FTE ongoing
Biomar Aqua Feed Mill	Agribusiness	\$55+ million	55 FTE ongoing
Dutch Mill	Dairy Processing	\$25 million	100+ FTE ongoing
Forrico Pellet Mill	Energy/Resources	\$130+ million	55 FTE ongoing
Hermal Group (ASH)	Timber processing	\$190 million	220 FTE ongoing
Silo Hotel Launceston	Tourism	\$30 million	43 FTE ongoing

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## NORTHERN CITIES MAJOR DEVELOPMENT INITIATIVE



### Revitalisation of:

- Launceston
- Devonport
- Burnie

### 3 Key Projects

Catalyst for improved business confidence and rising activity

OFFICE OF THE COORDINATOR-GENERAL

## NORTHERN CITIES – INVESTMENT & JOBS



Northern Cities Development Initiative:	Investment Value	Jobs
Devonport City Council's Devonport Living City Project	\$250 million	830 on-going jobs
The University of Tasmania's proposed two projects in Launceston & Burnie	\$300 million spend with an annual economic impact of \$424 million 14 000 additional students	4,000 construction & ongoing jobs
Launceston City Deal <ul style="list-style-type: none"> <li>• Launceston City Heart</li> <li>• North Bank</li> <li>• Inveresk &amp; Esplanade Precincts</li> </ul>	Upwards of \$19.4 million	
	Upward of \$570 million	Upward of 4,000 jobs

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## SOME EXCITING PROJECT EXAMPLES IN CCA REGION

- Moon Lake - Dairy farms and milk processing in the North West. \$280 million farm investment and 95 jobs with significant further investment being planned.
- Dutch Mill – purchase of former Murray Goulburn Milk Processing facility at Edith Creek. Investment value \$25 million and around 100 new FTEs.
- Hermal Group (ASH) - new cross laminated timber processing facility at Hampshire. Investment value \$190 million and 221 new FTEs.
- BioMar – new aqua feed facility at Wesley Vale. Investment value \$56 million and 55 new FTEs.



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## TOURISM ACCOMODATION REFURBISHMENT LOAN SCHEME (TARLS)



- \$20 million loan scheme to assist owners of Tasmanian Accommodation businesses refurbish and improve their businesses.
- Loans available from \$50 000 to \$1.5 million.
- Low interest rate and more borrowing capacity offered than major lenders.
- 3 significant projects on NW Coast so far.

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## ACTIVITIES – INDUSTRIAL PRECINCT PROSPECTUSES



### Prospectuses completed include:

- Bell Bay Industrial Precinct
- Valley Central Industrial Precinct
- Ling Siding Industrial Precinct
- Launceston Airport Translink Precinct

\*Working on 3 new prospectuses for other industrial precincts.

## RED TAPE REDUCTION



Working on red tape issues at the coal face is becoming an increasingly important function...

- Over 100 issues identified with over 75% actioned to date
- Significant support to small business on wide ranging issues
- Case Management support for proponents

\*Encourage everyone to report any red tape issues via our online tool or directly to our Office.

OFFICE OF THE COORDINATOR-GENERAL

[WWW.CG.TAS.GOV.AU](http://WWW.CG.TAS.GOV.AU)

Office of the Coordinator-General

Ph: 6777 2786

Em: [cg@cg.tas.gov.au](mailto:cg@cg.tas.gov.au)

12-16 St John Street

Launceston

TASMANIA, AUSTRALIA

## 6.5 QUARTERLY UPDATE - LIVING CITY - JUNE 2018

File: 32161 D528240

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

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

### SUMMARY

This quarterly report provides an update to Aldermen and the community on the current status of LIVING CITY.

### BACKGROUND

LIVING CITY is an urban renewal project that will transform Devonport and revitalise Tasmania's North West region. Council, by adopting the LIVING CITY Master Plan in September 2014, is enabling new tourism opportunities, food experiences, business prospects and community spaces to develop in the CBD.

Implementation of the Master Plan is well underway and is anticipated to continue in a staged approach over a ten-year period.

Council has entered into a four-year agreement with Projects and Infrastructure (P+i) to act as Development Managers and assist with the implementation.

Quarterly reports are provided to Council to keep Aldermen and the community updated on progress.

### STATUTORY REQUIREMENTS

The predominant legislation to which Council must comply in undertaking LIVING CITY is the *Local Government Act 1993*.

### DISCUSSION

Key activities in recent months have concentrated on construction of the paranapple centre (multi-purpose civic building) in Stage 1 and construction within the former Devonport Entertainment and Convention Centre (DECC) to create the paranapple arts centre.

#### Stage 1 Construction

With the car park and food pavilion base build now complete, construction is focused on the paranapple centre. There are currently over 140 construction staff on-site daily with internal and external works occurring concurrently.

The important milestone of achieving external weatherproofing was realised in early May. The installation of façade panels is also now well underway. External landscaping has progressed with the heritage house footprint in the market square recreated using some of the original bricks and bluestone. Paving on the northern laneway adjacent to Providore Place is almost complete.

Internally, the progress achieved on all levels has been significant during the last three months with plastering almost complete, large areas of joinery installed, escalators now operating, lifts completed and library book shelving installed.

A lease was signed with Hudsons Coffee, including a local franchisee to operate from the ground floor café space.

The paranple centre, including the paranple convention centre is on track to be completed in the next quarter. The tenants of the building have agreed that the first day of operating from the new site will be 3 September 2018. Plans are being made for a community open day prior to the first day of operation.

### **Food Pavilion**

As promised during the last State election campaign, the State Government has committed \$1.5M in 2018/2019 for the fit out of the Providore Place Cooking Centre. A working group consisting of members of the TasTAFE, Council and Providore Place Pty Ltd has been created to progress the design and installation of the Centre which is to be located on the mezzanine floor of the food pavilion. Together the team is tasked with delivering a contemporary hospitality learning space from which Drysdale and others can provide training, surrounded by high quality restaurants, markets and distilleries.

The pavilion has hosted a number of events in recent months including a gala charity ball attended by the Governor of Tasmania, Her Excellency, Professor the Honourable Kate Warner AC.

Fit out of the restaurant tenancies has not occurred as quickly as hoped with delays finalising designs and fit out budgets having an impact along with the construction works in Market Square and around the perimeter of the pavilion. Significant progress in this area is expected over the next quarter.

### **Construction of the paranple arts centre**

Construction has continued on the paranple arts centre development to incorporate the performing arts auditorium, art gallery and visitor information centre. Being a heritage building that has seen many renovations, there have been some major structural challenges that have been worked through on site. Over the past three months, a suspended slab has been installed and new roof at the rear of the old court house. Work will continue on the former court house over the next quarter with the site expected to open late 2018. There are approximately 15-20 workers on site each day.

### **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.

### **FINANCIAL IMPLICATIONS**

Council's 2017/18 Operational Budget has an allowance for income and expenditure associated with LIVING CITY. This includes the rent, and outgoings of commercial properties purchased to facilitate the implementation of LIVING CITY. It also includes staff resources, consultants, advertising and general materials along with finance related items such as depreciation, interest charges, internal charges and land tax.

The table below shows the LIVING CITY operational budget detail, indicating current year to date actual income and expenditure in comparison to the budget allocation.

## Devonport City Council - LIVING CITY Financial Report

YTD to May 2018

	YTD		YTD Variance		Full Budget 2018
	Budget	Actual	\$	%	
<b>INCOME</b>					
Fees and User Charges	605,000	619,018	14,018	2.3%	660,000
Other Revenue	-	30,818	30,818	#DIV/0!	-
<b>TOTAL INCOME</b>	<b>605,000</b>	<b>649,837</b>	<b>44,837</b>	<b>7.4%</b>	<b>660,000</b>
<b>EXPENSES</b>					
Employee Benefits	304,303	390,274	(85,971)	-28.3%	332,288
Materials and Services	216,098	92,182	123,917	57.3%	327,128
Depreciation	192,225	198,269	(6,044)	-3.1%	209,700
Financial Costs	980,398	634,271	346,126	35.3%	1,149,103
Levies & Taxes	178,019	152,603	25,416	14.3%	178,019
Internal Charges and Recoveries	66,962	53,488	13,473	20.1%	73,049
<b>TOTAL EXPENSES</b>	<b>1,938,005</b>	<b>1,521,087</b>	<b>416,917</b>	<b>21.5%</b>	<b>2,269,287</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,333,005)</b>	<b>(871,251)</b>	<b>461,754</b>	<b>-34.6%</b>	<b>(1,609,287)</b>

The three main variations in expenses versus budget are employee benefits which predominately relates to the Building Operations Project Officer, materials and services and finance costs.

The additional employee costs are partially offset by contributions in "other income" from the State Government. The State Government is invoiced quarterly in arrears, resulting in a slight time delay between when the expenses are incurred and when it is reimbursed.

Materials and services are favourable due to a reduction in expenditure on consultants from what was originally anticipated.

Finance costs are lower than budgeted at this stage due to a slower draw down on loan borrowings than originally forecast.

### 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 2018, Council had accrued costs of \$55.8M of the \$71.1M budget. The current forecast is for a total project cost of \$69.9M, which is \$1.2M under budget. The table below outlines costs to date along with the funding break up.

## LIVING CITY Stage 1

	Budget \$'000	Forecast \$'000	Total to Date \$'000	Remaining \$'000
<b>Total Budget - Stage 1</b>	<b>71,148</b>	<b>69,880</b>	<b>55,774</b>	<b>14,106</b>
<b>Funded By:</b>				
Council Equity	11,000	11,000	11,000	-
Federal Govt	10,000	10,000	8,000	<b>2,000</b>
State Govt	13,000	13,000	13,000	-
Debt	37,149	35,880	23,579	<b>12,301</b>
<b>Total</b>	<b>\$ 71,149</b>	<b>\$ 69,880</b>	<b>\$ 55,579</b>	<b>\$ 14,301</b>

### 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 the car park and food pavilion base build now complete, on-site work has concentrated on the multi-purpose building. Work has also continued on the construction of the paranapple arts centre adjacent to Stage 1 of LIVING CITY. The paranapple centre, including the paranapple convention centre is due for completion in July 2018 with its first day of operation being 3 September 2018.

### ATTACHMENTS

Nil

### RECOMMENDATION

That Council receive the LIVING CITY Quarterly Update.

Author: Position:	Rebecca McKenna Project Officer Development	Economic	Endorsed By: Position:	Matthew Atkins Deputy General Manager
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## **6.6 SHARED AUDIT PANEL - ANNUAL REPORT AND MINUTES OF MEETINGS**

File: 30196 D529912

### **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 present the 2017 Annual Report of the Shared Audit Panel prepared by the Chairperson of the panel and to report the unconfirmed minutes of the Audit Panel meeting held on 4 June 2018.

### **BACKGROUND**

The Audit Panel is in place to assist Council in fulfilling its oversight responsibilities by providing independent advice and assurance in regard to the Council's financial management, risk management, internal control and compliance framework.

In late 2014, Council determined to establish a shared Audit Panel with Central Coast Council.

The Audit Panel of each Council comprises two elected members and two independent members. The independent members are appointed jointly by both Councils to be shared between each Council's Audit Panel.

### **STATUTORY REQUIREMENTS**

All Councils must have Audit Panels that operate in accordance with Part 8 of Division 4 of the *Local Government Act 1993* (the Act) and the *Local Government (Audit Panels) Order 2014*.

### **DISCUSSION**

The Annual Report for Central Coast Council and Devonport City Council Shared Audit Panel is provided as a confidential attachment for Aldermen information. This report is for the Shared Panel and for the Devonport City Council specific section.

The unconfirmed minutes of the Audit Panel meeting held on 4 June 2018 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:

- 2018 Work Plan endorsed
- Shared Services Review
- Pecuniary Interest Procedures and Delegation Policies and Procedures
- Accounting Disclosure Changes
- Capitalization Thresholds

The Devonport City Council Audit Panel discussed:

- Overview of the IT Security Assessment undertaken by Hivint



**Report to Council meeting on 25 June 2018**

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- April 2018 Finance Report
- LIVING CITY update
- Review of Operational Plan and Draft Budget for 2018/19
- Draft Long Term Financial Plan
- Asset Revaluation Paper
- Review of Confidential Report – Audit of Compliance with Local Government Meeting Procedures
- Reviewed the Self-Assessment report provided by the Chair

**COMMUNITY ENGAGEMENT**

There was 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**

- Political/Governance  
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 4 June 2018 are presented to the Aldermen as per the recommendation below.

**ATTACHMENTS**

1. [Unconfirmed Audit Panel Minutes 4 June 2018 - Shared](#)
2. [Unconfirmed Audit Panel Minutes 4 June 2018 - DCC](#)
3. Confidential Report - 2017 Annual Report of the Shared Audit Panel      Confidential

## RECOMMENDATION

That Council:

1. receive and note the Annual Report for Central Coast Council and Devonport City Council Shared Audit Panel and the Devonport City Council Audit Panel; and
2. receive the unconfirmed minutes of the Audit Panel meeting held on 4 June 2018.

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

**DEVONPORT CITY COUNCIL & CENTRAL COAST COUNCIL  
SHARED AUDIT PANEL**

Unconfirmed minutes of meeting held Monday 4 June 2018  
at Devonport City Council commencing at 2:15pm

**1. Attendance**

Members – Robert Atkinson (Chair), John Howard, Ald Grant Goodwin, Ald Leon Perry (proxy), Cr Phillip Viney and Cr Gary Carpenter

Officers – Paul West (General Manager DCC), Kym Peebles (Executive Manager Organisational Performance DCC), Jeffrey Griffith (Executive Manager Corporate Services), Jacqui Surtees (Executive Officer DCC) Sandra Ayton (General Manager CCC), Bill Hutcheson (Director Organisational Services CCC)

**2. Apologies**

Ald Charlie Emmerton

**3. Declarations of Interest**

Member – John Howard

Company	Position/Role	Date Appointed	Date Removed
Reginald John Howard	Self Employed Consultant	November 2014	
Dulverton RWMA	Director	April 2016	
Tasmanian Audit Office	Consultant	February 2016	

**4. Confirmation of Minutes**

Moved: Ald Goodwin

Seconded: Councillor Viney

That the minutes be accepted as correct. Carried Unanimously

## 4.1 Business Arising

- Compliance Review of Closed Council Meeting Minutes – the report remains confidential and has been listed on the DCC Audit Panel agenda for review.
- 2018 Work Plan – An updated plan was circulated with the agenda. KP noted that the plan has been revamped to attempt to refer to the DPAC guide, and to include budget processes. The revised plan was adopted, with a subsidiary plan to be developed to manage and review legislative compliance requirements.
- Capitalisation Thresholds – to be discussed at item 8.2.

**Action: Follow up with LGAT regarding compliance register schedule and develop subsidiary plan based on those guidelines.**

## 5. Policies and Procedures

Nil

## 6. Governance

### 6.1 Shared Services Review

PW provided an overview of the Shared Services Workshop held at the beginning of May. Seven out of nine Councils are interested in moving forward; Kentish and Latrobe have opted not to at this stage as they are focusing on the integration of their councils to one workforce with 2 elected bodies. A number of initiatives came out of the workshop, including:

- Information Technology – Circular Head, Waratah Wynyard and Burnie are undertaking a project at present and will share their results/experiences with the broader region when completed. Devonport is moving more to cloud-based technology and will share its learnings with other councils.
- Regulatory Services – SA, PW and Shane Crawford (Waratah Wynyard GM) have been tasked to consider options that may be available for the sharing of resources.
- Waste Management Governance project is continuing through the Cradle Coast Waste Management Group. A consultant has been appointed to assist in taking this forward.
- Procurement and Legal Advice – there is a move to get councils together to look for opportunities to source legal services at discounted prices rather than individually.

Any future changes will require buy-in and commitment from councils as there will be impact on staffing and resources; councils have to be open to change. The Director of Local Government was to be briefed to allow for a report to be provided to the Minister for Local Government.

## 7.1 Legislative Compliance and Ethics

### 7.1 Pecuniary Interest Procedures

PW advised that Devonport aldermen declare conflicts of interest at the start of each Council Meeting. Auditors review the declarations in the minutes and ensure that a form has been submitted. DCC also has a staff Conflicts of Interest Register and a Secondary Employment policy, and a Gifts and Benefits Register where the threshold is \$50. This provides a clear understanding of what has been received.

SA advised that CCC manages pecuniary interest in accordance with the Local Government Act. CCC has a Local Interest Register and a Gifts and Benefits Register and Policy which is audited.

7.2 Delegation Policies and Procedures and Monitoring

PW advised that attachments 7.2.1 (DCC Delegations Procedure) and 7.2.2 (DCC Purchasing Delegations Procedure) outlines the DCC process. Under the Local Government Act, Council delegates authority to the General Manger, who then sub delegates to staff. A register of delegations is maintained and is available to be reviewed by auditors. Regarding purchasing delegations, there are rules and limits for orders submitted; any orders over delegation limits must be co-authorised. This is triggered in the system and works well. When staff take leave, an acting appointment may be made to the position, and that person is given the delegations relevant to the position.

The Chair queried if it is set out in the process, that orders/invoices can't be broken down into multiple transactions, and whether onsite foremen have control over goods and where they are allocated. KP advised that the purchasing policy is detailed, and random reviews of purchase orders and invoices are undertaken, and there are controls around cost centres.

SA advised CCC has a schedule of delegations that is reviewed by Council every 6 months. A copy of this schedule had been forwarded to The Chair and JH. CCC has financial delegations and a Purchasing Policy. The Chair queried what trigger points there are to see if levels have been exceeded. SA advised that this is manual and that there are legal ramifications for not complying with delegations. BH advised that managers are responsible for ensuring delegations are being upheld. BH has assisted LGAT with a base delegation register, but as yet there is nothing to trigger when updates are required. The ideal practice would be to have one set of delegations for all Councils, and then each General Manager decides which employee receives which delegation.

**8 Financial Management**

8.1 Accounting Disclosure Changes – model financial statements/leases standard

KP advised that as part of changes to accounting disclosures, crown leases are to be treated as a finance lease and disclosed on balance sheet. Commercial crown leases will be captured, for example, caravan parks. DCC has identified 3 leases that will be impacted.

KP advised that DCC had submitted the draft model financial statements for 2017/18 to the Audit Office at the end of May. This is the first time the Audit Office has requested to see a draft.

## 8.2 Capitalisation Thresholds

JH raised concerns that capital thresholds used by CCC and DCC may not be reflective of today's values. There was discussion around Infrastructure assets requiring a decision regarding the nature of the works undertaken, for example, is it repairs, maintenance or renewal, rather than focusing on a specific monetary figure. KP advised that DCC has established an Asset Management Team consisting of representatives from the Finance and Infrastructure departments that regularly discuss these issues. DCC has also established a Property, Plant & Equipment Accounting Policy and 4 supporting Guidelines to assist with asset management. One of the Guidelines relates specifically to capitalisation.

**Action: Reporting could be reviewed and expanded, to greater support well documented process and policy around capitalisation thresholds.**

## 8.3 LGAT Draft Model Credit Card Policy

Deferred to next meeting.

**9 General Business**

9.1 The Chair raised the 2017 review of the Audit Panel. Several of the issues reported and recommendations suggested, are common to both councils and therefore it was suggested to discuss those points at the next Shared Audit Panel.

**Action: The panel agreed that common items be discussed at the next meeting, and that additional time should be allocated for discussion.**

**Meeting Closed:** 3:16pm

**Next Meeting:** Monday 13 August 2018

## DEVONPORT CITY COUNCIL

## AUDIT PANEL

Unconfirmed minutes of meeting held Monday 4 June 2018  
at Devonport City Council commencing at 3:22pm

**1. Attendance**

Members – Robert Atkinson (Chair), John Howard, Ald Grant Goodwin, Ald Leon Perry (proxy),

Officers – Paul West (General Manager DCC), Kym Peebles (Executive Manager Organisational Performance DCC), Jeffrey Griffith (Executive Manager Corporate Services), Jacqui Surtees (Executive Officer DCC)

**2. Apologies**

Ald Charlie Emmerton

**3. Declarations of Interest**

Member – John Howard

Company	Position/Role	Date Appointed	Date Removed
Reginald John Howard	Self Employed Consultant	November 2014	
Dulverton RWMA	Director	April 2016	
Tasmanian Audit Office	Consultant	February 2016	

**4. Confirmation of Minutes**

Moved: Ald Goodwin

Seconded: John Howard

That the minutes be accepted as correct. Carried Unanimously

**Business Arising**

The Chair asked for an update on the Risk Management workshop that was noted in the March 2018 minutes. JG advised that the workshop had been attended by Service Tas and Council and focused on the customer service integration. 30 risks were identified and from that 100 risk mitigation actions have been developed and captured on a register. Each action has been assigned to someone and a review date established to monitor progress. The Chair asked if any major risks were identified, JG noted that there are some that are a higher risk than others, but there are no "show stoppers". JG advised that the delivery of network infrastructure for the new facility is expected mid-July; IT will move over there and host the network until the move, that way all issues will be ironed out prior to becoming operational.

## 5. Risk Management

### 5.1 Claims Update

KP advised that 4 workers compensation claims have been lodged this financial year, and all have been closed off. The expected value of these claims combined is less than \$10,000. There are 2 claims open from previous years.

### 5.2 Potential Claims

KP advised there may be a potential claim regarding a septic tank that was approved for installation by Council, however the tank was not constructed in accordance with plans and has since failed.

### 5.3 Hivint Tas Gov Security Assessment Remediation – Overview of Audit

The Chair noted that he was pleased to see this on the agenda as he believes it is an area of increasing concern. JG presented information outlined in the assessment and noted that the issues identified have either been removed or redirected. There was some discussion around Council IT policies and monitoring of the system; JG confirmed that staff are required to review the Internet and Email Use Policy, and the Password Policy as part of their induction, there is restricted personal use and traffic is monitored and reported on. Access to certain sites is restricted, and reports regarding employee use of the internet are regularly reviewed. All system access passwords expire, and the new system will have biometrics in place for additional security in the form of facial recognition.

## 6. Financial Management

### 6.1 April 2018 Finance Report

KP advised the April 2018 Finance Report shows a favourable result, with a \$2.4 million surplus ahead of budget at this time. May will be the crucial month end, when forecast adjustments will be determined. There was discussion regarding the old maternity hospital site, the valuation received for the land and the amount the land has been capitalised at.

JH raised a question regarding the increase in water expenses – KP advised some of the increase was due to a pipe that had ruptured and leaked water.

The Chair noted the training budget has not all been spent. PW said that Council is now starting to track employee time spent at training better, as previously the time was not allocated to training. The difference in the budgeted figure vs actual may also be due to more internal training being delivered than external, for example, recently it was identified that staff



required a review of Personal Information Protection rules and processes, and that training was able to be delivered internally. There are also times when external training is not identified and/or requested by staff, or it may be identified, but a suitable provider is not available to deliver the training.

## 6.2 Budget

The Chair commended Council for providing comprehensive papers that were attuned to the Long Term Financial Plan and Asset Management Plan.

### 6.2.1 Budget Workshop

PW outlined the budget process undertaken with the aldermen so far and advised that they would be presented with an update at the Workshop on Monday 4 June. The original operating surplus was set at \$110k, however with suggested changes to the budget this is now \$92k. At this stage an increase in the rates has been accepted, and the wages figure has been maintained despite there being a pay increase to staff payable in July. It was noted that the current 2017/2018 surplus is due to positive movements in revenue items and savings across several areas of expenditure, including salary and wages. The expectation that there will be some staff resignations, and temporary vacancies as a result has been factored into the budget for 2018/19.

PW advised he is reasonably positive of being able to achieve the projected surplus, however there are times when things change, for example, storms like the ones recently experienced in Hobart, although there is some allowance for unforeseen events in the budget.

JH noted that it is good to see a balanced budget with a small surplus, with plans to improve in the future. It was also noted that the surplus budgeted has also taken into consideration \$500k less from Tas Water, and depreciation of the new facility.

JH asked if there were likely to be efficiencies gained with staff moving. PW advised the focus in the first year will be on customer service; providing a concierge service for the Library, Service Tasmania etc, and at the moment, the impact of the convention space is unknown.

JH asked if there would be any benefit in providing monthly financial reports at the same level as the budget paperwork. PW advised that from a reporting process, the level that is currently produced is sufficient. The budget workpapers are produced at a higher level so that the Aldermen can get an understanding to enable them to make informed decisions. There is however the

opportunity to review commentary provided with monthly financial reports with a view to improve.

Ald Goodwin and Ald Perry confirmed that they were happy with the budget documents produced and that the Workshop flowed well. Ald Perry said it was important to note that the rate increase had been well considered, coming off 4 years with no real increase.

The Chair noted that it was the job of the panel to ensure that Council are adequately informed to enable decisions. JH noted that the Long Term Financial Plan helps to simplify the budget process.

**Action: Council will review commentary provided with monthly financial reports.**

6.2.2 2018-19 Capital Works Program

PW outlined the capital budget.

JH raised the question of whether some items should be upgrade or renewal. For example, the Victoria Parade path and the LIVING CITY waterfront park development.

JH noted it was important to consider loss on disposal of assets.

6.3 Draft Long Term Financial Plan

KP advised that the LTFP will be finalised once the final forecast information is available, for example, capital projects and cash balances. Projects have been projected for the next 9 years, with what is known now, and Council is aware that assumptions are likely to change. JH noted some wording that may require review and changes on page 16, and also on page 19 he suggested reviewing and taking out the dot point. JH commented that it was good to see the LTFP going in a positive direction.

The Chair noted p44 – there is a need to understand vulnerabilities and that liabilities will peak in 2019 and then reduce over a ten-year period and advised that carrying levels of debt has an impact, i.e. restriction/limitations on opportunities for future councils. The option to raise rates and pay back debt quicker needs to be understood. Ald Goodwin advised that it is understood, as the debt is largely attributed to LIVING CITY no-one went into that with their eyes closed and Council is managing the debt levels. Ald Perry said the debt may be a big number to some people, but it is intergenerational debt, for an asset that is going to be for future generations.

JH suggested reviewing the graphs in the LTFP as some of them are running in different directions.

**Action: Council to review suggested wording changes and review graphs in the Long Term Financial Plan, as suggested by JH.**

6.4 Asset Revaluation Paper 2018.

KP noted that the Asset Revaluation Paper is currently being finalised by the Asset Management Coordinator, and once complete, will be reviewed by herself, the City Engineer and Accountant, before going to General Manager for approval. It will be reviewed by the Auditors. The Chair advised that he is comfortable with this draft on the basis that it is an annual review. JH queried if it includes review of useful life – KP confirmed that it does.

**7 Major Projects**

7.1 Living City

PW tabled the April Living City Report. The report has been provided to Aldermen to give them an understanding of where the project is at. Currently it is tracking well and is under budget, with handover expected in mid-July. The first day of operation for all 3 tenancies is expected to be 3/9/18.

JH noted that it is a comprehensive report and shows good project management; it is not uncommon to go over 10% so it is good to have kept it on track and under budget.

**8 Legislative Compliance and Ethics**

8.1 Audit of Compliance with Local Government (Meeting Procedures) Regulations 2015(3)

PW tabled the confidential report provided by the Director of Local Government. DCC was only found to be in breach of one item reviewed, and that has been easily addressed. The report showed a good result for Council, with no major concerns raised.

**9 General Business**

9.1 Self-assessment Process

The panel discussed the Chair's assessment and agreed a number of matters should be discussed at the next Shared Panel as they equally apply to both councils.

**Action: Add the above items to the next Shared Audit Panel Agenda and provide the Annual Audit Panel Assessment to Aldermen as a confidential attachment.**

- 9.2 JH raised a concern with the draft Asset Management Plan and asked if it could include a Risk Management Plan. KP advised that the Asset Management Plan is to be adopted by Council and does include some information in relation to risk management. It will however be reviewed in the next 12 months and so it will be possible to include further information in the next version.

**Meeting Closed:** 5:10pm

**Next Meeting:** Monday 13 August 2018

## 7.0 SECTION 23 COMMITTEES

### 7.1 PLANNING AUTHORITY COMMITTEE MEETING - 4 JUNE 2018

File: 29133 D529441

#### 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 note the recommendations made by the Planning Authority Committee meeting held on Monday, 4 June 2018.

#### ATTACHMENTS

[1.](#) Minutes - Planning Authority Committee - 4 June 2018

#### RECOMMENDATION

That the minutes of the Planning Authority Committee meeting held on Monday, 4 June 2018 be received and the decisions determined be noted.

PAC 03/18 Planning Applications approved under Delegated Authority - 26 March 2018-28 May 2018

PAC 04/18 PA2018.0058 Permitted: Business and professional services (Dentist), Residential (multiple dwellings x 2) and associated demolition and signage. Discretionary: assessment against performance criteria for setback and building envelope, setback ...

PAC 05/18 PA2018.0031 Bulky Goods Store (showroom extension) - assessment against performance criteria of Code E9 for a reduction in vehicle parking spaces, ancillary storage and demolition of single dwelling - 24 & 26 Don Road Devonport

Author: Position:	Robyn Woolsey Executive Assistant Management	General	Endorsed By: Position:	Paul West General Manager
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**MINUTES OF A PLANNING AUTHORITY COMMITTEE MEETING OF THE DEVONPORT CITY  
COUNCIL HELD IN THE COUNCIL CHAMBERS  
ON MONDAY, 4 JUNE 2018 COMMENCING AT 5:15PM**

**PRESENT:** Ald A L Rockliff (Acting Mayor) in the Chair  
Ald G F Goodwin  
Ald J F Matthews  
Ald T M Milne  
Ald L M Perry

**Aldermen in Attendance:**

Ald A J Jarman  
Ald L M Laycock

**Council Officers:**

General Manager, P West  
Deputy General Manager, M Atkins  
Planning Coordinator, S Warren  
Planning Officer, A Mountney

**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 C D Emmerton	Apology
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**2.0 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**3.0 DELEGATED APPROVALS**

**3.1 PLANNING APPLICATIONS APPROVED UNDER DELEGATED AUTHORITY - 26 MARCH 2018-28 MAY 2018 (D528268)**

**PAC 03/18 RESOLUTION**

MOVED: Ald Matthews  
SECONDED: Ald Perry

That the list of delegated approvals be received.

	<b>For</b>	<b>Against</b>		<b>For</b>	<b>Against</b>
Ald Rockliff	✓		Ald Milne	✓	
Ald Goodwin	✓		Ald Perry	✓	
Ald Matthew	✓				

CARRIED UNANIMOUSLY

<b>4.0 DEVELOPMENT REPORTS</b>
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**4.1 PA2018.0058 PERMITTED: BUSINESS AND PROFESSIONAL SERVICES (DENTIST), RESIDENTIAL (MULTIPLE DWELLINGS X 2) AND ASSOCIATED DEMOLITION AND SIGNAGE. DISCRETIONARY: ASSESSMENT AGAINST PERFORMANCE CRITERIA FOR SETBACK AND BUILDING ENVELOPE, SETBACK OF DEVELOPMENT FOR SENSITIVE USE AND TRAFFIC GENERATING USE AND PARKING CODE - 9 VICTORIA PARADE DEVONPORT (D528343)**

**PAC 04/18 RESOLUTION**

MOVED: Ald Goodwin

SECONDED: Ald Matthews

That the Planning Authority, pursuant to the provisions of the *Devonport Interim Planning Scheme 2013* and Section 57 of the *Land Use Planning and Approvals Act 1993*, approve application PA2018.0058 and grant a Permit to use and develop land identified as 9 Victoria Parade, Devonport for the following purposes:

- Permitted: Business and professional services (Dentist), Residential (multiple dwellings x 2) and associated demolition and signage
- Discretionary: assessment against performance criteria for setback and building envelope, setback of development for sensitive use and Traffic Generating Use and Parking Code

Subject to the following conditions:

**Planning Conditions**

1. The Use and Development is to proceed generally in accordance with the submitted plans referenced as proposed dental practice and multiple dwelling - Project: J002947, dated 11/4/18 by S Group, copies of which are attached and endorsed as documents forming part of this Planning Permit.
2. No more than 3 health professionals are to work at the dentist surgery at any one time.
3. The advertising sign at the front of the site is to be less than 5m<sup>2</sup> and is only permitted to be illuminated during the opening hours of the dentist.

**City Infrastructure Conditions**

4. The existing stormwater pit (concrete slab lid) and grated entry pit (in the existing kerb) on the proposed driveway alignment are to be upgraded, in accordance with the Tasmanian Standard Drawings, to be trafficable for the proposed driveway.
5. The proposed driveway is to be concrete and constructed to Tasmanian Standard Drawings TSD-R09. The developer is to take into account the existing parking arrangements and stormwater infrastructure when designing the proposed new driveway.
6. The existing redundant driveway is to be demolished and the area reinstated to match the adjoining infrastructure in accordance with the Tasmanian Standard Drawings.

7. Any existing Council infrastructure impacted by the works is to be reinstated in accordance with the relevant standards.
8. A Road Reserve Permit will be required for all works occurring within the road reserve.

**TasWater Condition**

9. The developer is to comply with the conditions contained in the Submission to Planning Authority Notice which TasWater has required to be included in the planning permit, pursuant to section 56P(1) of the *Water and Sewerage Industry Act 2008*.

Note: The following is provided for information purposes.

**THIS IS NOT A BUILDING OR PLUMBING PERMIT.**

Prior to commencing any building or plumbing work you are required to:

Contact a Tasmanian registered Building Surveyor to determine the category of building approval required, and contact the Council Permit Authority to determine the category of plumbing approval required.

In regard to conditions 4-8 the applicant should contact Council's City Infrastructure Department – Ph 6424 0511 with any enquiries.

In regard to condition 9 the applicant/developer should contact TasWater – Ph 136 992 with any enquiries.

Enquiries regarding other conditions can be directed to Council's Development Services Department – Ph 6424 0511.

	For	Against		For	Against
Ald Rockliff	✓		Ald Milne		✓
Ald Goodwin	✓		Ald Perry	✓	
Ald Matthews	✓				

CARRIED

**4.2 PA2018.0031 BULKY GOODS STORE (SHOWROOM EXTENSION) - ASSESSMENT AGAINST PERFORMANCE CRITERIA OF CODE E9 FOR A REDUCTION IN VEHICLE PARKING SPACES, ANCILLARY STORAGE AND DEMOLITION OF SINGLE DWELLING - 24 & 26 DON ROAD DEVONPORT (D528348)**

MOVED: Ald Goodwin

SECONDED: Ald Perry

That the Planning Authority, pursuant to the provisions of the *Devonport Interim Planning Scheme 2013* and Section 57 of the *Land Use Planning and Approvals Act 1993*, refuse application PA2018.0031 and not grant a Permit to use and develop land identified as 24 Don Road & 26 Don Road Devonport for the following reason:

The provision for parking as required by Clause E9.5.1 of the *Devonport Interim Planning Scheme 2013* for the use and development does not demonstrate compliance with the Performance Criteria of that Standard.

	For	Against		For	Against
Ald Rockliff		✓	Ald Milne		✓
Ald Goodwin		✓	Ald Perry	✓	
Ald Matthews	✓				

LOST



**PAC 05/18 RESOLUTION**

MOVED: Ald Goodwin

SECONDED: Ald Milne

That the Planning Authority, pursuant to the provisions of the *Devonport Interim Planning Scheme 2013* and Section 57 of the *Land Use Planning and Approvals Act 1993*, approve application PA2018.0031 and grant a Permit to use and develop land identified as 24 Don Road & 26 Don Road Devonport for the following purposes:

- Bulky Goods Store (showroom extension) - assessment against performance criteria of Code E9 for a reduction in vehicle parking spaces, ancillary storage and demolition of single dwelling

Subject to the following conditions:

1. Unless inconsistent with consequent conditions of this permit the use and development is to proceed generally in accordance with:
  - (a) The submitted plans referenced as Proposed Demolition of Timber Framed Cottage & Two Storey Extension to Retail Outlet & Detached Steel Framed Kit Shed for City Bike Centre Pty Ltd, Project 13117C as amended on 24/03/18 by Weeda Drafting & Building Consultants Pty Ltd copies of which are attached and endorsed as documents forming part of this Planning Permit.
  - (b) The Application for Planning Permit by EnviroPlan dated 7/12/2017.
  - (c) The 26 Don Road, Devonport Traffic Impact Assessment by Midson Traffic Pty Ltd dated February 2018.
2. The developer is to submit an amended plan(s) to Council for consideration of granting any approval before any site works commence that indicate the following detail:
  - (a) How compliance with clause 23.4.2 A1.2 of the Devonport Interim Planning Scheme 2013 achieves compliance with the Acceptable Solution of that Zone Standard;
  - (b) How compliance with condition 2(a) above still allows the variation to the parking space quantum to achieve compliance with the Acceptable Solutions of clause E9.6.1 A1.2 of the Code Standard of the Devonport Interim Planning Scheme 2013.
  - (c) How compliance with the parking space quantum required for workshop/servicing for motorcycles, quadbikes is achieved per Table E9.1 of Code E9 of the Devonport Interim Planning Scheme 2013.
  - (d) How the proposed driveways can accommodate class "B99" vehicles and the proposed heavy vehicle and car/trailer combinations for horizontal swept paths and vertical clearances.
  - (e) How the design for internal driveway and parking is in accordance with the relevant off-street parking standard AS2890. Vehicular turning movements are to be demonstrated on the plan to meet the requirements of this standard, and clearly shown on the drawings submitted in subsequent building permit application.

3. The developer is to ensure that all parking spaces for customers and staff are line marked, assigned and maintained as such for the duration of the activity.
4. The developer is to ensure that all loading and unloading of motorcycles and other goods whether by customers, employees and delivery personnel is undertaken from vehicles parked on the site.
5. The developer is to ensure that any outside display of motorcycles and other goods does not occur on any assigned parking spaces.
6. The developer is to comply with the conditions contained in the Submission to Planning Authority Notice which TasWater has required to be included in the planning permit, pursuant to section 56P(1) of the Water and Sewerage Industry Act 2008.
7. The developer is to take all reasonable steps during demolition and construction to prevent environmental effects occurring that might result in a nuisance. This includes no immediate off-site storage of associated building equipment and materials on public land and the pollutant effects from noise, water and air.
8. The developer is to ensure that stormwater discharge from the proposed development is adequately hydraulically detailed and designed by a suitably qualified hydraulic engineer for all storm events up to and including a 100-year Average Recurrence Interval (ARI) and for a suitable range of storm durations to adequately identify peak discharge flows.  
  
As part of the design the hydraulic engineer is to limit discharge from the proposed development to that equivalent to only 50% of the existing lot being impervious. Peak discharge is to be limited by utilising suitably designed on-site stormwater detention systems. All design calculations are to be submitted as part of subsequent building and plumbing permit applications. The approved installation is to be connected to existing Council's stormwater infrastructure located at the rear of the property generally in accordance with the relevant Tasmanian Standard Drawings.
9. The developer is to design and install all driveway accesses for the proposed development generally in accordance with Tasmanian Standard Drawings TSD-R09. Included with this design is how any reinstatement of footpaths, barrier kerb and/or nature strip and any redundant crossovers to match the adjoining infrastructure and otherwise in accordance with the relevant Tasmanian Standard Drawings is to be achieved.
10. The developer is to ensure that the design for internal driveway and parking is in accordance with the relevant off street parking standard AS2890. Vehicular turning movements are to be demonstrated to meet the requirements of this standard, and clearly shown on the drawings submitted in subsequent building permit applications.

Note: The following is provided for information purposes.

Prior to commencing any building or plumbing work you are required to contact a Tasmanian registered Building Surveyor to determine the category of building approval required and contact the Council Permit Authority to determine the category of plumbing approval required.

In regard to condition 7 this includes ensuring that noise emitted from portable apparatus and hours of operation are within the scope indicated by the Environmental Management and Pollution Control (Noise) Regulations 2016.

In regard to condition 8 the existing stormwater main located at the rear of the development is to be protected from the proposed building works in accordance with Tasmanian Standard Drawing TSD-G03. Details of how this is to be achieved are to be submitted with the building and plumbing permit application.

In regard to condition 9 the developer's driveway design is to indicate the extent of reconstruction required both in the road reserve and adjoining properties. Full design drawings for the proposed driveways and adjoining infrastructure are to be submitted as part of the subsequent building permit applications.

	For	Against		For	Against
Ald Rockliff	✓		Ald Milne	✓	
Ald Goodwin	✓		Ald Perry		✓
Ald Matthews		✓			

CARRIED

**With no further business on the agenda the Chairman declared the meeting closed at 5:36pm.**

Confirmed

Chairman

## 7.2 INFRASTRUCTURE WORKS AND DEVELOPMENT COMMITTEE MEETING - 18 JUNE 2018

File: 29528 D531177

### RELEVANCE TO COUNCIL'S PLANS & POLICIES

Council's Strategic Plan 2009-2030:

Strategy 5.3.2 Provide appropriate support to elected members to enable them to discharge their functions

### SUMMARY

The purpose of this report is to receive the minutes and endorse the recommendations provided to Council by the Infrastructure Works and Development Committee meeting held on Monday, 18 June 2018.

### ATTACHMENTS

- [1.](#) Minutes - Infrastructure Works and Development Committee - 18 June 2018

### RECOMMENDATION

That the minutes of the Infrastructure Works and Development Committee meeting held on Monday, 18 June 2018 be received and the recommendations contained therein be adopted.

- IWC 21/18 Tender Report Contract 1320 Weed Control – **approved under delegated authority**
- IWC 22/18 Tender Report Contract 1321 Roadside Mowing- **approved under delegated authority**
- IWC 23/18 Riding and Skating in the CBD
- IWC 24/18 Transport Asset Management Plan
- IWC 25/18 Cemetery Strategy - Year Seven Status
- IWC 26/18 Cradle Coast Waste Management Group 2018/19 Annual Plan & Budget
- IWC 27/18 Infrastructure and Works Report
- IWC 28/18 Development and Health Services Report

Author: Position: Management	Robyn Woolsey Executive Assistant General	Endorsed By: Position:	Paul West General Manager
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**MINUTES OF AN INFRASTRUCTURE WORKS AND DEVELOPMENT COMMITTEE MEETING OF THE  
DEVONPORT CITY COUNCIL HELD IN THE COUNCIL CHAMBERS  
ON MONDAY, 18 JUNE 2018 COMMENCING AT 5:30PM**

**PRESENT:** Ald G F Goodwin  
Ald A J Jarman  
Ald L M Laycock  
Ald J F Matthews

**Aldermen in Attendance:**

Ald C D Emmerton  
Ald T M Milne

**Council Officers:**

General Manager, P West  
Deputy General Manager, M Atkins  
Manager Development, B May  
City Engineer, M Williams

**IWC 20/18 RESOLUTION**

MOVED: Ald Matthews

SECONDED: Ald Jarman

That Ald Goodwin be appointed as Chairman for tonight's Infrastructure Works and Development Committee meeting.

	<b>For</b>	<b>Against</b>		<b>For</b>	<b>Against</b>
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

Ald Goodwin assumed the Chair.

**Audio Recording:**

All persons in attendance were advised that it is Council policy to record Council meetings, in accordance with Council's Audio Recording Policy. The audio recording of this meeting will be made available to the public on Council's website for a minimum period of six months.

**1.0 APOLOGIES**

The following apologies were received for the meeting.

Ald L M Perry	Leave of Absence
Ald A L Rockliff	Leave of Absence

**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 TENDERS****4.1 TENDER REPORT CONTRACT 1320 WEED CONTROL (D522684)****IWC 21/18 RESOLUTION**

MOVED: Ald Jarman

SECONDED: Ald Matthews

That it be recommended to Council that the report from the Project Management Officer in relation to Contract 1320 Weed Control be received and noted and Council:

- a) award the contract to Steeds Weeds Solutions for the tendered sum of \$107,180 (ex GST); and
- b) note the contract conditions allow for two, one year extensions based on a consumer price index adjustment and subject to satisfactory performance by the contractor.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**4.2 TENDER REPORT CONTRACT 1321 ROADSIDE MOWING (D522687)****IWC 22/18 RESOLUTION**

MOVED: Ald Laycock

SECONDED: Ald Matthews

That it be recommended to Council that the report from the Project Management Officer in relation to Contract 1321 Roadside Mowing be received and noted and Council:

- a) award the contract to Mareeba Trust for the tendered sum of \$65,250 (ex GST); and
- b) note the contract conditions allow for two, one year extensions based on a consumer price index adjustment and subject to satisfactory performance by the contractor.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**5.0 INFRASTRUCTURE AND WORKS REPORTS****5.1 RIDING AND SKATING IN THE CBD (D509414)****IWC 23/18 RESOLUTION**

MOVED: Ald Matthews

SECONDED: Ald Laycock

That it be recommended to Council that the report of the City Engineer be noted and that Council remove the 'no-go' zones established in 2001.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**5.2 TRANSPORT ASSET MANAGEMENT PLAN (D525435)****IWC 24/18 RESOLUTION**

MOVED: Ald Matthews

SECONDED: Ald Laycock

That it be recommended to Council that the report relating to the draft Transport Asset Management Plan 2017 be received and noted and the release of the plan for a 30 day consultation period be endorsed.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**5.3 CEMETERY STRATEGY - YEAR SEVEN STATUS (D526886)****IWC 25/18 RESOLUTION**

MOVED: Ald Jarman

SECONDED: Ald Laycock

That it be recommended to Council that the report of the Infrastructure and Works Manager be received and Council note the status of actions listed in the Devonport City Council Cemetery Strategy.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**5.4 CRADLE COAST WASTE MANAGEMENT GROUP 2018/19 ANNUAL PLAN & BUDGET (D528860)****IWC 26/18 RESOLUTION**

MOVED: Ald Laycock

SECONDED: Ald Matthews

That it be recommended to Council that the Cradle Coast Waste Management Group 2018/19 Annual Plan & Budget be received and noted.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**6.0 INFRASTRUCTURE AND WORKS BI-MONTHLY UPDATE**

**6.1 INFRASTRUCTURE AND WORKS REPORT (D520893)**

**IWC 27/18 RESOLUTION**

MOVED: Ald Matthews

SECONDED: Ald Laycock

That it be recommended to Council that the Infrastructure and Works report be received and noted.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**6.2 DEVELOPMENT AND HEALTH SERVICES REPORT (D527252)**

**IWC 28/18 RESOLUTION**

MOVED: Ald Jarman

SECONDED: Ald Laycock

That it be recommended to Council that the Development and Health Services Report be received and noted.

	For	Against		For	Against
Ald Goodwin	✓		Ald Jarman	✓	
Ald Laycock	✓		Ald Matthews	✓	

CARRIED UNANIMOUSLY

**7.0 CLOSURE**

There being no further business on the agenda the Chairman declared the meeting closed at 5:44pm.

Confirmed

Chairman



## 8.0 CLOSED SESSION

### RECOMMENDATION

That in accordance with Regulation 15 of the *Local Government (Meeting Procedures) Regulations 2015*, the following be dealt with in Closed Session.

<b>Item No</b>	<b>Matter</b>	<b>Local Government (Meeting Procedures) Regulations 2015 Reference</b>
8.1	Application for Leave of Absence	15(2)(i)
8.2	Confirmation of Closed Minutes - Council Meeting - 28 May 2018	15(2)(g)
8.3	Unconfirmed Minutes - Joint Authorities	15(2)(g)
8.4	169 Steele Street, Devonport	15(2)(f)
8.5	Tribunal Appeal Optus Tower - 94 Winspears Road, East Devonport	15(2)(i)

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## OUT OF CLOSED SESSION

### RECOMMENDATION

That Council:

- (a) having met and dealt with its business formally move out of Closed Session; and
- (b) resolves to report that it has determined the following:

Item No	Matter	Outcome
8.1	Application for Leave of Absence	Granted
8.2	Confirmation of Closed Minutes - Council Meeting - 28 May 2018	Noted
8.3	Unconfirmed Minutes - Joint Authorities	Noted
8.4	169 Steele Street, Devonport	
8.5	Tribunal Appeal Optus Tower - 94 Winspears Road, East Devonport	

## 9.0 CLOSURE

There being no further business the Mayor declared the meeting closed at        pm.