



CITY OF HOBART

AGENDA

FINANCE COMMITTEE MEETING (OPEN PORTION OF THE MEETING)

WEDNESDAY 16 MARCH 2016

AT 5.00 PM

THE MISSION

Our mission is to ensure good governance of our capital City.

THE VALUES

The Council is:

about people

We value people – our community, our customers and colleagues.

professional

We take pride in our work.

enterprising

We look for ways to create value.

responsive

We're accessible and focused on service.

inclusive

We respect diversity in people and ideas.

making a difference

We recognise that everything we do shapes Hobart's future.

HOBART 2025 VISION

In 2025 Hobart will be a city that:

- Offers opportunities for all ages and a city for life
 - Is recognised for its natural beauty and quality of environment
 - Is well governed at a regional and community level
 - Achieves good quality development and urban management
 - Is highly accessible through efficient transport options
 - Builds strong and healthy communities through diversity, participation and empathy
 - Is dynamic, vibrant and culturally expressive
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- 11. QUESTIONS WITHOUT NOTICE – FILE REF: 13-1-10**
- 12. CLOSED PORTION OF THE FINANCE COMMITTEE MEETING**

**BUSINESS LISTED ON THE AGENDA IS TO BE CONDUCTED IN THE ORDER
IN WHICH IT IS SET OUT UNLESS THE COMMITTEE BY SIMPLE MAJORITY
DETERMINES OTHERWISE**

I, Nicholas David Heath, General Manager of the Hobart City Council, hereby certify that:

1. In accordance with Section 65 of the Local Government Act 1993, the reports in this agenda have been prepared by persons who have the qualifications or the experience necessary to give such advice, information or recommendations included therein.
2. No interests have been notified, pursuant to Section 55(1) of the Local Government Act 1993, other than those that have been advised to the Council.


N.D. HEATH
GENERAL MANAGER

FINANCE COMMITTEE AGENDA (OPEN)

Committee Members

Cocker (Chairman)
Deputy Lord Mayor Christie
Zucco
Ruzicka
Sexton
Aldermen
Lord Mayor Hickey
Briscoe
Burnet
Thomas
Cooper
Reynolds
Denison

**Finance Committee (Open Portion of the Meeting) -
Wednesday, 16 March 2016 at 5.00 pm in the Lady
Osborne Room.**

PRESENT:

APOLOGIES:

LEAVE OF ABSENCE:

CO-OPTION OF COMMITTEE MEMBERS IN THE EVENT OF A VACANCY

Where a vacancy may exist from time to time on the Committee, the Local Government Act 1993 provides that the Council Committees may fill such a vacancy.

1. MINUTES OF THE OPEN PORTION OF THE MEETING OF THE FINANCE COMMITTEE HELD ON TUESDAY, 16 FEBRUARY 2016

2. CONSIDERATION OF SUPPLEMENTARY ITEMS TO THE AGENDA

In accordance with the requirements of Part 2 Regulation 8 (6) of the Local Government (Meeting Procedures) Regulations 2015, the Committee, by simple majority may approve the consideration of a matter not appearing on the agenda, where the General Manager has reported:

- (a) the reason it was not possible to include the matter on the agenda, and
- (b) that the matter is urgent, and
- (c) that advice has been provided under Section 65 of the Local Government Act 1993.

RECOMMENDATION

That the Committee resolve to deal with any supplementary items not appearing on the agenda, as reported by the General Manager in accordance with the provisions of the Local Government (Meeting Procedures) Regulations 2015.

3. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST

In accordance with Part 2 Regulation 8 (7) of the Local Government (Meeting Procedures) Regulations 2015, the chairman of a meeting is to request Aldermen to indicate whether they have, or are likely to have, a pecuniary interest in any item on the agenda.

In addition, in accordance with the Council's resolution of 14 April 2008, Aldermen are requested to indicate any conflicts of interest in accordance with the Aldermanic Code of Conduct adopted by the Council on 27 August 2007.

Accordingly, Aldermen are requested to advise of pecuniary or conflicts of interest they may have in respect to any matter appearing on the agenda, or any supplementary item to the agenda, which the committee has resolved to deal with, in accordance with Part 2 Regulation 8 (6) of the Local Government (Meeting Procedures) Regulations 2015.

4. TRANSFER OF AGENDA ITEMS

Are there any items which the meeting believes should be transferred from this agenda to the closed agenda or from the closed agenda to the open agenda, in accordance with the procedures allowed under Regulation 15 of the Local Government (Meeting Procedures) Regulations 2015?

5. CIVIC SQUARE MASTER PLAN – FILE REFS: 32-20-8; P/10-14/437

101x's

Report of the Deputy General Manager of 18 February 2016 and attachments.

DELEGATION: Council

Mr Evan Boardman, Director of Environment Sustainable Development Economics, will address the Committee in respect to this item.

TO : Finance Committee

FROM : Deputy General Manager

DATE : 18 February, 2016

SUBJECT : **CIVIC SQUARE MASTER PLAN**

FILE : 32-20-8 & P/10-14/437 PAJ

1. INTRODUCTION

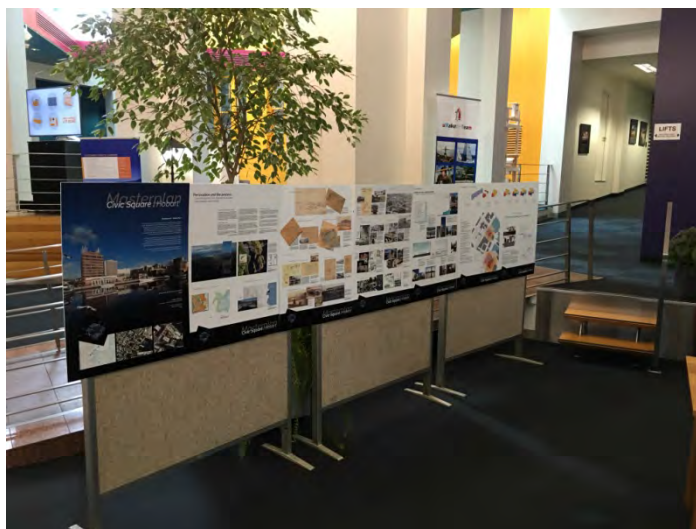
- 1.1. The purpose of this report is for Council to consider the final draft of the Civic Square Master Plan following the public exhibition process being completed.

2. BACKGROUND

- 2.1. The Council, at its meeting of 27 April 2015, resolved that a master plan for the Civic Square site be developed expeditiously.
- 2.2. Leigh Woolley Architect and Urban Design was engaged to prepare the master plan in accordance with the Council's identified timeframe.
- 2.3. The draft Master Plan was developed following a comprehensive community and stakeholder engagement process undertaken in September 2015.
- 2.4. The Council considered the Draft Master Plan at its meeting of 26 October 2015 and resolved to endorse the plan for public exhibition.
- 2.5. The public exhibition process commenced on 12 December 2015 and was open until Friday 29 January 2016. This allowed a period of seven weeks for members of the public to provide comment in relation to the draft Master Plan.
- 2.6. The public exhibition process consisted of the following:
 - 2.6.1. Publishing the draft Master Plan on the Council's community engagement website www.yoursay.hobartcity.com.au where members of the public could access the Draft Master Plan and the options to provide feedback;
 - 2.6.2. A physical display in Customer Services of the Hobart Council Centre; and
 - 2.6.3. Physical signage on-site on each of the Davey, Elizabeth, Morrison and Argyle Street frontages of the Civic Square site.
- 2.7. The physical signage on-site contained a QR code which when scanned by a smart phone directed people to the Your Say Hobart website.

- 2.8. The physical display in the Council Centre consisted of a number of corflute banners with a display version of the draft Master Plan. Figure 1 below is a photograph taken of the physical display in the Customer Services area.

Figure 1



- 2.9. The website was publicised through an advertisement in the Mercury newspaper and posts on the Council's Facebook page. It also received some media attention in both print and radio and those respective outlets provided links to the page in their articles. Some individual Aldermen also shared a link to the page through their respective social media channels.
- 2.10. The Your Say Hobart website allows Council officers to obtain data in relation to community engagement activities. This data enables some analysis of the number of visitors and visits to the page and also what action people took when they visited the page.
- 2.11. The data shows there were eight hundred and eighty five visitors to the engagement project page. This includes 'aware' visitors meaning a person visiting the project page but not taking any further action, that is the person is considered to be aware that the engagement project exists.
- 2.12. There were 364 'informed visitors'. Informed visitors have generally taken the next step and clicked on something on the project page, whether that be a document, photo, FAQ section or similar. Clicking on something on the project page suggests interest in the project and the visitor is considered to be informed.
- 2.13. Ultimately there were seven 'engaged visitors'. Engaged visitors are those that actually contributed via the website, by completing a feedback form.
- 2.14. Interestingly, the Draft Master Plan was downloaded on 227 occasions by 220 visitors.

- 2.15. In addition to the Your Say Hobart platform, four submissions were received through email and post. Accordingly, a total of eleven submissions were received.
- 2.16. Each submission was provided to Leigh Woolley in order that they be considered as part of finalising the Master Plan. Mr Woolley has considered the content of each submission and provided his response which is included as ***Attachment A*** to this report.
- 2.17. As mentioned above a comprehensive community and stakeholder engagement process was undertaken in September 2015 prior to the preparation of the Master Plan. For this reason, it should be noted that these submissions and the responses should be read in conjunction with the Consultation section of the Master Plan which is at pages 34-51.
- 2.18. Full copies of the submissions received have been included as ***Attachment B*** to this report.
- 2.19. The concerns raised through the engagement process included the potential built outcomes, removal of street trees, desire for wider footpaths and the potential relocation of Mawson's Hut. The Master Plan provides a framework from which Council will need to make decisions in respect to the space. It identifies and reinforces design principles, rather than championing a particular built solution.
- 2.20. There were some minor amendments made to the draft Master Plan as a result of the comments received in the public exhibition process and these have been incorporated in the final Master Plan which is included as ***Attachment C*** to this report.
- 2.21. As Council would be aware, the existing tenants on the site were granted leases until February 2017. Whilst tenants have understood the Council's desire to develop a Master Plan for the site, it is recognised that such short terms for the leases has created a degree of uncertainty on the part of the tenants.
- 2.22. Tenants have expressed concern to Council officers regarding the short-term nature of their leases and there is a general desire to have the lease terms extended such that they provide certainty for the business interests operated from the Civic Square site.

3. PROPOSAL

3.1. It is proposed that:

3.1.1. The Council endorse the Civic Square Master Plan;

3.1.2. Officers be authorised to develop a methodology to implement the Master Plan; and

3.1.3. The General Manager be authorised to negotiate with the existing tenants on the site such that new leases are granted in order to provide greater certainty to tenants and the outcome of those negotiations to be considered by the Council.

4. IMPLEMENTATION

4.1. Given the magnitude and complexity of the Master Plan it will be necessary to consider, in detail, how it might be implemented, including how it could be funded. This will form part of an implementation plan in relation to the Master Plan.

5. STRATEGIC PLANNING IMPLICATIONS

5.1. Previous reports have outlined how developing a Master Plan for this site is consistent with the Council's Strategic Plan.

6. FINANCIAL IMPLICATIONS

6.1. Funding Source(s)

6.1.1. The development of the Master Plan has been funded from the Council's operating budget.

6.1.2. Further consideration to implement the Master Plan will require funding and options for this will be considered as part of any implementation plan and will be the subject of further reports to Council.

6.2. Impact on Current Year Operating Result

6.2.1. This report has no impact on the Council's current year operating result.

6.3. Impact on Future Years' Financial Result

6.3.1. It is not yet possible to determine the impact on future years' financial result. This will be dependent on the development of an implementation plan with respect to the Master Plan and considering funding options.

6.4. Asset Related Implications

- 6.4.1. There are no asset related implications related to this report. These will be further considered in any implementation of the Master Plan.

7. COMMUNICATION AND MEDIA IMPLICATIONS

- 7.1. This report has detailed the process undertaken in the public exhibition process. It is evident that there was significant communication and some media interaction.
- 7.2. It will be necessary, should the Council endorse the Master Plan to make a formal public statement confirming as such. There may well be further media attention following the Council's decision and this will be dealt with in the usual manner.

8. DELEGATION

- 8.1. This matter requires the consideration of the Council.

9. CONSULTATION

- 9.1. Manager Legal and Governance
- 9.2. Principal Advisor Media and Community Relations

10. CONCLUSION

- 10.1. The Council previously resolved to prepare a master plan for the Civic Square site.
- 10.2. The draft Master Plan was developed and publically exhibited through December 2015 and January 2016.
- 10.3. The comments received during that time have been considered by the Council's consultant, Leigh Woolley Architect and Urban Design, and where appropriate alterations have been made the draft Master Plan.
- 10.4. The final version of the Master Plan is presented to the Council for its endorsement.

11. RECOMMENDATION

That:

- 11.1. The report paj(document2) be received and noted.*
- 11.2. The Council endorse the Civic Square Master Plan.*
- 11.3. Officers be authorised to develop a methodology to implement the Master Plan.*

11.4. The General Manager be authorised to negotiate with the existing tenants on the site such that new leases are granted and the outcome of those negotiations to be considered by the Council.

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.



(Heather Salisbury)

DEPUTY GENERAL MANAGER

Attachment A	Summary of submissions and responses
Attachment B	Full copies of submissions
Attachment C	Masterplan Civic Square, Hobart
	Leigh Woolley Architect + Urban Design

Hobart Civic Square

Public Exhibition (Dec 2015 – Jan 2016) / **Feedback summary**

(To be read in conjunction with Consultation section of the Masterplan p.34 – 51)

<i>Respondent</i>	<i>Key comments/ issues</i>	<i>Outcomes /review comments</i>
John Latham	Excellent work. Very pleased with direction and work to date.	
Evan Hadkins	Direction OK. Zero emissions buildings that were beautiful, would be good. Huge mass uninviting. Open areas won't be used much in winter.	Respondent likely interprets the massing 'envelope' as a building. Activating edges, recommending multi level public, and semi -public spaces should mitigate winter open space concerns.
E S Ross	Congratulations on thorough research. Report captures most of the issues including as an important public space. Agree that Mawsons Hut not well suited to the location. Agree that lack of shelter prevents use as all round venue, hence enlarging footpaths supported. Concern with Argyle mid-block and pedestrians. Activation space for young families and youth. Reconfiguring Mawson Pavilion supported. Short term activation ideas – pop up cafes, basket ball hoops, bocce, tables and chairs etc.	Incremental opportunities for activation of the whole space, including Mawson Place, is acknowledged in the Masterplan. Argyle mid-block focus particularly at event times.
Peter Brenner 'Livability initiative'	Mature trees provide amenity and should be retained. Further options to ensure the place becomes a 'haven of relaxation'. Re-arrange traffic lanes in Elizabeth Street.	Reduction of traffic lanes in Elizabeth Street is part of the Masterplan. Retention of existing full canopy of street trees will reduce built edge infill along Elizabeth Street and is not recommended.
Mary McParland Cycling South	More work to make the area cycle friendly. Widen footpath along Davey Street between Elizabeth and Argyle. Bicycle storage 'box' in Argyle street.	Footpath widening along Davey is implied, and now referenced in Masterplan (notation 8b) . <i>HCC to review bicycle lane in Argyle Street, being on opposite side of Morrison Street cycle path.</i>
Richie Kelley	The proposed direction is great.	
Jerry de Gryse	Applauds the considered analysis. 'Mature' street trees have considerable life yet. Should be retained. Elizabeth St should be pedestrian priority route involving widening of footpaths, facial recognition lighting, more street trees, seating,	Masterplan significantly widens footpaths in Elizabeth street, thus reducing traffic lanes. Vehicular movement in Elizabeth street must allow

	reduction in pavement to cars.	for servicing the urban block during events mode.
Brigita Ozolins, Gerard Willems	<p>Grateful for the consultative process. Acknowledge detailed historical research. Agree that it is a public asset with an unfulfilled civic role, with potential as a meeting and gathering place, that should be incrementally developed. Suggest a public presentation by LW summarizing key elements.</p> <p>Concern with possible wind tunnel effects – potential for more intimate internal space or courtyard ? Suggests reference to broader civic / architectural contexts. Agree with theoretical concepts underpinning the plan, but would like to see alternative options for implementing those ideas.</p> <p>Questions to HCC re implementation. <i>Including what happens if not adopted?</i></p>	<p>More intimate internal space / courtyard possible within existing framework, subject to more detailed design. Roof and pergola frame (in part) a response to potential wind tunnel effects ...</p> <p>Best practice outcomes / references inherent to design approach. Public presentation by LW subject to HCC intentions.</p>
Gavin Wright	<p>Agree site an underutilized asset. Additional food, drink outlets unnecessary – convenience store and residential and additional offices should not be considered. Relocate Mawson Hut to free up space for all. Maritime history highlighted within garden setting, with existing properties tidied up.</p>	<p>Mixed use contemporary outcomes recommended as the appropriate Masterplan direction, rather than 'status quo' approach.</p>
Lark Distillery	<p>Desire for pre Mawsons Hut lawn area to be reinstated as a family friendly space. Opposed to any development over two stories on the 'existing lawn area'. Detrimental if entry to their business was under a mezzanine. Support the use of the existing 'car park' as a public space. Concerned that diagonal movement would be compromised by existing traffic along Argyle. Prefer a makeover as opposed to a complete redevelopment.</p>	<p>'Incremental' approach (with potential built outcomes) are inherent to the Masterplan. Diagonal pedestrian movement encouraged especially for 'event' times – when no traffic along lower Argyle Street.</p>
Nathan McIntyre	No content attached	
		<p>The role of a Masterplan is to identify and reinforce design principles, rather than champion a particular built solution.</p> <p>Updated 2 Feb 2016</p>

From: [Your Say Hobart](#)
To: [Records Unit](#)
Subject: john latham completed Draft Hobart Civic Square Master Plan
Date: Tuesday, 15 December 2015 12:46:28 PM

john latham just submitted the survey 'Draft Hobart Civic Square Master Plan' with the responses below.

Please provide your feedback regarding the Draft Hobart Civic Square Master Plan and the proposed direction.

To Leigh Woolley, I am very pleased and say excellent work to date, excellent indeed.
John Latham 15/12/15

From: [Your Say Hobart](#)
To: [Records Unit](#)
Subject: Evan Hadkins completed Draft Hobart Civic Square Master Plan
Date: Thursday, 17 December 2015 9:42:33 AM

Evan Hadkins just submitted the survey 'Draft Hobart Civic Square Master Plan' with the responses below.

Please provide your feedback regarding the Draft Hobart Civic Square Master Plan and the proposed direction.

Direction. It's ok. It doesn't give much detail on what will be put there so it is hard to say. It was a zero emissions (or better) set of building that were beautiful and functional this would be good. It could be great. In winter a huge mass can be awfully uninviting and open areas won't be used much. What it feels like to be next to is hard to gauge from a drawing. Likewise how it feels to walk between the buildings.

From: [Your Say Hobart](#)
To: [Records Unit](#)
Subject: esross completed Draft Hobart Civic Square Master Plan
Date: Thursday, 17 December 2015 5:22:14 PM

esross just submitted the survey 'Draft Hobart Civic Square Master Plan' with the responses below.

Please provide your feedback regarding the Draft Hobart Civic Square Master Plan and the proposed direction.

Firstly I would like to congratulate the consultants on a thoroughly researched document. It is joy to see a master plan that draws deep into the geology and past. I think the report also captures most of the issues. I really like how it talks about this area as being an important public space. After reading the report one of the images that sits with me is that of a family have a picnic on the grass in summer. I agree with the report that Mawsons Hut is not well suited for this location. I also agree that the lack of shelter either shade or from the wind and rain prevents its use as an all round venue. One of my concerns is the jump straight to a building and the loss of this public space to a pedestrian travel path and commercial style bars and restaurants. I agree that the footpaths around the civic square could be enlarged and a reduction in clutter would make the area more pedestrian friendly. Under the master plan I don't really understand what happens to pedestrians once they reach Argyle Street mid block. The obvious crossing points are at Davey Street and Elizabeth Street. The importance of this section of Argyle Street for vehicle storage seem to be a difficult hurdle to overcome. The other aspect I think is missing from the design is that of activating places for young families and youth. I see that the area caters for tourism and adults however the waterfront is void of places for children and teenagers. Re-configuring Mawson Pavilion to face out towards the courtyard is a great idea. In fact the whole building needs to be re-configured or leveled to make it usable. The split level doesn't work and limits the venue to small events (weddings and displays). I think missing from the Master Plan are some ideas around short term wins to improve activation of the area. For example the idea of shifting the punts over to the Mawson Pavillion side could be something that could be done in the short term to lift the area. Similarly you could invite activation of the open space adjacent to Mawson Pavillion, maybe set up a cafe cart, pop up seating, maybe a jumping castle or a climbing wall. The car park on Elizabeth Street could be another location where you engage in some short term activation. Again a place where you could put a pop up cafe, maybe a basketball hoop for kids, bocce rink or some outdoor table tennis tables, or shade, tables and chairs for people to hang out at lunch time. If creating a travel path through this area is an option can we create something that trials this as a travel way? There is a great opportunity to engage on a higher level with the community through trying some different things, prototyping some ideas to see what works and what the community supports. Thank you for the opportunity to provide feedback.

From: [Your Say Hobart](#)
To: [Records Unit](#)
Subject: Peter Brenner completed Draft Hobart Civic Square Master Plan
Date: Sunday, 10 January 2016 9:16:46 PM

Peter Brenner just submitted the survey 'Draft Hobart Civic Square Master Plan' with the responses below.

Please provide your feedback regarding the Draft Hobart Civic Square Master Plan and the proposed direction.

We would like to draw your attention to the mature trees in, or immediately adjacent, to the Hobart Civic Square project. The existing trees with their CPTED sight lines and elevated canopies provide substantial comfort to moving and queuing pedestrians as well as shop owners, parked cars and employees on their way to work. They also help reduce the often fierce winds that tear around the street corners in this area. These trees represent in fact some of the few examples of properly shaped street around Hobart. Together with the adjacent trees in Elizabeth St and Morrison St they form a reasonably good cluster of solid public greenery that should absolutely be retained and new developments on the ground arranged around them. If anything, the entire Civic Square area should be analysed with a view to where else street trees could be planted to help the new locality become a haven of relaxation all while very busy in its new density. The most challenging area is probably the bus "terminal" in Elizabeth St where more space may need to be created for buses as well as passengers. If necessary we would urge to rearrange the traffic flows in Elizabeth St to enable the removal or possibly narrowing of one of the currently 4 lanes. There can be no doubt that proper street trees with CPTED sight lines and elevated canopies play a pivotal role in the liveability infrastructure of any city. Apart from providing creature comfort they also enhance commercial turnover and workers' health. Hobart is fortunate that it has this little precious area of the right kind of trees already in the ground and it should make the best use of them. Incremental replacements can then still be contemplated if and where necessary due to tree health or other urgent reasons. Street trees are not optional embellishments. Instead they should be regarded as vital urban infrastructure and treated as such. Peter and Lesley Brenner, Liveability Initiative



Glenorchy Memorial Pool
Anfield St, Glenorchy, Tas 7010
PO Box 708, Glenorchy, Tas 7010

T: 03 6273 4463
E: info@cyclingsouth.org
www.cyclingsouth.org

19 January 2016

Community Engagement
Draft Hobart Civic Square Master Plan
Hobart City Council
GPO Box 503
Hobart 7001
hcc@hobartcity.com.au

Dear Sir/Madam,

Draft Hobart Civic Square Master Plan

It is exciting to see consideration being given to improving this space. The current car parking is a poor use of prime land near the waterfront.

The consultation document included reference to *"Further development of cycling facilities around the area would contribute to the health and wellbeing of locals and visitors as well as allow for transit across and through the area."* With two bike hire businesses located on the waterfront, bicycles offer an inexpensive, simple and efficient way for visitors to explore the waterfront area and places beyond, but more work is needed to make the area cycling-friendly.

Between the various plans (*Hobart Bike Plan 1997, Hobart Principal Bicycle Network Plan 2008 and the Hobart Regional Arterial Bicycle Network Plan 2009*) Davey St, Elizabeth St, Argyle St and Morrison St are identified as part of the proposed bicycle network.

In order to enhance access to and through the area the following recommendations are suggested:

- Widen footpath along Davey St between Argyle and Elizabeth Streets by removing 4 car parking spots. This provides an improved connection for people on bicycles travelling between Mawson Place and Elizabeth St, which is a feeder route into the CBD. It also improves amenity for pedestrians as the current footpath is quite narrow.
- Include advanced bicycle storage box on Argyle St at the intersection with Davey St and stand up lane on the approach to the intersection (see attached photo).
- Install single bicycle parking hoops outside destination venues such as cafes.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mary McParland".

Mary McParland
Executive Officer





Example of bicycle stand up lane and storage box on Argyle St



A joint project of Brighton, Clarence, Glenorchy, Hobart and Kingborough Councils

From: [Your Say Hobart](#)
To: [Records Unit](#)
Subject: richiecuskelly completed Draft Hobart Civic Square Master Plan
Date: Sunday, 24 January 2016 7:21:07 PM

richiecuskelly just submitted the survey 'Draft Hobart Civic Square Master Plan' with the responses below.

Please provide your feedback regarding the Draft Hobart Civic Square Master Plan and the proposed direction.

The proposed direction is great!

From: [Jerry de Gryse](#)
To: [Records Unit](#)
Cc: leighwoolley@ozemail.com.au
Subject: Civic Square
Date: Monday, 25 January 2016 2:53:27 PM

To whom

I have read and applause Leigh's considered analysis.

He suggests 'consideration' of the "mature trees" in Elizabeth Street. It is my view that they are not mature and have considerable life left and should be retained in any development of the site. Their value is significant in \$ terms and in their contribution to the amenity of the street for pedestrians.

I would go further and say that Elizabeth Street should be a pedestrian priority route through the length of the city and particularly between the Mall and the Cove floor. This should involve widening of footpaths, facial recognition lighting, more street trees, quality paths, seating and a reduction in pavements dedicated to cars. The latter is again important from the Mall to the waterfront and easily achieved given the limited vehicle numbers through this area. Civic Square could be the beginning point for this conversion to a pedestrian friendly streetscape.

Yours faithfully

Jerry de Gryse

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E jerrydegryse@inspiringplace.com.au
W inspiringplace.com.au

From: [Brigita Ozolins](#)
To: [Records Unit](#)
Cc: [Gerry Willems](#)
Subject: Draft Civic Square Masterplan - Feedback
Date: Wednesday, 27 January 2016 12:12:19 PM

Feedback: Draft Hobart Civic Square Master Plan

Thank you for the opportunity to give feedback on the draft master plan for this very significant Hobart waterfront site.

As long term tenants of the site, we are particularly interested in the plan. Gerard has been running a Picture Framing business on the site since 1974, and Tasmania's only Antique Print Shop since 1986. Brigita has an artist studio and office in the same building and we both also live there, so it is our home as well as our place of work.

We are grateful for the consultative process that included an extensive personal interview as well as the opportunity to take part in a public workshop with other interested members of the public.

We acknowledge the detailed historical research that has been undertaken in the interpretation of the site and which underpins the broad concept of the site as an amphitheatre both to the cove and to the city.

We agree that the site is a public asset with an unfulfilled civic role, that it is embedded with historic significance, that it has potential as a meeting and gathering place, and that it has the opportunity to consolidate existing retail and hospitality services. We also agree with the suggested incremental development of the site.

However, as the plan is so densely packed with information and as the drawings and massing diagrams are not completely clear to the layperson, we would value the opportunity to attend a public presentation that summarises the key elements of Leigh Woolley's vision and provides a platform for public discussion.

The proposed plan creates a pathway that leads from Elizabeth Street to the waterfront and vice versa through a mirrored amphitheatre shape that becomes narrower at the centre of the site and broader as you enter and depart. We have concerns that this might create a wind tunnel that may deter rather than encourage gathering, especially given that the area around Morrison Street is one of the windiest in the city. We wonder how the site would operate if it were modified to create a greater sense of discovery, of coming across a more intimate internal space or courtyard? The laneways of Melbourne come to mind, as do the smaller courtyards at Salamanca Place.

We appreciate that the site is unique to Hobart and that the plan is inspired by the site's own history. However, we would like to see references to broader civic and architectural contexts that include similar types of development in other national and

international waterfront locations that have been particularly successful in achieving comparable aims. For example, we have had very positive experiences of the historic waterfront precincts of Bergen in Norway, Gdansk in Poland and Fremantle in Perth. Seeing how other cities have developed similar sites would help in the visualization of the potential of Hobart's Civic Square.

In summary, we agree with the theoretical concepts underpinning the plan, but would like to see alternative options for implementing those ideas. We would also like the opportunity to hear the architect talk to the plan at a presentation that invites public discussion.

Questions:

If the plan is adopted, what would HCC's timeline be for implementing the suggested developments?

Which elements of the plan would have priority and be developed first?

How will implementation of the plan impact on existing businesses? Does HCC intend to allow existing businesses to continue?

What strategies would be implemented for facilitating after hours security of the site?

What happens if this plan is not adopted?

<!--[if !supportLineBreakNewLine]-->

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From: [Your Say Hobart](#)
To: [Records Unit](#)
Subject: Hobart completed Draft Hobart Civic Square Master Plan
Date: Friday, 29 January 2016 10:39:40 AM

Hobart just submitted the survey 'Draft Hobart Civic Square Master Plan' with the responses below.

Please provide your feedback regarding the Draft Hobart Civic Square Master Plan and the proposed direction.

Having read the related documents the following comments are made on the proposed direction. Some comments are repeats of information in the documents that I am in agreement with. The Civic Square is a underutilized asset and taking into consideration the mix of visitors in the area, residents, tourists and office workers, the redevelopment should focus very much on these visitors. I am of the opinion that additional food, drink outlets are not required as there are already sufficient in the area. Also a convenience store and residential accommodation should not be considered. Bearing in mind the very interesting maritime history of the area it would be appropriate to have a History Display in the open area. This area could include gardens, lawns seats, tables, in which visitors could take time to enjoy their visit to the square taking in the views across to the dock area. Consideration should be given to relocating Mawsons Hut perhaps to CSIRO Antarctic Division, which would free up space to enable a friendly area for all visitors to be provided. I am not in agreement with any thoughts to modernise the square infrastructure. Existing buildings could be tidied up where necessary but in doing so ensure that their heritage appearance is maintained. In summary, existing open space, including car park of the Hobart Civic Square could be developed into a lovely open garden area for all visitors to enjoy. This area could contain a Hobart Maritime History Display applicable to the Hobart dock area. This option would support the increasing number of tourists to the dock area and the Tourist Information Centre location. Existing properties could be tidied up as necessary but maintain their heritage appearance. The opportunity to have a public garden recreational area in this area for all visitors to share and enjoy should not be missed. Additional offices, retail outlets, residential accommodation should not be part of this Plan. Thank you for the opportunity to make comment. Gavin Wright

To Hobart City Council

Thank you for taking the time to read Lark Distilleries feedback on the Draft Hobart Civic Square Master Plan (the plan).

Lark Distillery have been operating from the Cellar Door site for 15 years as a tourism, retail and hospitality provider and we believe we are uniquely positioned to provide insightful feedback as to what would be a successful use of the area. Before the construction of the Mawson's Hut replica the lawn area used to be utilised by families visiting the distillery. Patrons would enjoy a beverage and play Bocce on the lawn, it provided a meeting place where tourists could interact with locals in a relaxed family environment.

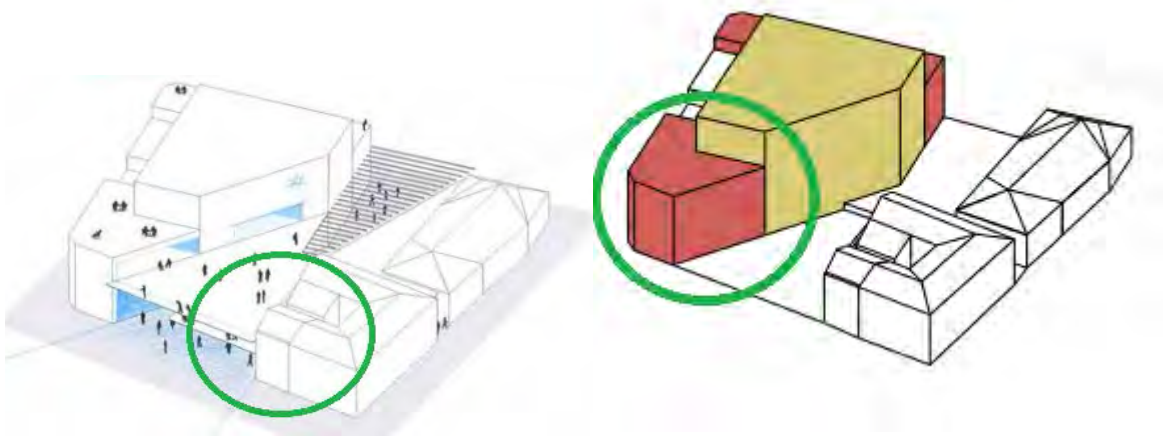
LAWN AREA

Therefore, Lark Distillery believe the existing lawn area should remain a lawn area as it has a unique old Hobart charm right on the Hobart waterfront, surrounded by buildings dating back to the 1800's and with old sail boats moored across the road. We believe the current plan would erode that charm. The surrounding area has recently undergone somewhat of a transformation with the addition of Frank Restaurant, Sush Track and Café Lola. Both Sush Track and Café Lola have small dining areas that are regularly full and there are also several small fishing punts at Constitution Dock with no dining area. We believe a better use of the lawn area would be to encourage the public to eat outdoors and enjoy the sunshine, with their own food or local takeaway. One can look at the success of the open lawn area at Mona to gain an understanding of how popular such an area can be with locals and tourists alike. The lawn area at Mona frequently hosts groups of people there to relax or eat in a laid back family environment set amongst Mona's artwork.



LARK DISTILLERY MAIN ENTRANCE

Lark Distillery would strongly oppose the development of anything over two stories on what is currently the existing lawn area and Mawson's Hut. The main entrance to the Lark Distillery Cellar Door is via the lawn area. Despite having an entrance off Davey Street, this entrance is rarely used by customers. We believe it would be very detrimental to our business if our primary entrance was going to be located under a mezzanine level. Customers at the cellar door have already noted that it can be hard to find as it is hidden by Mawson's Hut. This extends to the proposed construction of a building on the Morrison Street bend. It is our view that if the lawn area was to remain that the construction of this building would box in the lawn area and make it less inviting to the public. It is our opinion that it would be better to redevelop the existing building on the northern corner of Morrison and Elizabeth Streets under its existing footprint, or expanding it into the existing carpark area.



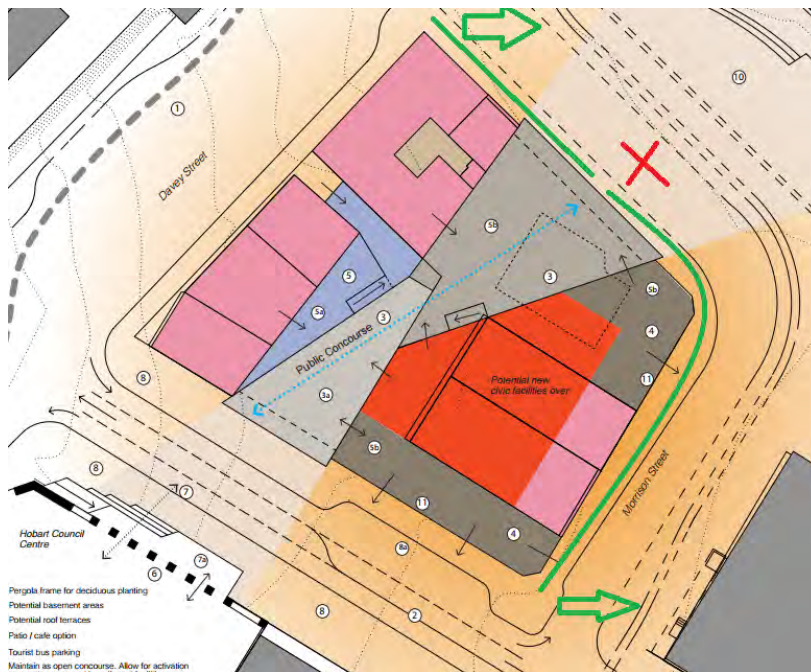
EXISTING CAR PARK SITE

Lark Distillery support the use of the existing car park site off Elizabeth Street as a public space. We believe that making this area more inviting to pedestrians would encourage traffic flow through to the existing lawn area.

DIAGONAL MOVEMENT THROUGH SITE

From reading the plan it is our understanding that one objective was to create diagonal movement from Franklin Square through to the wharf area. It is our opinion that this would not be achieved as once you move through the public concourse and reach Morrison Street you would need to walk back to either Davey or Elizabeth Streets in order to cross Morrison Street and access the wharf area. This would make the diagonal movement route longer than the existing routes. Morrison Street is very busy, especially during peak times and it is our opinion that it would not be possible to have a diagonal crossing of Morrison Street. Having the diagonal concourse would encourage pedestrians to cross the road around a blind corner on a busy street.

It is our opinion that the cycle lane and upgrades to Morrison Street have had a very positive impact on traffic flow in the area and that this has been a sufficient step to bring more people into the area.



In summary, it is our opinion that the area would benefit more from a makeover as opposed to a complete redevelopment. We also believe that a makeover would result in a family friendly space that all members of the public could enjoy and at a much lower cost to the Hobart City Council.

Again, thank you for taking the time to read our feedback on the Draft Hobart Civic Square Master Plan.

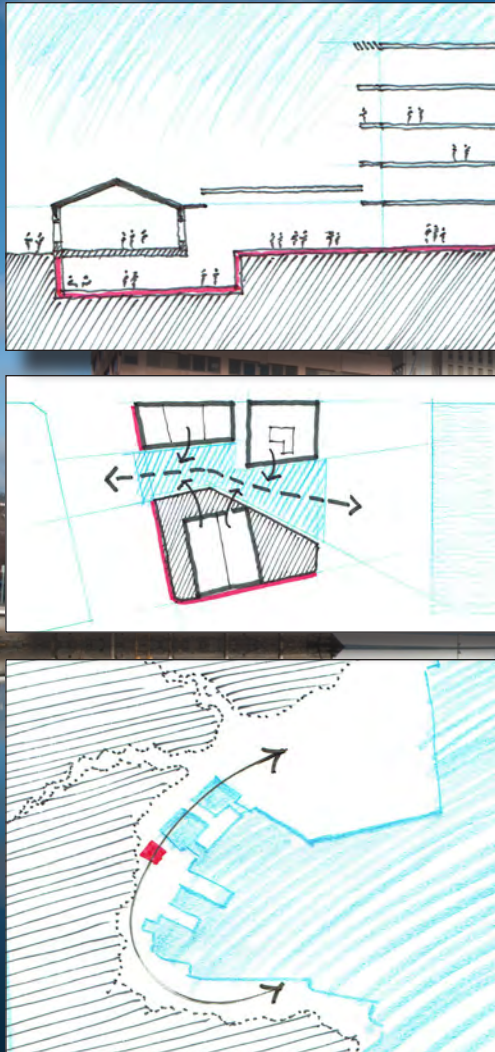
Kind Regards

Rob Kingston

Acting CEO, Lark Distillery

Attachment C

Masterplan Civic Square, Hobart



Prepared for the City of Hobart
February 2 2016

Leigh Woolley
Architect + Urban Design Consultant

Liminal Architecture
Barbara Hingston
MGS

Masterplan CIVIC SQUARE Hobart

Consultation and Urban Design Principles

Prepared for the City of Hobart

Draft : October 10 2015

Finalised: February 2 2016

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LIMINAL
ARCHITECTURE

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Background

A Consultant brief prepared by the City of Hobart in early 2015 acknowledged the long standing desire by Council to develop the site known as 'the Civic Square', being the block bounded by Davey, Argyle, Elizabeth and Morrison Streets. In seeking a Masterplan to be prepared for the site, the brief anticipated that it would provide the City of Hobart and the community with a blue print to guide future use, development and management of the site.



Approach

The approach taken by the consultant team, having due regard to the brief, has been to consider the evolution of the precinct as an integral component of the civic space of Central Hobart.

From this an outline spatial history underpins urban design principles capable of informing objectives for the site and its future use. A consultation plan ran parallel with this analysis, interviewing tenants, organizational and public stakeholders.

Having given attention to the history, spatial location and relationship of current and potential stakeholders to the civic space, the approach then identifies criteria to be considered as part of the sites future role. Considered as emergent development objectives for the location, these are then applied to generate proposed direction(s) in the Masterplan.

Left : Aerial photograph 2012: The margins of the urban block are identified in pink.

The Process

The place and purpose of a spatial Masterplan

The preparation of a Masterplan for the 'Civic Square' site confirms intentions by the City of Hobart to appropriately consider development of the precinct. In so doing it enhances civic expectations for the location while underpinning its historical role providing connection between town and port.

Recognised as a Key Site within the Sullivans Cove Planning Scheme, development is expected to further the preferred future and strategic principles contained within the Scheme. In providing direction to that end, the Masterplan considered the location and its development over time.

Urban design principles were generated specific to the place, ensuring the spatial characteristics of the SCPS are re-considered and integrated in the approach.

The site currently presents as a significantly underutilized asset since its complete transfer in 1988. However despite its current appearance, it is steeped in the history of the development of the town and the city.

The pivotal location, initially part of a foreshore shallow reef, progressively became a formal component of the reclaimed space of the Cove Floor*. As a result, it has been integral to the development of the port and its aprons, but also of the civic space and urban character at the heart of the settlement

region. Accordingly it is now a further catalyst for ongoing revitalisation of the Cove Floor as well as a hub linking the civic space of the city centre and the waterfront.

Crucially its role as a public asset provides the opportunity to strengthen its unfulfilled civic role, while also ensuring implementation of strategic policy intentions relating to cultural heritage and urban space. In tandem with its civic purpose, the location stands out as an excellent opportunity to consolidate existing retail and hospitality offerings differentiated from those elsewhere in Sullivans Cove and in the city.

As a location to interpret the civic origins and development of the city it is uniquely placed.

The Masterplan provides a considered direction for the site taking account of its evolved status, as well as opportunities to ensure the amphi-theatre to the cove and the landscape of the city can be appreciated, both from within the site and across the cove.

These intentions recognize the contemporary role the location can play in the planning of the central city.

* Cove Floor: The water-plane and the reclaimed space of Sullivans Cove differentiated by its utilitarian port origins and planar surface.



1842 TAHO



2007 Woolley

The spatial history

A consideration of the spatial history of the location identified the progressive changes to the civic space of the town, giving rise to the precinct and then to the site designated for a Civic Square.

Arising from the morphological analysis are summary themes identifying the evolution of the civic character of the location. The sequence of activities, namely: 'Placing, Forming, Transforming, Visioning and Re-Visioning' also provide a time line of this evolving sensibility.

Placing: The landform structure of the place was acknowledged together with the abiding characteristics of the location, being part of a deep-water cove between headlands.

Forming: In response to the location between cove and fresh water rivulet, settlement occupied the escarpment above the shore, generating a hierarchy based on refuge and prospect. Formalizing these relationships, the town plan generates alignments responding to both ridge and foreshore, focusing an elongated 'civic triangle'.

Transforming: Foreshore reclamation extends the port and the town-plan with an integration of street alignments generating

a new urban block, while redevelopment of the ridge generates a 'garden-like' square. Port expansion consolidates activity within the precinct and the new urban block, which soon acts as a hub between the town and its docks.

Visioning: The pivotal role of the location to the future of the city intended to be re-focused on the waterfront, gave rise to acquisition and demolition of properties with the space intended to become a civic waterfront plaza. Competing authorities build substantial headquarters fringing the space, refocusing the diagonal alignment from the civic escarpment to the enclosed docks.

Re-visioning: Following relocation of the primary working port to Macquarie Point, the civic role of the Cove Floor consolidates with more diverse activity - strengthened by the location and its existing activities providing pedestrian connectivity and historical continuity.

Urban design principles emerging from this analysis, together with the outcomes of the Consultation Plan, were incorporated into objectives for future site development.



Consultation: Tenants, Stakeholders and Public

A comprehensive stakeholder and community consultation process was structured to maximize potential expectations and consider design values through a three-phase engagement program. Initially tenants were interviewed before a stakeholder session was held with representatives of organizations nominated by the HCC. An open invitation Public Consultation session was held thereafter.

A number of themes emerged in consultation with tenants related to the value attributed to the site, as well as challenges to and directions for future development and usage. These included the locations 'centrality' and its 'diversity', the 'complementarity' of uses and the 'authenticity' of both the built fabric and current site activities.

Accordingly the value placed on the historic integrity of the buildings in the precinct, and positioning it as a place that deserves public attention was indicated as very important for tenants and by implication – visitors.

Tenants frequently suggested that any future uses and development in the precinct should be seen not in isolation, but in relationship to the precinct's location within the wider characteristics of the surrounding boundary

areas, the waterfront and city centre entry point.

Stakeholders consistently demonstrated a shared appreciation of the history of the precinct valuing its qualities and their contribution to the city; visible in the intimacy embodied in its remnant historical elements. Ways in which stakeholders regard these qualities might be applied towards greater public activity, engagement and civic appreciation within the precinct have also come to light, and warrant Council's further consideration.

Both the process and product of stakeholder engagement in the master planning process for the Civic Square indicate regard for the site as a valuable asset in the public and community's appreciation of the history and development of Hobart as an early Australian port city.

The site has potential to take up a key role as a public space that illuminates and gathers people into the continuing and evolving relationship between Hobart, its urban landscape and waterfront.

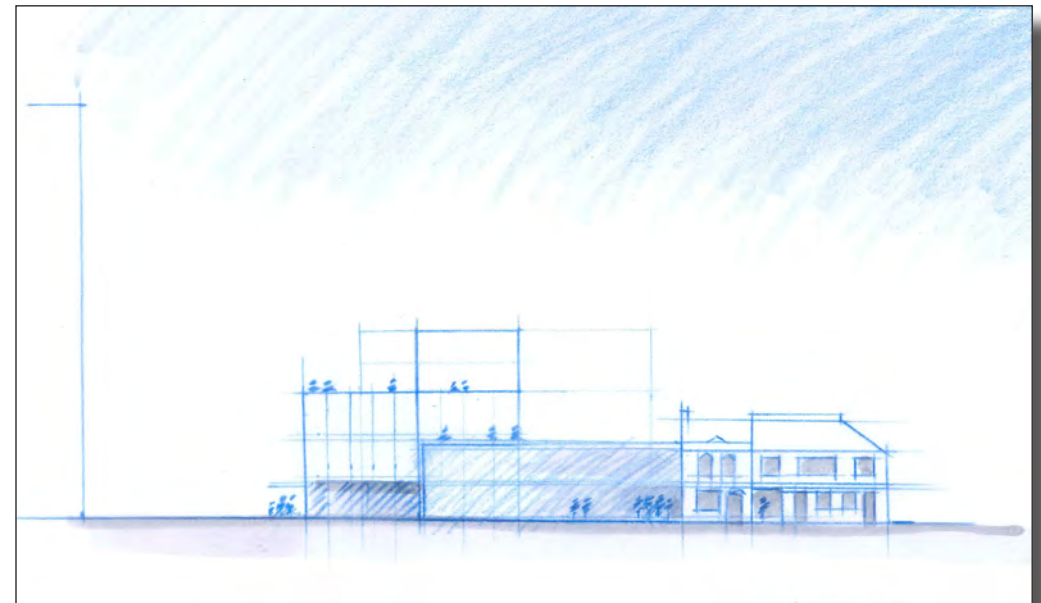
A public exhibition of the Draft findings preceded finalisation of the Masterplan.

The Location

Considering the Civic Square as a place that enables civic activity



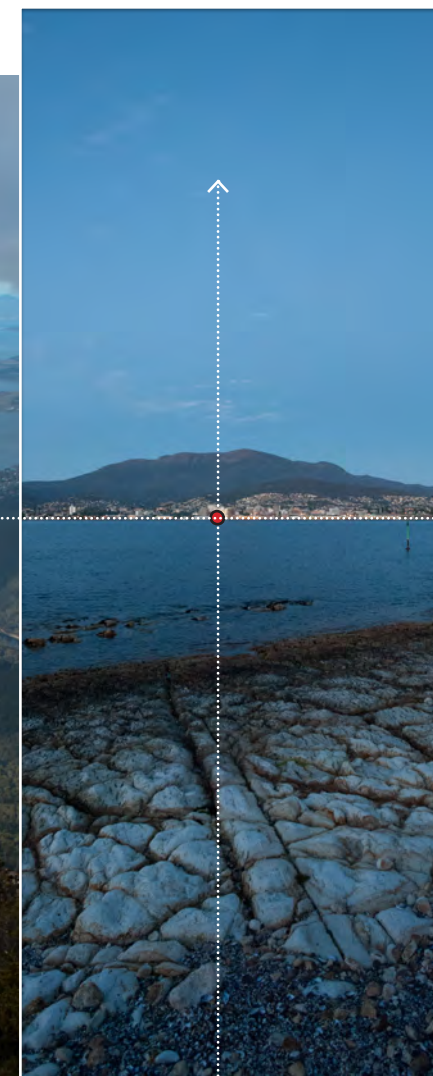
Above top : The civic alignment - mid twentieth century
 Above: Connection from Mawson Place to high ground summit
 across the urban block, links Cove Floor and regional landscape.
 Right top: Concept massing in response to alignments- Argyle St.
 Right lower: The 'civic domain' of the Cove Floor



- **Placing** : the urban morphology
- **Consulting** : users response
- **Considering** : design interpretation

‘Placing’

*Considering the location within the city.
Developing an outline spatial history
to inform Urban Design Principles*



Considering the civic :

- *Where the sense of citizenship can be expressed*
- *The feeling of belonging to a particular town or city*
- *The sense of being a place with an urban identity*

The Setting and the Landform

The margin between land and water characterises the dwelling region

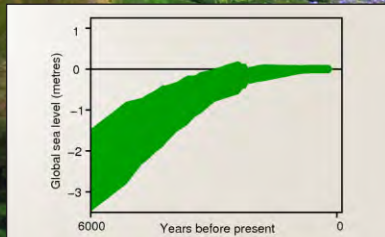
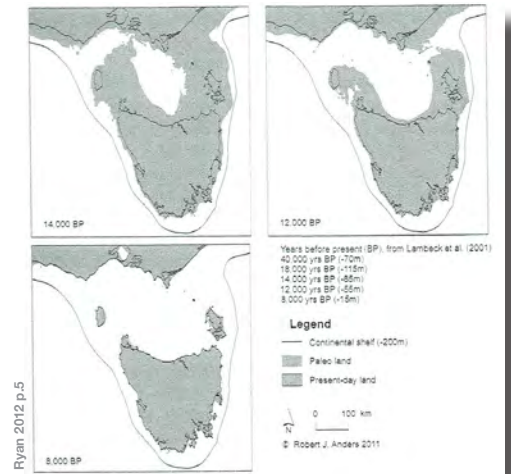


Figure 2. ▲
Global sea level over the past 6,000 years relative to modern-day levels (indicated by the horizontal line at 0 on the graph).

The thickness of the green line represents the uncertainty. The plotted record ends at about 1900. After Lambeck and Chappell, 2001; Lambeck et al., 2002; Lambeck, 2002; Lambeck et al., 2004.



Ryan 2012 p.5

Periphery

The regional setting, including the subject site, is identified by the margin between land and water which continues to rise.

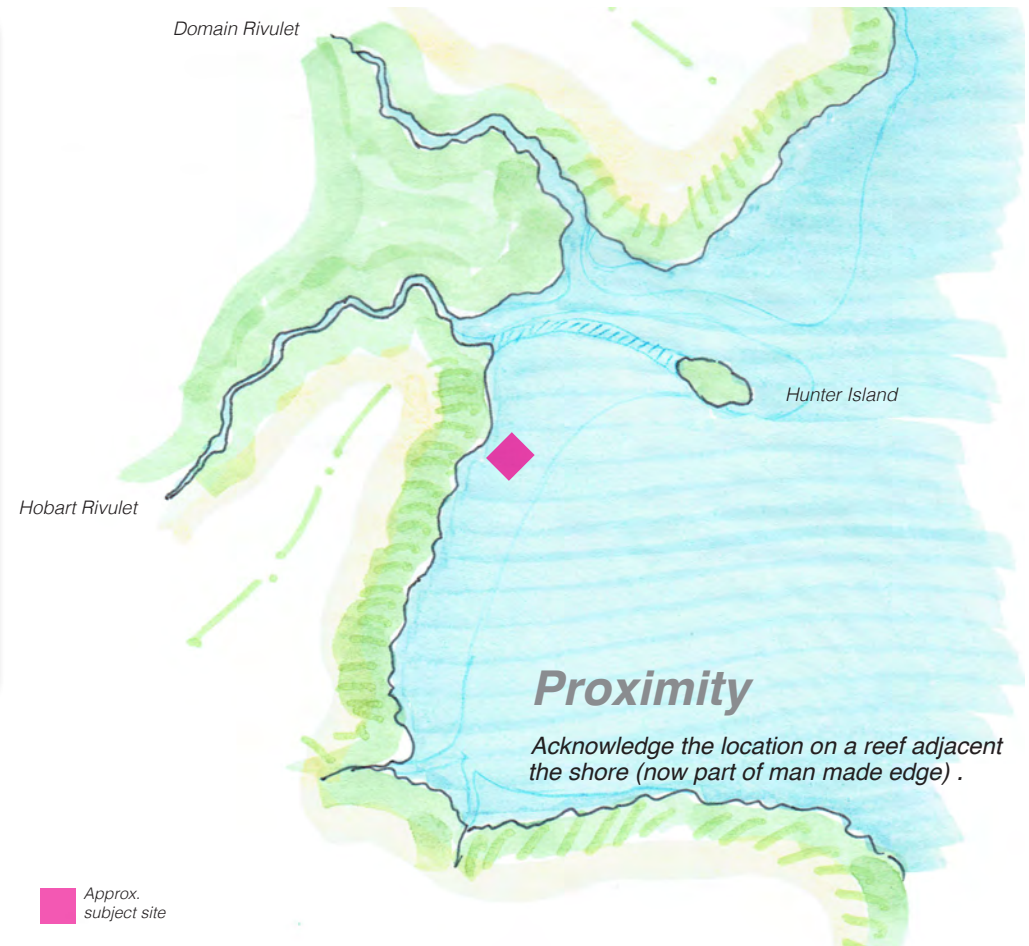
The Setting and the Landform

Geological foundation confirms the location between headlands, close to an escarpment



Hobart Geological Map (detail)
Mineral Resources of Tasmania
Hobart 5225 (nov 2005)

**Headlands buttress
the cove**



Approx.
subject site

The Setting and the Landform

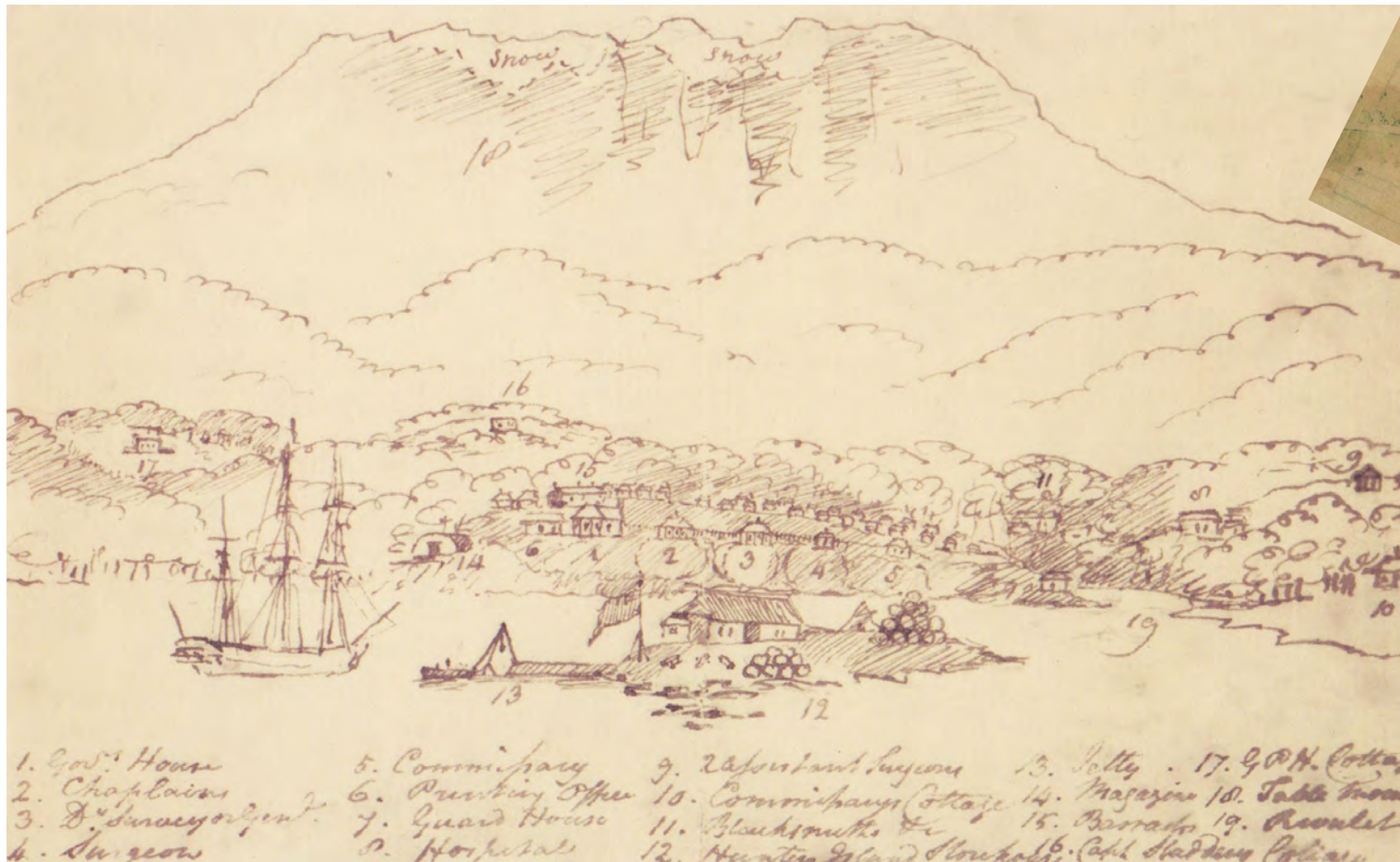
The location is part of the natural topographic focus of the region.



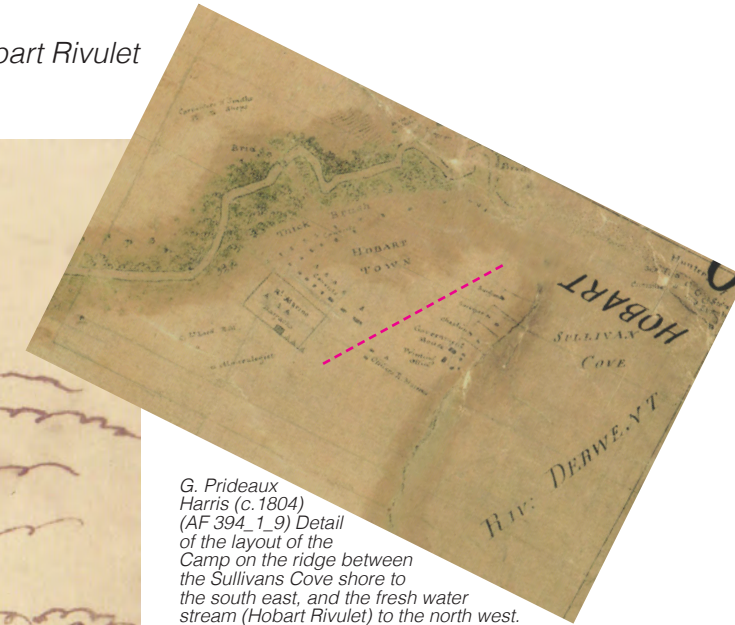
'Forming'

The Setting and the Built form

'The Camp' locates on the escarpment and along the sinuous path of the Hobart Rivulet



G. Prideaux Harris (sketch c. 1805-6) NLA

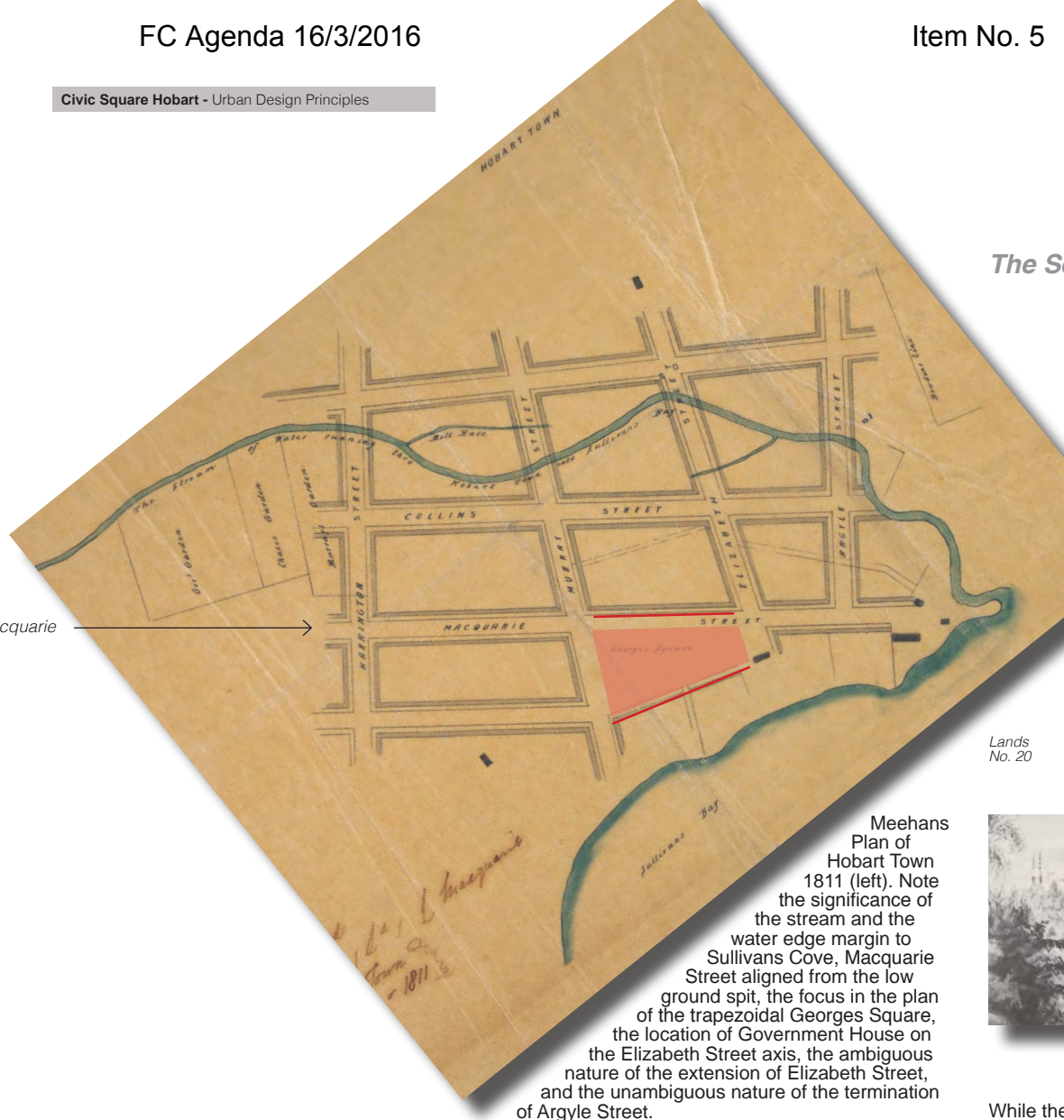


G. Prideaux Harris (c. 1804) (AF 394_1_9) Detail of the layout of the Camp on the ridge between the Sullivan's Cove shore to the south east, and the fresh water stream (Hobart Rivulet) to the north west.

The place of 'the camp' in its landscape scale- identified in Harris' foreshortened view (left) across Sullivan's Cove (with Hunter Island in the foreground), and the 'amphitheatre to the cove' beyond. (Drawn from approx. equivalent of today's Macquarie 2 shed) As one of the earliest drawings of the town, the settlement hierarchy is evident, with Government House (No.1) shown elevated on the rising escarpment above the shore.

Boundedness

Acknowledge the landscape scale and character inherent to the form of settlement



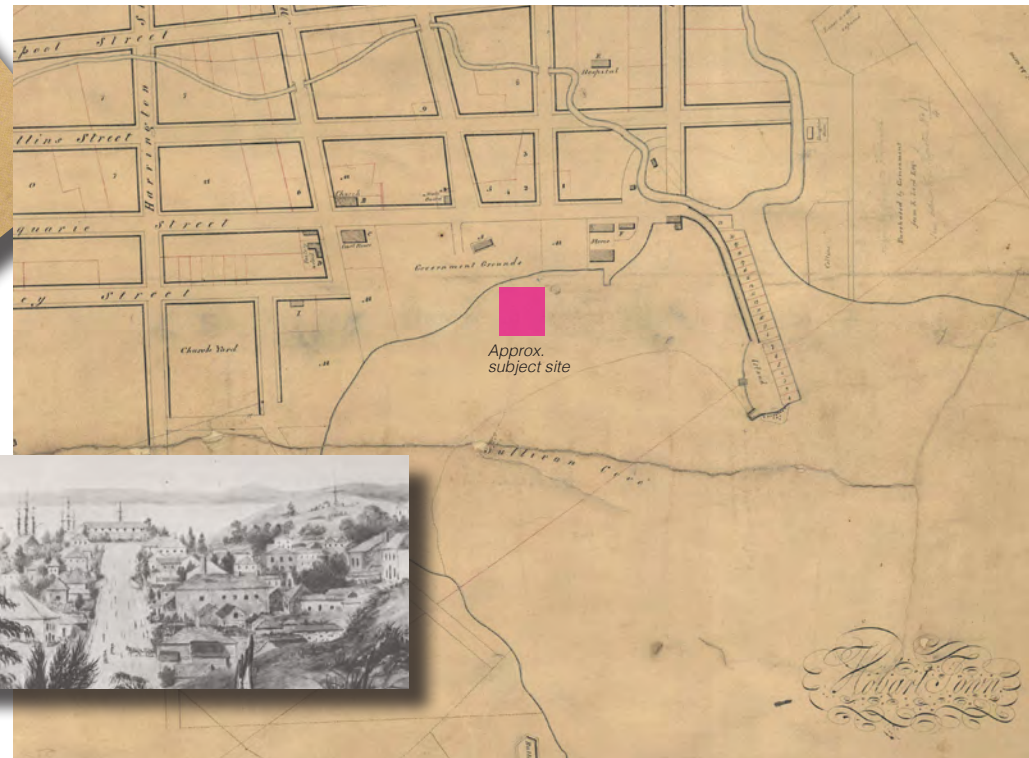
Macquarie →

Meehans Plan of Hobart Town 1811 (left). Note the significance of the stream and the water edge margin to Sullivan's Cove, Macquarie Street aligned from the low ground spit, the focus in the plan of the trapezoidal Georges Square, the location of Government House on the Elizabeth Street axis, the ambiguous nature of the extension of Elizabeth Street, and the unambiguous nature of the termination of Argyle Street.

On the escarpment, and presenting as a terrace, Georges Square is the focus of the town - arguably Hobart's first Civic Square. The alignments of its non parallel sides, one from the Macquarie Street ridge and the other parallel with the Sullivan's Cove shore, are significant to the form that the town was to become.

The Setting and the Built form

Surveyed alignments generate public square at the center of the town



c. 1820 Map Hobart 12 (AF 394_1_10)

While the plan above (c.1820) alludes to a more structured town than was the case at the time, the streets in reality being less well formed, its evolution is informative. It reinforces the presence of Government House on the Elizabeth Street alignment, with a widening of the adjacent western flank of the street ensuring the seat of government is central to the streetscape vista. Refer inset detail (Duterrean c.1836) looking along Elizabeth Street to Govt. House on the escarpment / ridge.

Containment

Acknowledge the location and alignment of the principal civic space of the town at the termination of the street grid, between it and the shore

The Setting and the Built form

The initial civic square becomes an extended civic triangle



With Macquarie Street establishing the town grid, and the Causeway extending Old Wharf as the point of disembarkation, the form of the town and its port grew. The space contained by these primary alignments provided the gateway to the town and the colony. With the seat of government expanding on the escarpment, it offered a civic 'domain' at the threshold of town and colony. (refer: Frankland's 1827 watercolour above. TAHO)

Instead of the 'Civic Square' envisaged by Meehan, a civic spine focussed along the rising ground of the Macquarie Ridge, linked the Court House, Government House and the Bond Stores as an extended 'civic' triangle.

However with the re-routing of the outfall of the Hobart Rivulet, along what was to become lower Collins Street and reclamation forming Market Place, an alternate public square was soon to be made available.

Extension

Acknowledge the emergence of a civic spine along the rising ground adjacent to Macquarie Street.

Inset; Plan by John Lee Archer 1828 indicating intended port improvements. Note also the creation of Market Place, an alternate public square reclaimed when the earlier outfall of the Hobart Rivulet was re-routed.

'Transforming'

The Setting and the Built form

Transformation of the towns civic space underpinned by foreshore reclamation



Hobart No.19 Nov. 1840



AF394_1_7

Construction of New Wharf on the southern shore of the cove began in 1825. The following year the Land Commissioners recommended that; 'the whole distance from Mulgarve Battery round Sullivans Cove to Macquarie Point will be reserved either for mercantile and government stores and batteries. The whole may therefore be considered as reserved...' Reclamation of the space between as a broad mercantile terrace, took the efforts of a number of Governors and several decades to complete. By 1840 when Edgars plan (above left) was produced, the new Customs House was completed, Murray and Argyle Streets extended to the shore, and the more extensive reclamation ordered by Gov. Sir John Franklin was underway on the wharf that was to bear his name.

Concept plan from 1839 (above) acknowledges the potential of an enlivened civic precinct above the reclaimed 'floor', accessed by a ceremonial flight of stairs. Govt. House is still identified, while 'Council Offices' (for a future legislature) on the Elizabeth Street axis are envisaged.

Reclamation

Acknowledge the influence of the reclaimed (man made) edge to the civic sense of the town

The Setting and the Built form

A new 'urban block' aligns with both town and port



Hobart No.38 AF 394_1_36

Right: Street alignments that would define the future block are shown in this plan c.1850. (TAHO) Argyle Street is formed, Morrison and Davey streets are proposed, as is the continuation of Elizabeth, awaiting removal of the old Government House.



PH30_1_6275

By 1854 reclamation was largely completed and Morrison Street established. Constitution Dock was opened for the use of small boats. After the new Government House was completed at Pavilion Point in 1858, Elizabeth Street was quickly extended through to the reclaimed wharf terrace.

The 'urban' block created by the alignment of the adjoining streets was then subdivided into ten allotments. By 1860 the eastern half of the site fronting Morrison Street was well developed, with merchants and speculators taking advantage of the waterfront location. Opposite on Franklin Wharf, a Mariners Church was erected in 1862.



AF 394_1_93

Subdivision

Acknowledge the dual alignments of the town grid and the earlier water margin in subdividing the 'urban' block

The Setting and the Built form

Growing confidence generates civic consolidation

Right: The Civic spine along the Macquarie Ridge c. 1868 (TAHO)

Far right: Franklin Square 1865 (detail) replacing old Government House (TAHO)

Far right lower: The dock edge precinct and the urban block late 1870's (detail) (TAHO)

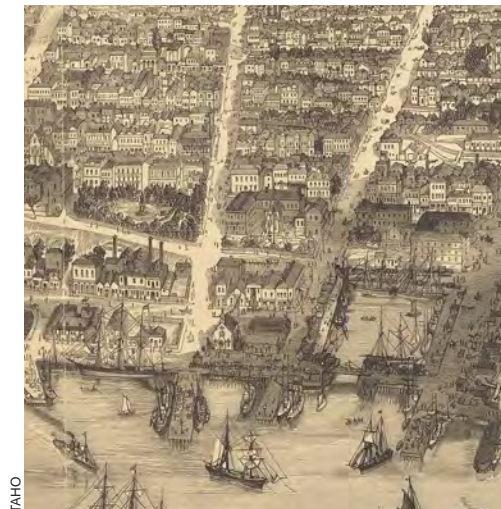
Below: Buildings on the urban block face Constitution Dock, the layering of the amphitheatre to the cove beyond. c. 1875 (TAHO)



AUTAS 00112485036



TMAG



TAHO

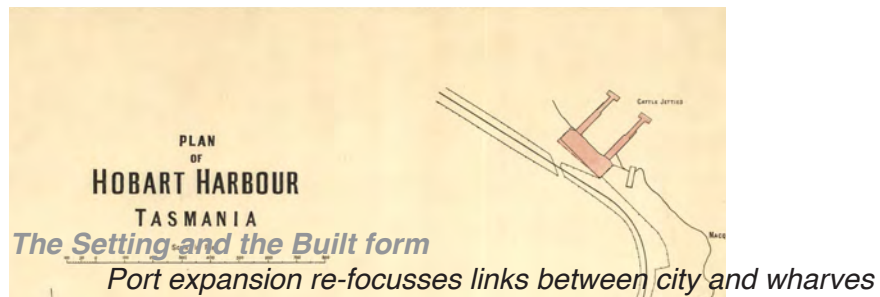
Redevelopment of the former Government House site as a 'garden-like' square (Franklin Square) occurred in 1860. Soon thereafter the Town Hall was built (1866 Arch: Henry Hunter) and together with the Supreme Courts to the west (Arch: Porden Kay) and the Bond Stores to the east, a civic spine was formalised.

By contrast, the reclaimed space beneath the escarpment was a place of industry often stacked with piles of timber, then the mainstay of the economy. This was the case on the 'subject' urban block, now part of an increasingly active port.

Renewal

Acknowledge the contrast between the civic formality along the ridge and the industry of the reclaimed floor

PH 30_1_5604



Above : Lower Elizabeth Street, c. 1925. (Beattie) Of the buildings shown only the former Plesse + Co. building remains.

Far right: Davey Street and the escarpment edge to Franklin Square. (c.1900) The activity of a working port on the reclaimed floor contrasts with the civic spine above. (TAHO)

Right: By the turn of the century, the finger piers along Franklin Wharf and the extended Princes Wharf offered extensive wharf frontages.

Top right: Howard Hotel and steam ferry Togo at Constitution Dock. (TAHO)

Middle right: Davey Street and the escarpment edge to Franklin Square. (c.1900) On the Cove Floor beneath, the activity of a working port contrasts with the civic spine. (TAHO)



NS 1231_1_112



NS 869_1_437



From the 1880's the fruit industry became the life blood of the port reinforcing the timber industry with their need for wooden fruit cases and pallets. Timber merchants erected offices on the block - Henry Chesterman erected a two storey covered timberyard on the corner of Davey and Argyle streets. From 1890 - 1914 there was rapid development of steamship services. Over the ensuing decades offices and agencies of steamship companies representing Hobarts coastal, inter-colonial and overseas trade located to the site.

Left : Mariners Church behind the new pier on the Elizabeth Street axis, the subject site between them and the Town Hall. Detail from Vaniman (TMAG) 1904

Integration

Acknowledge the proximity of contrasting activities focussed on the urban waterfront

The Setting and the Built form*Densely built, the block now provides a hub between town and port*

While the block was 'built out' from the late 1880's, it continued to be consolidated over the ensuing decades as a densely developed collection of hotels, garages and offices. Collectively they provided the termination of the principal commercial street - Elizabeth Street - adjacent to the docks.

Motorised transport had an important effect on the waterfront with service stations and motor depots built cheek by jowl with these other uses on the block.

After the First World War the maritime aspect of the entire waterfront became less evident, with coastal shipping impacted by rail and the trend for fewer but larger ships entering the harbour.

The Tasmanian based national transport company Holymans built an art deco style building (1934) on the Morrison Street frontage. Meanwhile the city centre expanded with the new Hydro Electricity Commission building (1938) on the adjoining corner, providing the first multi-storey office building on the Cove Floor. (Albeit addressing and aligned to the civic focus of the Town Hall)

Consolidation

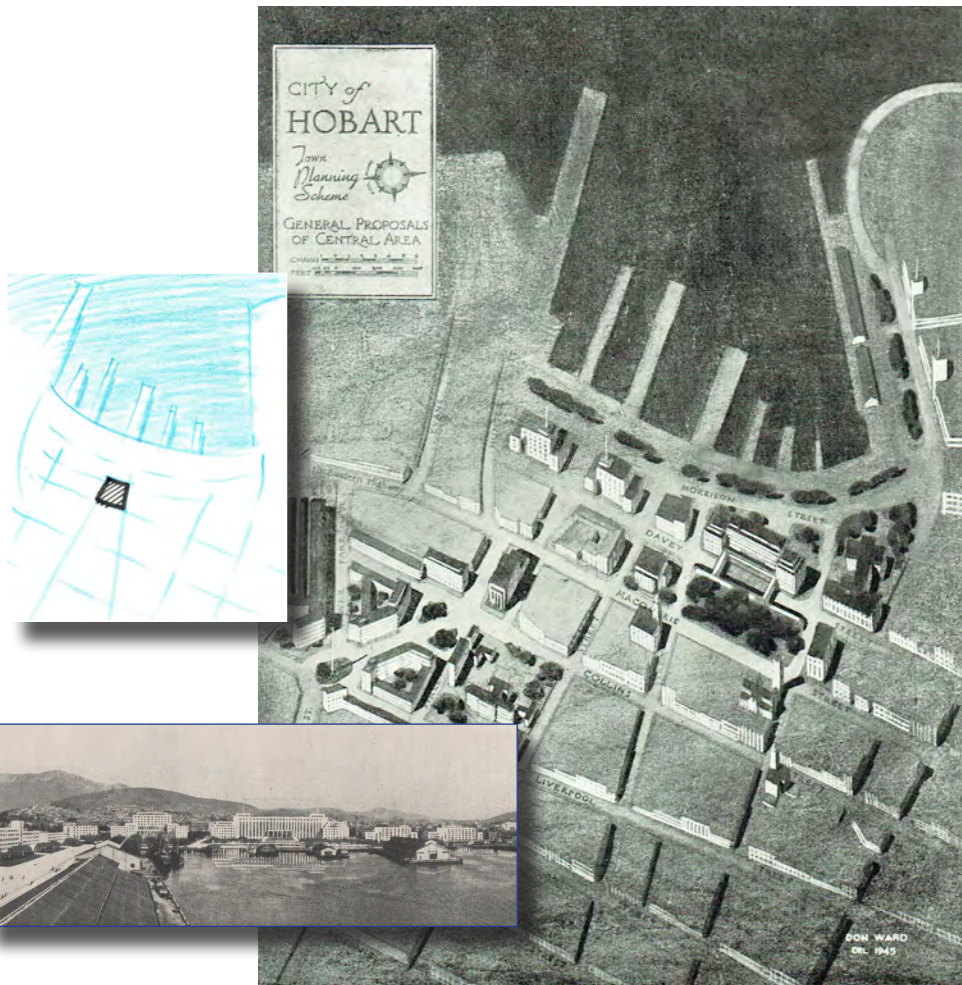
Acknowledge the diversity of use and densely developed character of the block

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'Visioning'

The Setting and the Built form

Grand vision to refocus the city on the waterfront



Council had been acquiring land for its own purposes since the late 19c. With the commissioning of the City of Hobart Plan (1945) the concept of refocussing the city and the waterfront gained fresh currency. Developed by engineer and surveyor Fred Cook, a new city centre was envisaged, focussed on the existing Franklin Square, the recently completed HEC building and the Town Hall.

The 'civic centre' was to be enlarged with most stone buildings removed and replaced by new buildings of a 'pre designed architectural unit'. (Cook) Linking the Railway Roundabout diagonally with the southern suburbs through Battery Point, Morrison Street was to become a new marine terrace (akin to JLA's 1828 plan). With the Franklin Wharf buildings removed and an extended Salamanca Gardens between them and the port, the 'civic square' site would have become the focus of both the city grid and the 'arc' of the cove.

Expansion

Acknowledge the implication of a re-envisaged City Centre focussed on Sullivans Cove

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The Setting and the Built form

Competing authorities vie for space on the Cove Floor

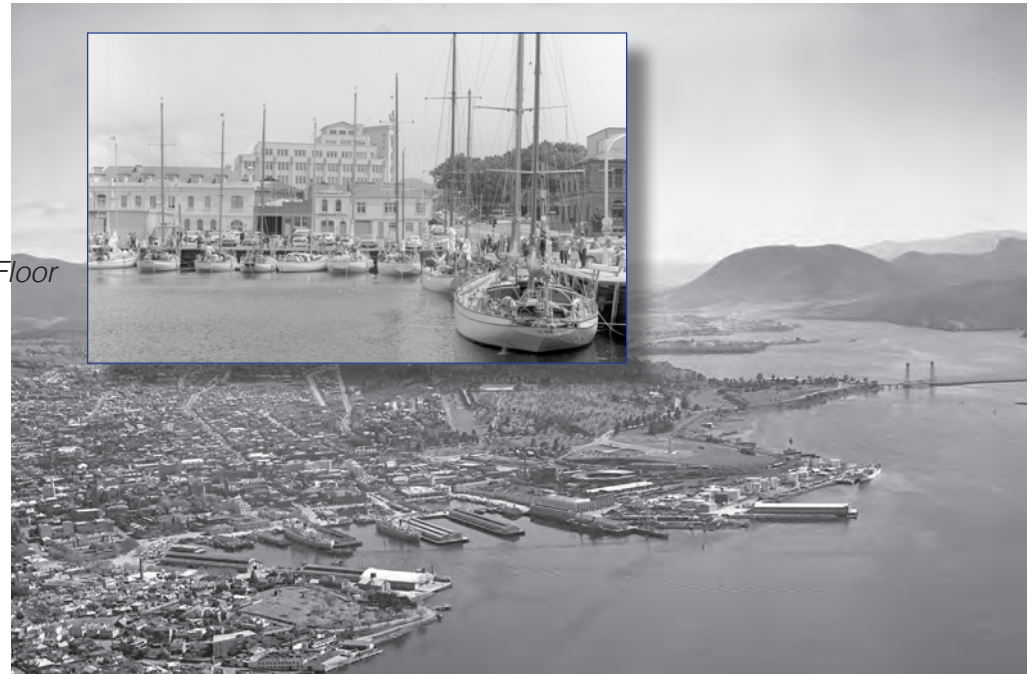
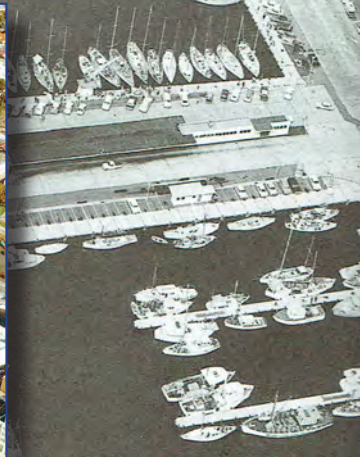
The appropriateness of demolishing an historic block (an inherent assumption in the choice of the civic square site) can in hindsight be seen as 'an inadequate and insensitive proposal of the 1950's'. (McNeill)

Above right : Macquarie Point port expansion (c. 1960) and right below (c. 1975): (TAHO)

Left : Redevelopment on the Cove Floor :Vern Reid 1971 (in Hudspeth, Scripps 2000)

Left below: The redeveloping inner Cove (HPC) 1970

Above right (inset): Sydney - Hobart race fleet c. 1960 prior to the demolitions on the adjacent block. (TAHO)



Demolitions of Council acquired properties in support of this civic potential occurred during the 1960s. The disappearance of the jam industry by 1970 affected both sides of the cove - with the whole area already showing signs of 'irrelevance and decay'. (Cook)

*Above right (c. 1960) and right below (c. 1975): TAHO
Left :Vern Reid 1971 (in Hudspeth, Scripps 2000)
Left below: Hobart Ports Corporation 1970*



Port expansion at Macquarie Point reduced dependence on the ageing finger piers along Franklin Wharf, while 'machines were replacing manpower on the wharves'. (Scripps) Administrative expansion of municipal, state and port authorities gave rise to substantial new office buildings on and adjacent to the Cove Floor. The development by the Marine Board of Hobart of its new Franklin Wharf office building, *(above left under construction)* on the same alignment as the proposed 'Civic Square', 'destroyed any notion of opening the Town Hall and the city directly to the Cove'. (McNeill) The taller extension to the HEC offices on the Morrison Street corner further reinforced the new office scale impacts.

Collectively these outcomes refocussed the diagonal alignment from Franklin Square to towards the enclosed docks, via the (now substantially demolished) Civic Square site.

Reparation

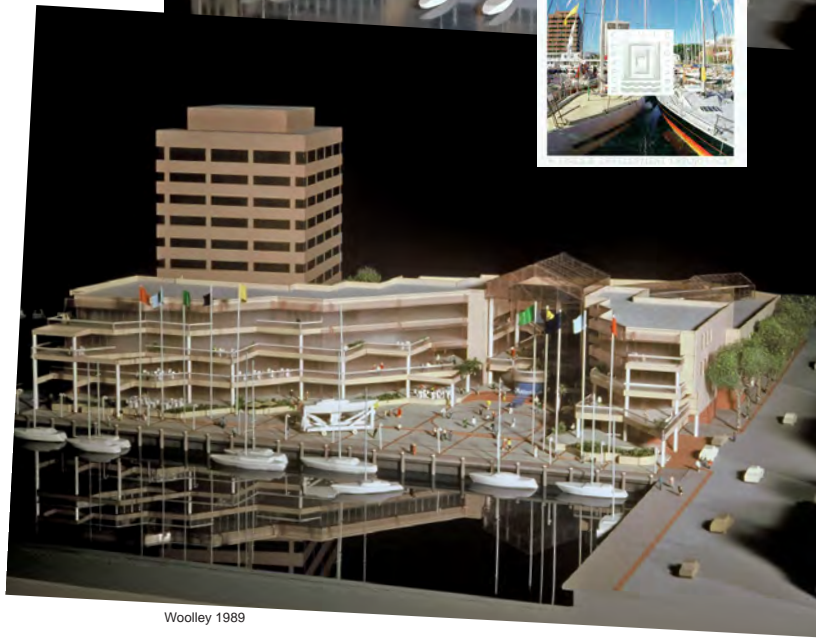
Repair the urban block, especially its degraded street frontages, acknowledging the earlier fine grain pattern of lot boundaries, re-entrant spaces and streetscape diversity.

The Setting and the Built form

Reconfigured expectations gesture to an Events Plaza alongside interpretation of the whole space

Far right : Sullivans Cove Urban Detail study acknowledged the interpretative potential of the site.

Far right below: The Sullivans Cove Urban Design Study suggested cascading terraces linked to the Town Hall. This approach was taken up in the market driven EOI process to develop the Civic Square site. (winning scheme below, runner up: right above)



Woolley 1989



The significance of Sullivans Cove was assisted by specialised development authorities over ensuing decades. Studies were commissioned to provide strategic direction. Among these the Sullivans Cove Urban Design Study (1983) identified the development of the Civic Square site of critical importance to the revitalisation of the cove and the central city generally. The Sullivans Cove Urban Detail Study (1987), in identifying the principal spatial characteristics of the cove, acknowledged the importance of the site as a key interpretation and orientation space.

An expression of interest process in 1988 saw the site offered to the market as 'a unique development opportunity'. Insisting that 3500 m2 of public space should be provided, the design responses were found wanting in terms of the constraints identified.

Connectivity

Acknowledge the desire to re-engage the location as pivotal to the civic appreciation of Sullivans Cove

'Re-Visioning'

The Setting and the Built form

Reconsidering the space of civic engagement



The edge to Constitution Dock was upgraded and renamed Mawson Place in the late 1990s.



Above: Events on the Cove Floor take advantage of the robust yet intimate spaces adjacent the docks.
Left : Some businesses on the Civic Square site have traded for decades from their existing premises.

The scale of the proposals from the Expression of Interest process confirmed the importance of maintaining view-lines along streets across the Cove Floor, as well as diagonally from Franklin Square to the docks.

Council embarked on a significant upgrade of the Argyle Street edge to Constitution Dock in the late 1990's, incorporating redevelopment of the office building along the edge of the dock. Formerly the Waterside workers building, then the Dockside offices, it was re-worked into a public function facility as the Mawson Pavilion. Reducing the buildings footprint opened views to the docks from along Morrison Street and through to the Cenotaph on the Domain headland.

With cardinal lighting on the Argyle street axis, robust timber seating and flush paving across the extended space which reduced vehicular corridors, the new Mawson Place provided the city with an enhanced public edge to the enclosed docks.

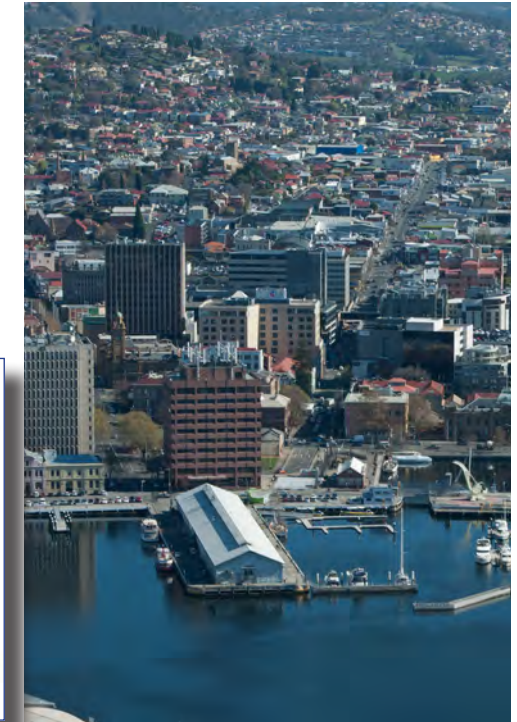
The success of summer festivals on the Cove Floor, (building on the Sydney - Hobart Yacht race) included from 1994 the bi-annual Wooden Boat Festival, focussed on Constitution Dock and the other dock edges. It and other events continue to take full advantage of the location and its robust, planar, upgraded space.

Meanwhile in the former Chestermans building along Davey Street another Tasmanian success story was distilling. The internationally celebrated Lark Distillery continues operations from the site along with several other nearby tenants who have been trading for nearly forty years in the 'Civic Square' 'neighbourhood'.

Re-view

Acknowledge civic opportunities that flow from the inherent strengths of the location

The Setting and the Built form
Enhancing the Cove as a peopled place



In more recent times the Sullivans Cove Masterplan (2010) identified key strategic moves in seeking a consistent approach to future changes. For Mawson Place and surrounds ‘mixed use development with activity at ground level’ was identified along with further public space improvements along Franklin Wharf.

The Hobart 2010 - Public Spaces and Public Life report identified the potential of the Elizabeth Street spine as a unified pedestrian priority street, suggesting an extended single surface paving across the whole space, including the adjacent 'civic square' site - part of the waterfront being acknowledged once again as the true city destination.

Continuity

Acknowledge the desirability of Elizabeth Street extending its civic presence across the Cove Floor.

Periphery : The regional setting, including the subject site, is identified by the margin between land and water which continues to rise.

Proximity : Acknowledge the location on a reef adjacent the shore (now part of man made edge) .

Orientation : As part of the reclaimed low ground the location can take advantage of the extended scale of the setting.

Bounded-ness : Acknowledge the landscape scale and character inherent to the form of settlement

Containment : Acknowledge the location and alignment of the principal civic space of the town at the termination of the street grid, between it and the shore

Extension : Acknowledge the emergence of a civic spine along the rising ground adjacent to Macquarie Street.

Reclamation : Acknowledge the influence of the reclaimed (man made) edge to the civic sense of the town

Subdivision : Acknowledge the dual alignments of the town grid and the earlier water margin in subdividing the 'urban' block

Renewal : Acknowledge the contrast between the civic formality along the ridge and the industry of the reclaimed floor

Integration : Acknowledge the proximity of contrasting activities focussed on the urban waterfront

Consolidation : Acknowledge the diversity of use and densely developed character of the block at this time

Expansion : Acknowledge the implication of a re-envisioned City Centre focussed on Sullivans Cove

Reparation : Repair the urban block, acknowledging the earlier fine grain pattern of lot boundaries, re-entrant spaces and streetscape diversity.

Connectivity : Acknowledge the desire to re-engage the location as pivotal to the civic appreciation of Sullivans Cove

Re-view : Acknowledge civic opportunities that flow from the inherent strengths of the location

Continuity : Acknowledge the desirability of Elizabeth Street extending its civic presence across the Cove Floor.



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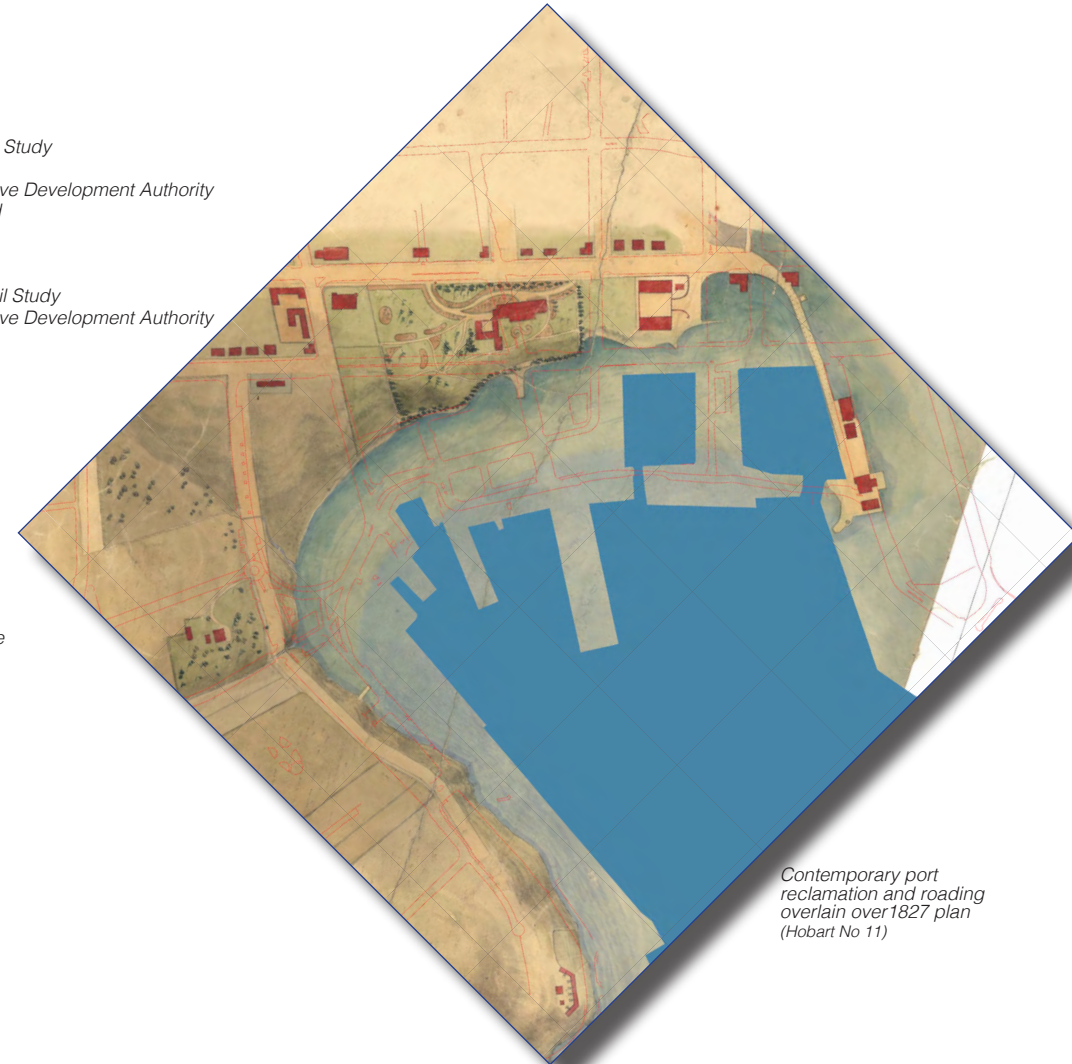
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‘Consulting’

Stakeholder Consultation report

The stakeholder consultation program – purpose

Effective and successful design enriches the lives of people who engage with it. The success of any complex project with multifaceted users depends on a sophisticated level of communication and stakeholder engagement premised on an understanding of design value that both includes and is more than the aesthetic.

This report on the contemporary possibilities and likely future needs of the Civic Square ‘site’ is informed by a comprehensive stakeholder and community consultation process structured to maximise these design values. This invited challenging and constructive dialogue with both the users and the community, through a 3 phase stakeholder communication and engagement program described below:

Phase 1: Precinct Tenants /Property owners

Over the period 28 July - 21 August tenant business owners/ senior executive, other staff and residents* ¹ participated in face to face semi structured interviews conducted by members of the project team – Leigh Woolley and Barbara Hingston.

Tenants were advised of the scope and process of the project and conversations prefaced by a brief history of evolution of the meaning of civic space, the significance of the civic’ notion, and change in civic space over time. Tenants discussed their experience of the space under consideration, the desired future character for their property, the Civic Square site and the precinct within the landscape of “land, water

¹ Tenants/business owners interviewed included The Map Shop; Mawson Sheepskins and Opals; Grab Cafe / Restaurant; Millin Environmental Management; Lark Distillery; Kent and Kent Antiques; Tasmanian Tourist Information Centre and Mawson’s Hut.

and city” and how this could include broader civic dimensions as one of a number of civic spaces in Hobart. They were encouraged to identify what they valued about the precinct and its usage – their own use of the space and that of other tenants, locals and visitors. Additionally tenants identified a number of challenges and barriers impacting what the space might become. This included possibilities for incorporating other users in the space, consideration of what doesn’t work as well as it might in the use and configuration of the precinct, what in their view was missing and what would need to happen for this to be improved or become less problematic to users, current and prospective.

All tenants identified principles and key messages they wanted to be carried forward as central to Hobart City Council’s deliberations on the future of this space. These are included in this report.

Phase 2. Organisational Stakeholders

A range of stakeholders nominated by HCC were invited to a closed forum on 14 August. Invitees included Government business entities/ authorities and State policy bodies, business and community associations, business owners and development corporations. ²

The forum offered participants an overview of the history of the precinct and its development to date. Organisational stakeholder consultation on the future role of the Civic Square precinct was informed by the spatial history of the site, discussion of the significance and centrality of the precinct within the tourist experience of Hobart and appreciation of urban design principles beginning to be identified through this analysis.

² Invitees consisted of Aurora Energy, Tasmanian Hospitality Association, Tourism and Industry Council Tasmania, Department of State Growth, Macquarie Point Development Corporation, Frank Restaurant and Bar, Sush Train, Lola Coffee Co., Battery Point & Sullivan’s Cove Community Association, Tasmania Heritage Council, TAS Ports, and Waterfront Business Community.

Phase 3. Public Consultation

A public consultation forum was held on 28 September at Mawson's Pavilion.

This focused on the shared experience of memorable urban spaces such as the 'floor of the Cove' and the role that the Civic Square site can play in its future. It briefly considered the historical and contemporary overlays of the location, its opportunities and constraints and offered participants the opportunity to respond to this analysis.

A report on each of the phases of consultation follows.

Stakeholder consultation:

Phase 1: Precinct Tenants /Business owner Interviews. Characteristics of site users

Tenants

Most tenants in the precinct are business owners including one who lives above the business. Each spoke of a complementary relationship between tenants, reporting a sense of small neighbourhood and reporting instances of support including cross promotional collaboration between some businesses in the precinct. Most tenants identify with and highly value the historic nature of the space and have a long term association with the site, one tenant having been in the precinct for 40 years. All tenants now have a lease only until February 2016. Consultations for this report indicated the difficulty this lease term presents tenants for business continuity, and for any investment planning and development they would otherwise progress in their businesses over the longer term.

Other users

Tenants reported that users who bring life to this space include both the tourists and local occupants of surrounding areas, including students and businesses across the waterfront. The numbers of proximate office dwellers using the space has increased foot traffic, including through expansion of dining venues nearby – bar/ dining facility, café and dining options. One respondent suggested that this development has tended to “draw different kinds of client to the area who are more interested in staying in or moving through the precinct while also valuing the intimacy and history of the space”.

The majority of foot and small vehicular traffic in the area consists of tourists- interstate, Tasmanian and international. Examples include 3,000 visitors to TTIC in one day at its peak last year. Whisky tour operator

Although Davey Street is highly trafficked tenants did not regard vehicular density as problematic.



Lark reports tour participants consist of 75% international and interstate visitors, 25% local Hobart residents, while Mawson Sheep Skins and Opals point to strong engagement with visiting families – Tasmanian, interstate and international including tour ship guests. Mawson's Hut advised that 50,000 visitors attended the attraction in their first year of operation 2013-2014. This profile reflects approximately 15% local visitors, under 10% international with the remainder coming from other states in Australia particularly Qld, followed by NSW, Vic, and WA.

Emerging Themes

A number of themes emerged in consultation with tenants related to the value attributed to the site, as well as challenges to and directions for future development and usage. These are identified below:

Centrality

Respondents commonly reported the high value that access the precinct provides to waterfront visitors, including those coming from the cruise ship terminal at Macquarie No.2 and the Elizabeth Street bus mall. They also value the broader proximity provided to transport routes in and out of the city and with other points of visitor engagement – MONA ferry terminal, Maritime Museum and TMAG. This proximity strongly links the precinct to both tourist and local community trade including for example, higher education student population. Some tenants place particular value on the site in relation to their own business. One such example is Mawson's Hut. Drawing attention to the site's proximity at 200m from the site of Mawson's 1911 expedition to the Antarctic, the location is regarded as offering direct alignment with the development of Australia's Antarctic presence and exploration, including its legacy in the Antarctic Division.

Davey St offers good visibility for businesses on that edge, particularly for tourists on foot or by vehicle drawing their attention to where, how

and when visitors can access information about Tasmania. Significant traffic flow along Davey St was not regarded as problematic, although some tenants pointed out that speed and pedestrian safety have been an issue in more recent years and speed of traffic in the precinct may require further consideration by the relevant authorities.

Diversity, complementarity and authenticity

All tenants suggested there was real value in diversity of business offerings currently located in the precinct and in the amenity this provides for tourists – national and international- and locals including those working in offices nearby. Needs of different tourist groups – ship traffic, families, singles etc. are met in the current mix of tenancies, “when people know about them”. They saw further value in businesses that complement and maximise the history of the site and that prioritise the distinctive nature of the Hobart experience within the broader relationship between land, water and city.

Tenants advised that tourists frequently appreciate the current range of retail entities and businesses on the site seen as offering “something for everyone”. Currently the range includes a thematic synergy between site users such as that demonstrated by the print shop, maps, antiques and antiquarian bookstores. Offering an alternative to retail homogeneity is seen as a strength by tenants, providing a very significant draw to the tourist market and to locals. They suggest that the mix of different historic buildings should support a commensurate mix of different businesses “It would be a shame to handover the space to just another private interest grog outlet” and to lose this complementarity.

The site could do more to improve the experience of tourists and locals by promoting a range of Tasmanian brands and encourage businesses coming into the area with a particular interest in Tasmanian produce, its innovation, quality and history – including its more recent history.

The majority of tenants strongly advocated for a balance in tenancy types and retaining diversity in the range of users with most considering that no-one or one type of tenancy should have a stronger claim in the use of the site nor own a whole precinct block at the expense of other smaller businesses. They asserted that the space was far too important than to allow it to become just another collection of shops as are available in any retail mall. Stakeholders noted that the quality of the space strongly lends itself to relationship with 'culturally related' businesses and expression. These could include performance, art, music, artisan and other cultural activity in keeping with how the whole of the cove floor has over time, become a highly significant cultural domain and civic space for Hobart. One tenant noted that retaining diversity in the precinct's commercial character also prevents the 'cove floor' largely becoming not much more than a platform for extending the physical presence of the University of Tasmania- located between IMAS and the Tas School of Art.

The area is now predominantly tourist centric. The majority of tenants appreciate the advantages this brings including via those tourists who visit Mawson's Hut contributing to revenue for the preservation of other historically significant elements for the State eg the conservation of the original hut in the Antarctic. More broadly however tenants also expressed the view that there would be nothing worse than becoming another monoculture or formulaic tourist experience – "we don't want to become another Salamanca".

All stakeholders supported facilitation of a greater level of participation of a diverse range of people families and individuals, local and tourist pedestrians - in, across and through the site.

Integrity

The value placed on retaining the historic integrity of the buildings in the precinct and positioning it as a place that deserves public attention was very important to tenants and by implication – visitors. The history of

small shops in this waterfront space is valued by visitors and locals alike who do not want to see "just another set of big monopoly businesses and companies taking over the space".

The history of the space is very significant although there is limited community and visitor understanding of its connection to the city's maritime past. For example the buildings on the site include the former export office for the apple trade in Tasmania. Tenants spoke passionately about the value inherent in history both visible and underlying the precinct buildings, despite the challenges the site presents for storage, amenity, and pedestrian traffic safety and retail flow space. All tenants commented that visitors and locals also value this quality about the space.

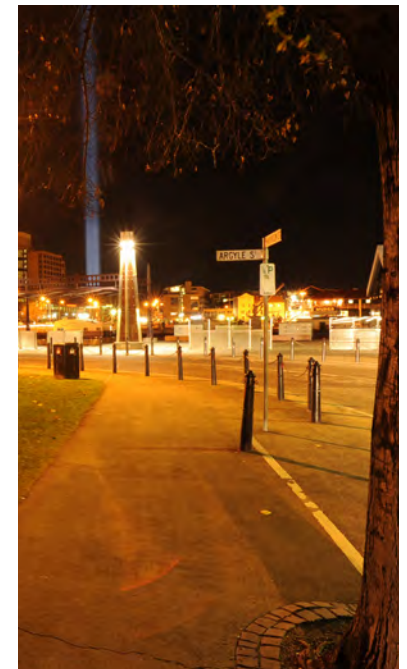
'It's really important that beautiful buildings like this are preserved and not hidden behind anything – they should be available as part of the fabric of being in the waterfront of Hobart". It is also important to appreciate that the historical significance of the area is not only confined to its colonial origins, early and mid-20th century fabric but also present through development in more recent times including as the original siting of significant contemporary businesses eg the Lark whisky distillery.

Directions for Change - improvements and challenges

Tenants shared a perception that the site could certainly and should be more than it currently is. Tenant feedback indicated that there is currently little wider recognition of the area's potential including its civic character suggesting that the space is largely unknown, offers little to draw people into it and has a somewhat "no man's land" feel.

It was evident that tenants and stakeholders see the characteristic of civic as one where 'place offers opportunity' for citizenship and positive social engagement to be expressed and through which people experience

Increasing the possibility for a range of accessible night time activities in the precinct was identified by both tenants and stakeholders.



a sense of belonging to and with their community. In keeping with this understanding, retaining historical intentions for civic participation as part of the precinct, including when it was adjacent to the earliest city formation, are considered highly important. Valuing the Civic Square site as a place in which people living in and coming to Hobart can access those intentions, should be facilitated and promoted.

Tenants were broadly supportive of civic space being developed at ground floor level in the precinct allowing other users to live, exist and work around it. This was expressed in views that included openness to the idea of the existing car parking area being left as open space or indeed lifted up, with vacant more publicly accessible space underneath it. There was receptivity to opening up the space to roof terracing for dining, viewing and seating that would offer a sense of the area as public space, facilitating a broader relationship with the wider cove site.

Tenants want to contribute to and support people's relationship with the precinct as both a destination as well as a corridor. Some tenants have intentions, ideas and hopes for further modification to the use of the precinct to accommodate their particular business growth strategies³. All regard the place as in substantial need of repair, revitalisation and city

3 Lark, a whisky Bar and cellar door proposal to include promotional space for all Tasmanian whisky- Grab Café is open to extending the functionality of their current café space and TTIC is exploring retention of interrelationship and alignment between tourism experience and retail space, while improving the tourism information footprint. Options identified in consultations included opening the base of the current council offices building on Elizabeth St offering more possibilities for improving amenity in site visitor experience, avenues for sale and marketing points e.g. windows onto Davey and Elizabeth Streets, while still supporting flow across the Civic square precinct. Some users suggested that there is real opportunity, regardless of the particular nature of any tenancy located in the former Piesse and Co building, to open up visual and possibly pedestrian experience of the 'cove floor' under it.

investment to support its emergence as a first point of call for tourists to Hobart. They expressed frustration in lease security uncertainty that has made it difficult for them to progress related business initiatives. These could include, for example, extending the range and quality of food and entertainment available in the precinct.

Areas highlighted by tenants as requiring particular attention and action are detailed below:

Improvement to the appearance of the site and its amenity

- The site seems still to be connected with and communicate the quality of what has historically been a derelict part of the city. The area of the precinct in which buildings are located is acutely in need of a significant tidy up- particularly the paths around the former grassed area – the current temporary site of Mawson's Hut.

The amenity of the area for tourists and locals alike is highly impacted with rain and heat. "Mud and no trees' are not inviting" and "the whole space feels a bit like broken remnants" in need of restitution. Tenants consider the repairs done to the site to date represent a somewhat *band aid* approach- where real investment and care by the site owners - HCC - is absent and leads to a sense of an abandoned site, "a nothing space" rather than somewhere people can use, stop in and move through.

- The broad functionality of the precinct doesn't adequately support visitor engagement as a critical iconic point of entry and relationship with the City of Hobart - a destination in its own right. The overall result is seen to impede integration of the precinct with the development of tourism brand integrity eg Brand Tasmania.

- Age, combined with little past restoration has created problems

within the buildings and in the precinct more broadly – there are multiple trip hazards and inadequate and limited publicly accessible toilet facilities, presenting real problems for site users. Some business owners try to support tour operators; waterfront walk guides and Red decker bus patrons are afforded access to Lark's toilet facilities.

- Space available in some parts of the precinct is seen as underutilised such as upstairs in the retail spaces of the precinct buildings which in some areas of the precinct if modified for safety and accessibility would support and encourage usage by artisans, architects, health and well-being practitioners community organisations or other businesses complementary within the water front / cove.. Other businesses are cramped where they and consumers would benefit from expanded capacity. The Visitor information centre has outgrown the holding capacity of its building in the face of increasing tourist volume. A larger space could offer flexible and inclusive tourist information experiences as well as opportunity to provide tourist and local community participation including through members of the broader Tasmanian tourism sector, the arts and other community entities.

- The whole area is considered to be in need of appropriate signage that informs people of what is in the precinct and directs them into it from the other side of the wharf. Improved signage is essential if the space is to be understood and realise its potential as an alternative and complementary visitor destination to Salamanca, one that offers more capacity for community inclusion linked to activity around the docks and water.

- Some tenants felt that the area would benefit from 'another café or two' - "but no more 'greasy spoons'- offering internal and external space to eat and linger in the precinct comfortably, as well as the amenity of sunshine, shade and shelter from bad weather. Alternatively, others suggested the area needed no more stand alone cafes. Rather they

thought options offering a mix of activities – over time and type- across the precinct, would provide better value for the Hobart community and visitors. Tenants suggested that the addition of a convenience store-mini mart- either stand alone or integrated within another business – was something that would support amenity for tourists and other visitors to the precinct such as the increasing number of staff from nearby offices and businesses.

- While acknowledging the benefit of more recently developed diverse eating and drinking venues surrounding the precinct eg Frank, Sush Train, tenants expressed concern about the impact of a 'drinking culture' in the precinct, more particularly from venues in the area adjacent to it. One tenant advised that there are 70 grog outlets in the

The Elizabeth / Morrison Street corner was described as a 'hotch potch' in need of attention



area including and around the Civic Square space. This has shaped usage of the space limiting the diversity of foot traffic and tending to exclude families from the space, certainly beyond 8pm. The associated culture brings anti - social behavior that impacts on the cleanliness and presentation of shop front footpaths and the general cleanliness of the area. It also contributes to perceptions of a lack of after- hour's safety in the precinct, as it takes spillover from proximate venues such as Isobar and the Telegraph Hotel. Overall, tenants were largely supportive of continued inclusion of alcohol spaces in the area but not of a saturation of them, particularly in so far as they limit broader usage of the site and diverse participation in its civic space.

Connection across Argyle Street to Constitution Dock from the site was indicated in both Stakeholder and public forums as highly desirable.

- The lack of appropriate lighting in the precinct was also raised as a major disincentive to a diversity of people moving into and through the space. Poor quality lighting in the area at night reinforces that it's not a



safe place to go and to be and limits its family friendliness.

Appropriate use of high value space

Commonly tenants want the site to be open and inviting to more people, pointing to its capacity to offer a spatial bridge between the city and water for tourists and locals.

- the carpark behind the Tourist Information Centre and adjacent to Morrison St was consistently described as a waste of a beautiful space ; 'an eyesore' that needs to be put to better use reflective of its value, both in and of itself and as key to raising the amenity of other spaces within the precinct. Opening it up to allow for more movement and participation within the precinct, providing a visual relationship to the eastern shore where the sun rises was supported strongly by tenants. Better use of the car park area could include the further presence of buildings, at ground level or overhead, with walk through capacity from the site at ground level.
- In contrast to Mawson's Hut's sense of its current location offering valuable synergy with the site, there was a wider absence of stakeholder support for the location of Mawson's Hut on the grassed area. Like the skating rink before it, the location of the Hut was commonly cited as an attraction in the wrong place. Its placement is seen as having prevented alternative use of what is a 'logical' area of civic space that can draw people into activity and amenities on the site. For example in summer the grassed area could offer opportunities for family and community participation eg Bocce games, seats to watch the water, festival events etc. Reclaiming the grassed area for more inclusive community use of the space might "offer more than plastic chairs to sit on" increasing the capacity for visitors to consciously come to and stay in the space, as both social participants and consumers.
- The current quality and amenity offered by Mawson's Place was

also strongly criticised and described as “dreadful - exposed, uninviting and weather beaten”. When it’s too hot pedestrians are offered no real shade. Alternatively when windswept, they are blown off course. The Pavilion in Mawson’s Place appears to tenants to be rented out only occasionally, and the limited use of this space impacts on the extent to which the place provides a civic quality. Despite its location near the water front it is regarded as communicating little in itself to encourage pedestrian engagement with the space, characterised by the shade sails described as a “dead loss” - complete with their “nappy holder” awnings. One tenant considered that if softened by elements of green space and other activity options, the Pavilion and its surrounds would offer the area a focus for site activity.

- The value of retaining access on site to Bus and other tour vehicles was highlighted, as well as noting the impact on businesses of no short term parking available in the precinct. The Bus congregating point (on Elizabeth St) is widely regarded as unattractive, discouraging engagement in the space. Value could be enhanced through tidying up the grounds; providing more effective and welcoming shelter, developing better connection and flow to food and beverage options. The possibility of providing an internet access point for travelers was also mentioned as a strategy for supporting visitors to stay in the precinct.

- The corner of Elizabeth and Morrison Streets is regarded as a real ‘hotch potch’ in dire need of enhancement. Some suggestions included a higher end food and wine bar, opening into a public space incorporating interpretive and interactive representation history of the development of the City of Hobart and the Cove floor.

- The current location and capacity of the Tasmanian Tourist Information Centre does little to prioritise high value and benefit from quality tourist relationship management. The locked in space communicates and provides visitors a ‘last century’ tourist experience.

People have little time and space to browse, explore and consider purchases in a constrained sales setting characterised by “a counter more evocative of a mid -century post office “than a contemporary information centre and quality retail experience.

Access to history of the development of the City and beyond the cove

- There is no area in which tourists and locals have opportunity to experience a showcasing of the history and development of the city of Hobart, nor any guidance and suggestions on what lies beyond the immediacy of the waterfront; towards city and mountain. Notwithstanding the Maritime Museum opposite capacity to readily understand and

Stakeholders valued the amenity of north facing frontages of buildings and the pavement along lower Elizabeth Street.



experience the history of the precinct and its contribution to how this city port and harbor was developed, is somewhat limited.

- Tenants regard this as a missed opportunity in an Australian capital city; a significant drawback to building on the synergy of the precinct and integrating it with broader tourism activity. They consider that the tourist experience of the precinct and information as to what lies beyond and around it needs significant upgrading.

- Narrating the space and using it to provide access to history of the city, as well as a sense of what it can become, could strongly support and promote how people understand and experience it. This could include and build on its status as a connective space between cove, city and mountain, between history of early settlement and urbanisation as well as contemporary elements of city and mountain and beyond.

The location on the Cove Floor provides a sense of arrival to the city for visitors, and a means of orientation.



Development informed by integration rather than segmentation

Tenants frequently suggested that any future uses and development in the precinct should be seen not in isolation, but in relationship to the precinct's location within the wider characteristics of the surrounding boundary areas, the waterfront and city entry point. Tourists want to go where the locals go – into and through a space designed with people at the centre – a space where people can be both visitors and locals. This can be facilitated by:

- **Contemporising the area** – as somewhere people want to come into by expanding the uses in the surrounding areas. This could allow dining venues like Frank to spill out into the underutilised waterfront spaces, as well as extend or open Mawson's Pavilion into its south-western facing 'courtyard'. The adjacent area of waterfront could be opened up to specialist markets and other diverse, low rise options that facilitate active spaces and invite participation in a precinct that has more to offer than bars.

- **Prioritising further pedestrian amenity** – creating a milling space maximising green space in a passage for people across the precinct, to and through to the waterfront and Mawson's Pavilion. This is likely to require complementary improvement to the Pavilion area. Elizabeth St is a logical path from the city and could offer further safety in access through better management of "green time" – pedestrian time to cross the street at traffic lights. Improving the presence of 'green space' is not to assume another 'urban garden' such as Franklin Square, which while shaded in summer, communicates a somewhat "foreboding space" not necessarily inclusive or safe for a diversity of users. Rather, further green space on the site could include vegetation that acknowledges the site as a reclaimed space as well as its utilitarian character within an historic working port.

- **Utilising the potential of the full block, building utility to its margins.** There was support for taking up the whole space offered by the precinct to build real capacity for wider and increased participation of users in the area across the day and evening.

- **Recognising the relationship of the site to its surrounding spaces.** A number of tenants drew attention to the value of treating the site as integrally related to its surrounding places of significance, particularly Mawson's pavilion and Mawson's Place. These two forms were viewed as currently lacking a presence that could be understood by and draw visitors and locals to the area. By way of example, one tenant suggested that the story of Mawson and his men might be better told in and through "the beautifully named but certainly little understood" Mawson's Place than is otherwise the case now. In this way the Place might better contribute to building a destination point for the wider civic square site.

Promoting utilitarian integrity

- Tenants consider that facilitating capacity to walk through the space not just into it, will increase its value and amenity for tourists and locals - drawing people into it to investigate it further. It will also contribute to effectiveness of businesses in the area by establishing and supporting better retail flow. Ideally this would be related to a clearly understood walkway from Macquarie Point to Salamanca Place where the Civic Square site provides a logical and attractive "punctuation" point along the waterfront, supporting the sense of Hobart as a port city, while also promoting further exploration of the city across its northern ('couplet') crossing - Davey and Macquarie Streets.

- Accessing further site amenity by building across and over the site and allowing for green space and openness was well understood and supported by tenants, although all were clear that this should be at an

appropriate height not impeding the view from the Constitution Dock across the buildings, to the city centre and the mountain. Tenants also considered it was important that future development did not build out the entire 'cove floor' which should retain open space for activation and user participation - eg dinner in the sky, music and performance events for cruise ship tourism.

Identity

- Tenants considered that the identity of the precinct should be strengthened and its distinct identity as a destination point and aesthetic draw card promoted. Again tenants emphasised that this identity should be and be supported by, more than the presence of drinking venues. The site should offer a sense of community beyond its commercial users, acknowledging its place in Hobart's history and the interests of the public stakeholder in this space.

- They regard commercial and user diversity as central in making full sense of the civic potential of the area. It needs to become a place of things to do offering different users more of an 'activities focus. It was suggested that the area could expand on its potential 'arts vibe' quality - importantly one that is readily accessible to the average person. This might be through development of a sculptural trail through which people coming into and through the space understand and relate to it, and / or through an art and crafts centre incorporating working artisans not dissimilar to the characteristics of Burnie's Makers centre.

Residential Development

While there was some acknowledgement of the value that further residential development might bring into a zone, this was not strongly supported by tenants. Providing effective residential capacity; for example

above the existing shops located in precinct buildings would need considerable investment. Some noted the complexity of issues related to the impact of nearby music venues on further residential expansion. No tenant supported the creation of chain type hotel or apartment accommodation as a major use for the site. Tenants largely thought that further residential capacity would preclude meaningful development of the site, for example as a centre for artistic and niche businesses that need the site to be publicly accessible, not isolated and confined by residential requirements. Significant residential development was seen to offer less value to the broader Hobart city community than building the capacity of the precinct to further expand its civic capacity.

The historic civic reference point and public interface for the city is Franklin Square.



Prioritising authenticity

Tenants commonly suggested that any tourist focussed initiatives in the precinct should avoid a descent to a “kitsch Disneyland theme park” that is inconsistent with the authentic history of Hobart and its contemporary expression eg rather than historic trams, electrified people movers linked to the public transport system. Initiatives should build on the success of Mona and similar ventures honouring and promoting the richness of Tasmanian artisanship.

Phase 2: Organisational Stakeholders Forum

A range of stakeholders nominated by HCC were invited to a closed forum on 14 August in Waterside Pavilion. Invitees included Government business entities/ authorities and State policy bodies, business and community associations, business owners, development corporations. Organisational stakeholder consultation was contextualised by the spatial history of the site, discussion of the significance and centrality of the precinct within the tourist experience of Hobart and appreciation of urban design principles beginning to emerge from this analysis.

While attendance at the forum was small, incorporating representatives of 5 organisations surrounding the precinct, it provided an opportunity for further views to be heard on the current value of the site. Participants also offered ideas as to the future use of the precinct to capitalise on its civic potential and significance. The outcomes of the forum are described below.

Valuing the space, promoting its identity

Stakeholders at this forum drew particular attention to the potential offered by the precinct for linkage and connectivity within the broader

cove space, particularly between Macquarie Point and CBD to and across the waterfront. There was strong recognition of the value of the space to provide a public interface for the city, with little support for any further residential development in the precinct. That was seen as being less conducive to the opportunities offered for creating social participation and business opportunity.

Areas for improvement and change

Stakeholders present considered that a key to realising the potential or continuity between spaces in this way is a comprehensive program of visual guides integrating green space, use of colour and signage to guide people along the waterfront to the destination of this site and 'what lies beyond'. Pathways need to be well signed and exit points to and from key points of the interrelationship between city centre, precinct and waterfront should be clear and evident. Taking this into account it would be valuable to consider ways in which pedestrian exit and entry points across the waterfront could be improved. Others pointed to the value in developing the capacity for those driving past the site along Davey Street to have perceptual visibility to the activity going on in that space, currently somewhat hidden behind it.

Strengthening spatial continuity through generating the level and scope of activity and people in the site, not just passing through or across it, was considered essential. Any range of activities should offer opportunity for the inclusion of multiple and diverse categories of user – families, tourists, locals, businesses.

Stakeholders suggested that any wider usage contemplated for the site should incorporate interest generating points and activities, offering both transitional and destination elements. There was no expectation that the city could sustain or afford another specific purpose civic space, or that such an entity would 'value add' significantly to the city and its

communities. Alternatively, they saw real value in maximising the current scope for civic capacity already offered by this precinct. This should be facilitated through strategies for bringing local Hobart residents into the space engaging in community inclusive social activity, creating a place for and expectation of, repeat visitation. Activities characterised by complementarity between a diversity of user groups, and participation by locals is seen as likely to further a positive tourist experience of the area, enabling visitors to go where the locals go- safely and inclusively.

Stakeholders considered that any usage under consideration by HCC for the space should be congruent with the values underpinning Councils

The heritage value of existing buildings was highly regarded in each consultation forum.



aspirations for the city's development. This congruence was seen by some tenants as a quality that could favourably differentiate the Civic Square precinct from what they regard Salamanca as having become. They acknowledged however that there can be inherent tension between realising multiple values eg the challenges of facilitating effective pedestrian access while also enabling effective vehicular traffic management; of providing opportunity for social participation for a diverse range of citizens and facilitating of opportunity for singular business ventures.

Possible directions for future activity

Emerging from the stakeholder engagement undertaken within this master planning process is a knowledge of what people see and want to see as possible in this space. Critically, there is a clear view and desire for it to have an 'enabling' quality - a place that allows other valuable things to happen – civic participation and presence, valuing of historical significance, alignment between city, waterfront and mountain and socially inclusive construction cognisant of the existing precinct envelope and its scale.

This next stage of the report includes possibilities and pathways identified by stakeholders that could bring life to this enabling quality. Each of the organisational stakeholder forum participants drew attention to the need for the city to offer a higher quality interactive experience for visitors to the city and surrounds.

Other ideas they put forward for generating activity across the site included :

- Expanding options for the operation of seasonal, 'occasional' businesses in the precinct and surrounds. The space would remain publicly accessible allowing for Tasmanian agricultural and cultural businesses to be promoted from there.

- Developing more permanency for some activities that are currently only made available through festivals eg waterfront searchlights.

- Developing wider options for families to participate in this site including state of the art "exemplar" playground. This has scope to support the council's aspirations for developing social capital, family inclusive space and supporting integration between tourists and locals. Another suggestion was location of a giant magnifying telescope facilitating a view from the waterfront to the mountain and possibly coupled with another on the mountain, providing a view back toward the waterfront site.

- Providing capacity within the precinct for an interactive, historically interpretive facility for visitors to Hobart and locals, to understand the history of the development of the city. It could also communicate the significance of the site's relationship to the amphitheater generated between the cove and its waterfront; the city on the rising ground and the mountain and its high ground. Importantly, stakeholders considered that any such facility would need to be 'robust, flexible, contemporary, easily maintained and adapted'.

- Developing an inward looking quality to the space, currently not present in the site. This could be facilitated by a winter garden – "an espaliered wall to the cove" possibly as an edge to the playground referred to earlier.

- Creating productive open space on the site occupied by the historical buildings in the precinct, including through building up and over the site was strongly supported

Stakeholders at this forum suggested that the following principles could helpfully be included in guiding Council decision making about the future use of the Civic Square precinct:

- Developing the precinct to retain the engagement of people in and across it by offering an experience not available elsewhere in Hobart
- Prioritising equitable use of, access to and on the precinct was seen to be particularly important. Enabling participation across the precinct by people of different views, cultures, values and socio economic position has the potential to improve the social fabric of the precinct.
- Facilitating connectivity between the waterfront, its wider cove surroundings and the CBD, creating interest in the precinct through complementarity not reproduction of 'more of the same' waterfront experience.
- Preserving and promoting the diversity of usage and users in the precinct.

Phase 3 – Public Forum

A public forum was held on Monday 28 September. 25 interested parties attended including people working in organisations in adjacent sites, planners, historians and architects, residents, leisure users of the wharf area, current and former members of Council and staff of the HCC.⁴

The consultation was prefaced by background to the site and its spatial history and relationships between built form, land, and waterfront and city scape. Discussions facilitated by the consulting team followed this introduction. These invited participants to identify what they consider valuable about the site as well as elements and issues they considered to be drawbacks. Current and potential usage of the site was also

explored including how its potential might be further developed, the activities that could take place there, over what time frame as well as the range of users who could be encouraged to engage with the site.

In particular, ways that the precinct might become one which people – locals, visitors and tourists could clearly choose to come to, participate in and experience positively were canvassed. Issues raised against the key themes flowing from forum discussions are expanded on below. This section of the report also includes principles and key messages identified by participants as potentially helpful in informing Council decision making on the future of the area. These are included in this section of the report.

Stakeholders valued the relationship of the site to its surrounds



⁴ Attendees

- Bill Harvey, Mark Horstman, Selina Ross, Gillian Ward, Mike Webb, Bob Vincent, Michaela Nolan, Brigita Ozolins, Mark Hosking, Nedi Howard, Julie Donaldson, Toby Woolley, Julian Howard, Rob Nolan, Gerard Willems, Dick Friend

HCC- Ted Ross, Sarah Bendeich, Qian Pei Choi, Paul Jackson, Heather Salisbury, George Wilkie, Anna Reynolds, Brendan Lennard, Neil Noye

Values of the site

- History: The area provides an historical pivot reinforced by retention of its heritage connection in particular its maritime and working port connection as well as its relationship with other historic buildings – eg. former HEC building and Town Hall. Another dimension of this pivot is seen to be its Antarctic connection ‘Hobart as capital of Antarctica’. The sites placement within the waterfront includes the precinct in a gateway between the world and Tasmania, part of the imagery most frequently projected to the rest of the world through events such as the Sydney to Hobart Yacht race.

- a reference point - the precinct contributes to a spatial message that one has arrived in the city of Hobart – particularly so for visitors or someone coming into the city from airport at the eastern edge or the north. From the west its visual alignment with the Cenotaph contributes to this value and participants considered that any future development should not “trick up” that alignment.

- the people’s place - Council ownership of the site was seen as particularly valuable offering a public domain in which citizens can ‘come to and be part of’.. Through the Council’s role as custodians of this space it provides a rare part of the waterfront available to the people of Hobart, and to its visitors. This custodianship can also be exercised through the Councils capacity for development control. Council should shape its future development within strict guidelines – a “right model” that avoids the area becoming ‘just another Salamanca’ - impacted by commercial real estate imperatives which appears to have moved away from some of its intentions to showcase Tasmanian artisans> Rather it can provide a public square characterised by high quality business as well and facilitation of opportunities for social inclusion.

- the qualities of its physical land form - The value of the precincts

location as part of the cove- including its subterranean development was highlighted. It is ‘encased in the arms of the cove’ and being located on its reclaimed floor offering an ‘amphitheatre to the cove’, the scale of which is not replicated elsewhere in Australia. This scale facilitates intimacy and interaction, reinforced by examples of the fine building grain of the precinct.

- The permeability of the cove floor – people can walk within and across it. This site could more actively contribute to this amenity. Relating to the history and form of the cove, the Civic Square precinct provides a framework for diagonal movement across the waterfront. This facilitates and potentially opens up movement from the traditional civic location from Franklin Square, crossing the cove floor through the site.

- a dynamic nature – both past and more recent social and commercial evolution of the site both as a contemporary hospitality / restaurant precinct with its commercial edges was seen be valuable for the city of Hobart, locals and tourists

Usage – current and future

Activity: Common to all discussions was a view that the site needs more and continuous ‘things happening’ in and on the site both for those visiting the area daily eg. office workers and for tourists. There was a shared sense that the precinct needs to be open to all who can and will draw on it as public space – people coming into the precinct should include residents and tourists. Participants also suggested that as well as contributing to public and private user amenity a wider benefit comes with increased activity i.e. the improvement of security – real and perceived.

There was a view that the types of activity encouraged on the site should

Seeing through the site while accessing the history of the docks was seen as a value reinforcing the permeability of the Cove Floor



be characterised by flexibility and versatility. It should incorporate a diversity of businesses including retail leasing space and be available for multiple forms of use across a range of time periods, including an increase in night based activities that encourage and support surrounding businesses and entertainment to open late. Ideally this would not be limited to dining venues and pubs.

Positioning the precinct as a drawcard for Hobart: Some participants hoped to see the precinct emerge as a drawcard for Hobart visitors and locals alike, such as those seen in other international cities. It could accommodate a range of activities and interpretive elements to form an iconic 'launching pad' for tourism- unique to and evidently expressive of Tasmania.

Retain diversity of usage: Participants agreed on the importance of not dominating the space with any "one "experience and strongly supported a mix of uses in the area. A range of activities on and around the site, as well as modifications to the space, were proposed by participants as strategies to increase its utility and incorporate greater diversity of users who can access and participate in the life of the area. These included -

- increasing pedestrian and vehicular amenity: It was acknowledged that it is hard for visitors to walk into city from the site and the waterfront, a possibility not readily understood within the existing configuration. Development of more pedestrian footpath could lead people to this option. Further development of cycling facilities around the area would contribute to the health and wellbeing of locals and visitors as well as allow for transit across and through the area.

-Expanding green lawn space, possibly "add a tree or two"- the capacity for the site to provide open space was considered to be very important

- incorporating specialty retail options at the "higher end - Not Louis Vuitton but not Subways either". This could include 'pop up' retail options within the precinct or on its perimeter.

-Making Hobart's Maritime history more accessible – Display objects contained in Cambridge Store, in revolving exhibitions, perhaps potentially using spaces in and surrounding the precinct eg Mawson Pavilion

- emphasising the interrelationship of the precinct with Constitution Dock, with activity that is related to showcasing boats and their movement, acknowledging the life of the precinct within a working port.

- offering facilities that encourage and support people to spend time in the space enabling them to linger and stop in the area in comfort, shade, shelter eg improved bus/ waiting seating

-showcasing an 'art' artisan and cultural quality to the area with the capacity to 'surprise'

- creating a site that invites walking into, staying in and walk through with potential to experience other activities, exhibitions or events

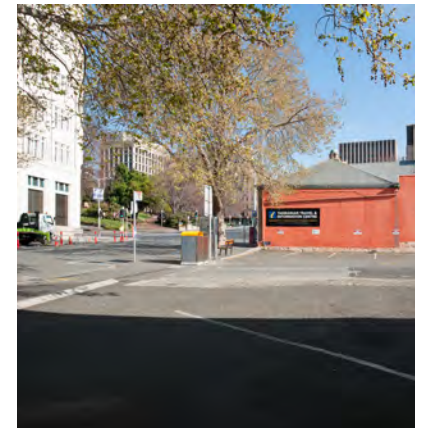
- providing capacity for people to look into the space, to see activity happening in it as they walk and/or drive by.

Current and future use - thoughts

Existing buildings - The Visitor Information Centre, Waterside Pavilion and Mawson's Hut

The Visitor Information Centre: The Centre was frequently raised by participants in forum discussions. Suggestions were made to both reconsider its location and also to strengthen its capacity for providing a higher quality 'better 'and more contemporary visitor experience. While similar concepts and issues to those identified by tenants and organisational stakeholders, the public forum also gave rise to some different points.

Being able to walk into and through the site reinforces its potential as a 'people place'



Some participants suggested that the information centre would be better located away from the current site, suggesting consideration of development of visitor information services within the greater Hobart region and or other tourist spots. Others suggested that contrary to some perceptions about it being easy to find in its current location this is not the case, with visitors frequently asking nearby businesses for directions even once inside the precinct and close to the facility. Others thought value would be increased if the visitor centre was able to be more easily 'read' by passers-by able to see what's happening in the building.

Particular suggestions to improve the calibre and utility of the visitor centre included:

- Expand it from its current location into the precinct, extended to face the water
- Provide services across flexible hours of the day and night
- Facilitate way-finding to the centre for tourists
- Build centre engagement with Hobart's waterfront history – for example by including an interpretive capacity on the precinct or exposing the history of the cove floor.

Waterside Pavilion: Some participants noted that the potential in the built forms around the site had been overlooked in building the public utility of the precinct. The Pavilion was considered to be one such building. While some participants suggested the possibility of its use as a newly located visitor centre it was seen as most valuable if it remains a publicly accessible building opened up to and complemented by commercial and recreational businesses at its edges. This might involve extending its current south-western face to open onto waterfront apron/ courtyard and venues could provide waiting/ resting spaces food and beverage capacity – one suggestion included moving the fish punts to the alternative side adjacent to Waterside Pavilion encouraging appreciation of the Pavilion as a more integrated public venue, with increased provision for people to sit and linger in the area.

Mawson's Hut: Participants questioned the appropriateness of Mawson's Hut in its current location suggesting that it "looks like something that doesn't fit" there. Some suggested other options for its locations near the area. These included nearer to the water; between PW1 & IMAS or within/adjacent to the Tasmanian Museum and Gallery.

Nomenclature

Views differed as to whether the site needs to be 'named' to build its identity as a distinctive place to come to. Some stakeholders considered that there is value in communicating identity through nomenclature, while others suggested the place could speak for itself and should not need that. It was noted that the label 'Civic Square' is a misnomer consistent with earlier expectations from the 1950's onwards that the site would become a waterfront plaza.

Principles for decision making

Participants identified some key principles Council could draw on in the future development of the precinct and inform its related decision making. These included:

Develop and support a plan for the precinct to support itself in a process of evolving into a precinct that locals want to use and tourist will want to join them in. Any redevelopment of the site does not have to happen all at once.

Value and celebrate the heritage inherent in the precinct and its surrounds, particularly the relationship of the precinct to Constitution Dock and its heritage and character, past and current as a working port defined by its coming and going of vessels.

Future development should look to complement historic architecture with contemporary expression.

Work with the historic and public quality of the precinct as a pivotal centre piece of the waterfront- a meeting place that is connected to the rest of the waterfront.

Capitalise on the open space, utilitarian quality of the cove floor. The concrete aprons of the waterfront can accommodate multiple uses including public events, and contribute to the development of energy and vibrancy in the precinct.

Value a 'less is more' approach to future development of the cove floor preserving the valuable difference the precinct offers as a de-cluttered space providing significant opportunity for cultural activity and scope for public engagement.

Aspirations for Civic Square Site - Tenants, organisational and public stakeholders

The process of stakeholder engagement in the master planning process for the 'Civic Square' showed high regard for the site as a valuable asset in the public and community's appreciation of the history and development of an early Australian port city.

Throughout the consultation process stakeholders consistently demonstrated shared and deeply held appreciation of the history of the precinct and its qualities and how these have contributed to the city's persona - visible in the intimacy embodied in its remnant historical elements and characteristics of its contemporary form.

The site is seen as having considerable potential to take up a key role in public space that illuminates and gathers people into the continuing and dynamic relationship between Hobart, its city and its waterfront.

All respondents generously contributed their ideas and shared their

aspirations for how the site could contribute to the further evolution of Hobart and its civic and commercial life, bringing to light a number of ways the potential offered by the site and its surrounds could be applied towards greater public activity, engagement and civic appreciation.

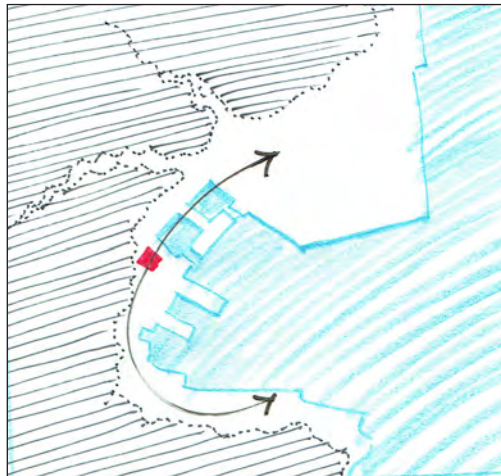
The stakeholder engagement report included in this master plan consolidates these views, commending them for further consideration by Council.

Addressing the Constitution Dock edge, while valuing a 'less is more' approach to development on the Cove Floor, emerged as priorities from the Public Consultation process.



‘Considering’

Applying the urban design principles
Objectives to inform future development of the site



Acknowledge the changing focus of civic space in central Hobart

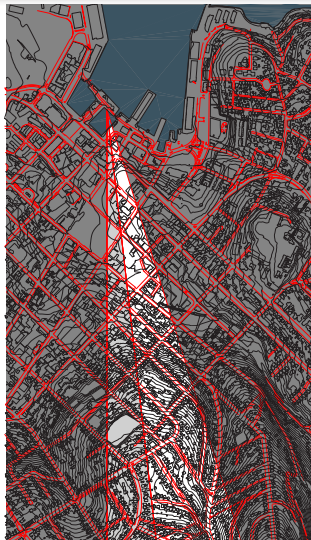
- Recognize the pivotal role this location plays in the evolution of the city
- Acknowledge the Cove Floor as the primary civic precinct of the city and the state
- Ensure the civic purpose that has given rise to public acquisition of properties on the site in the past is pursued.

Consolidate the location as part of the Cove Floor.

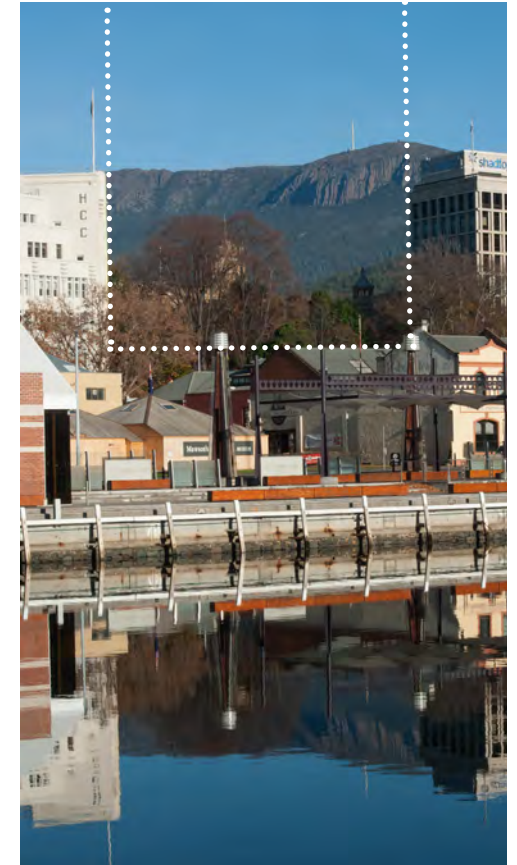
- Differentiate the Cove Floor - acknowledge shoreline before reclamation
- Ensure ‘multi – directional’ pedestrian movement and permeability (consistent with utilitarian port origins)
- Seek uniform treatment of Cove Floor surface, treat that part of Elizabeth Street that is Cove Floor similarly to Mawson Place / lower Argyle Street. Extend treatment to other areas of the Cove Floor.
- Acknowledge the role of the space in ‘event’ mode (and potentially at other times in the future when less/ no traffic along Argyle and Morrison streets)
- Extend active frontages beyond primary (street) spaces - include internally on the block.
- Consider and reinforce Sullivans Cove Planning Scheme ‘spatial characteristics’

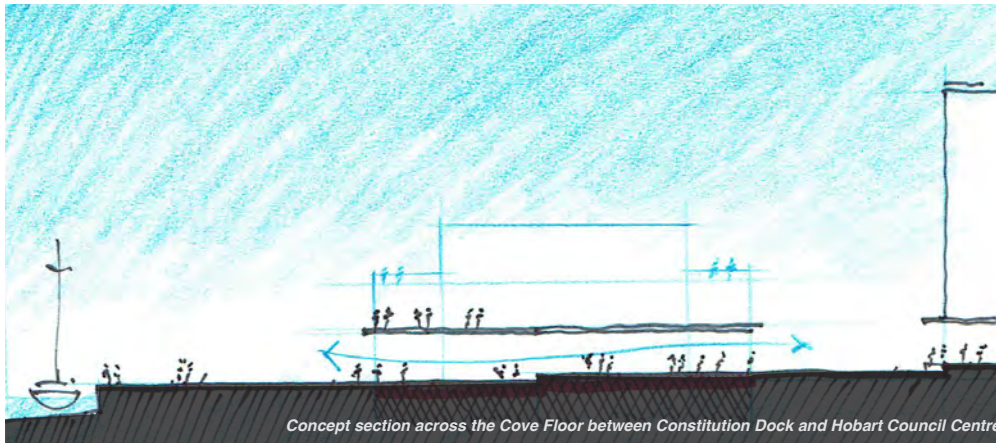


Civic Square Hobart - Development Objectives

**Ensure visual connectivity between the Cove Floor and the regional setting**

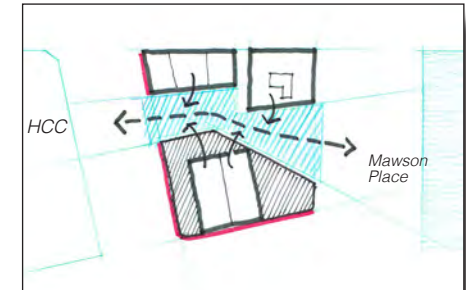
- Acknowledge alignments from the site (as part of the Cove Floor) to the Cove Slope(s) (Franklin Square/ Elizabeth Street/ Argyle Street) and the Cove Ridge(s) (Macquarie Ridge, Domain Headland)
- Ensure pivotal alignments from the Cove Floor across the site are maintained to the layered landscape scale beyond.
- Maintain the diagonal alignment from the Cove Floor to the Summit (and the Wellington Range) through Franklin Square and the Civic Square urban block and acknowledge its influence on potential site massing.





Enable adjacent facilities to be more actively utilized

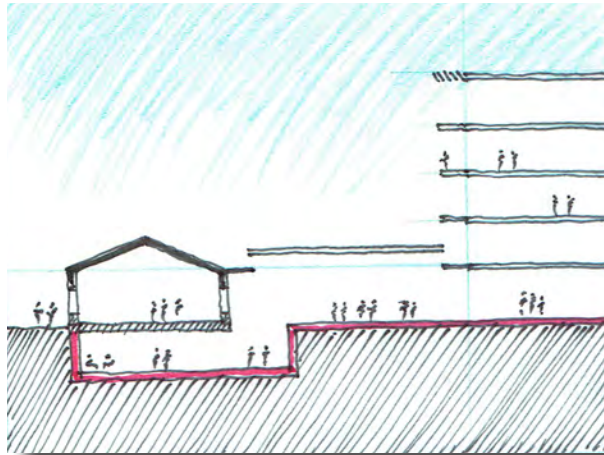
- Hobart Council Centre – integrate ground floor as part of the space
- Mawson Place – integrate diagonal desire lines to / from the space, reconsider Mawson Pavilion, reduce clutter within the space
- Increase pedestrian permeability and visual connectivity throughout the precinct – Despard Street, Town Hall, Franklin Square



Encourage a diversity and complementarity of site uses

- Increase interactivity within the space and promote its contemporaneity
- Seek authenticity of use in support of the sites identity – and commensurate with the heritage building fabric.
- Ensure future development integrates existing uses, assists inclusiveness while providing flexibility and versatility.
- Seek to maintain an alternative to 'retail homogeneity'





Reveal the historic development pattern within the site

- Maintain and reinforce diversity of street frontage activity generated by earlier narrow lots
- Enhance activity on, above and below the 'reclaimed' ground plane of the site. 'Reveal the past to inform the future'
- Interpret the spatial history of the Cove in the context of the City.
- Provide street space 'enclosure' cognizant of historic precedent



The pivot point of the subdivision now provides alignment across the Cove Floor



Generate site massing in response to these objectives

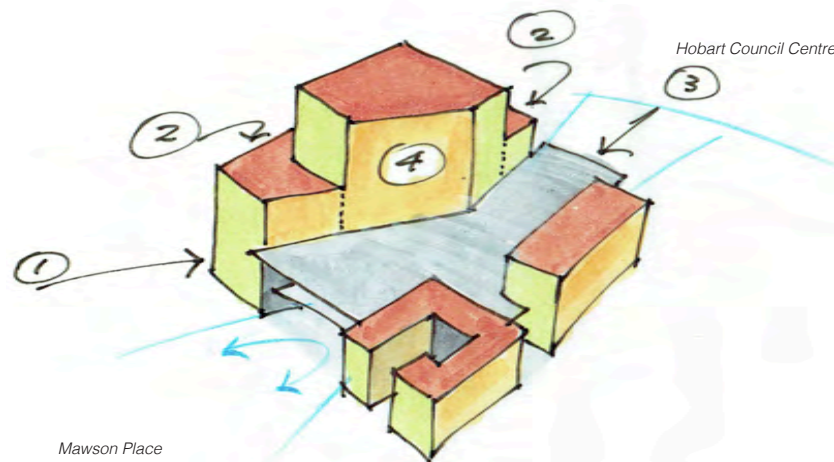
- Acknowledge the spatial characteristics of the Cove Floor
- Repair the urban block – rebuild corners to Elizabeth and Argyle Streets
- Ensure urban block massing acknowledges and reinforces the amphitheatre to the cove
- Ensure site massing maintains amenity within the street space and building scale is not 'individually prominent'



Basement of former Piesse and Co building reveals the foreshore beneath Davey Street

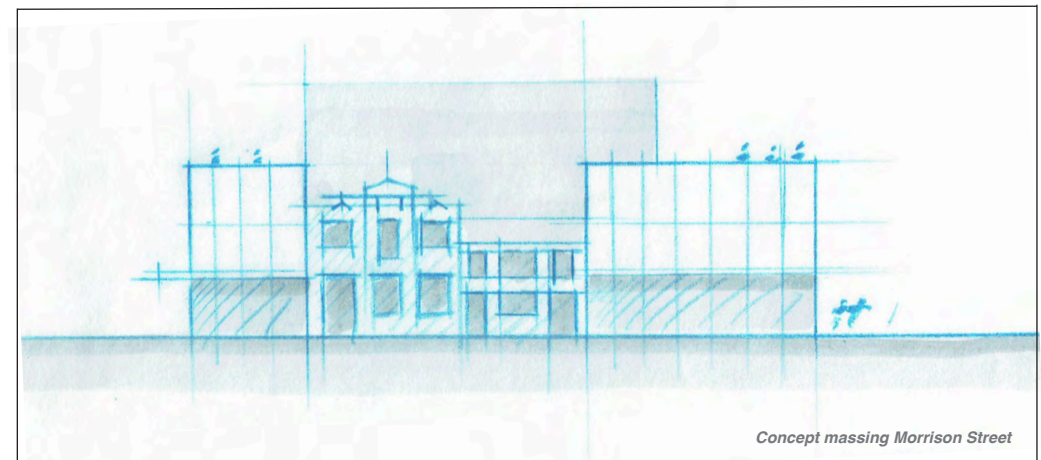
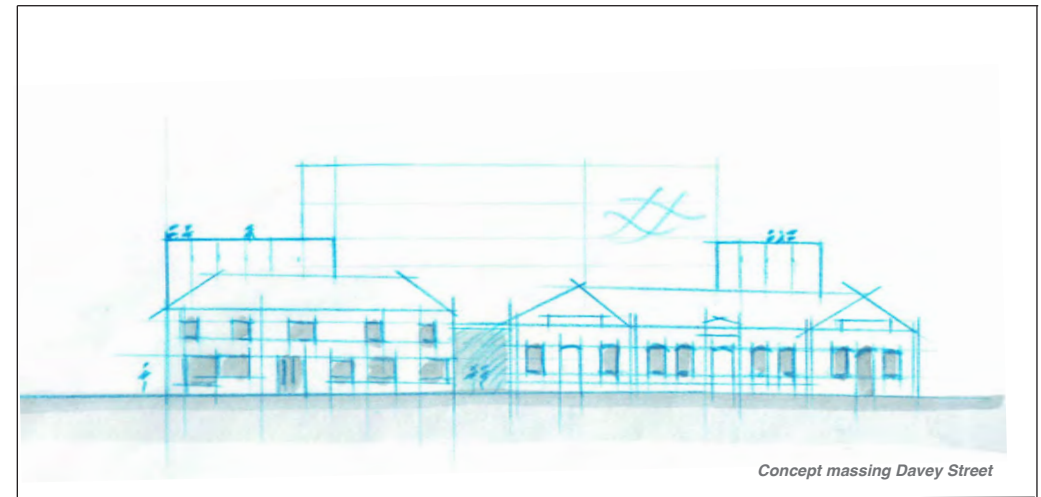
The Outcomes : built form

Generating a spatial strategy and proposed directions

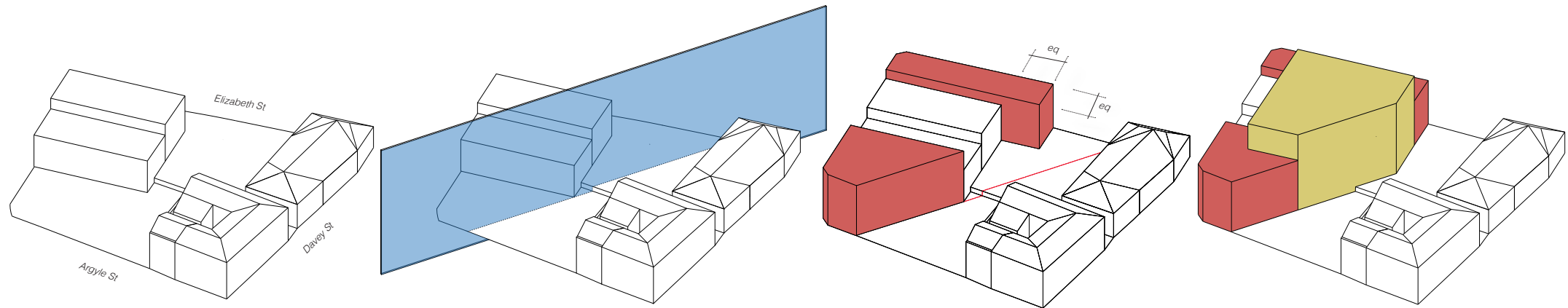


Key Considerations

1. The diagonal alignment between Cove Floor and summit generates a view shaft edge as a massing datum
2. Infill corners of Argyle and Elizabeth streets to consolidate the block
3. Public concourse invites diagonal movement and allows perimeter buildings to open into this new civic spine. Mezzanine level with roof over along Argyle frontage. Alignment to Mawson Place reinforces active events role.
4. Additional massing set back into the block reinforces diagonal alignment while offering additional floor space for civic purposes.



*Civic Square :
Key moves as Site Massing Diagrams*

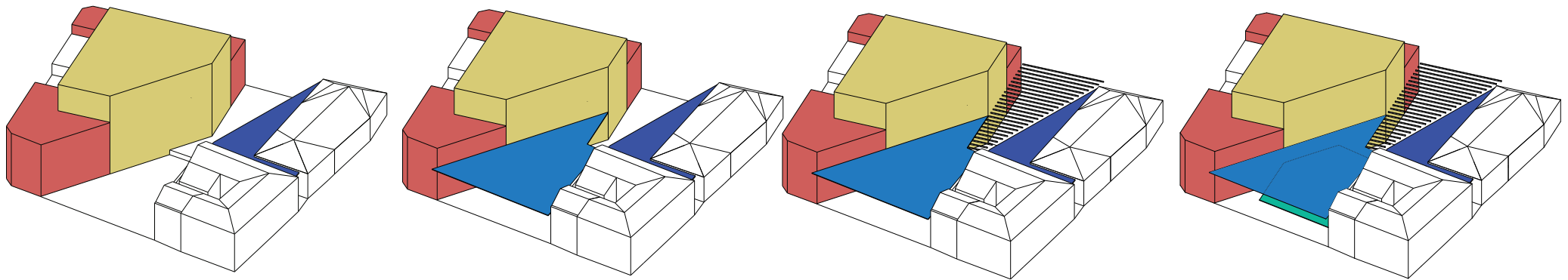


*The Civic Square 'Site' -
Maintain existing buildings,
recognise heritage values,
diagonal desire-line and level
change*

*Acknowledge the diagonal
alignment between Cove Floor
and high ground summit in
providing a view shaft edge,
and reinforcing pedestrian
desire line*

*Infill the corners of Morrison
at Elizabeth and Argyle
streets, SW of the diagonal
view plane. Acknowledge
12m building height
maintains street edge and
street space amenity.*

*Provide additional infill
beyond set-backs to
generate rectilinear floor plate
(with chamfered edge)
rising to 18 m*

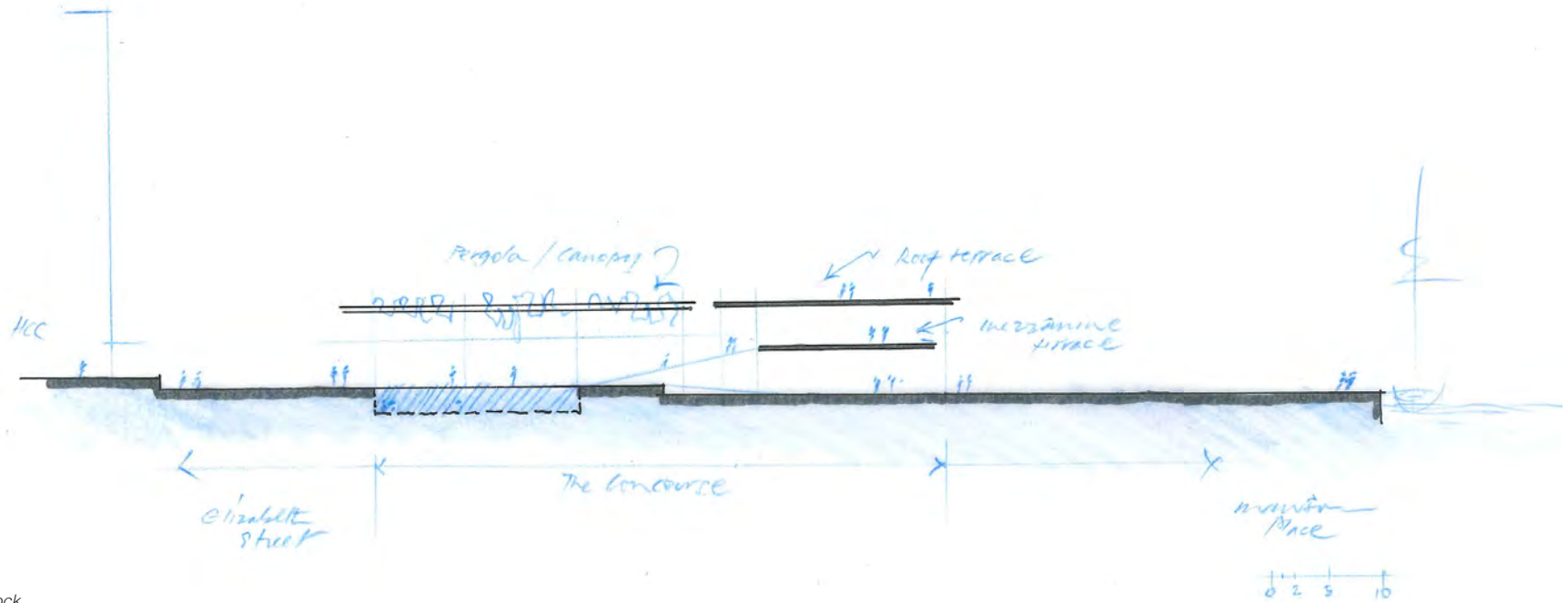


Allow excavated basement to buildings on Elizabeth / Davey corner. Provide canopy / roof below eaves line to link Davey Street buildings.

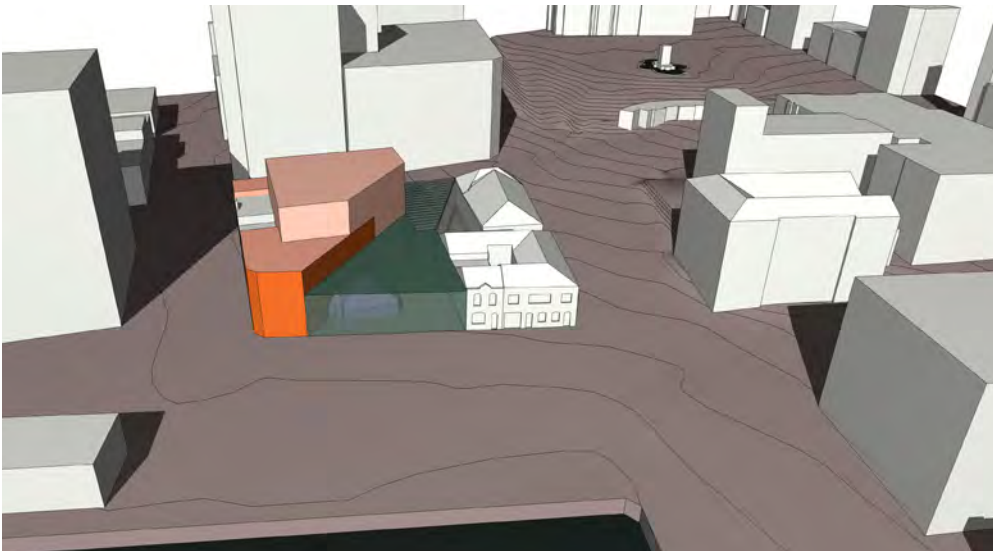
Provide roof terrace and canopy to concourse extension facing Mawson Place and Constitution Dock.

Provide pergola frame for deciduous planting to public concourse from Elizabeth Street to enhance amenity and ensure winter light / summer shade.

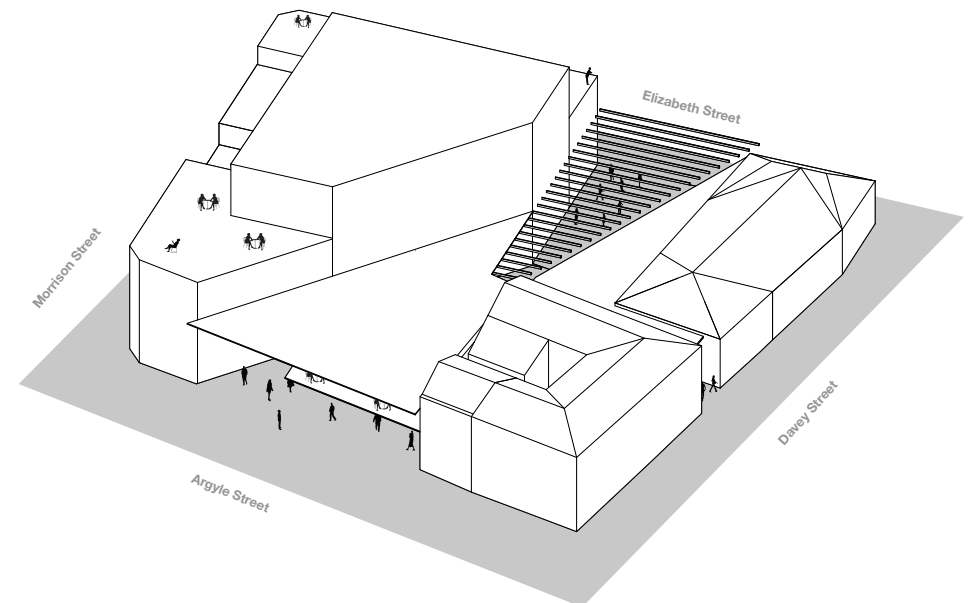
Provide mezzanine and terrace enclosure as appropriate. Acknowledge potential upper level connections between adjacent buildings.



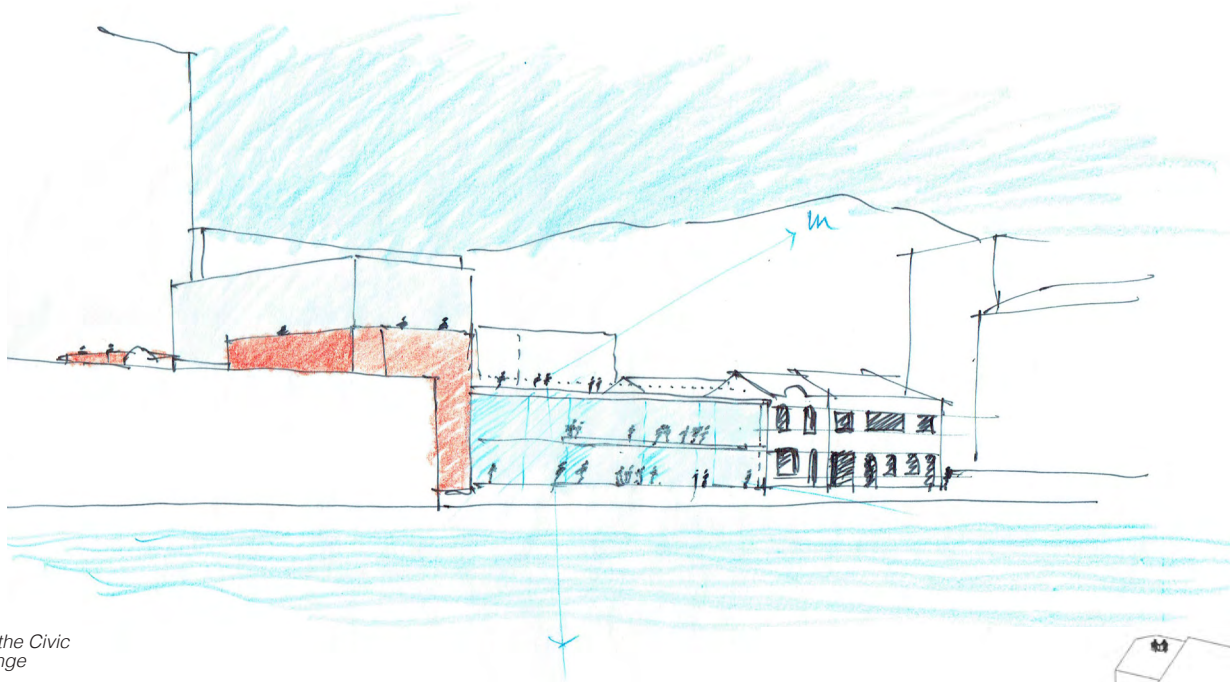
Concept section :
Elizabeth Street to Constitution Dock
through the public concourse



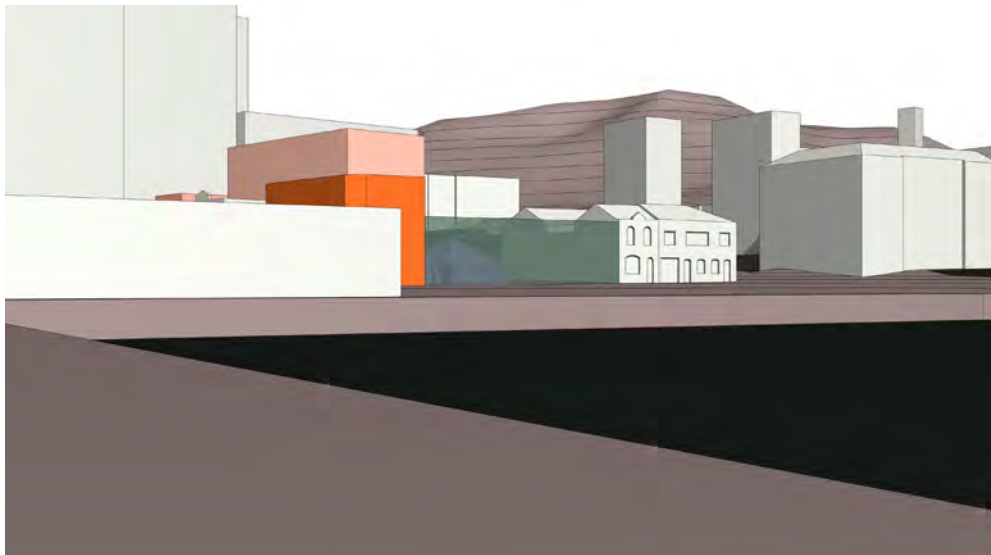
Modelling the precinct : existing buildings with proposed new massing



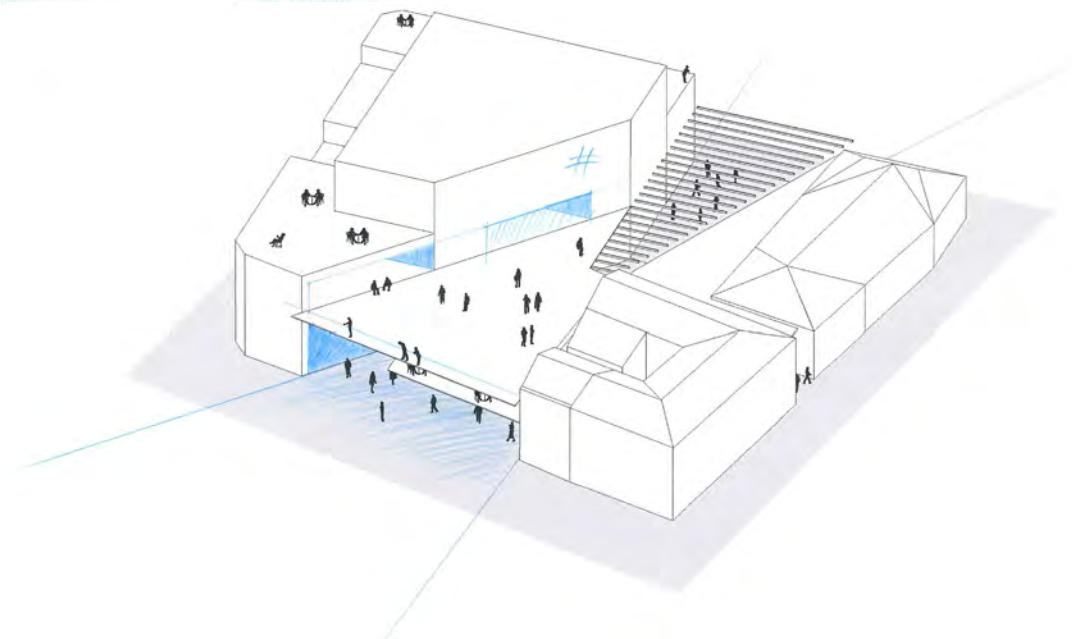
Conceptual massing of the key moves



*Concept sketch :
From Constitution Dock through the Civic
Square site to the Wellington Range*



The 'civic alignment' from Constitution Dock: existing buildings with proposed new massing



An option emerging from the key moves

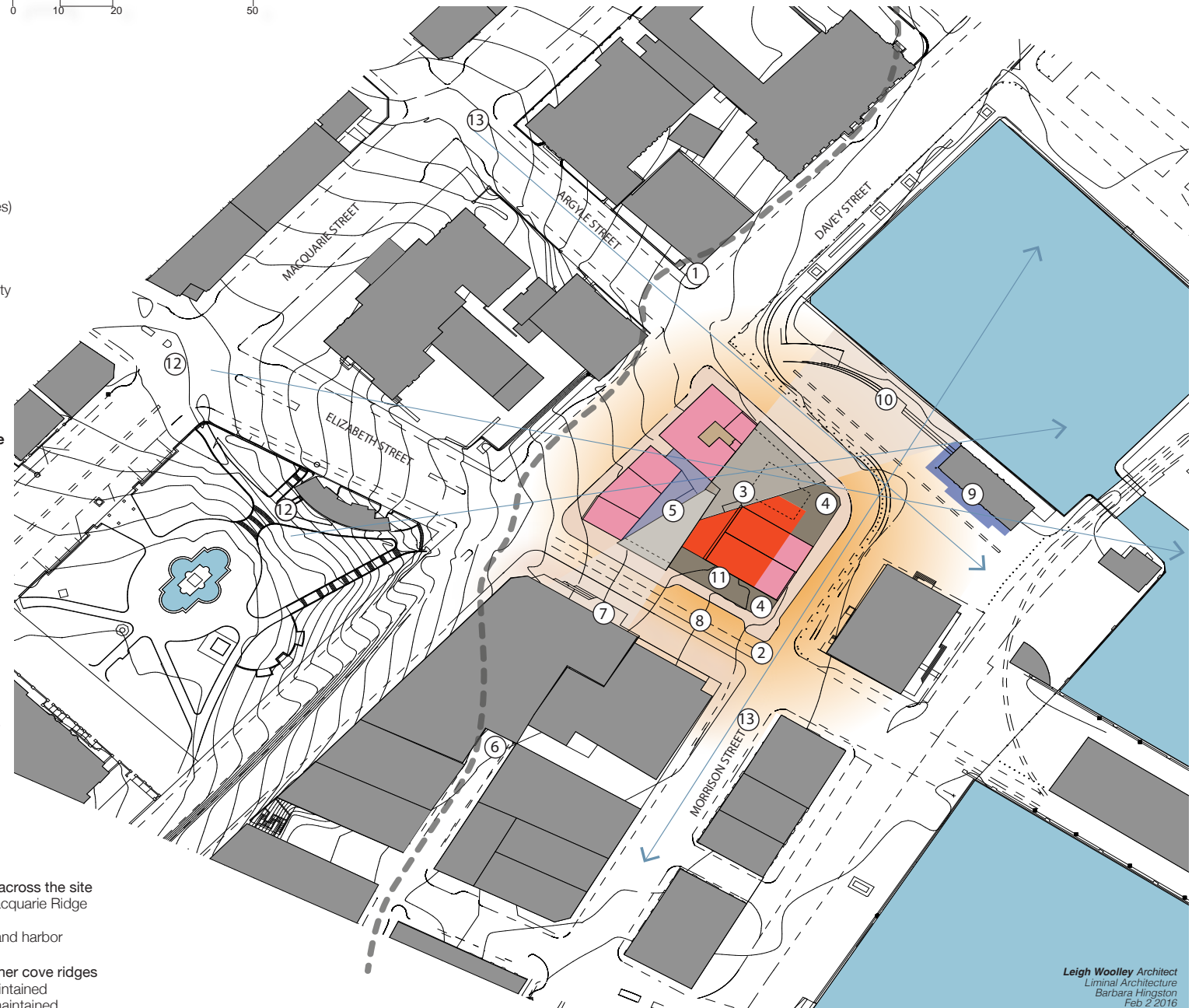
Civic Square Hobart - Development Objectives

PRECINCT PLAN

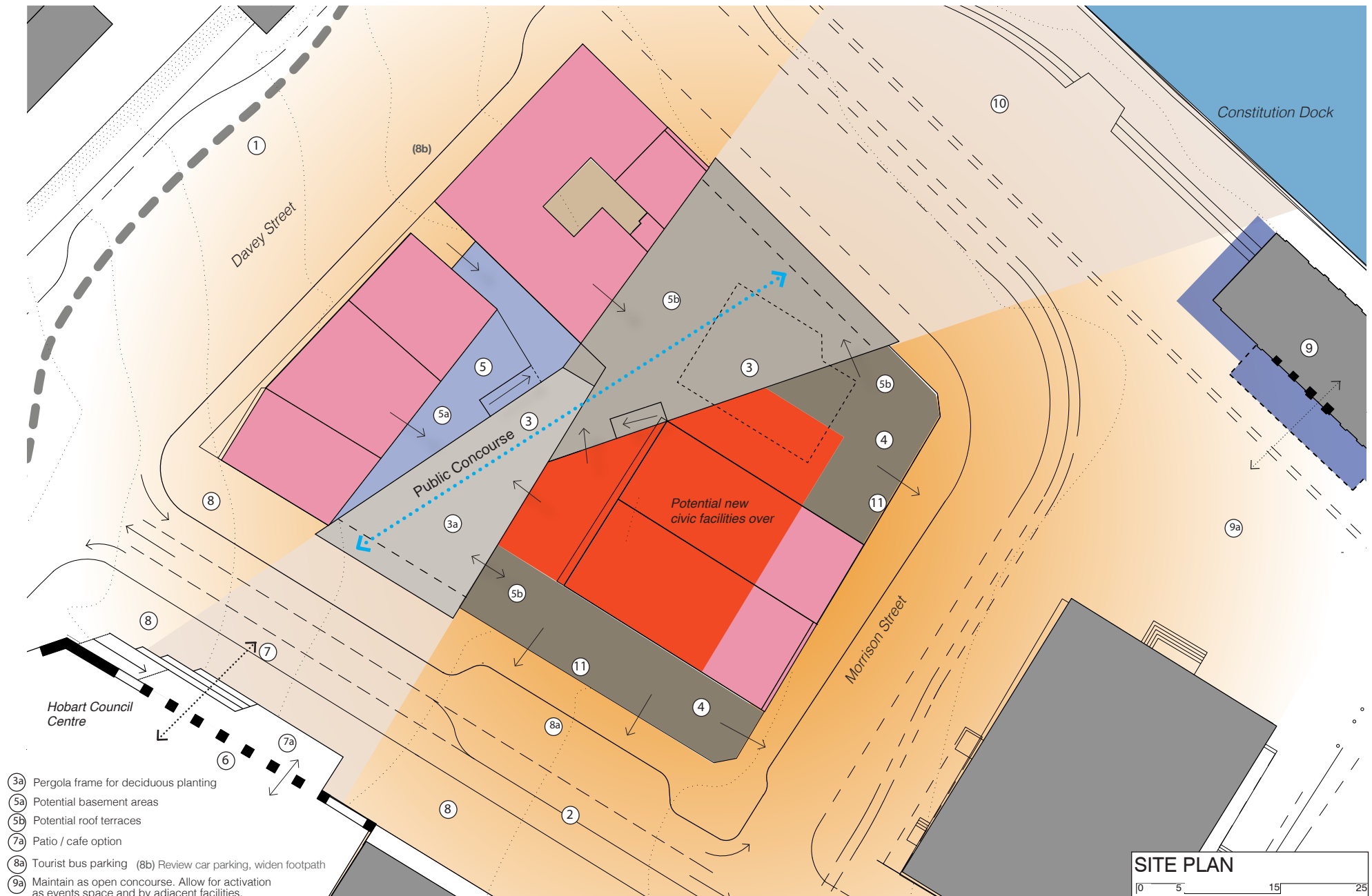
0 10 20 50

LEGEND

- 1. Identify shoreline before Reclamation**
 - differentiate the Cove Floor
- 2. Provide consistent paving to the Cove Floor**
 - extend surface treatment of Mawson Place to Elizabeth Street
- 3. Formalise diagonal movement as a public concourse**
 - encourage internal activation of existing properties
 - allow diagonal alignment to generate massing
 - recognise desire-line to Mawson Place (especially @ events times)
- 4. Repair the urban block**
 - rebuild the corners to Elizabeth and Argyle streets
 - ensure adequate, historically cognizant, street space enclosure
 - consider additional block massing having regard to street amenity
- 5. Reveal layers of the Civic Square site**
 - basement, ground, potential roof terraces
 - retain historic building stock including remnant walls
- 6. Enhance pedestrian permeability of the Cove Floor**
 - increase through-block and through-building links
- 7. Connect Hobart Council Centre to Cove Floor/ Civic Square**
 - provide entry along Elizabeth Street, generate activity 'in the sun, out of the wind'
 - consider linking to/ from Despard St through building (recognise shoreline relationship)
- 8. Re-consider the civic space of lower Elizabeth Street**
 - enhance pedestrian amenity
 - widen footpaths, provide feature and pedestrian lighting/seating
 - encourage ground floor activity into the space, especially north-facing frontages
 - consider terraced café areas where appropriate
 - review location of maturing trees
- 9. Activate Waterside Pavilion and Mawson Place**
 - open along south-western side to address the hard stand area
 - canopy to n-w /s-w side to provide shade and potential food/ beverage outlet and enhance events capacity within Mawson Pl.
- 10. Reduce clutter on Cove Floor including Mawson Place**
 - utilize the Civic Square site as a covered public space
 - provide shade / facilities on Civic Square site
- 11. Interpret earlier fine-grained streetscape**
 - acknowledge narrow lot pattern
 - consider re-entrant and internal block spaces
- 12. Acknowledge orientation to harbour and enclosed docks across the site**
 - consider site massing from adjacent civic spaces along the Macquarie Ridge
 - consider civic alignments across docks from Franklin Square
 - ensure site massing maintains connection to enclosed docks and harbor
- 13. Acknowledge view lines adjacent to/ across the site from other cove ridges**
 - ensure alignment from Cenotaph to Parliament Forecourt is maintained
 - ensure view shed down Argyle Street across the cove floor is maintained



Leigh Woolley Architect
 Liminal Architecture
 Barbara Hingston
 Feb 2'2016



Summary and Recommendations

While the location is identified as the Civic Square Site this term is now a misnomer. For the purposes of the report (and acknowledging its identity as a Key Site in the SCPS) the name has continued to be used, even though its earlier intended role as an open waterfront plaza, when the title was adopted, is no longer envisaged.

Despite its current incomplete appearance and inappropriate nomenclature, the urban block has the capacity to fulfill a latent civic potential.

*The urban morphology analysis confirmed the location has played a **pivotal role** in the development of the civic space of the town, the city and the port. The stakeholder engagement process showed high regard for the site as a **valuable asset** in the community's appreciation of the history and development of Hobart as an early Australian port city.*

*The public consultation process consistently demonstrated **shared and deeply held appreciation** of the history of the precinct and its qualities, and how these have contributed to the city's persona - visible in the **intimacy embodied in its remnant historical elements** and characteristics of its contemporary form.*

*Through these processes the site is seen as having considerable potential to take up a key role in the city's shared public space, potentially **functioning as a 'meeting place'** that illuminates and gathers people into the continuing and dynamic relationship between Hobart and its waterfront.*

The Masterplan provides the framework to implement strategic urban policy while enhancing civic engagement both in terms of an embedded history and the changing role and focus of civic space on the Cove Floor.

*Recommendations :
Movement, use and built form*

Movement:

The Masterplan outlines intentions to assist an **incremental re-development** of the 'Civic Square' within the precinct.

Key to this is the **retention of a diagonal movement** from Elizabeth Street to Argyle Street as a **public concourse**. This alignment can be interpreted across a number of urban scales, including the diagonal alignment from the Cove Floor to the summit across the urban block, and the diagonal link between Franklin Square and the enclosed docks.

Accordingly the principal massing within the block is set back beyond this alignment, at the same time the Elizabeth and Argyle corners of Morrison Street are re-instated, along with their street edges.

To facilitate this outcome and ensure the layered rise within the landscape of the city between 'floor' and 'summit' as a defined view-shed, development is proposed up to the brick cornice line of the existing Antique Prints and Maps building in Argyle Street, then south-east back to this alignment. Given the orientation of the resulting triangulated zone, this area lends itself to a series of terraces (including potentially a roof terrace) viewing to Constitution Dock. Beyond this the infilling of the urban block (especially at its corners)

is considered consistent with expectations for 'primary spaces' identified under the Sullivans Cove Planning Scheme.

In recognition of its potential as a civic 'square' or civic 'hub', its capacity to take pressure off the open areas of the Cove Floor, especially during events periods, should be considered part of its civic (spatial) role. A feature of the Cove Floor is the capacity for 'changefulness' within the space, allowing for events and other civic activities at specific times. The Masterplan recognises and assists this intention.

The location has long been recognised as **a place of orientation and interpretation** and the masterplan extends this role by identifying the reclaimed edge and its potential to reconsider movement across the cove floor.

Use :

Consistent with the Cove Floor becoming the highly significant cultural domain for the city and the state, and notwithstanding its incomplete appearance, the site currently demonstrates a thematic synergy between uses and users. This is indicated through the presence of the Map and Print Shop, antiques and antiquarian books, the whisky distillery, tourism, food and beverage outlets.

The identity of the precinct should be further developed as **a destination** maximising the current scope for civic capacity of the precinct. There is a clear view and desire for the site

to further **enable civic activity**, where the 'place offers opportunity' for citizenship and positive social engagement. A place that allows other civic participation and presence, valuing historical significance while ensuring alignment between city, waterfront and the regional landscape setting, from **the civic centre of settlement**.

The site should offer a sense of community beyond its commercial users however, acknowledging the interests of the **public as principal stakeholder** in the space and its place in Hobart's history.

Commercial and user diversity was considered by tenants to be central in making full sense of the civic potential of the area, **'a place of things to do'**, providing different groups of users more in terms of an 'activities focus'. The intended role of the public concourse threaded through the site, can galvanise these possibilities.

Stakeholders acknowledged the need to expand options for the operation of seasonal 'occasional' businesses in the precinct and surrounds. Providing a capacity within the precinct for an interactive, historically interpretive facility for visitors and locals was also commended to **appreciate the history of the development of the city**.

The Masterplan enables the civic intent that gave rise to the earlier acquisition of the properties (including those that have since been demolished) to be fulfilled.

Built form :

The schematic direction indicated as part of the built form outcomes identified that a civic facility (or facilities) of some 3000m² could be accommodated on the site, while still retaining existing heritage buildings and uses as well as providing a **public concourse** and public terraces over several levels. Public activation would be sustained by encouraging existing activities to open onto it, while **re-engaging movement as a through-link**.

The site, its buildings and the process of their formation provide a tangible public asset, above and below ground. The interpretive potential of these processes as well as the orientation offered by the location, and through the site itself, have informed the approach.

In allowing for an incremental re-development, **repair and consolidation** of the site is matched by **contemporary reconsideration of its civic purpose**. As a pivotal space on the Cove Floor, the site can also be a catalyst to enable a better utilisation of other adjacent facilities.

For example, given the location of the Hobart Council Centre and the Tasmanian Tourism Information Centre and their joint management, the potential re-location of the tourism facilities into the ground floor of the 1938 HCC building (or elsewhere on the redeveloped block) has a number of benefits to the Civic Square site:

- it maintains tourism information in the immediate location
- it frees up the former Piesse and Co building for other uses
- it recognises the key interpretive role of the basement of that building which is undervalued and difficult to integrate as part of a public tourism facility
- it strengthens a key urban design principle of providing active street frontages, in this instance along the Elizabeth Street frontage of that building with perpendicular access diagonally reinforcing movement to and from the Civic square site
- it enhances the street edge activity within Elizabeth Street at different grades along the street block
- it potentially allows a public 'through -building' link to Despard street, assisting interpretation of the shoreline before reclamation
- it assists the intention for Elizabeth Street to move toward a pedestrian priority street (ICAP)
- it provides a more contemporary building with a more generous internal scale than the existing cramped facility

The Masterplan outcomes strengthen the capacity of the former Civic Square site to **enable and extend anticipated urban improvements**, and inherent to its civic purpose, implement existing strategic urban policy.

Appendix: 1 Civic Alignments

Cove Floor to summit



Summit to Cove Floor

Acknowledge the alignment from the Summit to the Cove Floor which also reinforces appreciation of the course of the Hobart Rivulet. Maintaining the view shed necessarily means considering development scale in other central urban locations.

Morrison Street

Maintain and enhance the locating alignment along Morrison Street to the Cenotaph on the Domain Headland, which continues to the Parliament Forecourt.

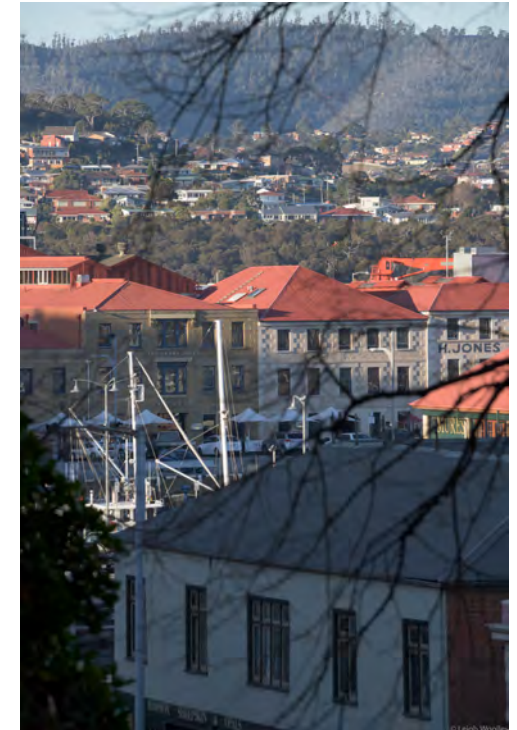


Right: View NE across Cove Floor to Cenotaph
Below: View SW across the enclosed docks to Parliament Forecourt via Morrison Street

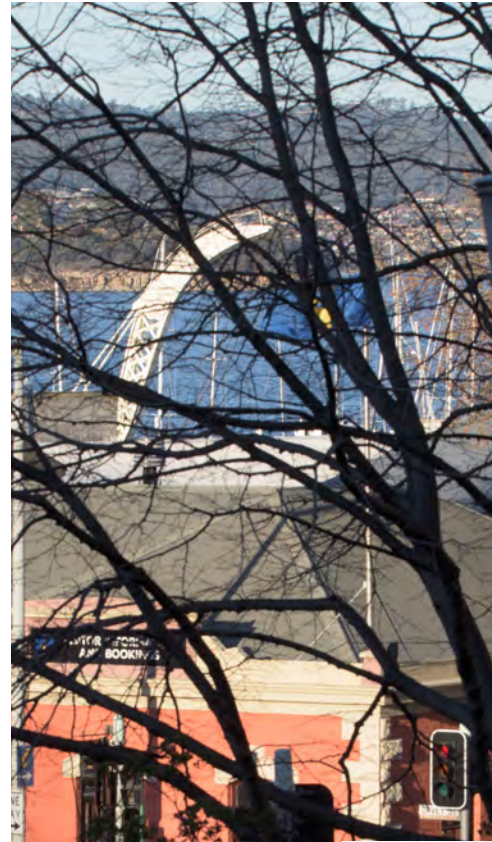


Argyle Street_ Mawson Place

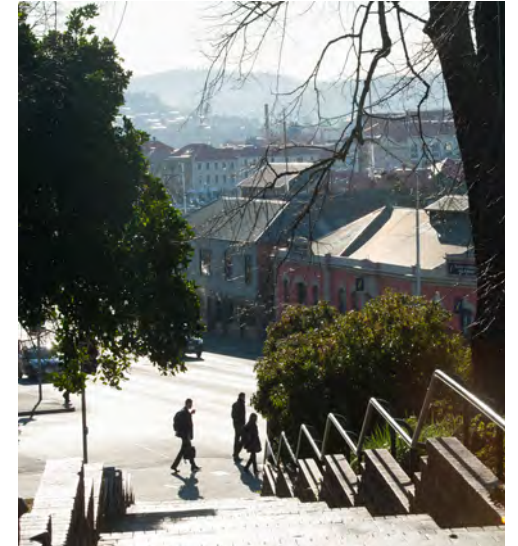
Civic Square Hobart - Appendices

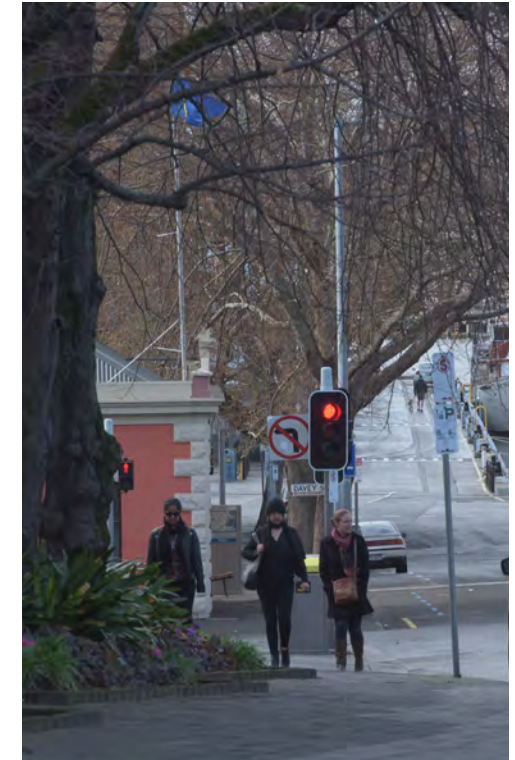
Davey Street

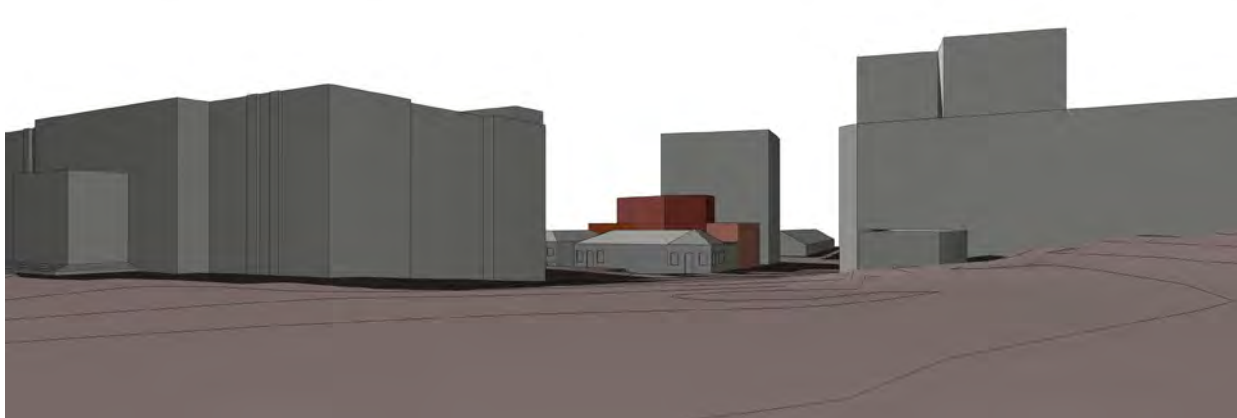
Franklin Square



Acknowledge Franklin Square and the escarpment as a place of orientation. Maintain the opportunity to align to the enclosed docks, the harbour and Kangaroo Bluff, as well as to the Meehan Range horizon beyond.



Elizabeth Street



Modelling indicates potential massing from the Elizabeth / Davey Street corner viewing south east.

Appendix: 2

'Civic Square' Hobart Morphological time line

140,000 years BP Sea level has varied over a range of more than 120 m (CSIRO)

40,000 + years BP Tasmanian aborigines: the most southerly occupants of the globe. SE nation (3,500 sq kms with 555 kms coastline. Mouheneer clan focussed on present day Hobart. In winter the SE clans concentrated along the coastline for shell-fish)

12,000 years BP Last glacial period ends

10,000 years BP Sea level rise forms Bass Strait separating the land mass of Tasmania

8,000 years BP Sea level estimated to be 15 m lower than today

5,000 years BP Sea level estimated to be 2m lower than today

1 AD – 1800 AD Little sea level change (CSIRO)

1804 British colonial settlement relocates from Risdon Cove to Sullivans Cove. 'The Camp' is established on the escarpment above the shore and along the fresh water stream beyond.

1807 First brick section of original Government House built. Govt. House grounds established and extend above the escarpment

1811 (1813) Gov Macquarie instructs Surveyor Meehan to draw up a 'regular plan' for the settlement. Georges Square is established as the principal civic space and focus of the plan.

1816 Port opens to merchant shipping – restricted to Hunter Island wharf

1817 St. Davids Church – Hobarts first 'permanent' religious building constructed on its present site on the Macquarie street ridge

1820 – 21 Causeway built between Hunter Island and the shore

1825 Construction begins on New wharf on the southern shore of Sullivans Cove

1826 Land Commissioners recommend that 'the whole distance from Mulgrave Battery round Sullivans Cove to Macquarie Point will be reserved either for mercantile and government stores and batteries. The whole may therefore be considered as reserved....'

1827 Colonial Architect John Lee Archer draws up plan for new quay wall alignment across middle cove with allotments for stores / warehouses (66' x 244' deep) with road at base of escarpment.

1831 Surveyor General George Frankland proposed broad scale redevelopment of the 'Cove'

1839 Gov. Sir John Franklin had new plans prepared for more extensive reclamation. (to be known as Franklin Wharf). Work commences soon thereafter reducing banks and filling.

1840 New Customs House (present Parl. House) completed

1847 Gov. Denison arranges 200 convicts under probation to be transferred from Tasman Peninsula to complete the reclamation work.

1850 Constitution Dock opened for the use of small boats. Representative government in the colony established (Legislative Council)

1852 Hobart City Council established

1850's Old Wharf becomes the focus of Hobart's manufacturing after its replacement by New Wharf (on the southern shore) as the primary port facility.

By 1854 Transportation ended. Work practically finished on Franklin Wharf Reclamation. Morrison Street established and ten allotments marked out on the new block bounded by Argyle and Morrison. SE half of the block offered for sale.

1858 New Government House completed at Pavilion Point



By 1859 Extension of Elizabeth Street provides a new link between the town and the waterfront. A number of buildings erected on the subject block including a hotel and a small number of houses and shops.

By 1860 The eastern half of the site fronting Morrison Street was well developed. Merchants take advantage of the opportunities offered by waterfront locations including speculating.

1860 Franklin Square established as a 'garden like' square.

1889 Henry Chesterman purchased the corner of Davey / Argyle. Old foundry demolished replaced with covered timber yard and office. Fruit trade offices erected.

1890 – 1914 Rapid development of steamship services. Offices and agencies of steamship companies representing Hobart's coastal, inter-colonial and overseas trade locate to the block.

1910 – 20 Premises advertised for motor garages on the site reflect the importance of motorized transport upon the waterfront. Coastal shipping affected by rail, with the trend for fewer but larger ships entering the harbour. After WW1 the maritime aspect of the entire waterfront became less evident.

By 1923 The entire block now occupied by offices – most connected with shipping and the fruit industry.

1934 Holyman's, a Tasmanian based national transport company completes an art deco style building on the Morrison Street frontage. (Now acknowledged for its intactness and associations).

1945 Hobart City Plan produced by Melbourne Surveyor and Engineer Fred Cook. Incorporates grandiose ideas for the environs of the Hobart waterfront. Council had been acquiring land for its own purposes since the late 19c, thus the concept of the Civic Square emerges. Buildings/ land were acquired as they became available.

1945 Inaugural Sydney to Hobart Yacht Race with Constitution Dock the symbolic end point.

1964 Demolition of Howards Hotel on the Argyle / Morrison Corner

1965 Hobart Area Transportation Study, the first urban transportation study in Australia, recommends a one way 'couplet' for Davey and Macquarie Streets.

1968 Demolition of Florence Nightingale/ Franklin Hotel on the Morrison / Elizabeth street corner.

Late 1960's Demolition Shell Service Station in Argyle street and Nettlefolds in Elizabeth street

Completion of a contemporary office extension to the Town Hall in the centre of the Macquarie/ Elizabeths Argyle/ Davey block, parallel to both Elizabeth and Argyle Streets and constructed with the intention to complete a further wing along Davey Street.

1971-2 Construction of the Marine Board building and to a lesser extent additions to the HEC thwarts the grand open civic plaza concept

1981 – 5 The Hobart Architectural Co-operative occupies space in the Dockside offices building and provides public lectures, exhibitions and supporting publications on design and the built environment, focusing on the city of Hobart

1987 An international hotel is built on the reclaimed 'Cove Floor' above the confluence of the local rivulets. Macquarie and Davey streets are turned into a one way arterial 'couplet'. The Tasman Highway is extended through the rail yards on the southern edge of the domain headland.

1988 Joint State Govt. / Council 'expressions of interest' process offering the extended site as 'a unique development opportunity'

1992 Bill Lark establishes Lark Distillery with an outlet on Davey Street, part of the former Chesterman's building

1994 Inaugural Tasmanian Wooden Boat Festival (now Australian Wooden Boat Festival) held on the Cove Floor with Constitution Dock as a focus

Late 1990s Redevelopment along the SW edge of Constitution Dock (and environs) resurfaces and reduces roadway and re-instates old waterside workers building (having since been the Dockside Offices) as Mawson Pavilion, the space being renamed Mawson Place.

(1841 – 2000) Relative sea level has risen 13.5 cms (in SE Tasmania) (CSIRO)



Appendix: 3

Hobart 'Civic Square' Public Exhibition (Dec'15 / Jan '16) / Feedback summary

Public Exhibition / Feedback summary

Respondent	Key comments/ issues	Outcomes /review comments
John Latham	Excellent work. Very pleased with direction and work to date.	
Evan Haskins	Direction OK. Zero emissions buildings that were beautiful, would be good. Huge mass uninviting. Open areas won't be used much in winter.	Respondent likely interprets the massing 'envelope' as a building. Activating edges, recommending multi level public, and semi-public spaces should mitigate winter open space concerns.
E S Ross	Congratulations on thorough research. Report captures most of the issues including as an important public space. Agree that Mawsons Hut not well suited to the location. Agree that lack of shelter prevents use as all round venue, hence enlarging footpaths supported. Concern with Argyle mid-block and pedestrians. Activation space for young families and youth. Reconfiguring Mawson Pavilion supported. Short term activation ideas – pop up cafes, basket ball hoops, bocce, tables and chairs etc.	Incremental opportunities for activation of the whole space, including Mawson Place, is acknowledged in the Masterplan. Argyle mid-block focus particularly at even times.
Peter Brenner 'Livability initiative'	Mature trees provide amenity and should be retained. Further options to ensure the place becomes a 'haven of relaxation'. Re-arrange traffic lanes in Elizabeth Street.	Reduction of traffic lanes in Elizabeth Street is part of the Masterplan. Retention of existing full canopy of street trees will reduce built edge infill along Elizabeth Street and is not recommended.
Mary McParland Cycling South	More work to make the area cycle friendly. Widen footpath along Davey Street between Elizabeth and Argyle. Bicycle storage 'box' in Argyle street.	Footpath widening along Davey is implied, and now referenced in Masterplan (notation 8b). HCC to review bicycle lane in Argyle Street, being on opposite side of Morrison Street cycle path.
Richie Kelley	The proposed direction is great.	
Jerry de Gryse	Applauds the considered analysis. 'Mature' street trees have considerable life yet. Should be retained. Elizabeth St should be pedestrian priority route involving widening of footpaths, facial recognition lighting, more street trees, seating.	Masterplan significantly widens footpaths in Elizabeth street, thus reducing traffic lanes. Vehicular movement in Elizabeth street must allow

	reduction in pavement to cars.	for servicing the urban block during events mode.
Brigita Ozolins, Gerard Willems	Grateful for the consultative process. Acknowledge detailed historical research. Agree that it is a public asset with an unfulfilled civic role, with potential as a meeting and gathering place, that should be incrementally developed. Suggest a public presentation by LW summarizing key elements. Concern with possible wind tunnel effects – potential for more intimate internal space or courtyard? Suggests reference to broader civic / architectural contexts. Agree with theoretical concepts underpinning the plan, but would like to see alternative options for implementing those ideas. Questions to HCC re implementation. Including what happens if not adopted?	More intimate internal space / courtyard possible within existing framework, subject to more detailed design. Roof and pergola frame (in part) a response to potential wind tunnel effects ... Best practice outcomes / references inherent to design approach. Public presentation by LW subject to HCC intentions.
Gavin Wright	Agree site an underutilized asset. Additional food, drink outlets unnecessary – convenience store and residential and additional offices should not be considered. Relocate Mawson Hut to free up space for all. Maritime history highlighted within garden setting, with existing properties tidied up.	Mixed use contemporary outcomes recommended as the appropriate Masterplan direction, rather than 'status quo' approach.
Lark Distillery	Desire for pre Mawsons Hut lawn area to be reinstated as a family friendly space. Opposed to any development over two stories on the 'existing lawn area'. Detrimental if entry to their business was under a mezzanine. Support the use of the existing 'car park' as a public space. Concerned that diagonal movement would be compromised by existing traffic along Argyle. Prefer a makeover as opposed to a complete redevelopment.	'Incremental' approach (with potential built outcomes) are inherent to the Masterplan. Diagonal pedestrian movement encouraged especially for 'event' times – when no traffic along lower Argyle Street.
Nathan McIntyre	No content attached	
		The role of a Masterplan is to identify and reinforce design principles, rather than champion a particular built solution. Updated 2 Feb 2016



The first of the seven panels from the Public Exhibition



An Exhibition of the Draft Masterplan was displayed in the Hobart Council Centre foyer during December 2015 and January 2016. The Draft Masterplan was also available on the HCC 'yoursay' website during this time. Comments / responses are summarised opposite.

6. TASMANIAN HEADSTONE PROJECT – GRANT – FILE REF: 14-5-1

16x's

Report of the Director City Planning and the Senior Cultural Heritage Officer of 8 March 2016 and attachments.

DELEGATION: Council

Ms Andrea Gerrard, Chairperson and Mr Harry Quick, Committee Member of the Tasmanian Headstone Project, will address the Committee in respect to this item.

TO : Finance Committee

FROM : Senior Cultural Heritage Officer

DATE : 8 March 2016

SUBJECT : **TASMANIAN HEADSTONE PROJECT - GRANT**

FILE : 14-5-1 BPL:BPL (o:\council & committee meetings reports\fc reports\16 march\working docs\tasmanian headstone project grant.doc)

1. INTRODUCTION

- 1.1. This report presents a request from the Tasmanian Headstone Project for funding to assist installation of commemorative headstones for returned Tasmanian soldiers. The amount specifically requested is \$10,000.
- 1.2. The report provides background information about the organisation and its project.
- 1.3. The report recommends funding be provided, subject to conditions.

2. BACKGROUND

- 2.1. The Tasmanian Headstone Project (THP) operates as a legally constituted sub-committee of the Families and Friends of the First A.I.F. Inc. (ABN 67 473 829 552), which is a charity registered with the Australian Charities and Not-for-profits Commission (ACNC). The THP was initiated in 2012 in response to the fact that the remains of many First World War veterans are interred in unmarked graves at Cornelian Bay Cemetery, Hobart, as well as many other cemeteries around the state. The THP was established to make sure that these veterans were appropriately commemorated at their burial place.
- 2.2. Further information about the Tasmanian Headstone Project is provided as attachments to this report. The organisation also has a website, <http://www.tasheadstoneproject.org>.
- 2.3. The THP has already received some funding from the state government, from other councils and from the RSL. For example, the state government has provided \$4,950 and the RSL is providing \$5,000 per annum for the next three years. Existing local government funding amounts to \$13,500, with Clarence, Glenorchy and Kingborough councils each contributing \$1,500 per annum over a three year period (2014-2016).
- 2.4. In 2012 the THP was offered a one-off grant of \$660, following receipt of a request through the Council's Community Grants Program. The current application for funding is well beyond the scope of the Council's Community Grants Program, which has a limit of \$3000.

- 2.5. Some 67 headstones have already been installed on previously unmarked graves. There are at least 214 still to be done. Of the outstanding total, 148 men (69%) were from the Hobart municipal area. The THP has a target of completing the headstones at Cornelian Bay Cemetery by Remembrance Day 2019.
- 2.6. The THP has specifically requested funding of \$10,000 in 2015/2016, but has also foreshadowed the need for funding in future years. The amount of \$10,000 would cover an additional 23 headstones and plaques.
- 2.7. The amount of \$10,000 has not been included in any budget allocation, and if approved, would be beyond the existing operating plan.
- 2.8. The Council already provides generous support to the Friends of the Soldiers Memorial Avenue and other organisations. The veterans at Cornelian Bay are not commemorated on the Memorial Avenue, as they died after their return to Tasmania, rather than on active service overseas. It is surprising that so many of the veterans in Cornelian Bay Cemetery are without any formal monument or memorial, but this is partly explained by the fact that many had no close relatives, or had families who could not afford elaborate markers.

3. PROPOSAL

- 3.1. It is proposed that the Council agree to the specific funding request.
- 3.2. It should be noted that the total cost of installing headstones on all the graves of Hobart-based veterans (148 in number) would be approximately \$64,000. The THP is not expecting the council to fund this amount, but is seeking a modest contribution towards it.
- 3.3. It is proposed that an allocation of \$10,000 be made in the current year, from funds in the Heritage and Conservation Function. The funding would be conditional upon formal agreement with the Tasmanian Headstone Project and the Families and Friends of the First A.I.F. Inc. Any future allocation would be subject to further request and Council approval.

4. IMPLEMENTATION

- 4.1. The proposal would be implemented by:
 - a) preparing and securing formal agreement between the parties;
 - b) providing payment of \$10,000 this financial year, upon receipt of invoice; and
 - c) receiving full acquittal report.

5. STRATEGIC PLANNING IMPLICATIONS

5.1. Strategic Objective 2.4 states:

Unique heritage assets are protected and celebrated

and includes:

2.4.1 Improve the interpretation of heritage by developing accessible information.

5.2. The proposal can be seen as a form of interpretation of the graves of servicemen and women, and an opportunity for understanding the personal lives and sacrifice of those community members who served during war.

6. FINANCIAL IMPLICATIONS

6.1. Funding Source(s)

6.1.1. Heritage and Conservation (function) – promotion, education and interpretation (activity) – grants (resource).

6.2. Impact on Current Year Operating Result

6.2.1. The allocation of \$10,000 from the Heritage and Conservation Function is not expected to have a major impact upon the overall operating result in 2015-2016.

6.3. Impact on Future Years' Financial Result

6.3.1. None at this stage; any request for additional funding in future years will be subject to further reporting.

6.4. Asset Related Implications

6.4.1. The headstones would not be Council assets; they would be located within the privately-owned Cornelian Bay Cemetery (Millingtons) and would be subject to ongoing care by the Tasmanian Headstone Project and the Families and Friends of the First A.I.F. Inc.

7. RISK MANAGEMENT IMPLICATIONS

7.1. None foreseen; if the project is not completed for whatever reason, the recipient will be required to return unexpended funds.

8. LEGAL IMPLICATIONS

- 8.1. None foreseen; the grant will be subject to formal agreement between the Council, the recipient and the 'auspicing' organisation.

9. COMMUNICATION AND MEDIA IMPLICATIONS

- 9.1. The project has already received widespread media attention and this is expected to continue during the duration of the exercise.

10. DELEGATION

- 10.1. The matter is reserved to the Council; no delegation is sought.

11. CONSULTATION

- 11.1. In preparing this report, the author has conferred with officers of the Community Development Division and Financial Services Division.

12. CONCLUSION

- 12.1. The Tasmanian Headstone Project is a community group established to commemorate Tasmanian veterans from the First World War whose graves have no marked memorial.
- 12.2. The group has received funding from the state government, other councils in the greater Hobart area and from bodies such as the RSL.
- 12.3. The request is for a modest amount of \$10,000 to assist with installation of 23 headstones.
- 12.4. The request appears reasonable, and a Council contribution will give the project a tangible boost.

13. RECOMMENDATION

That:

- 13.1. The report BPL:bpl(o:\council & committee meetings reports\fc reports\16 march\working docs\tasmanian headstone project grant.doc) be received and noted.**
- 13.2. The Council agree to provide a grant of \$10,000 to the Tasmanian Headstone Project for the purposes of erecting 23 memorial headstones and plaques at the Cornelian Bay Cemetery, to honour returned servicemen and women from the Hobart community whose graves are currently unmarked.**
- 13.2.1. The grant to be disclosed in the City of Hobart's 2015/2016 Annual Report in accordance with its policy in respect to grants and benefits disclosure.**

13.2.2. The grant be attributed to the promotion, educational and interpretation allocation within the Heritage and Conservation function of the 2015/2016 Annual Plan.

13.3. The grant be conditional upon a formal agreement between the Council and the Tasmanian Headstone Project (as the recipient) and the Families and Friends of the First A.I.F. Inc. (as the auspicing organisation).

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.

Benjamin

(Brendan Lennard)

SENIOR CULTURAL HERITAGE OFFICER

Phil Chagnon

(Neil Noye)

DIRECTOR CITY PLANNING

Attachment(s) A: Letter dated 11 July 2015 from Andrea Gerrard, Chairperson, Tasmanian Headstone Project;

B: *Tasmania's Forgotten Diggers: First World War veterans who currently lie in unmarked graves around Tasmania*
[The Tasmanian Headstone Project statewide]
Andrea Gerrard, 16 December 2015

Address: 24 Mercer Street, NEW TOWN TAS 7008



*Dedicated to the commemoration of all
Tasmania's World War 1 service men & women*

Alderman Sue Hickey,
Lord Mayor of Hobart,
G.P.O. Box 503
HOBART TAS 7001



Dear Lord Mayor,

On behalf of the Tasmanian Headstone Project I would like to make a formal submission for funding for the present financial year 2015/2016.

Despite having installed 67 pedestal headstones on the unmarked graves of our First World War veterans to date through the generosity of the Hobart community and beyond, we still have at least 214 more to do. A further 20 need a small brass plaque to go on an existing grave, where there is no mention of that person. The total cost of this will be \$97,910. If spread out over three years the cost will be approximately \$32,636 each year.

Each of the local councils in the greater Hobart area have been asked if they were willing to make a contribution towards this project, particularly given that we are now commemorating the centenary of Anzac. So far all who have been approached have agreed to help with an annual donation over the next four years. Among the 214 men still requiring a headstone, are 148 men from the Hobart municipality alone.

The suggest amount of \$10,000 for the financial year 2015/16 would be greatly appreciated and will make an enormous difference to this project, given the amount we need to find annually. While we have had an increase in the price of the plaques, this amount should cover around 25 plaques. We are continuing to have conversations with both state and federal governments in the hope of securing other funding to enable this phase of the project to be completed by Remembrance Day 2018.

The support of local government is heartening and we appreciate you taking the time not only to meet with us but also for your kind words of support for what we are endeavouring to do for these men. I have attached a briefing document that might be of interest to you, other alderman and staff. If you require any other details or have any questions, I can be contacted on 62280543.

Kind regards

Andrea Gerrard
Chairperson

Information on the Tasmanian Headstone Project :

Background:

This project commenced in 2012 when it was discovered that there were a number of returned veterans whose last resting place was no more than a dirt plot within the Cornelian Bay Cemetery located on the outskirts of the city of Hobart. This means that there is no monumental work or any other marker on their burial plot. Those who have either a private family grave that identifies them as a World War 1 soldier or have an official war grave are simply photographed for our records.

Exhaustive research has since been undertaken to not only establish how many of these returned soldiers there might be within the cemetery, but to work out some of the reasons why this situation has happened. To date **300** men have been identified as returned First World War soldiers whose resting place is a dirt plot devoid of anything that commemorates their lives or honours their service during the First World War.

The reasons why these men are in dirt plots devoid of recognition are many and according to our research include:

- Last member of the family with no near relatives i.e. brothers or sisters – not only to put up a headstone but also to apply for a war grave
- Moved here from interstate or elsewhere and no known family
- Estranged from family
- Family were unaware that they needed to apply for a war grave
- Family lacked sufficient education to fill in the paper work and weren't given an assistance to do so
- Ineligible for a Commonwealth funded war grave – death not war related including those who died of an accident such as a vehicle accident or drowning
- Family not in any financial position to afford a headstone at the time of death and the matter put aside til later

We also have about a fifty names of other men who also lie in unmarked graves in various cemeteries around the state. This is before any concerted effort has been made to look outside of Cornelian Bay. This number includes four men of Aboriginal heritage who are buried at Carr Villa Cemetery along with a number of others. There are two at Cygnet, one at Bothwell, one at St. Mary's, one at Longford and another at Campania that we know of, but believe that there are many more scattered around the state. Our current estimate is that there are between **500 and 600** men in Tasmanian cemeteries who are First World War veterans and lie in unmarked graves.

To date the Tasmanian Headstone Project has been able to put in **57** pedestal headstones and will be installing a further **10** in August this year. This has been carried out with the assistance of donations from a variety of sources including Andrew Wilkie, the Hobart City Council, the Greater Hobart RSL, Dunalley RSL, Families and Friends of the First A.I.F. and as well as donations from families and friends.

Millington Cemeteries have waived their cemetery fees and provide us with maps etc as well as helping by submitting the texts to the foundry, copies of the order of service for the unveilings as well as seating, a marquee and staff. This partnership is extremely important to this project. This year we have managed to attract support from local businesses – Cement Australia, Sika Australia and Clennett's Mitre 10. We are looking at expanding this further for next year in order to reduce our costs as much as possible.

The Office of Australian War Graves has now accepted 17 men to be officially commemorated having determined that their cause of death was due to their war service. We are not in a position to submit other names at present as we do not have any funding for obtaining death certificates at a cost of \$45 each. Until another arrangement can be made with the Department of Justice to obtain these free of charge no further names will be submitted.

Costing:

These costings are based on the fact that the labour involved is done on a volunteer basis. If not then the costs would increase accordingly. The same will apply if the cost of the plaques or other materials increases dramatically.

Each headstone currently costs us **\$432.50** to install based on the following:

3 bags of general purpose cement @ \$8.50 each	\$25.50
1 200mm length of trench mesh (6000mm @ 35.00 per length)	\$12.00
1/6 metre of builders mix @ \$87.00 per cubic metre	\$15.00
Glue	\$10.00
1 plaque (8 lines of text with emblem and cross)	\$370
Total cost per headstone	\$432.50

Following an audit of the research undertaken to date – we have 214 men who need a pedestal headstone. A further 17 need a small brass plaque added to an existing grave where there is no mention of that person.

Based on the figure of \$432.50 each, then the total cost to do those whom we have located so far is **\$92,555**. (214x\$432.50) Plus 17 small brass plaques to go on existing graves where the soldier is not mentioned (17 x \$315) at a cost of \$5355. This will bring the total cost to **\$97,910**. This would be spread out over the next four years - **\$24,477.50** or over three years **\$32,636**.

If all three levels of government contributed equally along with the private sector then the impost would not be that great say \$6,000 each from local, state and federal governments. To date the federal government has not been prepared to put in any money. The state government gave us a grant of \$4950 as part of the Centenary of Anzac Funding. We have been in contact with a number of the local councils in the greater Hobart area and all that we have spoken to are happy to contribute towards the project over the next couple of years at least. We hope that we can attract a similar level of state funding for the upcoming financial year.

If we are to give recognition to our returned First World War veterans who currently rest in unmarked graves, a combined effort is needed from all levels of government as well as the private sector. We believe that the project is excellent value for money and provides an enduring memorial to these men. It seems that we have a good deal of community support also. If all tiers of government would contribute along with the private sector then we will be able to reach our aim of having the job finished by November 2018 in time for the 100th Anniversary of the signing of the Armistice.

Lest we forget the returned damaged diggers who made Tasmania their final home and honour their service in a time of war.

Andrea Gerrard

Chairperson

Tasmanian Headstone Project

Prepared 11 July, 2015



TASMANIA'S FORGOTTEN DIGGERS

First World War veterans who currently lie in
unmarked graves around Tasmania

ABSTRACT

The Tasmanian Headstone Project state wide

Compiled by Andrea Gerrard (Chairperson) on
behalf of the committee



Information on the Tasmanian Headstone Project:

Background:

This project commenced in 2012 after it was discovered that there were at that time a small number of returned First World War veterans whose last resting place was no more than a dirt plot within the Cornelian Bay Cemetery located on the outskirts of the city of Hobart. This means that there is no monumental work or any other marker on their burial plot to indicate who is buried there.

A group of 4 like-minded people came together to form a committee who were resolved to do something about this situation and to ensure that these men were commemorated. This committee has now grown to six members.

To ensure that the group's activities had adequate protection, particularly in the area of public liability insurance an approach was made to **Families and Friends of the First A.I.F.**, a national incorporated body who endeavour to promote the history of the men who formed the First AIF. The Tasmanian Headstone Project is a legal sub-committee of the national body who have also supported our work through the provision of around \$2,000 annually.

Exhaustive research has since been undertaken to not only establish how many of these returned soldiers there might be within the cemetery, but to work out some of the reasons why this situation has happened. This research is ongoing until we feel we have been over every section within the cemetery where there is a likelihood of being unmarked graves. Some of the oldest sections are unlikely to have unmarked graves and have only been given a cursory look.

To date around **310** men have been identified as returned First World War soldiers whose resting place is a dirt plot devoid of anything that commemorates their lives or honours their service during the First World War. A list of names can be provided. It is expected that the final number will be around **320**.

A further 14 men have been identified as being buried in an existing grave with monumental work on it, but their name does not appear on the headstone. In this case we will attach a small brass plaque to it similar to the larger ones we do.

The reasons why these men are in dirt plots devoid of recognition are many and according to our research include:

- Last member of the family with no near relatives i.e. brothers or sisters – not only to put up a headstone but also to apply for a war grave if eligible
- Moved here from interstate or elsewhere and no known family locally
- Estranged from family
- Family were unaware that they needed to apply for a war grave
- Family lacked sufficient education to fill in the paper work and weren't given an assistance to do so
- Ineligible for a Commonwealth funded war grave – death not war related including those who died of an accident such as a vehicle accident or drowning
- Family not in any financial position to afford a headstone at the time of death and the matter put aside until later
- 50 of these men died prior to the outbreak of World War 2 when benefits were greatly reduced and the response by the medical profession at the time was different to what it would be later on.
- Also at this time medical definition of incapacity excluded consideration of social and economic factors.

- Determinations by officers of the Department of Veterans Affairs were often subjective and with the adversarial process of pension claims, it meant that many did not bother to make a claim or pursue an appeal. While this changed after World War 2, around half of the men who are in unmarked graves had already died.

Where a soldier is buried in a marked grave but his name does not appear on the headstone, a small brass plaque is attached to the headstone or grave as appropriate. Those who have either a private family grave that identifies them as a World War 1 soldier or have an official war grave are simply photographed for our records.

State wide:

To date we have concentrated on Cornelian Bay Cemetery which caters for the greater Hobart area, if not much of the south of the state. The decision was made early in the project to concentrate on Cornelian Bay Cemetery and finish that before moving on to other cemeteries. At that stage we had no idea how many men would be in unmarked graves and did not expect the number to be as large as it is.

We currently have 20 men on our list for Cornelian Bay who come from areas outside of Hobart: from Launceston, Derby, Dover, the west coast and beyond. Some of these were men who had to come to Hobart for treatment whether at the Royal Hobart Hospital or the Repatriation General Hospital and subsequently died. Others who had no-one to care for them at home and were required to come to Hobart for care. Rather than the expense or effort of returning the body back to their home town, they were then buried at Cornelian Bay Cemetery. We have recently erected one headstone for a veteran from King Island who died at the Repatriation General Hospital.

We have always had, and continue to have, a commitment to moving out of Hobart hence the name of the project. Having installed 67 pedestal headstones to date, the group is now experienced in their installation and with financial help in securing the necessary lifting equipment, generator and other costs would be in a position to move into other cemeteries. This would require an investment by the government (federal, state & local) and other bodies willing to support this move.

Our current estimate is that there are between **500 and 600** men in Tasmanian cemeteries who are First World War veterans and lie in unmarked graves including those from Cornelian Bay Cemetery.

We have about a fifty (**50**) names of other men who also lie in unmarked graves in various cemeteries around the state. This is before any concerted effort has been made to look outside of Cornelian Bay. This number includes four men of Aboriginal heritage who are buried at Carr Villa Cemetery, Launceston along with a number of others. There are also two Aboriginal men buried at Cygnet, one at Bothwell, one at St. Mary's, several at Longford and another at Campania that we know of, but believe that there are many more scattered around the state.

There are many unmarked graves scattered around the state in various cemeteries both council and church operated. In order to ensure we have widespread community support in these towns we will be involving local councils, schools, local history groups, service organisations and the RSL Sub-branches similarly to what we have already done in the south of the state.

Each of the two components that form the pedestal headstone are currently made by hand using voluntary labour in an effort to keep costs to a minimum. Each base weighs around 150kg and the top section about 80kg. At present we have assistance from the Australian Army moving these sections from their point of manufacture onto the site at Cornelian Bay. As stated, to move further

afield appropriate lifting gear (truck with HIAB) and equipment such as a generator, if not additional manpower would be essential.

Current:

As at the end of August this year, the Tasmanian Headstone Project will have installed **67** pedestal headstones on the unmarked graves of our First World War returned veterans. Through our research we were able to identify a number of others whose cause of death might have been linked to their war service. These were forwarded to DVA or the Office of Australian War Graves in the case of those who were 'war dead'. Seventeen (**17**) of these men were accepted and now have official war graves or are in the process of being done. This means that to date **84** First World War veterans will now have their service recognised.

The work that the Tasmanian Headstone Project has been able to carry out has been done with a growing amount of community support. This has been carried out with the assistance of donations from a variety of sources including several local councils (Kingborough, Clarence and Glenorchy) the Greater Hobart RSL, Families and Friends of the First A.I.F., Naval, Military and Air Force Club of Tasmania, Royal Tasmanian Regiment Association and as well as donations from schools, families and friends.

Millington Cemeteries have waived their cemetery fees and provide us with maps etc as well as helping by submitting the texts to the foundry, copies of the order of service for the unveilings as well as seating, a marquee and staff. This partnership is extremely important to this project as is the one we currently have with the ADF to move the sections from their point of manufacture onto the site.

We have managed to attract support from local businesses – Cement Australia (cement dust), Sika Australia (glue) and Clennett's Mitre 10 (builders mix and other items at cost). We are looking at expanding this further for next year in order to reduce our costs as much as possible. Should this project go state wide then it would be anticipated that these businesses or other similar businesses would come on board.

State RSL:

In December 2015 a Memorandum of Understanding was signed with the State RSL who have agreed to provide \$5,000 funding each year for the next three years beginning in 2016. This is not only a substantial boost to the project but is also an indicator of the support the RSL is prepared to give to the project. The one stipulation is that the funds are to go to the erection of the headstones and not into infrastructure etc.

Work for the Dole:

Following a recent meeting with Sarah Watson, Work for the Dole coordinator here in Hobart it appears that we will be the recipient of a scheme. This will allow for most if not all the actual headstones to be manufactured and installed on the graves of the men whom we have identified so far at Cornelian Bay Cemetery. This project does come with some funding, part of which would need to be allocated to the purchase of equipment to be used by the people involved with the remainder to be used for the purchase of the materials needed for the headstones.

Should this project be a success then it is quite possible that we might be able to get a similar scheme going in the north of the state. The provision of supervision by the group will be an issue that will need to be overcome.

Finances:

In late 2012 when the federal government announced the Centenary of Anzac community grants we applied for funding to complete one section (50 headstones). Our application received unanimous support from the local committee and Mr Andrew Wilkie, but was knocked back when it got to Canberra. So far the Federal government have been unwilling to help, but it is hoped that this might change in the near future.

In 2014 the committee were successful in obtaining \$4950 under the local centenary of Anzac grant scheme and earlier this year were also given a further \$500 from the Premier's Discretionary Fund. The grant covered the cost of 15 plaques.

It appears that we are the square peg trying to fit into a round hole – not fitting any of the existing criteria for funding under established grants programs such as 'Saluting their Service'. It has been suggested that we modify what we do to fit the criteria set down for 'Saluting their Service' by placing a plinth or similar in each section of the cemetery where there is a grave and list the names of the men in that section on it. This totally obfuscates what we are trying to - to recognise the service of these men at their resting place. To do otherwise would simply be replicating much of what the Gardens of Remembrance do and is not what families are wanting either.

Costing:

Each headstone currently costs us **\$432.50** to install based on the following:

3 bags of general purpose cement @ \$8.50 each	\$25.50
1 200mm length of trench mesh (6000mm @ 35.00 per length)	\$12.00
1/6 metre of builders mix @ \$87.00 per cubic metre	\$15.00
Glue	\$10.00
1 plaque (8 lines of text with emblem and cross)	\$370
Total cost per headstone	\$432.50

N.B. These costings are based on the fact that the labour involved in done on a volunteer basis. If not then the costs would increase accordingly. Currently each pedestal headstone takes **7** man hours to manufacture, install and to attach the plaque.

While going state wide continues to be something that the committee would like to do in keeping with the name of the project, other costs would need to be funded by the project rather than donated as they are at present. These include the purchase of a suitable second hand vehicle with a HIAB for lifting the sections from the point of manufacture to the truck and then onto the site. Also a generator to run the cement mixer. Travel costs to and from the site would also need to be met at times.

Additional Costs:

Purchase of a suitable second hand truck with HIAB/lifting gear	\$15,000
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Generator	\$ 1,500
Drill & masonry bits	\$ 300
Grinder & 125 mm discs	\$ 150
Timber & screws needed for moulds	\$ 500
Equipment	\$ 1,400
Travel (2 visits at least)	
Research	
Fees	
Insurance and registration of the vehicle	

To continue to do the remaining 200 headstones at Cornelian Bay and at least a similar number state wide in order to complete the project by 2019/20 would require not just the items above but at least a minimum of \$120,000 of which **\$86,500** is required to complete the work at Cornelian Bay Cemetery. A list of names of men located outside of Hobart has commenced. Without undertaking any rigorous research and simply relying on information from families and other sources, we currently have 35 names. Just how many more there are state wide is very hard to know without the research being done. A very conservative estimate is 100, but the figure is more likely to be around a further 200 bringing to the total up to around 500.

Statewide:

Pedestal Headstone/ plaque (say 100)	\$43,200
Moulds	\$ 200
Travel/Research costs & fees, say	\$ 1,600
Total	\$45,000

Millingtons Cemeteries currently waive all their fees: councils or churches controlling other cemeteries outside of Hobart might not be so willing and insist on charging fees for the placement of new headstones which would also need to be covered. Costs involved in researching would also need to be covered. Once again these would involve travel costs to check out the cemetery and to use the records assuming they are available freely or otherwise. Without the assistance of the ADF in moving the sections, access to or the purchase of suitable lifting equipment would be essential.

It may be possible that other local councils will provide some financial assistance. The same may also apply to local RSL Sub-branches, but to go state wide will need a substantial injection of money whether through a grant program or other source.

Employment:

One local foundry has expressed an interest in supplying the plaques for us. Further discussions will be held with them to determine if they are able to produce plaques that meet the design and standard that we require. If they are able to do so this will not only put money into that business but will hopefully provide employment opportunities.

Education:

The most exciting thing that has happened during 2015 is having 5 local schools involved – both private and public schools. In April this year students from St. Virgils College undertook the research into the 11 men whom we were commemorating. They also provided the band and choir and a senior student read The Ode. In July students from Rose Bay, Ogilvie High, New Town High and Claremont College participated – undertaking the research as well as providing the choir and band. Two students from Ogilvie High School addressed those present talking about their experiences on the Western Front. A trip they had won as part of the Frank McDonald Prize.

At the August unveiling the research was undertaken by the ADF students from Claremont College. New Town High supplied the music and two boys from the school spoke about the importance of Anzac. Claremont College have signified their commitment to the project through their VET ADF Class.

For the students this was engaging in research for a real life purpose rather than just a mark. Their research work was then printed in the Order of Service along with their name. The students were then invited to help with the unveiling of the headstones. All those who were involved found that they learnt so much about these men and about their lives and found it a very rewarding experience. Also, in a couple of instances they were able to meet family members and hear their stories too. Through their involvement in this project it put their learning into a wider context, well beyond the classroom.

It is anticipated that if the project went state wide then schools from around the state would be able to be involve in a similar way to that which has happened this year facilitated by Ms Judy Travers, General Manager, Learning Services South who has a deep interest in this project.

Moving Forward:

If we are to give recognition to our returned First World War veterans who currently rest in unmarked graves, a combined effort is needed from all levels of government as well as the private sector. We believe that the project is excellent value for money and provides an enduring memorial to these men. It seems that we have a good deal of community support also. If all three levels of government contributed equally along with the private sector then the impost would not be that great.

While the Office of Australian War Graves has now accepted 17 men to be officially commemorated, we are not in a position to submit other names at present as we do not have any funding for obtaining death certificates at a cost of \$45 each. Until another arrangement can be made with the Department of Justice to obtain these free of charge no further names will be submitted.

Bill Langham when interviewed late in life commented about his treatment by the 'Repat' System – 'when we want you to go away and fight we'll give you the world, but when you come back we'll take it off you again.'

Those who survived the horrors of the First World War need to be treated as heroes the same as those who died on active service. It seems that after 1922 those who returned were no longer equal with those who had been left behind on the battlefields. They often aged more quickly and even if they had presented as being fit on return soon started to develop a range of illnesses and problems as the decade progressed.

Lest we forget the returned damaged diggers who made Tasmania their final home and honour their service in a time of war.

Andrea Gerrard

Chairperson

Tasmanian Headstone Project

Prepared 1 August, 2015, updated 16 December 2015

**FINANCE COMMITTEE AGENDA
(OPEN PORTION OF THE MEETING)
16/3/2016**

**7. ANZAC COMMEMORATIONS IN 2016 – REQUEST FOR ADDITIONAL
FUNDING – FILE REF: F14/18544**

10x's

Report of the Group Manager Executive and Economic Development of 16 March 2016 and attachments.

DELEGATION: Committee

TO : Finance Committee

FROM : Group Manager Executive & Economic Development

DATE : 16 March, 2016

SUBJECT : **ANZAC COMMEMORATIONS IN 2016 - REQUEST FOR ADDITIONAL FUNDING**

FILE : F14/18544 TS:RE (o:\lord mayor\sue hickey\reports\council\report for committee anzac day 2016.docx)

1. INTRODUCTION

- 1.1. The purpose of this report is to consider five requests received from Colonel Michael Romalis, the Chairman of the RSL (Tasmania) Hobart Anzac Day Commemorative Committee, which relate to ANZAC Day 2016.
 - 1.1.1. A request to waive the fees of \$2,980 for the erection and removal of street and civic banners.
 - 1.1.2. A request to approve the Centenary of ANZAC banners to be erected at the Town Hall.
 - 1.1.3. A request for a financial contribution of \$200 to assist with the printing of the Order of Service for ANZAC Day.
 - 1.1.4. A request to waive the fees of \$900 for City Hall to be reserved and set-up as an indoor venue in case of severe inclement weather on ANZAC Day.
 - 1.1.5. A request to fund Australian hand flags to the amount of \$1,000 to \$2,000 for the purpose of handing out to children on ANZAC Day.

2. BACKGROUND

- 2.1. ANZAC Day provides all Australians with the opportunity to remember those who have served in wars, conflicts and peace operations in which Australia has been involved over the past 100 years. As well as remembering those who have served, we also need to remember those who stayed behind: the widows and widowers, the families, the friends and communities who suffered the loss of those who never returned, and supported those who did
- 2.2. Annually the Council provides support to the RSL (Tasmania) Hobart Anzac Day Commemorative Committee in the form of providing administrative support for the Community briefing and set-up and pack-up arrangements for the Cenotaph and Town Hall in the form of audio, chairs, dias, flags, disability access and traffic control.

2.3. Whilst the Centenary of ANZAC is now past, the Centenary of World War One commemorations and several significant anniversaries for more recent conflicts will occur in 2016. Those that we have been made aware of include:

2.3.1. 100th Anniversary of the Battle of Pozieres in 1916;

2.3.2. 100th Anniversary of the creation of the Returned and Services League of Australia;

2.3.3. 75th Anniversary of the Battle (Siege) of Tobruk in North Africa;

2.3.4. 75th Anniversaries of the Battles of Greece and Crete, and

2.3.5. 50th Anniversary of the Battle of Long Tan in Vietnam.

3. PROPOSAL

3.1. ANZAC Day is of great significance nationally. It is proposed that the Committee consider its support for the following initiatives:

3.1.1. A request to waive the fees of \$2,980 for the erection and removal of street and civic banners.

3.1.2. A request to approve the Centenary of ANZAC banners to be erected at the Town Hall.

3.1.3. A request for a financial contribution of \$200 to assist with the printing of the Order of Service for ANZAC Day.

3.1.4. A request to waive the fees of \$900 for City Hall to be reserved and set-up as an indoor venue in case of severe inclement weather on ANZAC Day.

3.1.5. A request to fund Australian hand flags to the amount of \$1,000 to \$2,000 for the purpose of handing out to children on ANZAC Day.

4. IMPLEMENTATION

4.1. The Hobart Anzac Day Commemorative Committee has booked street and civic banners for the period leading up to ANZAC Day.

5. STRATEGIC PLANNING IMPLICATIONS

5.1. The importance of ANZAC Day is significant to all Australians. Supporting this event is in line with The City of Hobart's Draft Strategic Plan (2014-19) objectives:

Future Direction 6 - Increasing community participation

6. FINANCIAL IMPLICATIONS

- 6.1. In the event that this proposal is supported, the request to waive the fees of \$2,980 for the erection and removal of street and civic banners would be listed in the Annual Report in accordance with the Council's policy in respect to disclosure of grants and benefits.
- 6.2. In the event that this proposal is supported, the cost of \$200 to assist with the printing of the Order of Service for ANZAC Day could be funded from the Lord Mayor's Civic and Ceremonial budget function. This budget function has an annual allocation of \$3,282 for Grants / Benefits and \$25,000 which are allocated for internal charges related to operational and staffing for ANZAC Day.
- 6.3. In the event that this proposal is supported, the cost of \$900 for the City Hall would be funded through the Hobart Hall Hire Assistance Program for the 2015/2016 Annual Plan.
- 6.4. In the event that this proposal is supported, the cost to fund Australian hand flags to the amount of \$1,000 to \$2,000 for the purpose of handing out to children on ANZAC Day could be funded from the Lord Mayor's Civic and Ceremonial budget function.
- 6.5. In the event that this proposal is supported, the Council's assistance would be listed in the Annual Report in accordance with Council's policy in respect to disclosure of grants and benefits and assistance.

7. RISK MANAGEMENT IMPLICATIONS

- 7.1. None arise from this report.

8. LEGAL IMPLICATIONS

- 8.1. None arise from this report.

9. SOCIAL IMPLICATIONS

- 9.1. The Chairman of the Hobart ANZAC Day Commemorative Committee held a briefing meeting on 10 March 2016.

10. CUSTOMER IMPLICATIONS

- 10.1. None arise from this report.

11. MARKETING AND BRANDING IMPLICATIONS

- 11.1. None arise from this report.

12. COMMUNICATION AND MEDIA IMPLICATIONS

- 12.1. The Hobart ANZAC Day Commemorative Committee has a communication and media plan which extends to full page advertisements in the Mercury, televised advertisements and the broadcast live state wide telecast.

13. DELEGATION

- 13.1. This is a matter for Committee.

14. CONSULTATION

- 14.1. General Manager.

15. CONCLUSION

- 15.1. The purpose of this report is to consider five requests received from Colonel Michael Romalis the Chairman of the RSL (Tasmania) Hobart Anzac Day Commemorative Committee, which relate to ANZAC Day 2016.

16. RECOMMENDATION

That:

- 16.1. The report TS:re(document2) be received and noted.*
- 16.2. The information provided to Council be received and noted.*
- 16.3. The Committee considers the request from the Hobart ANZAC Day Commemorative Committee to waive the fees of \$2,780 relating to street and civic banners and \$900 relating to the hall hire of City Hall.*
- 16.4. The Committee considers approving the Centenary of ANZAC banners to be erected at the Town Hall.*
- 16.5. The Committee considers once off funding to the Hobart ANZAC Day Commemorative Committee of up to \$2,200 relating to the Order of Service and Australian hand flags for which these costs could be funded from Lord Mayor's Support Civic and Ceremonial budget function.*
- 16.6. Details of the total grant package provided be disclosed in the City of Hobart's 2015/2016 Annual Report in accordance with Council's policy in respect to grants and benefits disclosure.*

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.



(Tim Short)

GROUP MANAGER EXECUTIVE & ECONOMIC DEVELOPMENT

- | | |
|--------------|--|
| Attachment A | Letter from Colonel Michael Romalis, Chairman ANZAC Day Commemorative Committee, dated 30 January 2016 |
| Attachment B | ADCC FY 15/16 Budget Forecast as at 15 February 2016 |



**RSL (TASMANIA) HOBART
ANZAC DAY COMMEMORATIVE COMMITTEE**



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206 New Town Road
PO Box 147
NEW TOWN TAS 7008
Phone: (03) 6242 8900
Email: hobartANZACday@hotmail.com.au
Web: www.rsltas.org.au

30th January 2016

Mr T. Short/Ms L. Knott
Group Manager Executive & Economic Development
City of Hobart
50 Macquarie Street
HOBART TAS 7001

REQUEST FOR SUPPORT FOR HOBART ANZAC DAY COMMEMORATIONS 2016

Dear Mr Short/Ms Knott,

Introduction. The Hobart ANZAC Day Commemorative Committee (HADCC) organises and conducts the City of Hobart's annual ANZAC Day commemorations on behalf of the Lord Mayor and President of RSL Tasmania Branch. After the Centenary of ANZAC events last year, we have begun our planning for 2016 assuming the following events will occur on the 25th April in Hobart:

- a. Dawn Service at 6:00 am organised by the Greater Hobart RSL Sub-Branch.
- b. City of Hobart morning tea at 10:00 am at the Town Hall.
- c. ANZAC Day march at 11:00 am from the Town Hall to the Cenotaph.
- d. Main Commemorative Service, including wreath laying ceremony, from 11:45 am to 12:30 pm at the Cenotaph.

Centenary of World War One. Whilst the Centenary of ANZAC is now past, Centenary of World War One commemorations and several significant anniversaries for more recent conflicts will occur in 2016. Those that we are aware of include:

- a. 100th anniversary of the Battle of Pozieres in 1916,
- b. 100th anniversary of the creation of the Returned and Services League of Australia,
- c. 75th anniversary of the Battle (Siege) of Tobruk in North Africa,
- d. 75th anniversaries of the Battles of Greece and Crete, and
- e. 50th anniversary of the Battle of Long Tan in Vietnam.



VIP arrangements. We are aware of the following VIP arrangements for the 25th April 2016:

- a. Her Excellency the Governor of Tasmania will be attending the Hobart Dawn service then travelling to Evandale for the remainder of the day.
- b. The Premier of Tasmania has been invited to attend and give the address at the Main Commemorative service at the Hobart Cenotaph.
- c. The Cretan Association have advised that the Greek Government is sending a senior military representative to participate in Australian commemorations for the 75th anniversary of the Battles of Greece and Crete. The local Greek community have arranged for that officer to visit Hobart for ANZAC Day and they have requested that the Battles of Greece and Crete be incorporated into the ANZAC commemorations instead of their normal commemoration in mid-May.

Finances. After the 2015 commemorations, the HADCC finalised its accounts and had them audited by RSL Tasmania Branch. Key financial items for 2015 included:

- a. A Centenary of ANZAC federal government grant to produce a new set of street and civic banners. That grant was spent and has been acquitted by the Department of Veterans Affairs.
- b. In 2015 the City of Hobart provided the HADCC with additional funds specifically for the Centenary commemorations. There was a slight underspend on those funds and it is intended to expend the remaining funds on the 2016 commemorations.
- c. Traditionally the City of Hobart has provided a small amount of funding as a Community Grant towards the printing of the Order of Service for the Main Commemorative service. In July 2015 the HADCC was formally advised that that grant program was being reviewed and has not received any further correspondence on that item.

2016 Hobart commemorations. To conduct the 2016 Hobart ANZAC Day commemorations, the HADCC seeks the following support from the City of Hobart:

- a. **Meeting.** A meeting with the Group Manager Executive & Economic Development to discuss financial and other arrangements for the 2016 commemorations.
- b. **Community Briefing.** The HADCC would like to conduct a community briefing at the Town Hall at 5:30 pm on Thursday the 10th of March 2016. The briefing will be to Ex-Serving Organisations, community groups, participants and other stakeholders and will cover the planning and conduct of the Hobart commemorations on the 25th April 2016. The briefing also provides an opportunity for the community to advise the HADCC of any special requests or issues they may have. The HADCC will advertise the briefing in local media and requests the following support from the City of Hobart:
 - (1) Free use of the Lord Mayor's Court Room from 5:00 pm to 7:00 pm on Thursday the 10th of March.
 - (2) Provision of a projector screen, data projector and lectern.

- (3) Seating for 60 people.
- (4) Assistance from the Lord Mayor's Office in sending out invitations to the briefing.
- c. **Street and Civic Banners.** The HADCC has booked street and civic banners for the period leading up to ANZAC Day. The HADCC requests:
 - (1) Approval to fly Centenary of ANZAC Banners on the Town Hall.
 - (2) The waiving of any City of Hobart fees for the erection and removal of the civic and Town Hall banners.
 - (3) For your information we have budgeted for the erection and removal of the street banners by Insight Banners.
- d. **Town Hall.** At the Town Hall the HADCC requests:
 - (1) A reviewing dais for the march.
 - (2) VIP and spectator seating.
 - (3) For your information we have requested the Australian Defence Force to provide two Escort Officers and two Ushers to assist with the handling of VIPs at the Town Hall for the Morning Tea and March.
- e. **Traffic Management.** RSL Tasmania Branch will pay for the street closures associated with the ANZAC March. The HADCC is requested to provide assistance in planning and coordinating the street closures.
- f. **Cenotaph.** At the Cenotaph the HADCC requests:
 - (1) The installation of national flags on the Cenotaph including two flag poles with Australian and New Zealand flags for the Dawn and Main Commemorative services.
 - (2) The installation of the wheel chair ramp on the Cenotaph steps.
 - (3) A public address system with three speaking points at the Cenotaph, adjacent to the poplar tree, and highway end of the avenue.
 - (4) VIP and spectator seating.
 - (5) Assistance with traffic control and parking.
- g. **Cenotaph Order of Service.** The City of Hobart is requested to confirm whether it will be making a financial contribution for the printing of the Cenotaph Order of Service.
- h. **City Hall.** It is requested that City Hall be reserved and set-up as an indoor venue in case of severe inclement weather on the 25th April 2016.

- i. **Hand Flags.** In recent years Australian hand flags have been given to children along Macquarie Street and at the Cenotaph. The hand flags have been a popular item but the HADCC has not budgeted for these items for 2016. If the City of Hobart would like hand flags it is requested that an amount of \$1,000 to \$2,000 will be required.

We do hope you will look favourably on our requests. I am currently interstate on leave but will be available for meetings in Hobart from Monday the 15th of February to present our 2015 financial audit, 2016 budget and to discuss other arrangements for the 2016 commemorations.

Yours faithfully,

Original signed

Michael Romalis
Colonel
Chairman

ADCC FY 15/16 BUDGET as at 15 Feb 16

Income	
Carry over from 2015	\$5,099.93
Total Income	\$5,099.93

Forecast Expenditure		Funding Source			
		ADCC	HCC	RSL State Branch	Mercury-Corporate sponsorship
Postage & Stationery	\$300.00	\$ 300.00			
Order of Service	\$700.00		\$ 200.00		
				\$ 500.00	
Mercury advert Sat ?? Feb16	\$700.00	\$ 700.00			
Town Hall hire	\$200.00		\$ 200.00		
Mercury advert Sat 26 Mar16	\$700.00	\$ 700.00			
Mercury Full Page Sat 23 Apr 16	\$3,000.00				\$ 3,000.00
Mercury Full Page Sat 23 Apr 16	\$3,000.00			\$ 3,000.00	
Thank you donations	\$600.00	\$ 600.00			
Thankyou Certificates	\$100.00	\$ 100.00			
Modify 2015 Street Banners	\$500.00	\$ 500.00			
Civic Banner installation & Removal - Small CBD Zone 2	\$990.00		\$ 990.00		
Civic Banner installation & Removal - Large CBD Zone 4 Full Set	\$1,990.00		\$ 1,990.00		
Street Banner installation & Removal - Insight Banners	\$400.00	\$ 400.00			
Sandbags for Assembly Points	\$400.00	\$ 400.00			
Application for event - TasPol	\$50.00	\$ 50.00			
Street Closures	\$2,500.00			\$ 2,500.00	
City Hall Hire	\$900.00		\$ 900.00		
Sub-total	\$17,030.00	\$3,750.00	\$4,280.00	\$6,000.00	\$3,000.00
		Sub-total	\$17,030.00		

	In Kind				
Optional/Additional items					
Community TV additional advertising	\$500.00	Southern Cross TV advertisements			
Hand Flags	\$2,000.00				
Sub-total	\$2,500.00				

**FINANCE COMMITTEE AGENDA
(OPEN PORTION OF THE MEETING)
16/3/2016**

**8. MCROBIES GULLY WASTE MANAGEMENT CENTRE – TRANSFER OF
CROWN LAND TO COUNCIL – FILE REF: 44-10-1**

7x's

Report of the Group Manager Infrastructure Planning and Director City Infrastructure
of 1 March 2016 and attachments.

DELEGATION: Committee

TO : Finance Committee

FROM : Group Manager Infrastructure Planning and Director City Infrastructure

DATE : 1 March, 2016

SUBJECT : **MCROBIES GULLY WASTE MANAGEMENT CENTRE –
TRANSFER OF CROWN LAND TO COUNCIL**

FILE : 44-10-1 SJM:SMLP (o:\council & committee meetings reports\fc reports\16 march\complete pdf reports for agenda\mcrobies gully land transfer.docx)

1. INTRODUCTION

- 1.1. In the closed portion of the meeting of the Council held on 22 October 2012, in considering a report which proposed that the Council accept ownership and control of three Crown Reserved Roads at the McRobies Gully Waste Management Centre, it was resolved that:

“The Council agree to pursue with the Crown the transfer of Crown Reserved Roads CD and CE as shown in Attachment A to item 4 of the Closed Finance and Corporate Services Committee agenda of 16 October 2012, with a further report to be provided to the Council on the outcome of those discussions.”

- 1.2. This report provides information on the outcome of the negotiations with the Crown.

2. BACKGROUND

- 2.1. A previous report on the proposed transfer of Crown reserved roads in the McRobies Gully Waste Management Centre was considered by the then Finance and Corporate Services Committee on 16 October 2012.
- 2.2. It was resolved by Council on 22 October 2012 that the Council agree to pursue the transfer of that land.
- 2.3. There have been detailed negotiations over an extended period with the Crown.
- 2.4. Eventually, it has been agreed by the Crown that the majority of the land parcel sought by the Council could be transferred.
- 2.5. The land initially sought for transfer from the Crown to the Council consisted of Lots 1 and 2 on plan P166085 as shown outlined in green in **Attachment A**.
- 2.6. However the Crown would not agree to the transfer of all of Lot 2 on P166085 to the Council as the transfer of this land would effectively land

lock a small adjoining land parcel that was not owned by the Crown. After further negotiations with the Crown and the Office of the Surveyor General it was agreed that the land shown marked red in **Attachment B** (being Lot 1 on P166085 and Lots 1 and 3 on plan P169871) would be transferred to Council.

- 2.7. A survey was undertaken by the City's officers to divide Lot 2 on P166085 into two lots, one for transfer to Council and one to be retained by the Crown (Plan P169871). The survey also includes a 196 m² rectangular portion of Crown Land that adjoins Knocklofty Park that the Crown agreed could also be transferred to the Council.
- 2.8. The land agreed to be transferred comprises over 90% of the land area originally requested.
- 2.9. The Crown agreed that the land could be transferred at the cost of about \$750 to cover the cost of various fees associated with a land valuation, duty on the transfer and the Lands Titles Office transfer lodgement. There was nil consideration for the transfer of the land.
- 2.10. Officers have proceeded with the land transfer arrangements and the title has been lodged with the Land Titles Office.
- 2.11. In addition, the Crown Reserve Road within the McRobies Gully Waste Management Centre waste disposal area (being an area of 5,889m² shown as Lot 3 on P166085) was transferred to the Council in the 2013/2014 year. This land is shown in **Attachment C**, highlighted in green. Advice on this transfer was previously provided to the Council by memo in June 2014.

3. PROPOSAL

- 3.1. It is proposed that this report be received and noted.

4. IMPLEMENTATION

- 4.1. Agreement has been reached with the Crown and the process is underway to transfer the land to Council ownership.

5. STRATEGIC PLANNING IMPLICATIONS

- 5.1. While not directly supporting the Capital City Strategic Plan, this land transfer brings virtually all of the land in this area east of the McRobies Gully Waste Management Centre into the City's ownership, thus enabling a more strategic approach to management of this area of open space.

6. FINANCIAL IMPLICATIONS

- 6.1. Funding Source(s)

6.1.1. The fees to complete the transfer of \$750 were funded from the 2015/2016 Surveying Services Unit operating budget.

6.2. Impact on Current Year Operating Result

6.2.1. The fees can be accommodated with the current year's budget.

6.3. Impact on Future Years' Financial Result

6.3.1. No significant impacts.

6.4. Asset Related Implications

6.4.1. Not applicable, as land is not a depreciable asset.

7. RISK MANAGEMENT IMPLICATIONS

7.1. The land being transferred has in effect been managed by the City of Hobart and there are only minor changes to risk issues.

8. DELEGATION

8.1. Committee.

9. CONSULTATION

9.1. The Director Parks and City Amenity, Group Manager Open Space, Manager Cleansing and Solid Waste and Legal Services Officer have been advised of the progress of the land transfer and consulted in the preparation of this report.

10. COMMUNICATION WITH GOVERNMENT

10.1. Negotiations were undertaken with the Crown in regard to the land transfer. As a result of the negotiations it was agreed by the Crown that the majority of the land would be transferred, with a small portion to be retained by the Crown to provide access to a lot that would otherwise become land locked.

11. CONCLUSION

11.1. The Council resolved to seek the transfer of Crown Reserved Roads in an area to the east of the McRobies Gully Waste Management Centre facility, being marked CD and CE as shown in Attachment A to item 4 of the Closed Finance and Corporate Services Committee agenda of 16 October 2012.

11.2. Following negotiations with the Crown they agreed to the transfer of the majority of the Crown Reserved Road as shown in Attachment B to this report with a small portion being retained by the Crown to prevent the land locking of a small parcel of land in other ownership.

- 11.3. In addition another small parcel adjacent to Knocklofty Park was identified and agreed to be transferred to the City.
- 11.4. The process to transfer the land to City ownership is underway with the titles having been lodged at the Land Titles Office. The cost of implementing the transfer is about \$750, being fees for land valuation, duty and Land Titles Office lodgement.

12. RECOMMENDATION

That:

- 12.1. The report sjm; smlp(o:\council & committee meetings reports\fc reports\16 march\complete pdf reports for agenda\mcrobies gully land transfer.docx) be received and noted.***

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.



(Scott Morgan)

**GROUP MANAGER
INFRASTRUCTURE PLANNING**



(Mark Painter)

**DIRECTOR CITY
INFRASTRUCTURE**

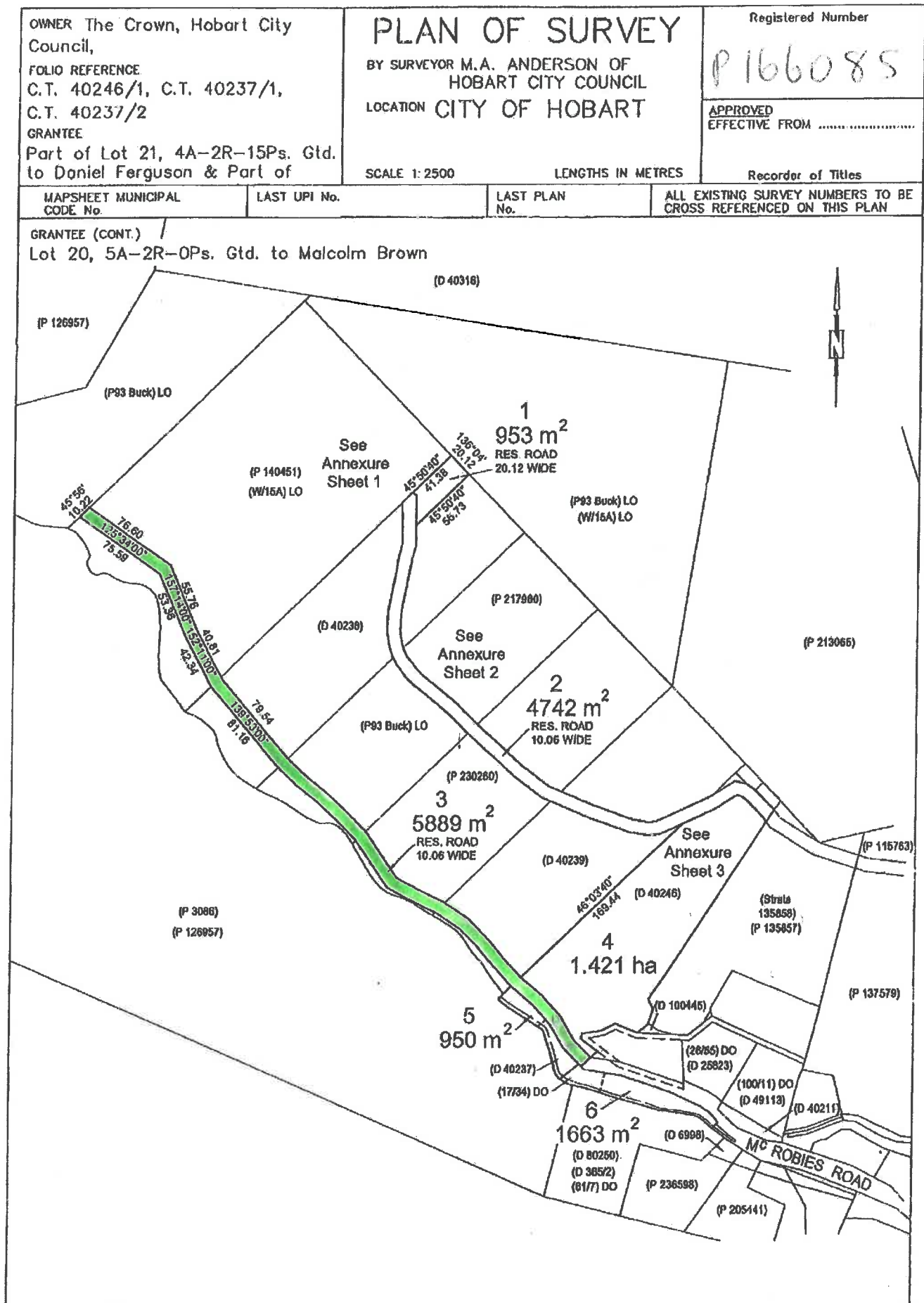
Attachment(s) A - Aerial Photograph – Area of original land transfer request
 B - Aerial Photograph – Area of land transfer agreed by the Crown
 C - Plan P166085 – Land previously transferred



Aerial Photograph – Area of original land transfer request



Area of land transfer agreed by the Crown



**9. CITY OF HOBART RATING AND VALUATION STRATEGY –
FILE REF: 22-1-8**

114x's

Report of the Director Financial Services and the Group Manager Rates and Procurement of 29 February 2016 and attachment.

DELEGATION: Council

TO : Finance Committee

FROM : Director Financial Services and Group Manager Rates and Procurement

DATE : 29 February, 2016

SUBJECT : **CITY OF HOBART RATING AND VALUATION STRATEGY**

FILE : 22-1-8 LM:LM (s:_data\rates\committee reports\city of hobart municipal rating and valuation strategy.doc)

1. INTRODUCTION

- 1.1. The purpose of this report is to seek Council's policy position in respect of the City of Hobart's future rating and valuation strategy.
- 1.2. The Council had previously resolved to continue to utilise Assessed Annual Value as its rating methodology until the 2015/16 financial year. Guidance is therefore sought on a desired rating and valuation strategy for 2016/17 and future years.
- 1.3. More detailed information as well as outcomes from extensive rates modelling undertaken is contained in the attached document titled *Hobart City Council, Municipal Rating and Valuation Strategy – A Discussion Paper*.

2. BACKGROUND

- 2.1. A joint State and Local Government Review of Tasmania's Valuation and Local Government Rating (the Review) was undertaken from December 2009 to April 2013. During that time, Council participated in and responded to the various interim outcomes of the Review.
- 2.2. The Review found the following:
 - 2.2.1. That there is little merit in continuing to use AAV as a valuation base as it does not perform well against the principles of taxation, is costly, volatile and difficult for the public to understand. Furthermore, the Review found that removing the 4% Rule and retaining AAV as a base for rates was not considered to be a suitable option.
 - 2.2.2. That there is sufficient evidence to suggest that the State could transition to CV as a base for rates without unreasonable impacts on most ratepayers. However, it is incumbent upon individual councils to conduct their own rates modelling.
 - 2.2.3. That LV is not considered to be a suitable option for the State at this time. The Review found that there are likely to be

significant impacts in terms of rating shifts for ratepayers in all property classes in the year of introduction and the resultant redistribution of rates, following implementation, would remain in the subsequent years.

2.3. The Review recommendations included that the State Government:

- 2.3.1. Discontinues valuations on AAV and assists councils to transition to CV by 1 July 2016.
- 2.3.2. Transitions to a valuation cycle of two years for LV and four years for CV.
- 2.3.3. Maintains LV and AAV adjustment factors for each municipality until fresh valuations are completed.
- 2.3.4. Seeks advice from local government on the preferred strategy for managing cost implications for councils associated with the transition; and
- 2.3.5. Works with the Local Government Association of Tasmania (LGAT) to improve the capacity of councils to manage differential rates resolutions.

Council's Response to the Review

2.4. In November 2012 Council considered the draft report from the Review and resolved the following:

- 2.4.1. *That the Council consider its position on the Review's draft findings and recommendations as well as its policy position in respect of the following issues:*
 - *The retention of Assessed Annual Value (AAV) as a valuation base.*
 - *Usage of Capital Value (CV) as a valuation base.*
 - *Usage of Land Value (LV) as a valuation base.*
 - *Usage of differential rating.*
 - *Usage of alternative rating tools available under the Local Government Act 1993, such as maximum rates increase caps, fixed charges and minimum rates, flat rating and the proposed sub category differential rating, to address the impacts of moving to an alternative valuation base from AAV,*

following internal modelling exercises to compare the different rating models and rating tools contained in the final draft report.

- 2.5. Council considered its policy position in respect of the City of Hobart's future rating and valuation strategy at its meeting on 24 March 2014 and resolved the following:

2.5.1. That the Council continue to utilise Assessed Annual Value as its rating methodology until the 2015/2016 financial year, recognising that municipal revaluations will not be available to the Council until April 2015.

- 2.6. *The Council continue to pursue multiple rate options for vacant land and dilapidated and derelict buildings, with a view to a report being provided to the Finance and Corporate Services committee for a decision in respect to the 2014/2015 financial year.*

- 2.7. At its meeting on 26 May 2014 Council resolved the following:

2.7.1. The Council introduce a differential general rate for vacant land, classified as Vacant Residential, Vacant Commercial and Vacant Industrial, pursuant to section 107 of the Local Government Act 1993.

2.7.2. The differential general rate for vacant land be introduced in the 2015/2016 rating year, which is also a revaluation year.

2.7.3. A further report be provided on a draft Council policy in respect to what, if any, exceptions to the differential general rate for vacant land should be introduced by the Council.

2.7.4. A further report be provided on the quantum of the differential general rate for vacant land classified, as Vacant Residential, Vacant Commercial and Vacant Industrial.

2.7.5. A further report be provided on a draft Council policy in respect to the new provisions under the Building Act 2000 that the Council could apply to address the issues associated with dilapidated buildings in the municipal area.

- 2.8. At its meeting on 16 September 2014, the then Finance and Corporate Services Committee considered a further report addressing the resolution at sections 2.6.3 and 2.6.4 above and resolved the following:

That the matter be deferred to allow:

2.8.1. Further definition of the scope to focus on differential rating of land classified as Vacant Residential, Vacant Commercial and Vacant Industrial within the CBD area and vacant land with dilapidated buildings.

- 2.8.2. *A risk analysis to be carried out to determine the legal consequences of introducing a differential general rate for vacant land.*
- 2.9. At its meeting on 19 May 2015, the Finance Committee considered a further report and resolved the following:
 - 2.9.1. *The Council not introduce a differential general rate for vacant land classified as Vacant Residential, Vacant Commercial and Vacant Industrial pursuant to section 107 of the Local Government Act 1993, from 1 July 2015.*
 - 2.9.2. *The matter be further considered as part of the Council's rating and valuation strategy for 2016/2017 and future years.*

Sector Response and Current Position

- 2.10. Over the last 2 years, in order to progress the recommendations and findings of the Review, the Department of Premier and Cabinet's Local Government Division (LGD) has undertaken a capability building program to build local government sector support and preparedness for any future change in the valuation system. The program has included:
 - 2.10.1. Addressing some of the issues raised by stakeholders in the course of the Review through legislative amendment and/or rating guidance;
 - 2.10.2. Further work to provide increased flexibility and clarity in the use of rating provisions such as differential rating;
 - 2.10.3. Piloting a capability building program with councils interested in transitioning to CV for the 2015-16 rating (and revaluation) year; and
 - 2.10.4. Working with LGAT to facilitate access to best practice rating software for the sector.
- 2.11. At the date of this report, the State Government's position on the Review outcomes has not changed and a voluntary transition for councils to CV remains the State Government's position (note a change of government has occurred since the Review report was released).
- 2.12. To date four councils in Tasmania, namely Clarence, Kingborough, Sorell and George Town have made the transition from AAV to CV as the valuation base. These councils have utilised a combination of the rating tools under the LG Act to transition to CV under a mitigated model. Two further councils, namely Launceston and Devonport have an interest in transitioning.

2.13. A discussion paper titled *Hobart City Council Municipal Rating and Valuation Strategy* (the discussion paper) has been prepared based on 2015/16 rates data and new property valuations arising from the 2014 municipal area revaluation – **refer attachment A.**

2.13.1. The discussion paper includes the outcomes of extensive modelling on different rating and valuation scenarios / strategies including those previously recommended by current and previous Aldermen. It should be noted that these scenarios are not exhaustive.

3. PROPOSAL

- 3.1. While the outcomes of the Review are clear, moving away from AAV as the City of Hobart's valuation base is not proposed at this time.
- 3.2. While 4 Tasmanian councils have voluntarily moved to CV and others are considering their strategy, the sense of urgency amongst the Local Government and indeed State Government has dissipated.
- 3.3. The State and Local Government sectors are currently focussed on the issue of local government reform and work is progressing on feasibility studies to understand the benefits of voluntary amalgamations, shared services, fee for service and other feasibility arrangements which may prove beneficial for the City's residents and ratepayers.
- 3.4. The future in terms of how the City's valuation roll including number of properties and land use make-up may look in the short to medium term is perhaps unclear at present and perhaps it is prudent to approach possible council amalgamations with a known and familiar rating and valuation strategy.
- 3.5. Furthermore, it would be more desirable to approach rate modelling and therefore determine the optimal rating and valuation strategy for the City when the number of properties, land use distribution and rate burden are clear.
- 3.6. Given a new rating and valuation strategy is a major change for the City and its ratepayers and, depending upon the alternative rating and valuation model chosen, may have significant impacts on some ratepayers; a change is not proposed at this time.
- 3.7. Glenorchy City Council have not yet made a decision in respect of a future rating and valuation strategy although rate modelling of impacts is progressing.
- 3.8. As is outlined in section 7 of the report, below, retaining AAV as the valuation base in itself presents no risk to the City or its ratepayers.

- 3.9. The City can utilise the rating tools available under the LG Act to mitigate any shifts in the rate burden and the resultant impact on ratepayers resulting from indexation and revaluation should it wish to do so.
- 3.10. The Review has found that AAV isn't 'broken' and it continues to be a valuation method available for use under the LG Act.
- 3.11. During the 2015 revaluation the City did not see the large shifts in property valuations that were evident during the 2009 revaluation and was the catalyst for the Review.
- 3.12. For completeness, a summary of the Review findings regarding the different valuation bases is included below.

Retention of AAV as the City of Hobart's Valuation Base

- 3.13. The Review found that there is 'little merit' in continuing to use AAV as a valuation base. Issues with continuing AAV are:
 - 3.13.1. AAV as a tax base was found to perform least effectively against the principles of taxation. It is the most expensive to administer, least understandable by either ratepayers or councils, least equitable when comparing individuals on and off the 4% Rule and the least sustainable due to its volatility.
 - 3.13.2. For a growing proportion of properties, the term 'AAV' no longer refers to the rental value of the property, but rather confusingly refers to an arbitrary measure of 4% of the CV of the property. The requirement that AAV cannot be less than 4% of the CV has resulted in a significant number of properties across the state where the deemed AAV is higher than it would otherwise be. During this Council's last revaluation in 2009, CVs rose significantly thereby increasing many AAVs due to this rule. Previously 8% of residential properties in the Hobart municipality were on the minimum 4%, this figure increased to 46% in 2009 and now 58% as a result of property revaluations.
 - 3.13.3. Removing the 4% Rule is not considered to be an appropriate option of 'fixing AAV'. It would limit the ability to set an appropriate rate for properties where a rental value cannot be reasonably estimated (such as rural properties) and significantly increase the costs associated with maintaining the valuation system. The shift caused by removing the 4% Rule is also likely to be as dramatic as any shifts caused by moving to an alternative base.
- 3.14. However, the Review found that to say that AAV as a valuation base is 'broken' is to overstate the case. The Review found that AAV could continue as a base for local government rating if there was adequate

funding of the OVG, availability of external contractors, further attention to change in the management of adjustment factors and ongoing capability of councils in the use of available rating tools.

- 3.15. Council's rates modelling has found that an unmanaged shift (that is, not using the rating tools to mitigate the impact on ratepayers) to either CV or LV would cause a significant shift in the rate burden between land use categories, particularly towards Residential ratepayers, and thus has obvious political and ratepayer communication challenges.
- 3.16. The rates modelling has also found that a move to an alternative valuation base could be achieved without unreasonable rate increases for ratepayers, by using the rating tools available in the LG Act, albeit a move to LV would be more difficult than a move to CV.
- 3.17. If Council continued with AAV it would still be open for Council to utilise the rating tools available under the LG Act to mitigate shifts in the rate burden and resultant impact on ratepayers caused during a revaluation or indexation.

Move to CV as the City of Hobart's Valuation Base

- 3.18. The Review found that CV demonstrated the strongest performance of the three bases against the principles of taxation. It is easiest to understand, most equitable (particularly in terms of capacity to pay) and is the least volatile in a property market where property value is growing at a different rate to rental values.
- 3.19. The Review found that ultimately CV will be:
 - 3.19.1. Fairer;
 - 3.19.2. More transparent and easily understood;
 - 3.19.3. More efficient (for the Office of the Valuer General and local government);
 - 3.19.4. Less volatile than AAV;
 - 3.19.5. More manageable for councils; and
 - 3.19.6. More sustainable.
- 3.20. Council's rates modelling has shown that Council could move to a CV rating system now without causing unreasonable increases in rates for any ratepayer by adopting two of the rating tools available under the LG Act, being differential rates and rates capping. This would result in a mitigated CV rating system.
- 3.21. If Council wished to transition to a pure CV rating system, that would require a mitigating strategy that would achieve a \$9.7M shift in the rate

burden towards Residential properties. However, the rates modelling has shown that Council could transition to a pure CV rating system over time, using the tools available in the LG Act, without causing unreasonable rates increases for any ratepayer. It would be open for Council to consider the transitional strategy and time period, noting the ratepayer communication challenges that this would present.

- 3.22. Although the then Minister for Local Government did not enforce a 1 July 2016 transition to CV, a move to CV may be inevitable. Maybe when more councils have shifted voluntarily to CV, it will become mandatory and AAV and LV may not be an option in the future.

Move to LV as the City of Hobart's Valuation Base

- 3.23. The Review finds LV to be the most economically efficient tax base and most administratively efficient. It performs best on the equity principle of benefit (the benefit of services supplied to land is best reflected in the value of the land) but does not perform well against the equity principle in terms of capacity to pay as significant differences in the improved value of the property would not be reflected in the rates burden i.e. rating on LV would result in similar levels of rates being levied on a one-bedroomed dwelling on a large block of land as are applied to a six bedroom, two bathroom, two garage home on a similar block of land.
- 3.24. Transition to LV is not considered to be a suitable option for Tasmania at this time. The Review found that the impacts on all categories of ratepayers are likely to be significant in the short-term and the concerns around equity have not been suitably resolved.
- 3.25. Council's rates modelling shows that a move from AAV to LV causes a significant shift in the rate burden (i.e a \$13.3M shift in the rate burden towards Residential properties) that has a significant and variable effect on properties in all land use categories with some properties experiencing a rate increase of up to 200%. As a result, mitigating the move from AAV to LV is more difficult than mitigating the move to CV.

Rating System: Pure v Mitigated

- 3.26. As outlined in section 8 of attachment A, Council has the option of moving to a pure or mitigating rating system under CV or LV, either now or moving to one in the future.
- 3.27. Council currently has a pure rating system under AAV. With the exception of the waste management service charge and landfill rehabilitation service charge, which are flat charges, property valuations alone determine rates paid. Moving to a pure CV or LV rating system has the advantages of achieving the benefits of these valuation systems outlined in the Review report. However, moving to CV or LV causes a significant shift in the rate burden towards Residential ratepayers.

Council may consider that a pure CV or LV rating system does or does not provide the desired rate burden outcome for the City of Hobart.

- 3.28. With a mitigated rating system, use of the rating tools available under the LG Act would be permanent, to manipulate a desired rate burden. Under this system, Council would determine the amount of revenue each land use category would pay in rates. Options open to Council would be to move to CV or LV but recreate the AAV rate burden or even set the desired rate burden for the City. The 30% Commercial Differential Models (models 13 and 14 in attachment A) proposed by then Alderman Foley would be an example of this strategy.
- 3.29. Using a mitigating rating system is a policy decision and will depend on whether council considers:
 - 3.29.1. That property valuations as determined by the Valuer-General provide an adequate measure and differentiation to determine relative amounts of rates paid; or
 - 3.29.2. There are inequities within the community that are not reflected in the property valuations and necessitate the use of differential rates. As an example, inequities could be the availability of council services to certain properties and not others or where certain properties derive a greater benefit from council services than others.

Rating Strategy

- 3.30. Section 8 of the Discussion Paper at attachment A outlines a number of rating strategy options. The options, while not exhaustive, include staying with AAV, moving to pure CV or LV and not mitigating the resultant impact on ratepayers, moving to pure CV or LV but mitigating the resultant impact on ratepayers, moving to pure CV or LV gradually over a number of years, moving to CV or LV but reproducing the AAV rate burden and moving to CV or LV but set the desired rate burden for the municipality.
- 3.31. A number of rating strategy options as proposed by current and past Aldermen are also included.
- 3.32. Each option has advantages and disadvantages, however, any change to Council's current rating strategy results in ratepayers who will pay more and others who will pay less.

Differentially Rating Vacant Land

- 3.33. Over the last two years Council has considered whether or not it wishes to introduce a differential rating strategy for land classified as Vacant.

- 3.34. It should be noted that under AAV vacant land pays \$557K of total rates revenue (i.e. 0.7% of the rates burden). In a pure unmitigated shift to CV as the valuation base, vacant land would pay \$731K (i.e. 1.0% of the rates burden) and under LV vacant land would pay \$1.6M (i.e. 2.1% of the rates burden).
- 3.35. Model 15 shown in the Discussion Paper outlines the impact of applying a differential (rate-in-the-dollar) to vacant land four times greater than that for the other land use categories. This would result in vacant land contributing a greater proportion of rate revenue than currently under the AAV method of rating.
- 3.36. It is considered that the desired outcome for vacant land can be considered in a rating strategy that includes all land classifications as considered in the attached Discussion Paper.

4. IMPLEMENTATION

- 4.1. If Council chooses to retain AAV as its valuation base at present, Council will continue raising rates using its current rating and valuation strategy i.e. the status quo would continue.
- 4.2. Should Council wish to make any change to its current rating and/or valuation strategy utilising an option outlined in the Discussion Paper or any other option, a full report outlining the impact on all property owners would be prepared including an implementation plan.

5. STRATEGIC PLANNING IMPLICATIONS

- 5.1. This report relates to priority area of activity five, Governance, in the City of Hobart's Strategic Plan 2014-2019.
- 5.2. Ensuring a municipal area rating and valuation strategy that addresses the following is an important part of organisational sustainability:
 - 5.2.1. The principles of taxation outlined in section 86A(1) of the LG Act.
 - 5.2.2. The objectives, strategies and actions outlined in Council's Strategic Plan, Annual Plan and Long-term Financial Management Plan.
 - 5.2.3. The needs and expectations of the general community.
 - 5.2.4. The level of the cost of maintaining existing facilities and necessary services.
 - 5.2.5. The need for additional facilities and services.

6. FINANCIAL IMPLICATIONS

6.1. Funding Source(s)

6.1.1. Not applicable.

6.2. Impact on Current Year Operating Result

6.2.1. Not applicable.

6.3. Impact on Future Years' Financial Result

6.3.1. There is no impact on future years' financial result as Council will simply set the budget for the amount of rates it needs to raise.

6.4. Asset Related Implications

6.4.1. Not applicable.

6.5. Moving from an AAV valuation base to a CV or LV valuation base will not affect the amount of revenue Council can collect in rates. The valuation base utilised by Council in distributing the rate burden across the municipality does not determine the amount of revenue Council is required to raise through rates.

7. RISK MANAGEMENT IMPLICATIONS

7.1. Retaining AAV as the valuation base in itself presents no risk to the City or its ratepayers. The City has been using AAV as a valuation base since the 1850s and can continue to do so.

7.2. The City can utilise the rating tools available under the LG Act to mitigate any shifts in the rate burden and the resultant impact on ratepayers resulting from indexation and revaluation should it wish to do so.

7.3. The Review has found that AAV isn't 'broken' and it continues to be a valuation method available for use under the LG Act.

7.4. During the 2015 revaluation the City did not see the large shifts in property valuations that were evident during the 2009 revaluation and was the catalyst for the Review.

8. LEGAL IMPLICATIONS

8.1. In making decisions concerning the making of rates, Council is required to comply with section 86A(1) of the LG Act, which states:

(a) rates constitute taxation for the purposes of local government, rather than a fee for 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.

9. CUSTOMER IMPLICATIONS

- 9.1. Any change to Council's current system of rating would have an impact on all ratepayers in the municipality. If Council resolves to change it will be important that the community and other stakeholder groups are engaged on any changes and understand how any new measures will impact and importantly benefit them.

10. DELEGATION

- 10.1. Council.

11. CONSULTATION

- 11.1. An update on the State Government's position on the Review outcomes was sought and received from Greg Brown, Deputy Director, Local Government Division Department of Premier and Cabinet.

12. CONCLUSION

- 12.1. The outcomes of the State and Local Government Review of Tasmania's Valuation and Local Government Rating were clear, there is 'little merit' in continuing to use AAV, LV is not considered to be a suitable option and CV is considered to be the best option for Tasmania at this time.
- 12.2. As no legislative change has been made to mandate a change, the option remains for Council to continue using AAV, or to voluntarily move to either CV or LV.
- 12.3. While the outcomes of the Review are clear, moving away from AAV as the City of Hobart's valuation base is not proposed at this time. AAV is not 'broken' and continues to be an option available to the City under the LG Act.
- 12.4. While four Tasmanian councils have voluntarily moved to CV and others are considering a move, the sense of urgency amongst local government and indeed State Government has dissipated.
- 12.5. The State and Local Government sectors are currently focussed on the issue of local government reform and work is progressing on feasibility studies to understand the benefits of voluntary amalgamations, shared services, fee for service and other feasibility arrangements which may prove beneficial for the City's residents and ratepayers.
- 12.6. The future in terms of how the City's valuation roll including number of properties and land use make-up may look in the short to medium term is perhaps unclear at present and perhaps it is prudent to approach possible

council amalgamations with a known and familiar rating and valuation strategy and approach rate modelling and discussions regarding the optimal rating and valuation strategy for the City when the number of properties, land use distribution and rate burden are clear if council amalgamations occur.

- 12.7. It is perhaps prudent for the City to maintain a watching brief to determine whether a move away from AAV will be mandated by the State Government.

13. RECOMMENDATION

That:

- 13.1. *The report LM:lm(s:_data\rates\committee reports\city of hobart municipal rating and valuation strategy.doc) be received and noted.*
- 13.2. *The City of Hobart continue with its current rating and valuation strategy.*
- 13.3. *The City of Hobart continue to utilise the Assessed Annual Value valuation base.*

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.



(David Spinks)

DIRECTOR FINANCIAL SERVICES



(Lara MacDonell)

GROUP MANAGER RATES AND PROCUREMENT

Attachment A

City of Hobart, Municipal Rating and Valuation Strategy – A Discussion Paper.

MUNICIPAL RATING AND VALUATION STRATEGY DISCUSSION PAPER



City of **HOBART**

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1. Executive Summary

A joint State and Local Government Review of Tasmania's Valuation and Local Government Rating (the Review) was undertaken from 2009 to 2013. The Review concluded with a series of recommendations, which were accepted by the then Minister for Local Government.

The Review found little merit in continuing to use Assessed Annual Value (AAV) as a valuation base, Land Value (LV) was not considered to be a suitable option and Capital Value (CV) was considered to be the best option for Tasmania. However, as no legislative change was made to mandate a change, the option remains for Council to continue using AAV, or to voluntarily move to either CV or LV.

Extensive rates modelling has been undertaken to compare the outcomes for ratepayers from adopting the different valuation bases, and the use of the rating tools available under the Local Government Act 1993. The modelling shows that overall, an unmanaged move (that is, not using the rating tools to mitigate the impacts on ratepayers) to LV as a ratings base would cause larger shifts for a greater proportion of ratepayers, compared to a move to CV. Any change to Council's current rating strategy results in ratepayers who will pay more and others who will pay less. However, the modelling also shows that by using the rating tools (such as differential rating, caps on increases), Council can successfully move from AAV to rating on an alternative valuation base without impacting ratepayers materially, should Council wish for that to be the case. Council can use the rating tools to determine the optimal rating strategy for Hobart and address equity and capacity to pay considerations.

The modelling reveals that mitigating the move to CV could be achieved. However, it is more difficult to mitigate the impacts of a move to LV and this valuation base has been found to not be a suitable option for Tasmania and is not supported by the Minister for Local Government.

Council rates are a tax. Council's rating decisions need to have regard to how the rating burden should be distributed amongst property owners. The distribution is influenced by both the valuation system and usage of the rating tools available under the LG Act.

To date four councils in Tasmania, namely Clarence, Kingborough, Sorell and George Town have made the transition from AAV to CV as the valuation base. A number of other councils, including Glenorchy, Launceston and Devonport, have an interest in transitioning or are undertaking modelling.

At the date of this paper, the State Government's position on the Review outcomes has not changed and a voluntary transition for councils to CV remains the State Government's position.

This paper concludes by discussing some options available to Council (Chapter 8). Chapter 10 sets out some recommendations. However, if Council is of a mind to move to a different valuation base, some policy decisions will be required in terms of dealing with the outcomes.

2. Introduction

A joint State and Local Government Review of Tasmania's Valuation and Local Government Rating (the Review) was undertaken from December 2009 to April 2013. The City of Hobart (Council) participated in the Review and responded to the Review outcomes.

In November 2012 Council considered the final draft report from the Review and resolved the following:

- That the Council consider its position on the Review's draft findings and recommendations as well as its policy position in respect of the following issues:
 - The retention of Assessed Annual Value (AAV) as a valuation base.
 - Usage of Capital Value (CV) as a valuation base.
 - Usage of Land Value (LV) as a valuation base.
 - Usage of differential rating.
 - Usage of alternative rating tools available under the Local Government Act 1993, such as maximum rates increase caps, fixed charges and minimum rates, flat rating and the proposed sub category differential rating, to address the impacts of moving to an alternative valuation base from AAV, following internal modelling exercises to compare the different rating models and rating tools contained in the final draft report.

Council considered its policy position in respect of the City of Hobart's future rating and valuation strategy at its meeting on 24 March 2014 and resolved the following:

- That the Council continue to utilise Assessed Annual Value as its rating methodology until the 2015/2016 financial year, recognising that municipal revaluations will not be available to the Council until April 2015.

This discussion paper considers the outcomes of the Review for Council, using 2015/16 rating data, explores rating strategy options for Hobart and considers the way forward for Council in respect of how the rate burden will be structured and the rates levied for the 2016/17 financial year and in the future. This discussion paper will:

- Present the outcomes of extensive rates modelling undertaken to consider the impact of moving to an alternative valuation base on Hobart ratepayers and usage of alternative rating tools available under the *Local Government Act 1993* (the LG Act) to mitigate the impact.
- Present detailed analysis to allow Council to consider how the rate burden can be spread across the municipal area and what share of the rate burden each group of ratepayers should pay in rates.

In order to achieve these objectives, the discussion paper will discuss the outcomes of the Review, discuss the merits of the different valuation bases available to Council and discuss the outcomes of rates modelling undertaken on how the rates burden can be spread across the municipal area using an alternative valuation base to Assessed Annual Value (AAV).

3. Valuation and Local Government Rating Review

Background to the Review

The State Government initiated a joint State Government and local government review (the Review) of Tasmania's valuation and local government rating processes in December 2009.

The Review, which was requested by the Local Government Association of Tasmania (LGAT), was a direct response to the concerns of ratepayers and councils about the impact of property valuations on councils' rating processes and on the options available to councils in determining rates.

The terms of reference of the review were as follows:

- To assess the effectiveness of current land valuation practices as they are applied to local government rating processes, as well as the effectiveness of those rating processes.
- Evaluate alternative models for land valuation and rating, including their applicability within the Tasmanian context.
- Recommend a preferred model or models for Tasmania, and any necessary legislative amendments to implement the outcomes of the review.
- Consider the impact of any preferred valuation models on other government users of valuation information.
- Provide advice on a transition process for any recommended new or revised model, including the provision of resource materials for and clear advice to practitioners, and with reference to the capacity for councils to adopt and to comply with any changes.
- Provide advice on costs for and governance of any recommended new or revised model.

Reasons for the Review

The Review was initiated in response to concerns raised with high levels of fluctuations in rates, the ongoing cost of the valuation system and structural issues in the use of AAV as a valuation base.

The primary reason for the Review was the significant volatility in rates for many households during the period 1999 to 2009. The AAV of properties in Tasmania grew rapidly throughout the 2000s and resulted in high increases in rates for some and large decreases in rates for others. This rapid and uneven growth in property values presented significant challenges for councils in terms of their capacity to mitigate price shocks for ratepayers.

The 4% Rule meant that an increasing number of properties had an AAV well above the market-based rental value of their property. It became inherently difficult to explain how the AAV system worked and ratepayers did not understand why their property rates differed to those of neighbouring properties, particularly if they received a comparable level of service from their council.

Tasmania's six-year revaluation is the longest in Australia. The OVG advised that the resource intensive nature of AAV makes the retention of AAV challenging.

The Review was conducted in two phases:

- Phase 1 focused on analysing the current valuation and rating models and obtaining independent expert advice from consultants Access Economics.
- Phase 2 focused on evaluation of a preferred valuation base for rating in Tasmania. The State Government undertook modelling of the impacts of shifting valuation bases for all Tasmanian councils.

In November 2010, Council considered a report and approved a submission in response to the independent report by Access Economics: *Valuation and Local Government Rating in Tasmania – A Robust Framework for the Future*.

Structural Issues with Tasmania's Current Rating System

The Access Economics Review identified four major structural problems with the current rating system that are causing sub-optimal outcomes for the State, local government and ratepayers. These are:

- The failure of the rental market to keep pace with growth in CVs of property in Tasmania significantly undermines the integrity of using AAV as a rate base and the assumption that AAV is well aligned with CV but less subject to change.
- Whilst enabling the calculation of an appropriate rates contribution for properties for which it is difficult to determine a rental value (such as rural properties) the 4% Rule represents a 'major structural fault line' in the rating system that will continue to produce volatility for ratepayers.
- Adjustment factors and more frequent valuations can improve the rating system and reduce rating volatility to some extent, but will not be entirely effective whenever the growth (or contraction) of AAV is not aligned with growth (or contraction) of CV.
- The fact that property values in Tasmania are no longer increasing at the rates experienced over the past decade, does not necessarily mean that volatility in rates outcomes will no longer be an issue.

Access Economics findings can be summarised as follows:

- There is a case for encouraging councils to reduce reliance on measures such as maximums and minimums, in favour of transparent remissions (in exceptional cases), multi-tiered rates and fixed charges.
- There is a case for limiting the proportion of properties that can be 'on the minimum', thereby ensuring that the general rate cannot be structured as a flat rate.
- That an optimal rating model would depend on local circumstances and would therefore vary from council to council.
- There is not a strong case for retaining AAV as the valuation base for local government rates. The report finds that against no criteria is it superior to either LV or CV and against several it is inferior.
- No preference is given to adopting CV or LV as an alternative to AAV. The report

finds that both valuation bases have their strengths.

- A transition to an alternative valuation base would be manageable under both LV and particularly CV and would result in a more robust system in the long-term.
- The 4% minimum rule should be removed for all properties other than those where practical valuation of AAV is not feasible.
- Valuation frequency should be increased, ideally to a four-yearly cycle with biennial indexation. If a LV valuation base was adopted valuation frequency could be increased to a two-yearly cycle.
- Tasmania's valuation process should be improved to deliver a more efficient model of delivery and a higher quality valuation service to councils.
- Changes to Tasmania's valuation and rating systems could be phased in with interim measures, such as clarification of existing rating tools being implemented in advance of longer-term measures, such as changes to the valuation base for rating.
- Changes should not be introduced for the 2011-12 rating year. The report found that a transition to a new rating and valuation framework will lead to some upheaval and adjustment for ratepayers, councils and government departments and agencies. However, a number of strategies could be used to manage the transition process, including further modelling, appropriate use of rating tools to minimise impacts, support to councils and broader stakeholder education.
- The report found that a range of measures would be required to support the transition process and councils capacity to manage any changes, and should include an education campaign, provision of guidelines and other reference materials, access to on-call expert support and additional rates modelling.

Council's submission to the Access Economics Report provided the following conclusions:

- Council agrees with the findings in the Access Economics report and is broadly supportive of its recommendations. Broadly, the recommendations address Council's concerns with Tasmania's current valuation and local government rating system and will provide greater capacity for Council to raise rates to achieve desired outcomes for all stakeholders.
- Council strongly agrees that any local government rating model should be designed to provide all councils with the capacity to determine the optimal rating strategy for its own municipality dependent on local circumstances.
- Although Council has been using AAV as a valuation base since the 1850s, for the reasons set out in the independent report, it would support a move away from AAV. Council does not have a preference for using LV or CV as both methods have their advantages and disadvantages.
- Council would, in principle, be in favour of removing the 4% minimum rule.

- Council is supportive of increasing valuation frequency to a four-yearly cycle with biennial indexation and improving Tasmania's valuation process to deliver a more cost effective and efficient model of delivery. Council suggests that a more efficient valuation system would open up the market and encourage private valuers to compete for work. More competition in the market may have the effect of reducing prices and ensuring work is carried out in a timelier manner and gives councils more control over how work is undertaken.
- Council is supportive of the introduction of new rating tools, the clarification and expansion of existing rating tools and providing greater clarity in the LG Act to ensure that the general rate cannot be 'structured' as a 'flat' rate.
- Any changes to Tasmania's valuation and rating systems would have a significant impact on councils and a realistic implementation timeline would need to be established after consultation with the local government sector. Council agrees that changes would not be achievable for the 2011-12 rating year.
- Council agrees to the recommendation that assistance should be given to councils to undertake rate modelling to assess the impacts of change for each municipality and help determine the most appropriate rating structure for each council. Council suggests that this be in the form of a rate modelling tool.
- It will be vitally important that the community and other stakeholder groups are engaged on the changes and understand how the new measures will impact and importantly benefit them. There is an important role for the State Government in assisting and supporting councils with such stakeholder education.
- Assistance and support will be required to assist councils implement and transition to a new valuation and local government rating system. Council would suggest establishing a separate committee with council representation to develop and implement support measures.

At its meeting of 13 December 2010 Council resolved to forward its submission to the Department of Premier and Cabinet and resolved that in endorsing the submission it was supporting the non-retention of AAV as a valuation base.

As an interim response to the findings of Access Economics, changes were made to the rating provisions of the LG Act in 2011. The changes delivered additional rating tools for councils and introduced a new provision to clearly state that rates are a form of taxation and that the principle of capacity to pay must be a key consideration when setting rates. The value of a ratepayer's land is an indicator of a ratepayer's capacity to pay.

It is noted that Access Economics in its report: *Valuation and Local Government Rating in Tasmania – A Robust Framework for the Future*, found that rates are a form of taxation, that is, their purpose is to raise revenue for general government purposes, not to recover the cost of a particular service or activity (although some council services are funded through user-pays charges).

Section 86A LG Act states the following general principles in relation to making or varying

rates. (These are discussed further in Section 8, where rating strategy options for the Hobart municipality are considered.)

(1) a council, in ... 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...to pay rates.

Review Outcomes and Recommendations

In April 2013, the Valuation and Local Government Rating Review Steering Committee submitted its final report to the Minister for Local Government. The report presented the Committee's findings and recommendations in regard to the future reform of Tasmania's valuation and rating systems.

The Review found that there is little merit in continuing to use AAV as a valuation base as it does not perform well against the principles of taxation, is costly volatile and difficult for the public to understand. Furthermore, the Review found that removing the 4% Rule and retaining AAV as a base of rates was not a suitable option.

The Review found that there is sufficient evidence to suggest that the State could transition to CV as a base for rates without unreasonable impacts on most ratepayers. However, it is incumbent upon individual councils to conduct their own rates modelling.

The Review found that LV is not a suitable option for the State at this time. The Review found that there are likely to be significant impacts in terms of rating shifts for ratepayers in all property classes in the year of introduction and the resultant redistribution of rates, following implementation, would remain in the subsequent years.

The final report recommendations included that the State Government:

- Discontinues valuations on AAV and assists councils to transition to CV by 1 July 2016.
- Transitions to a valuation cycle of two years for LV and four years for CV.
- Maintains LV and AAV adjustment factors for each municipality until fresh valuations are completed.
- Seeks advice from local government on the preferred strategy for managing cost implications for councils associated with the transition; and
- Works with the Local Government Association of Tasmania (LGAT) to improve the capacity of councils to manage differential rates resolutions.

The then Minister for Local Government accepted all of the report's recommendations. However, the Minister decided not to enforce a 1 July 2016 transition to CV. The State Government considered that implementation of such a major reform requiring all councils to transition to CV should occur over a longer period of time.

Sector Response and Current Position

Over the last 2 years, in order to progress the recommendations and findings of the report, the Department of Premier and Cabinet's Local Government Division (LGD) has undertaken a capability building program to build local government sector support and preparedness for any future change in the valuation system. The program has included:

- Addressing some of the issues raised by stakeholders in the course of the review through legislative amendment and/or rating guidance;
- Further work to provide increased flexibility and clarity in the use of rating provisions such as differential rating;
- Piloting a capability building program with councils interested in transitioning to CV for the 2015-16 rating (and revaluation) year; and
- Working with LGAT to facilitate access to best practice rating software for the sector.

At the date of this paper, the State Government's position on the Review outcomes has not changed and a voluntary transition for councils to CV remains the State Government's position.

To date four councils in Tasmania, namely Clarence, Kingborough, Sorell and George Town have made the transition from AAV to CV as the valuation base. These councils utilised a combination of the rating tools under the LG Act to transition to CV under a mitigated model. Other councils, including Glenorchy, Launceston and Devonport have an interest in transitioning or are undertaking modelling.

During the Review the local government sector requested the State Government to consider how fixed rates and charitable rating exemptions can be applied at the tenancy level if AAV is not longer available. This is an issue for some councils and particularly for those that utilised fixed rating as part of their rating strategy, which the City of Hobart does not.

The issue for those councils that currently issue rate notices to tenants using AAV as the method to apportion rates is that from a valuation perspective CV is currently determined at the whole of property level and not at the tenancy level. So, it appeared that there was no capacity to rate individual tenants under a CV model.

At the recent LGAT General Meeting the Acting Valuer-General noted that a mechanism for addressing the issue had been identified and the Office of the Valuer-General will provide statutory valuations, where they can practically determine separate capital values for portions of land, on application from councils. However, requests will be assessed on their merits as there are certain matters that the Valuer-General needs to be mindful of. For example, the methodology of apportionment of the valuation would need to stand scrutiny in court, if challenged.

In the event Council decided to move to CV, this would allow the City of Hobart to continue to apply charitable rating exemptions at the tenancy level. It is understood that some councils are seeking a guarantee that tenancy values will be provided for complex properties under a full CV system before committing to a transition to CV. However, it should be noted that Council has never considered a rating strategy that includes rating at the tenancy level and this has not been considered in the rate modelling considered in this paper. However, should Council wish to, this would also be an issue for the City.

4. Current Rating Strategy

Valuation Base

Under section 89A of the LG Act Council has the choice of three bases of value of land:

- Land Value (LV) – the value of the property excluding all visible improvements such as buildings, structure, fixtures, roads, etc.
- Capital Value (CV) - the total value of the property, excluding plant and machinery and includes the land value; or
- Assessed Annual Value (AAV) - the estimated yearly rental value of the property, excluding GST, council rates and land tax, but is not to be less than 4% of the capital value of the property.

Council currently raises revenue for the vast majority of its services through the AAV rating system. The AAV method of valuing land reflects the property usage and notional income earning capacity of the property. Although expressed in terms of a notional rental value, the AAV has the same effect as an implied return on investment for the property with a minimum level of 4 percent.

The City of Hobart has both the largest rate revenue of any council in Tasmania and also the simplest rating structure. Council applies the same rate in the dollar to all properties no matter what the land is used for or where it is located and unlike the other Tasmanian councils, has not sought to utilise the majority of rating tools available in the *Local Government Act 1993* (the Act) (Section 6 of this paper provides a summary of the rating tools).

Rates and Charges

Council raises its rates and charges through the following:

- General Rate – pursuant to section 90 of the LG Act and levied on all rateable properties.
- Stormwater Removal Service Rate – pursuant to section 93 of the LG Act and levied on all rateable properties.
- Fire Service Rate - Pursuant to the *Fire Services Act 1979*, local government acts as a collection agent for this State Government tax, which is paid directly to the State Fire Commission.

Council has no control over the level of the Fire Service Rate. It is required to collect this revenue on behalf of the State Government which is then passed onto the Tasmanian Fire Service. The State Fire Commission identifies 3 districts for the Hobart municipality, being:

- Fern Tree Volunteer Brigade Rating District;
- Permanent Brigade Rating District; and
- General Land.

There is a different fire service rate for each district, which is achieved through rates remissions.

- Waste Management Service Charge (flat) – pursuant to section 94 of the LG Act and levied on all rateable properties in the municipality.
- Landfill Rehabilitation Service Charge (flat, temporary levy to fund the rehabilitation of the McRobies Gully Waste Management Centre) – pursuant to section 94 of the LG Act and levied on all rateable properties in the municipality.

In 2015/16 Council raised \$75.2 million in rates comprised of the following:

	\$	
General Rates	54,523,472	Valuation Based
Stormwater Removal Service Rates	4,331,550	Valuation Based
Fire Service Rates (on behalf of State Government)	9,011,757	Valuation Based
Waste Management Service Charges	5,947,144	Flat Charge
Landfill Rehabilitation Service Charges	1,248,700	Flat Charge
240L Bin	140,000	Flat Charge
TOTAL	75,202,623	

Exemptions / Remissions

Under section 87 of the LG Act, certain land is exempt from the General Rate (and Separate Rates and Averaged Area Rates) where they are held or owned for specific purposes outlined in the LG Act e.g.: charitable purposes, Aboriginal land, certain land owned by the Crown, council owned, etc.

Pensioners eligible for assistance under the *Local Government (Rates and Charges Remission) Act 1991* may receive a rebate as follows, noting that limits apply:

- State Government - 30% (maximum limits apply, currently capped at \$288.00 for pensioners also a customer of TasWater \$425.00 for pensioners not a customer of TasWater)
- State Fire Commission - 20% (of the Fire Service Rate)
- The City of Hobart - \$10 minimum pursuant to Council policy

Pursuant to section 129 of the LG Act, a ratepayer may apply to the Council for remission of all or part of any rates paid or payable or any penalty imposed or interest charged under section 128 of the LG Act.

Pursuant to Council policy 4-03-01, generally, a property will only receive a remission of the stormwater service rate and / or the waste management service charge in the event that:

- The property does not receive and is not capable of receiving a standard garbage collection service or stormwater service from the Council whatsoever; and
- Even if the property were capable of receiving such a service, a request to Council for

such a service would be denied.

Issues with Current HCC Rating Strategy

In 2009 a city revaluation by the Valuer-General was undertaken in the Hobart municipal area. The previous revaluation was conducted in 2001 and between then and 2009 the property boom resulted in valuations (LV, CV and AAV) rising significantly, particularly in some localities.

The property revaluation resulted in an overall 43% increase in municipal AAV from the 2007 indexed AAVs. Residential AAV increased on average by 49%, with commercial and industrial increasing, on average, by 38%.

Pursuant to the *Valuation of Land Act 2001*, the assessed annual value of the land is not to be less than 4% of the capital value of the land. Previously 8% of residential properties were on the minimum 4%, this figure increased to 46% as a result of the property revaluation. The property boom resulted in CVs rising significantly and more so than rental values, thereby increasing many AAVs due to this rule.

The effect of this was an overall shift in the rate burden to residential. While approximately 20,000 ratepayers experienced rate decreases, approximately 3,560 ratepayers experienced rate increases and due to the redistributive effects of the property revaluation the outcomes for individual ratepayers varied considerably.

Pursuant to the *Valuation of Land Act 2001*, AAVs are adjusted every two years according to adjustment factors published by the Valuer-General. Adjustment factors that applied from 1 July 2011 resulted in no impact for Hobart but the adjustment factors which took effect from 1 July 2013 had the effect of further shifting the rate burden from non-residential properties to residential properties.

2014 Municipal Area Property Revaluation

A revaluation of the Hobart municipal area occurred in 2014 and was effective from 1 July 2015. The effects of the 2014 revaluation were not as marked as the 2008 revaluation, which was caused by the property boom that occurred between it and the prior revaluation.

AAVs (as well as CVs and LVs) increased - but not uniformly across the municipal area and generally, there was a shift in the rate burden away from residential and vacant land towards non-residential. It was notable that the percentage increase in municipal LV was greater than that for CV and AAV.

Ratepayer Concerns

The effects of the 2009 and (to a lesser extent) 2015 property revaluations and 2013 indexation prompted ratepayers to contact Council with a range of concerns relating to the revaluation of their properties, the method used to calculate rates, and the setting of the rate by Council. These concerns can be summarised as follows:

- Concern over the large increase in rates payable respective to previous years.

- Concern over the AAV method of calculating rates. Issues were raised regarding the concept of AAV being based on the estimated yearly rental value of a property, which for many is a confusing and hypothetical concept. Also ratepayers expressed concern over their ability to secure the amount of rental value AAV suggests.
- Concern over the large differences in rates payable in different localities and by individual ratepayers.
- Concern with the affordability of rates in some circumstances. Some ratepayers advised that they were on a fixed income and while their property may be valued highly they themselves were not wealthy individuals and would not be able to pay the rates payable on their high valued properties.
- Confusion with the 4% minimum rule and with many ratepayers experiencing high rate increases due to this rule.
- A lack of understanding of the link between the valuation of their property by the Valuer-General and rates payable. As a result some ratepayers only realised the link when they received their rates notice and rang Council. Many ratepayers missed the statutory 60-day objection period.

These concerns generally mirror those identified in the Access Economics and State Government Reviews.

It should also be noted that the LG Act already contains a number of mechanisms available to councils to mitigate the effects of a revaluation or indexation. These include (and are explained further in Section 6):

- Fixed charges and minimum rates,
- Differential rates,
- Maximum rate increase caps,
- Averaged area rates ('flat rating'),
- Separate rates and charges,
- Construction rates and charges, and
- Rates remissions.

However, this Council has, to date, not chosen to utilise those provisions, preferring to adopt the policy position that the AAV valuation should determine rates payable. Previously, there was also uncertainty regarding the legal status of some of the provisions in the LG Act.

One measure Council has taken was to introduce a flat waste management service charge in 2010/11.

5. The Hobart Municipal area

As at 1 July 2015, the Hobart municipal area had 23,990 properties, a total municipal AAV of \$800,379,416, a total municipal CV of \$15,146,522,500 and a total municipal LV of \$6,816,013,500. Hobart has eight land use categories being: commercial, industrial, primary production (farming), public enterprise, quarry & mining, residential, sport & recreation and vacant land. Table 1 below shows examples of the types of properties that have a land use category of commercial, industrial, public enterprise and sport & recreation. The other land use categories are as the title describes.

Table 1: Property Types by Land Use

Commercial	Industrial	Public Enterprise	Sport & Recreation
Carpark	Oil Depot	Aged Care Facility	Jetty
Hotel	Workshop	Ambulance Depot	Slipway
Bakery	Factory	School	Boatyard
Bank	Cascade Brewery	Anglesea Barracks	Recreation Area
Cafe	Bus Depot	Botanical Gardens	Reserve
Cinema	Warehouse	Cathedral	Park
Dental Surgery	Garage	Church	Sportsground
Office	Princes Wharf No. 1	Post Office	Playground
Shop	Transport Depot	Magistrates Court	Tennis Court
Bed & Breakfast	Car Yard	Museum	Pavilion
Motel	Shed	Police Station	Grandstand
Laundrette	Foundry	Government House	Swimming Pool
ATM	Joinery	Hospital	Toilet Block

Table 2 below shows the number of properties within each land use category and what portion of the current AAV rate burden each land use category pays. The majority of properties in the Hobart municipality are residential.

Table 2: AAV Outcome for Hobart

Land Use Category	No of Properties*	Total AAV \$	Total Rates \$	% of Properties	% Municipal AAV	% Rates Burden
Commercial	1938	259,717,238	23,773,989	8%	32%	32%
Industrial	154	10,497,638	1,038,129	0.6%	1.3%	1.4%
Primary Production	2	89,000	8,179	0%	0%	0%
Public Enterprise	292	92,671,306	5,088,603	1%	12%	7%
Quarry & Mining	4	23,400	349	0%	0%	0%
Residential	20680	422,716,236	44,625,912	86%	53%	59%
Sport & Recreation	271	7,719,638	110,086	1%	1%	0%
Vacant	649	6,944,960	557,376	3%	1%	1%

*Includes properties that don't pay rates e.g. Council owned

As can be seen from table 2 commercial, industrial and public enterprise pay proportionally more of the rate burden than other sectors. This is because rental returns for these properties exceed the 4% minimum return of a residential property. In some cases the rental returns of commercial and industrial properties can be 7%, 8%, 9% or more. It is

notable that the residential sector comprises 86% of municipal properties but pays 59% of the rate burden and contributes 53% of total municipal AAV. It is also notable that vacant land comprises 3% of municipal properties but pays 1% of the rate burden.

Of the 23,990 properties in the municipality, 12% (2,817) are owned by pensioners who are in receipt of the State Government pensioner remission.

56% of all properties are on the 4% Rule. That is, their 'true' AAV is less than 4% of the CV of their property but is increased to be 4%. This is a requirement under the *Valuation of Land Act 2001*.

Table 3 shows the rates paid by the average ratepayer in each land use category.

Table 3: Average Ratepayer Rates under AAV

Land Use Category	Average Rates AAV (\$)
Commercial	12,267
Industrial	6,741
Primary Production	4,090
Public Enterprise	17,427
Quarry & Mining	87
Residential	2,158
Sport & Recreation	406
Vacant	859

Chart 1a shows how Council properties are split across the suburbs in the municipality.

Chart 1a: % Properties by Suburb

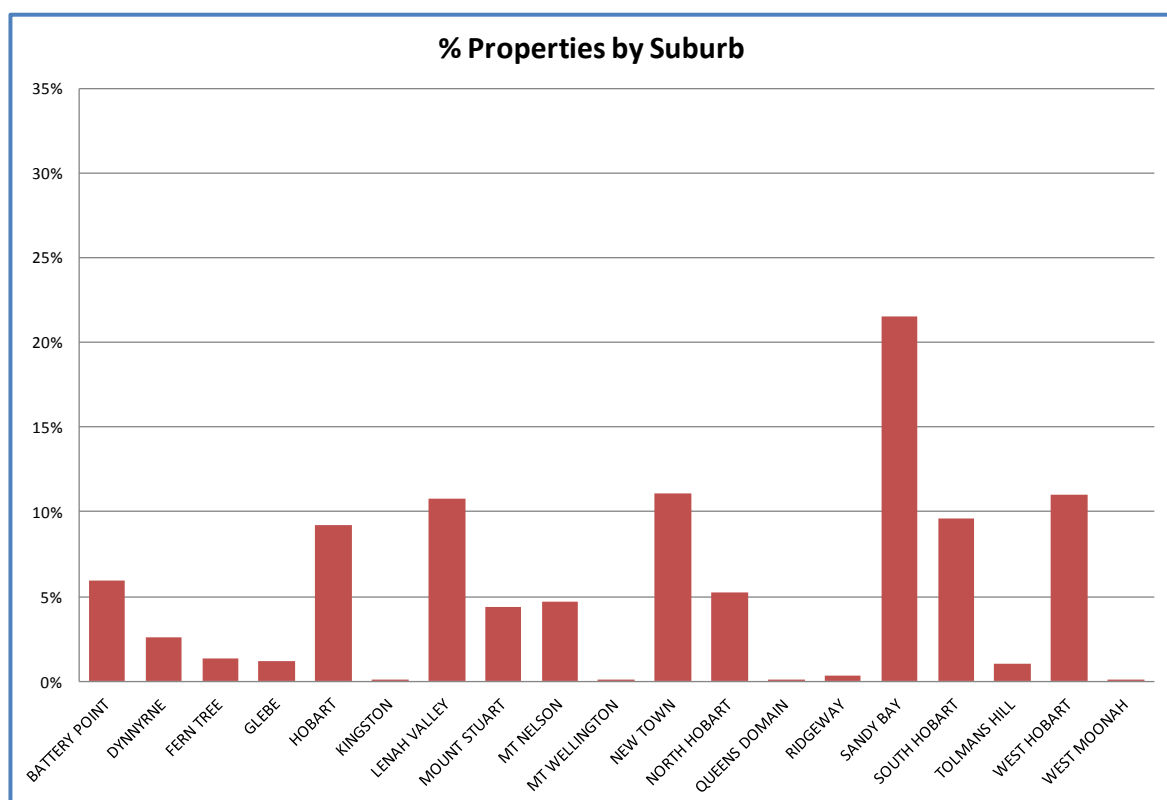


Table 4 shows the quantum of rates paid by properties in each land use category per annum. It should be noted that the 667 properties paying between \$0 and \$500 rates includes many properties exempt from all or part of the rates, such as Council owned properties and charities. It also includes low valuation properties such as jetties/boatsheds, and individually titled car parking spaces.

Table 4: AAV Rates Paid

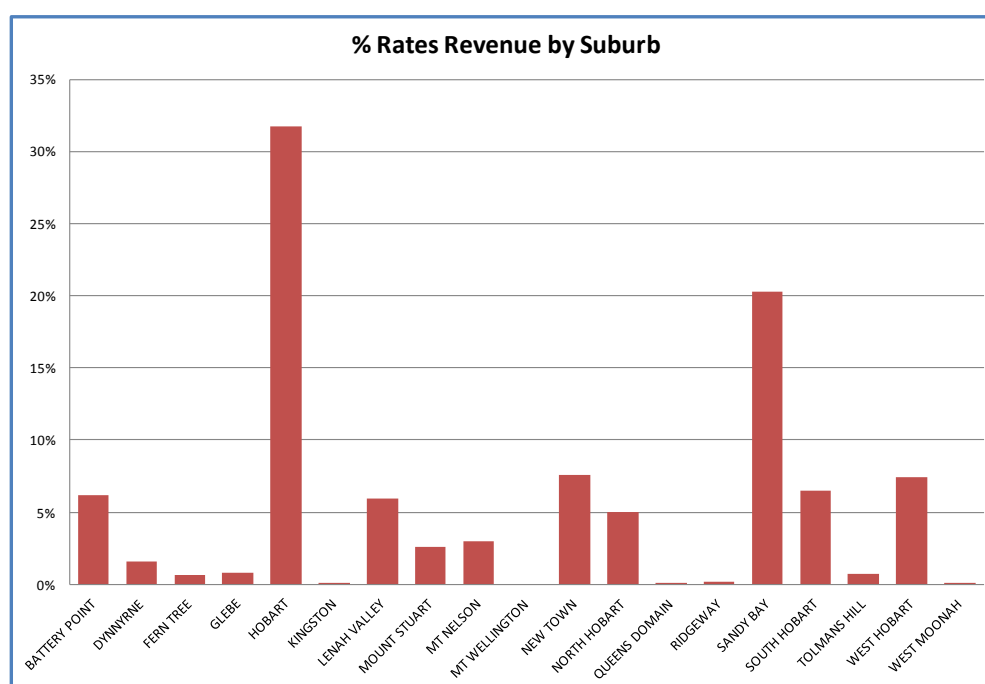
Rates per Annum (\$)	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
0 to 500	199	2	0	51	4	5	237	169
500 to 1,000	13	1	0	24	0	279	3	299
1,000 to 2,500	275	29	0	23	0	16058	8	161
2,500 to 5,000	548	61	1	31	0	3892	6	14
5,000 to 10,000	482	40	1	20	0	356	5	3
10,000 to 20,000	220	12	0	29	0	31	1	0
20,000 to 100,000	129	6	0	33	0	16	0	0
>100,000	46	0	0	5	0	0	0	0

51 properties pay more than \$100,000 in rates per annum (this figure was 40 properties prior to the 2014 municipal area revaluation). These properties are commercial and public enterprise and predominately located in the inner city of Hobart. Of these 51 properties, 9 are paying more than \$300,000 per annum and one is paying more than \$1 million per annum.

There are 16 residential properties paying between \$20,000 and \$100,000 in rates per annum. These properties are typically apartment blocks, conjoined units or residential home facilities.

Chart 1b: % Rate Revenue by Suburb

Chart 1b shows the % of rate revenue paid in each suburb.



6. Rating Tools

As outlined in the Review report, Part 9 of the LG Act provides councils with the framework for making their rates and charges resolutions. This framework provides a range of rating tools and approaches that provide councils with the flexibility to develop a rating strategy that is tailored to the needs of their municipality while promoting key taxation principles such as the equity principle and addressing capacity to pay.

General Rates

Currently, section 90 of the LG Act enables a council to set a general rate on rateable land based on AAV, CV or LV.

The composition of the general rate is outlined in section 91 of the LG Act and can have two parts: an *ad valorem* rate (a proportion of value or rate in the dollar) and a fixed charge (to a maximum of 50% of total General Rates revenue).

Fixed charges and Minimum rates

Councils have the option to set either a 'fixed charge' or a minimum amount (but not both) as part of the general rate. The policy intent behind allowing the application of a fixed charge or a minimum amount is that it reflects that, for at least a proportion of council services, the benefits are distributed relatively evenly across properties (and therefore ratepayers).

Differential Rates

Differential rating is where the general rate, service rates or service charges are varied under Section 107 of the LG Act on the basis of the use or predominant use of the land, the non-use of the land, the locality of the land, any planning zone or any other prescribed factor.

In early 2014, the *Local Government (General) Regulations 2005* were amended to also allow councils to vary the general rate by the Valuer-General land use code i.e. property type. This amendment increases the categories of land use that a council can differentially rate by providing more detailed land use categories.

Differential rates allow councils to address strategic objectives for funding and service delivery and provide flexibility for local rating issues, as well as manage property value fluctuations between different categories of land. A differential rate is generally levied where a council determines it would be inequitable and unfair to levy a single general rate on all land in a council's area.

Separate Rates and Charges

A council may make a separate rate or charge in respect of a class of land for the purpose of planning, carrying out, making available, maintaining or improving anything that in the council's opinion is or is intended to be, of particular benefit to the land (for example to cover the costs of constructing a local swimming pool or sports centre).

Averaged Area Rates ('Flat Rating')

Averaged area rating was introduced to provide a new averaged area rates provision so that councils could implement a flat rating policy for residential ratepayers. There are extensive processes to be followed in setting an averaged area rate.

Service Rates and Service Charges

Section 93 of the LG Act enables a council to set a service rate for any (or all) of the services listed in that section. A service rate must be based on the same category of property value as the general rate for that financial year. A council may set a minimum amount payable with respect to that service rate.

In addition to, or instead of making a service rate, section 94 of the LG Act enables a council to make a separate service charge for a financial year for the same services listed in section 93.

Construction Rates and Charges

A council may make a short-term construction rate or charge for land, within express parameters, to cover the construction costs of drainage.

Rates Remissions

Councils may grant a remission of all or part of the rates payable to a ratepayer or a class or ratepayer (for example pensioners). Some councils use this provision to provide an additional rates discount in addition to the State Government subsidy for pensioners.

Maximum Rate Increase Caps

The *Local Government Amendment Act 2011* provided councils with a new, optional tool to cap rate increases for 'any or all' ratepayers across all or part of rates and charges payable. It is open to councils, by absolute majority, to determine if or how they will apply any rate cap. Rate caps limit the maximum proportional increase in rates that any single ratepayer, or class of ratepayers, may experience in a given year.

Councils can vary the rate cap according to the factors set out in section 107 of the LG Act, including the use, or predominant use of the land, the non-use of the land, the locality of the land, any planning zone or any other prescribed factor. Councils may also set conditions that are to apply in order for a ratepayer or class of ratepayers to qualify (or not qualify) for a maximum percentage increase.

Rating Tools Utilised in Modelling

The following rating tools have been used in the rates modelling described in section 7.

Rating Tool	Description	Usage
Differential Rating	Gives Council the ability to charge a different price (rate in \$) to different groups of ratepayers in the municipality. Typically based on use of the land, but other factors can apply.	In accordance with section 107 of the LG Act

Capping	Gives Council the ability to limit the amount of a rate increase in any given year	In accordance with section 88A of the LG Act
Minimums	Gives Council the ability to set a minimum amount that up to 35% (as legislated) of all properties should pay. Provides a mechanism where lower valued properties do not pay less than a minimum amount. Can have minimums for the general rate, and service rates.	In accordance with section 90 and 93 LG Act. Minimums can be varied under section 107.
Fixed Charge	Gives Council the ability to levy a component of General Rates that is a fixed charge of up to 50% of total General Rates revenue. It allows for a base contribution towards General Rates from all properties.	In accordance with section 91 of the LG Act

Averaged Area Rates have not been modelled. At its meeting on 10 October 2011, Council agreed that locality as a basis upon which to assess a ratepayer's capacity to pay is not workable. In some municipal areas, discrete localities may be able to be identified.

However, in an area such as Hobart, but many others also, identifying discrete localities, purporting to contain similar characteristics and thus purporting to be representative of capacity to pay, would not be possible. Hobart suburbs are not homogenous, and in any given locality (even if one were able to be defined) the Council would not be able to conclude that location is representative of capacity to pay.

Other Rating Tool

Tiered rating is a rating option not currently available to local government under the LG Act. This rating option was raised in submissions to the Review and is being actively considered by the State Government.

Tiered Rates would provide Council with the opportunity to alter the Rates for properties within specific valuation ranges. This could be used where a relatively small number of highly valued properties lie within an area of comparatively lesser-value properties.

7. Rates Modelling

Extensive rates modelling has been undertaken in-house using the MagiQ® rates modelling tool to compare the different valuation bases and rating tools available under the LG Act.

The rates modelling undertaken included the following:

- All rates and charges,
- All rateable properties within the Hobart municipality,
- Pensioners and non-pensioners,
- Existing remissions and rebates applicable to individual properties, and
- Impact on all land use categories, being commercial, industrial, primary production, public enterprise, residential, quarry & mining, sport & recreation and vacant land.

Rating tools considered were:

- Differential rating by land use category,
- Adopting a minimum rate,
- Adopting a fixed charge,
- Introducing maximum rates caps to limit rate increases, and
- A combination of the above.

It should be noted that because the Waste Management Service Charge and the Landfill Rehabilitation Service Charge are flat charges they are not affected by a move to an alternative valuation base. However, both charges were included in the rates modelling to ensure a comparison could be made of total rates and charges currently paid against any alternative rates model.

The first stage in the modelling (models 1 and 2) was to test the impact on rates of a change in the valuation base used. The modelling sought to determine the impact on ratepayers if the ratebase was changed from AAV to either CV or LV. Large shifts in the rate burden arise.

The second stage in the modelling (models 3 to 10) was to determine whether any, all or a combination of the rating tools available under the LG Act could be used to mitigate the impact on ratepayers of a change in the ratebase from AAV to CV or LV.

The third stage in the modelling (models 11 and 12) was to test the impact of a gradual shift from AAV to either CV or LV over time.

At its meeting on 19 November 2013, Council resolved that further additional modelling be undertaken as proposed by then Alderman Foley. Models 13 and 14 show the outcomes of the Commercial Differential Model. The outcomes of the Putland Variable Municipal Charge models are shown in the 'Other Models' section of this paper from page 69.

The modelling has not included any changes or growth to the rate base and is revenue neutral i.e. has assumed revenue required is 2015/16 levels. Properties that are exempt from paying rates i.e. Council owned have not been included in the modelling.

Maps of the Hobart municipality showing the impacts of models 1 to 12 are included as appendices.

Model 1 Shift from AAV to CV without Mitigating Impact on Ratepayers

Scenario: move from using AAV as the valuation base to CV, assume the same amount of rates revenue is required as under AAV and analyse the results.

The purpose of this model is to determine the impact on ratepayers of moving from rating using AAV to rating using CV.

Impact on Rate Burden

An unmanaged shift from using AAV as the ratebase to CV has the effect of shifting the rate burden between land use categories. As shown in table 5 below, the impacts of an unmanaged shift to CV as a base for rating would vary across land use categories. As an example, commercial would decrease, from paying 32% of the rate burden to 20% of the rate burden (a \$9M decrease in total rates paid). Conversely, residential would increase, from paying 59% of the rate burden to paying 72% (a \$9.7M increase in total rates paid). There would be a modest change for the other land use categories.

Table 5: Shift in Rate Burden from move from AAV to CV

Land Use Category	% Rates Burden AAV	% Rates Burden CV	Shift in Rate Burden \$
Commercial	31.6%	19.6%	-9,003,226
Industrial	1.4%	1.0%	-292,894
Primary Production	0.0%	0.0%	2,620
Public Enterprise	6.8%	6.0%	-611,705
Quarry & Mining	0.0%	0.0%	112
Residential	59.3%	72.3%	9,718,058
Sport & Recreation	0.1%	0.2%	13,291
Vacant	0.7%	1.0%	173,773

Impact on Rates Paid

The shift in the rate burden detailed above has an impact on the rates paid by individual ratepayers. Table 6 below shows the impact of a shift from AAV to CV on the individual properties within land use categories.

Table 6: AAV to CV Unmitigated Shift % Impact – All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-70% to -60%	6	0	0	0	0	1	0	0
-60% to -50%	30	1	0	1	0	0	0	0
-50% to -40%	203	20	0	8	0	7	0	0
-40% to -30%	582	72	0	8	0	12	0	0
-30% to -20%	664	26	0	14	0	60	1	1
-20% to -10%	247	14	0	20	0	118	3	0
-10% to 0%	53	6	0	7	0	214	0	0
0% to 10%	36	4	0	26	0	1898	7	1
10% to 20%	28	2	0	16	0	5221	18	5
20% to 30%	29	4	0	35	0	12748	45	65
30% to 40%	9	1	2	37	1	354	19	496

Under an unmanaged shift from AAV to CV no property would pay more than 40% more in rates than current. The 'winners' and 'losers' are as follows:

Winners under Unmitigated CV		Losers under Unmitigated CV	
<i>Commercial</i>	<ul style="list-style-type: none"> 95% would experience a rate decrease 79% would experience a rate decrease > 20% 	<i>Residential</i>	<ul style="list-style-type: none"> 98% would experience a rate increase 89% would pay between 10% and 30% more in rates
<i>Industrial</i>	<ul style="list-style-type: none"> 93% would experience a rate decrease 79% would experience a rate decrease > 20% 	<i>Sport & Recreation</i>	<ul style="list-style-type: none"> 96% would experience a rate increase
		<i>Vacant Land</i>	<ul style="list-style-type: none"> 100% would experience a rate increase with the majority between 10% and 30%
		<i>Primary Production (Farming)</i>	<ul style="list-style-type: none"> 100% would experience a rate increase of >30%
		<i>Quarry & Mining</i>	<ul style="list-style-type: none"> 100% would experience a rate increase >30%

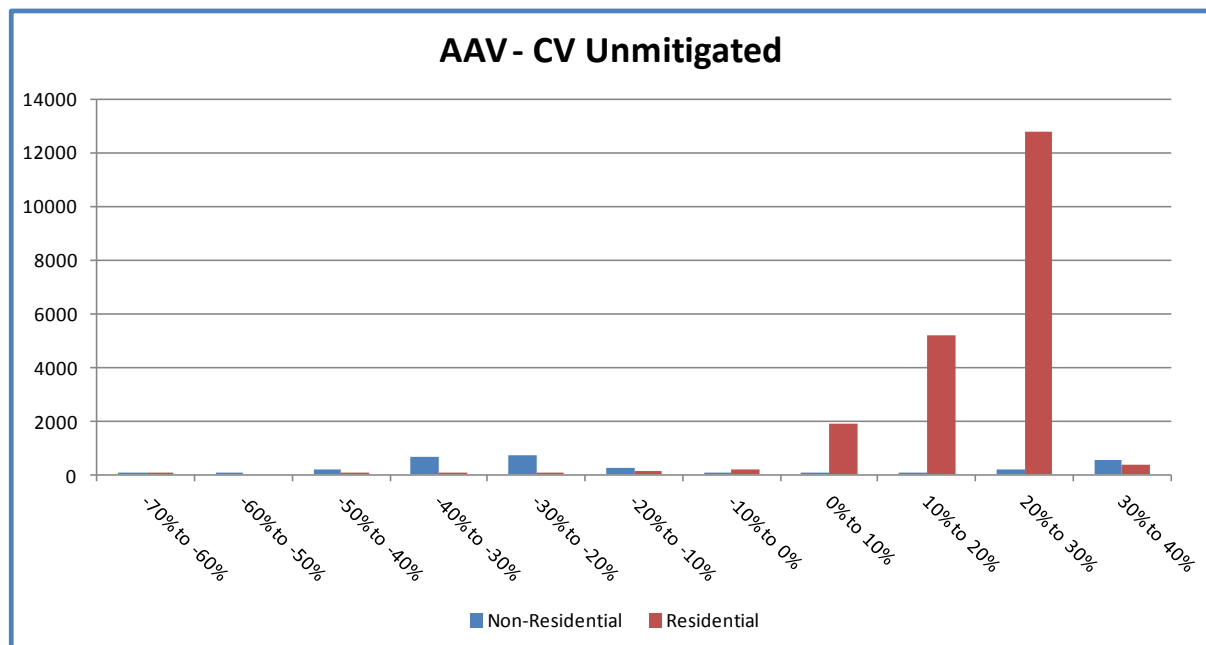
The effect on Public Enterprise is more varied; however, 66% would pay more in rates.

Generally, if Council were to rate using CV but not mitigate the impacts on ratepayers, commercial, industrial and some public enterprise properties would pay significantly less in rates and residential, vacant land, primary production, quarry & mining and sport &

recreation would pay more.

Chart 2 below shows the effect of the shift on residential and non-residential properties. Generally, residential properties would pay more in rates and non-residential properties would pay less.

Chart 2: AAV to CV Unmitigated Shift % Impact – Non-Residential vs. Residential Properties



This effect across the different parts of the municipality is shown on the municipal map at appendix 3.

Although the effect does vary across low, medium and high valued residential properties, some general observations can be drawn from the modelling data based on the following:

- 91% of residential properties experiencing a rate increase of between 20% to 40% under model 1 have a CV of \$350,000 or more.
- 98% of residential properties experiencing a rate increase of between 30% to 40% have a CV of \$1.2M or more.
- 91% of residential properties experiencing no change or a modest increase to rate payable have a CV of less than \$350,000.
- Residential properties experiencing a modest decrease in rates payable are varied in terms of CV.

Generally, lower valued residential properties would experience a decrease in rates or a modest increase under CV whereas medium to higher valued residential properties would experience an increase in rates of up to 40% under an unmitigated move to CV (although the effect does vary across all property values).

Model 1 Conclusions

Moving from AAV to CV causes a significant shift in the rate burden to residential, primary production, sport & recreation, quarry & mining and vacant land resulting in these properties paying more in rates. However, no property would pay more than 40% more in rates. Generally, within residential, lower valued properties are the least affected.

Model 2 Shift from AAV to LV without Mitigating Impacts on Ratepayers

Scenario: move from using AAV as the valuation base to LV, assume the same amount of rates revenue is required as under AAV and analyse the results.

The purpose of this model is to determine the impact on ratepayers of moving from rating using AAV to rating using LV.

Impact on Rate Burden

An unmanaged shift from using AAV as the ratebase to LV has the effect of shifting the rate burden between land use categories. As shown in table 7 below, the impacts of an unmanaged shift to LV as a base for rating would be significant and vary across land use categories. The impact is much more significant and variable than under a move to CV. As an example, commercial would decrease, from paying 32% of the rate burden to 17% of the rate burden (a \$11.2M decrease in total rates paid). Conversely, residential would increase, from paying 59% of the rate burden to paying 77% (a \$13.3M increase in total rates paid). Public Enterprise would decrease, from paying 7% of the rate burden to 2% of the rate burden (a \$3.4M decrease in total rates paid) and vacant land would increase, from paying 0.7% of the rate burden to 2.1% of the rate burden (a 1M increase in rates paid).

Table 7: Shift in Rate Burden from move from AAV to LV

Land Use Category	% Rates Burden	% Rates Burden	Shift in Rate Burden
	AAV	LV	\$
Commercial	31.6%	16.8%	-11,174,670
Industrial	1.4%	1.4%	-15,597
Primary Production	0.0%	0.0%	15,184
Public Enterprise	6.8%	2.3%	-3,370,149
Quarry & Mining	0.0%	0.0%	648
Residential	59.3%	77.3%	13,254,585
Sport & Recreation	0.1%	0.2%	3,557
Vacant	0.7%	2.1%	1,005,975

Impact on Rates Paid

The shift in the rate burden detailed above has an impact on the rates paid by individual ratepayers. Table 8 below shows the impact of a shift from AAV to LV on the individual properties within land use categories.

Table 8: AAV to LV Unmitigated Shift % Impact – All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-100% to -90%	6	0	0	4	0	0	0	0
-90% to -80%	31	1	0	5	0	2	0	0
-80% to -70%	24	1	0	10	0	9	0	0
-70% to -60%	53	0	0	9	0	17	1	0
-60% to -50%	241	1	0	10	0	41	0	0
-50% to -40%	137	6	0	11	0	143	0	0
-40% to -30%	277	6	0	9	0	349	3	0
-30% to -20%	196	12	0	8	0	734	3	0
-20% to -10%	192	21	0	8	0	1159	2	0
-10% to 0%	160	18	0	13	0	1736	1	1
0% to 10%	169	21	0	20	0	2199	3	0
10% to 20%	130	13	0	15	0	2718	3	0
20% to 30%	83	10	0	13	0	2557	13	1
30% to 40%	48	14	0	8	0	2262	5	0
40% to 50%	33	10	0	4	0	1934	16	1
50% to 60%	43	6	0	5	0	1606	10	1
60% to 70%	15	3	0	6	0	1201	7	0
70% to 80%	12	0	0	5	0	821	3	0
80% to 90%	4	1	0	2	0	515	7	0
90% to 100%	6	1	0	2	0	310	6	2
>100%	27	5	2	5	1	320	10	562

The impact is much more significant and variable than under CV so an analysis of ‘winners’ and ‘losers’ is more varied. However, generally the ‘winners’ and ‘losers’ are as follows:

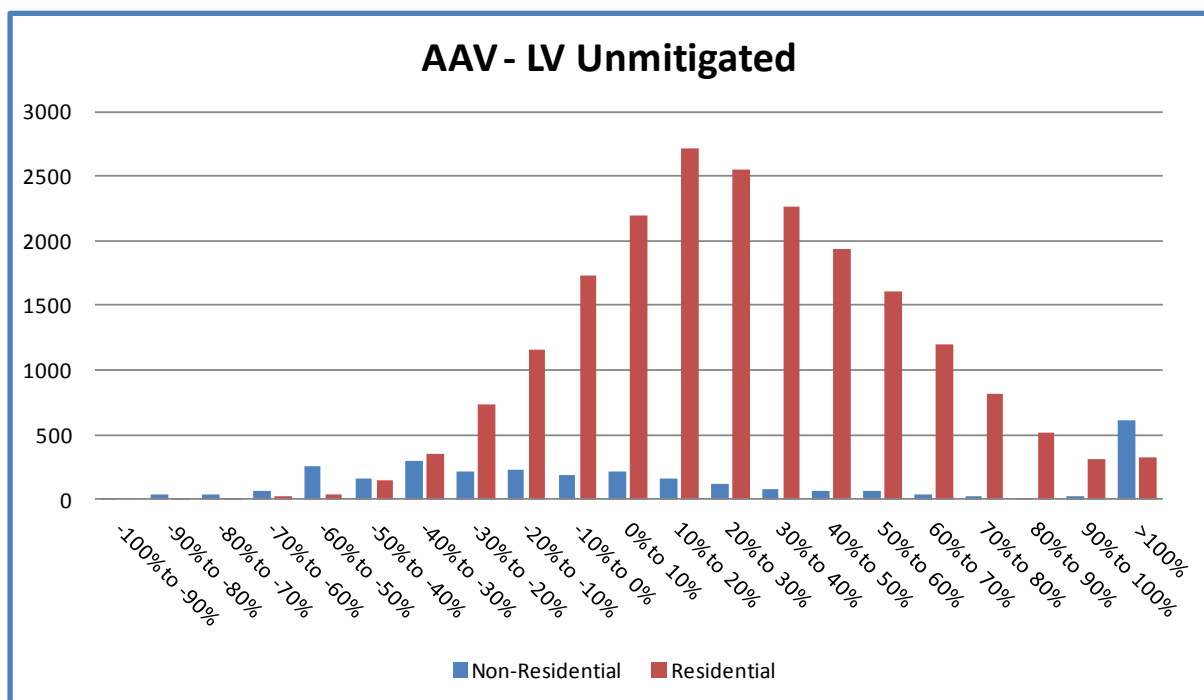
Winners under Unmitigated LV		Losers under Unmitigated LV	
<i>Commercial</i>	<ul style="list-style-type: none"> 70% (1,317 properties) would experience a rates decrease 	<i>Residential</i>	<ul style="list-style-type: none"> 80% receive an increase. 69% (14,244 properties) would pay between 10% and 180% more in rates
<i>Industrial</i>	<ul style="list-style-type: none"> 44% would experience a rates decrease 	<i>Public Enterprise</i>	<ul style="list-style-type: none"> 51% would experience a rate increase
		<i>Sport & Recreation</i>	<ul style="list-style-type: none"> 89% would experience a rate increase
		<i>Vacant Land</i>	<ul style="list-style-type: none"> 100% would experience a rate increase 99% (562 properties) would pay between 100% and 200% more in rates

<i>Primary Production (Farming)</i>	<ul style="list-style-type: none"> 100% would experience a rate increase of >100%
<i>Quarry & Mining</i>	<ul style="list-style-type: none"> 100% would experience a rate increase >100%

As can be seen the impact on individual ratepayers varies considerably and for some properties the shift would result in increases of up to 200%.

Chart 3 shows the effect of the shift between residential and non-residential properties. The effects are more significant and more variable than under CV, with a large number of properties experiencing rate increases or decreases significantly more than +/- 100%.

Chart 3: AAV to LV Unmitigated Shift % Impact – Non-Residential vs. Residential Properties



This effect across the different parts of the municipality is shown on the municipal map at appendix 4.

The effect varies considerably between low, medium and high valued residential properties, however, generally low-value properties would experience a decrease in rates and medium to high-valued properties would experience an increase in rates.

Model 2 Conclusions

A move from AAV to LV causes a significant shift in the rate burden that has a significant but variable effect on properties in all land use categories with some properties experiencing a rate increase of up to 200%. A significant proportion of residential and vacant land (in particular) receive large increases.

Model 3 Shift from AAV to CV using Differential General Rates based on Land Use Category

Scenario: move from using AAV as the valuation base to CV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 1. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under AAV.

The scenario tested under model 3 is designed to test the State Government modelling outcome that showed that by using a different rate in the dollar for each land use category the impact of a move to CV for most ratepayers can be mitigated.

Impact on Rate Burden

By using a differential General Rate the land use categories would pay the same proportion of general rate burden than they currently do under AAV. The rate in the dollar (RID) for each land use category would be different, as shown in table 9 below. As can be seen the CV RID for commercial would need to be almost double the CV RID for residential. Similarly, the RID for industrial and public enterprise would need to be higher than for residential. This supports the outcomes of model 1, which shows that an unmanaged shift from AAV to CV has the effect of shifting the rate burden from commercial, industrial and public enterprise to residential, primary production, sport & recreation quarry & mining and vacant land. So, to retain the AAV rate burden the RIDs for these land uses would need to be higher.

It should be noted that even though each land use category would have its own RID, within each land use category the capital value of the property would determine the rates paid by individual property owners.

Table 9: CV Differential Rate in Dollar by Land Use Category

Land Use Category	General Rates CV Rate in \$
Commercial	0.006455
Industrial	0.005639
Primary Production	0.002957
Public Enterprise	0.004491
Quarry & Mining	0.002947
Residential	0.003116
Sport & Recreation	0.003344
Vacant	0.002964

Impact on Rates Paid

Using a differential General Rate has an impact on the rates paid by individual ratepayers. Table 10 overleaf shows the impact of moving from AAV to CV but mitigating the impact of that shift by using a differential General Rate.

Table 10: AAV to CV Mitigated Shift % Impact – All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-70% to -60%	0	0	0	0	0	1	0	0
-60% to -50%	1	0	0	0	0	6	0	0
-50% to -40%	4	0	0	1	0	15	0	0
-40% to -30%	15	4	0	10	0	78	0	1
-30% to -20%	62	21	0	10	0	160	3	0
-20% to -10%	261	65	0	12	0	361	1	0
-10% to 0%	427	25	0	16	0	4843	3	36
0% to 10%	628	16	2	19	1	14873	33	531
10% to 20%	291	8	0	23	0	296*	52	0
20% to 30%	60	2	0	9	0	0	1	0
30% to 40%	31	2	0	22	0	0	0	0
40% to 50%	20	2	0	45	0	0	0	0
50% to 60%	26	2	0	5	0	0	0	0
60% to 70%	18	1	0	0	0	0	0	0
70% to 80%	14	2	0	0	0	0	0	0
80% to 90%	14	0	0	0	0	0	0	0
90% to 100%	9	0	0	0	0	0	0	0
>100%	6	0	0	0	0	0	0	0

*Of the 296 properties experiencing an increase of 10% to 20% only 1 property would increase by more than 10.6%

Under model 1 the most significant impact of a move from using AAV to CV as the ratebase for Council would be the impact on residential and vacant land with 98% of residential properties experiencing an increase in rates up to 40% from the prior year and 100% of vacant land experiencing a rate increase. Primary production, quarry and mining and sport & recreation would also be impacted. However, table 10 above shows that by using a differential rate to mitigate the impact of a move to CV, the impact on these properties can be mitigated considerably.

Table 11 overleaf shows the comparison between an unmanaged shift to CV and mitigating the impacts of a shift using differential rating.

This effect across the different parts of the municipality is shown on the municipal map at appendix 5.

Table 11: Comparison Mitigated vs. Unmitigated Move to CV – All Properties

Rates and Charges % Variance	CV Unmitigated 'Pure'	CV Mitigated
-70% to -60%	7	1
-60% to -50%	32	7
-50% to -40%	238	20
-40% to -30%	674	108
-30% to -20%	766	256
-20% to -10%	402	700
-10% to 0%	280	5350
0% to 10%	1972	16103
10% to 20%	5290	670
20% to 30%	12926	72
30% to 40%	919	55
40% to 50%	0	67
50% to 60%	0	33
60% to 70%	0	19
70% to 80%	0	16
80% to 90%	0	14
90% to 100%	0	9
>100%	0	6

As can be seen from tables 10 and 11 above, using a differential rate does not mitigate the impact entirely for commercial, industrial and public enterprise properties. However, additional rating tool(s) could be used to mitigate the impact on these properties i.e. through the use of rates capping.

Chart 4 below and table 12 overleaf show a comparison of moving from AAV to CV with and without the use of a differential rate to mitigate the impact for residential ratepayers only.

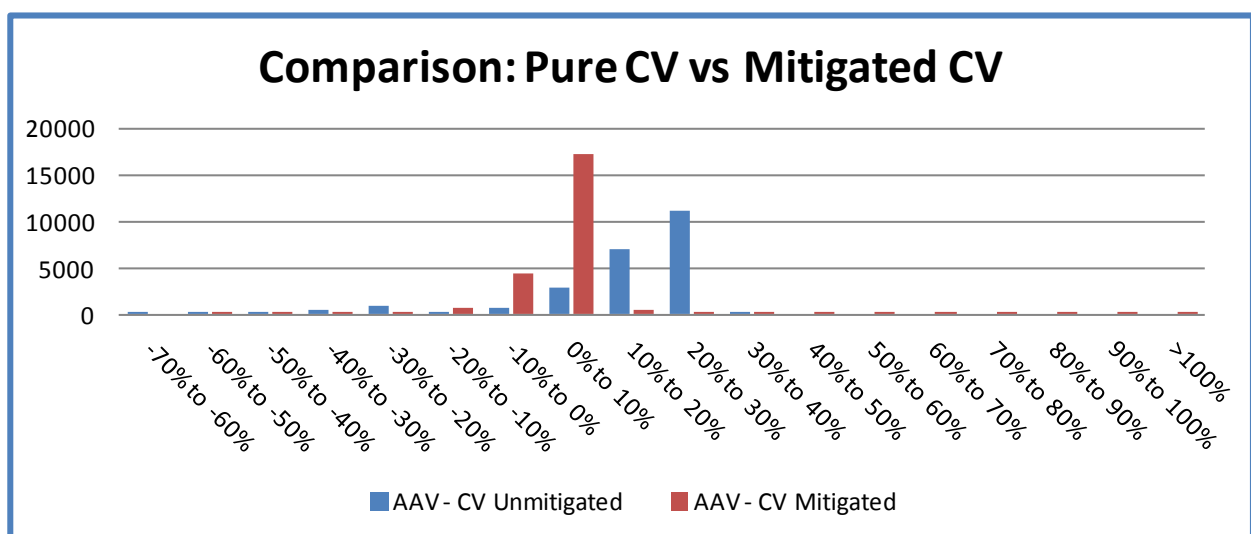
Chart 4: Comparison Mitigated vs. Unmitigated Move to CV - Residential Properties Only

Table 12: Comparison Mitigated vs. Unmitigated Move to CV - Residential Properties Only

Rates and Charges % Variance	CV Unmitigated 'Pure'	CV Mitigated
-70% to -60%	1	1
-60% to -50%	0	6
-50% to -40%	7	15
-40% to -30%	12	78
-30% to -20%	60	160
-20% to -10%	118	361
-10% to 0%	214	4843
0% to 10%	1898	14873
10% to 20%	5221	296*
20% to 30%	12748	0
30% to 40%	354	0

*Of the 296 properties experiencing an increase of 10% to 20% only 1 property would increase by more than 10.6%

Under this model, 5464 residential properties would experience a rates decrease.

This effect across the different parts of the municipality is shown on the municipal map at appendix 6.

Model 3 Conclusions

Using a differential rate for land use categories instead of one rate in the dollar for all properties would mitigate the impact for residential, vacant land, sport & recreation, primary production and quarry & mining. However, using a differential rate does not mitigate the impact entirely for commercial, industrial and public enterprise properties. An additional rating tool, such as capping, could be used to mitigate the impact on these properties.

Model 4 Shift from AAV to LV using Differential General Rates based on Land Use Category

Scenario: move from using AAV as the valuation base to LV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 2. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under AAV.

The scenario tested under model 4 is designed to test the State Government modelling outcome which showed that using a different rate in the dollar for each land use category exacerbated rating shifts under LV.

Impact on Rate Burden

Under this model, by using a differential General Rate the land use categories would pay the same proportion of general rate burden than they currently do under AAV. The RIDs for each land use category would be significantly different, as shown in table 13 below.

As can be seen the LV RID for commercial, industrial and public enterprise would be significantly higher than the LV RID for the other land use categories under this scenario. This supports the outcomes of model 2, which shows that an unmanaged shift from AAV to CV has a significant and variable effect but generally a higher percentage of commercial, industrial and some public enterprise properties would pay less in rates under LV.

It should be noted that even though each land use category would have its own RID, within each land use category the value of the land would determine the rates paid by individual property owners.

Table 13: LV Differential Rate in Dollar by Land Use Category

Land Use Category	General Rates LV Rate in \$
Commercial	0.016529
Industrial	0.008531
Primary Production	0.002957
Public Enterprise	0.024608
Quarry & Mining	0.002947
Residential	0.006275
Sport & Recreation	0.007212
Vacant	0.002981

Impact on Rates Paid

Using a differential General Rate has an impact on the rate paid by individual ratepayers. Table 14 overleaf shows the impact of moving from AAV to LV and attempting to mitigate the impact of that shift by using a differential General Rate.

Table 14: AAV to LV Mitigated Shift % Impact – All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-90% to -80%	9	1	0	3	0	5	0	0
-80% to -70%	20	1	0	3	0	18	0	0
-70% to -60%	16	0	0	1	0	33	1	0
-60% to -50%	17	1	0	3	0	136	0	0
-50% to -40%	32	6	0	7	0	434	1	1
-40% to -30%	202	6	0	4	0	1026	4	0
-30% to -20%	75	12	0	1	0	1803	1	0
-20% to -10%	177	19	0	8	0	2755	2	1
-10% to 0%	87	19	0	2	0	3371	3	10
0% to 10%	87	21	0	6	0	3203	7	39
10% to 20%	95	14	0	6	0	2639	13	18
20% to 30%	104	9	0	9	0	2092	14	21
30% to 40%	131	15	2	6	1	1444	12	478
40% to 50%	112	9	0	6	0	896	6	0
50% to 60%	92	5	0	2	0	431	6	0
60% to 70%	93	5	0	3	0	201	9	0
70% to 80%	92	0	0	7	0	99	4	0
80% to 90%	93	1	0	9	0	34	3	0
90% to 100%	64	1	0	6	0	11	2	0
>100%	289	5	0	80	0	2	5	0

Under model 2, the impacts of an unmanaged shift to LV as a base for rating would be significant and vary for all classes of ratepayers. The impact is much more variable than under a move to CV as shown under model 1. As can be seen from table 14, using differentials does not successfully mitigate the effect of a move to LV on individual ratepayers. Chart 5 below and table 15 overleaf shows a comparison of moving to LV with and without mitigating the impact.

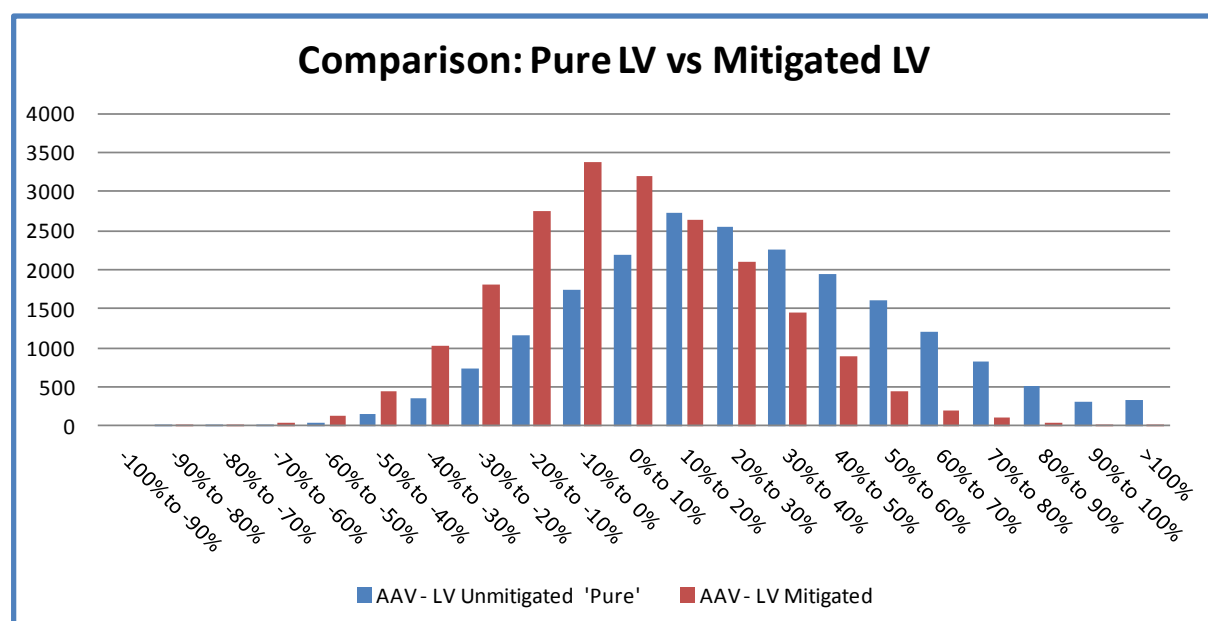
Chart 5: Comparison Mitigated vs. Unmitigated Move to LV – All Properties

Table 15: Comparison Mitigated vs. Unmitigated Move to LV – All Properties

Rates and Charges % Variance	LV Unmitigated 'Pure'	LV Mitigated
-100% to -90%	0	0
-90% to -80%	2	5
-80% to -70%	9	18
-70% to -60%	17	33
-60% to -50%	41	136
-50% to -40%	143	434
-40% to -30%	349	1026
-30% to -20%	734	1803
-20% to -10%	1159	2755
-10% to 0%	1740	3375
0% to 10%	2199	3203
10% to 20%	2718	2639
20% to 30%	2557	2092
30% to 40%	2262	1444
40% to 50%	1934	896
50% to 60%	1606	431
60% to 70%	1201	201
70% to 80%	821	99
80% to 90%	515	34
90% to 100%	310	11
>100%	320	2

This effect across the different parts of the municipality is shown on the municipal map at appendix 6.

Model 4 Conclusions

Using a differential General Rate to mitigate the impact of a shift to LV has little material effect and for some properties has a detrimental effect.

Model 5 Shift from AAV to CV using Differential General Rates based on Land Use Category and 5% Capping

Scenario: move from using AAV as the valuation base to CV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 1. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under the AAV ratebase. In addition to the differential Rate apply a 5% cap to ensure that no property pays more than 5% more in rates than current.

It should be noted that the Waste Management Service Charge and the Landfill Rehabilitation Service Charge are not part of the rates cap. These charges are flat and do not vary according to the valuation of the property. However, both charges were included in the rates modelling to ensure a comparison could be made of total rates and charges currently paid against any alternative rates model.

Model 3 found that by using differential rates the impact of a move to CV can be mitigated effectively for residential, primary production, quarry & mining, sport & recreation and vacant land. However, using a differential rate does not mitigate the impact entirely for commercial, industrial and public enterprise properties. This model explores whether a rates cap could be used, as well as a differential rate, to mitigate the impact on commercial, industrial and public enterprise properties.

Impact on Rate Burden

By using a differential General Rate the land use categories would pay the same proportion of general rate burden than they currently do under AAV. The RID for each land use category would be different, as detailed in table 9 (Model 3). However, using a rates cap will affect the distribution of the rate burden between land use categories. A rates cap removes the revenue properties would have paid that experienced a rates increase that exceeded the cap and redistributes it amongst the remaining properties beneath the cap.

Impact on Rates Paid

Applying a rates cap as well as a differential General Rate has an impact on rates paid by individual properties as shown in table 16 below.

Table 16: AAV to CV using Differentials and 5% Cap % Impact - All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-100% to -90%	1	0	0	0	0	0	0	0
-70% to -60%	0	0	0	0	0	1	0	0
-60% to -50%	0	0	0	0	0	2	0	0
-50% to -40%	1	0	0	0	0	8	0	0
-40% to -30%	2	0	0	1	0	22	0	0
-30% to -20%	10	3	0	4	0	159	1	1
-20% to -10%	21	12	0	5	0	358	1	0
-10% to 0%	107	48	0	15	0	6527	8	35
0% to 5%	1745	87	2	147	1	13556	83	532

This model shows that by using a differential rate and a rates cap the impact of a move to CV can be mitigated for all ratepayers. Under this scenario no property would pay more than 5% more in rates. Of the properties paying more in rates under this scenario i.e. between 0% and 5% more, 0.5% would pay 5% more, 69.5% would pay between 4% and 5% more, 8% would pay between 3% and 4% more, 6% would pay between 2% and 3% more and 16% would pay less than 2% more.

This model shows that the shift to CV can be mitigated to the extent that no property would experience an increase greater than 5%.

Under this scenario 6740 properties would experience a decrease in rates between 0% and 10%. Of these properties 99% would benefit by a rates decrease of between \$0 and \$200 and most have a CV of \$400,000 or less ie: lower value properties.

Under this scenario, 12,101 properties would be affected by the cap. This represents 50% of all properties and are commercial, industrial, public enterprise, residential and sport & recreation, as follows:

Land Use Category	No. of Properties	Revenue Capped \$
Commercial	1,713	3,029,559
Industrial	66	99,934
Public Enterprise	147	982,309
Residential	10,094	200,925
Sport & Recreation	81	8,353

Table 16 overleaf shows the mitigating effect of the rates cap by comparing the CV models with and without the cap.

Table 16: Comparison CV Differentials with and without Capping

Rates and Charges % Variance	CV Differential	CV Differential + 5% Cap
-100% to -90%	0	1
-90% to -80%	0	0
-80% to -70%	0	0
-70% to -60%	1	1
-60% to -50%	7	2
-50% to -40%	20	9
-40% to -30%	108	25
-30% to -20%	256	178
-20% to -10%	700	397
-10% to 0%	5350	6740
0% to 10%	16103	16153*
10% to 20%	670	0
20% to 30%	72	0
30% to 40%	55	0
40% to 50%	67	0
50% to 60%	33	0
60% to 70%	19	0
70% to 80%	16	0
80% to 90%	14	0
90% to 100%	9	0
>100%	6	0

*No property would increase in rates by more than 5%

This effect across the different parts of the municipality is shown on the municipal map at appendix 7.

Model 5 Conclusions

This model shows that by using a differential rate and a rates cap the impact of a move to CV can be mitigated for all ratepayers. Under this scenario no property would pay more than 5% more in rates, a high % of properties would experience a rates decrease and 50% of properties would be affected by the rates cap.

Model 6 Shift from AAV to CV without using Differential Rates but using 10% Capping

Scenario: move from using AAV as the valuation base to CV, assume the same amount of rates are paid by each land use category as under AAV and use a 10% rates cap to mitigate the impact on ratepayers.

It should be noted that the Waste Management Service Charge and the Landfill Rehabilitation Service Charge are not part of the rates cap. These charges are flat and do not vary according to the valuation of the property. However, both charges were included in the rates modelling to ensure a comparison could be made of total rates and charges currently paid against any alternative rates model.

Given that model 5 has shown that the use of differential rates and a rates cap can mitigate the impact for all ratepayers, this scenario will test whether using a rates cap alone to mitigate the impact of a shift to CV will result in an equitable distribution of the rate burden.

Impact on Rate Burden

As shown in model 1 an unmanaged shift from AAV to CV has the effect of shifting the rate burden from commercial and industrial to residential, vacant land and to the other land use categories. Using a rates cap will affect the distribution of the rate burden between land use categories. A rates cap removes the revenue properties would have paid that experienced a rates increase that exceeded the cap and redistributes it amongst the remaining properties beneath the cap.

Impact on Rates Paid

Table 18 below shows the outcome of this scenario. Under this scenario all properties would pay no more than 10% more in rates than current. 10% is the lowest cap possible under this scenario i.e. a lower cap is not feasible as it requires too much revenue to be redistributed amongst remaining properties.

Table 18: AAV to CV Mitigated by 10% Cap Only % Impact - All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-60% to -50%	3	0	0	0	0	0	0	0
-50% to -40%	7	0	0	0	0	1	0	0
-40% to -30%	33	1	0	1	0	1	0	0
-30% to -20%	152	17	0	6	0	3	0	0
-20% to -10%	436	57	0	5	0	7	1	0
-10% to 0%	641	37	0	14	0	17	0	1
0% to 10%	615	38	2	146	1	20604	92	567

Under this scenario, 21,728 properties would be affected by the cap across all land use categories. That is their rates would be what they currently pay under AAV plus the rates cap. This represents 92% of all properties modelled as shown overleaf:

Land Use Category	No. of Properties	Revenue Capped \$
Commercial	349	403,956
Industrial	26	53,942
Primary Production	2	5,038
Public Enterprise	138	847,348
Quarry & Mining	1	215
Residential	20,559	20,848,144
Sport & Recreation	86	34,889
Vacant Land	567	339,716

Of the properties that experience an increase in rates between 0% and 10% under this model, 99% would experience an increase in rates between 5% and 10%.

Table 19 shows a comparison of mitigating using differentials alone, differentials plus capping and capping alone. As shown, using differentials and capping mitigates most effectively for all ratepayers and as shown in model 5, results in a rates reduction for lower – medium valued properties in particular.

Table 19: Comparison CV Differentials, CV Differentials + Cap and CV Cap Only

Rates and Charges % Variance	CV Differentials	CV Differentials + 5% Cap	CV No Differentials but 10% Cap
-100% to -90%	0	1	0
-90% to -80%	0	0	0
-80% to -70%	0	0	0
-70% to -60%	1	1	0
-60% to -50%	7	2	3
-50% to -40%	20	9	8
-40% to -30%	108	25	36
-30% to -20%	256	178	178
-20% to -10%	700	397	506
-10% to 0%	5350	6740	710
0% to 10%	16103	16153*	22065
10% to 20%	670	0	0
20% to 30%	72	0	0
30% to 40%	55	0	0
40% to 50%	67	0	0
50% to 60%	33	0	0
60% to 70%	19	0	0
70% to 80%	16	0	0
80% to 90%	14	0	0
90% to 100%	9	0	0
>100%	6	0	0

*No property would increase in rates by more than 5%

This effect across the different parts of the municipality is shown on the municipal map at appendix 8.

Model 6 Conclusions

Under this scenario 92% of properties would be affected by a rates cap. Of the properties that experience an increase in rates between 0% and 10% under this model, 99% would experience an increase in rates between 5% and 10%.

Model 7 Shift from AAV to CV using Differential General Rates based on Land Use Category and a Fixed Charge

Scenario: move from using AAV as the valuation base to CV, but use a differential General Rate calculated by assuming each land use category will contribute the same proportion of rate revenue than they do under AAV and a 7% fixed component of the General Rate. A 7%, 8%, 9%, 10% and 12% fixed charge was modelled. However, 7% was found to produce the most optimal outcome.

Model 3 found that by using differential rates the impact of a move to CV can be mitigated effectively for most ratepayers. However, using a differential rate does not mitigate the impact entirely for commercial, industrial and public enterprise properties. Model 5 has shown that the use of differential rates and a rates cap can mitigate the impact for all ratepayers. Model 6 found that using rates capping alone, while mitigating the impact, would result in most properties being capped and the cap being 10%. This model explores whether a fixed component of the General Rate could be used, as well as a differential rate, to mitigate the impact on commercial, industrial and public enterprise properties.

Fixed Charge

While a fixed charge can be used as a mitigating rates tool, the usage of the fixed charge is a policy decision for Council. A fixed charge is used by councils where it is deemed appropriate that all properties should contribute a fixed amount to the services that a council provides.

Impact on Rate Burden

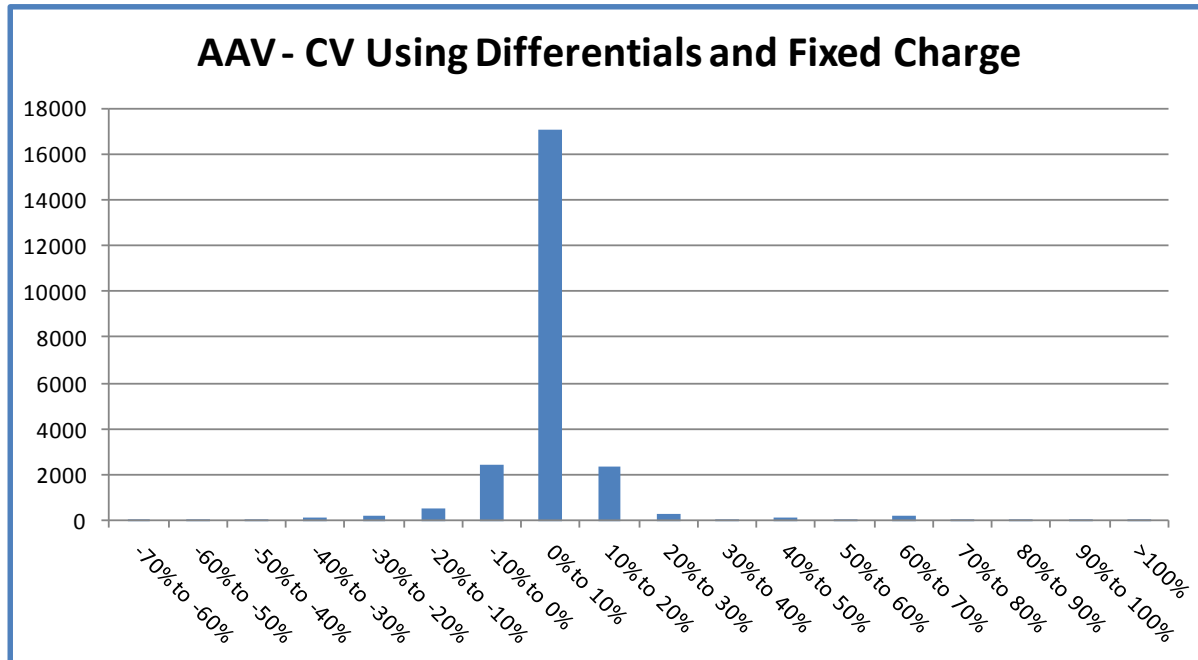
Under this scenario the General Rate would have two parts: an ad valorem rate (a proportion of value or RID) and a fixed charge of \$166 that all properties would pay. The fixed charge would mean that \$3.8M of the General Rate would be divided amongst properties that pay the General Rate and the remaining \$50.1M would be levied as a RID and vary according to the property valuation.

Impact on Rates Paid

The fixed charge modelled is 7% of the General Rate, being \$166. Table 20 and chart 8 overleaf shows that through the use of differentials and a fixed charge the impact can be mitigated for most properties but some properties would still experience a significant increase in rates. It would be open for Council to utilise rates capping to manage the rate increase for those properties experiencing an increase greater than 10% under this scenario.

Table 20: AAV to CV Mitigated Using Differentials and Fixed Charge % Impact – All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-70% to -60%	0	0	0	0	0	1	0	0
-60% to -50%	1	0	0	0	0	8	0	0
-50% to -40%	4	0	0	1	0	18	0	0
-40% to -30%	13	3	0	8	0	85	1	1
-30% to -20%	56	20	0	9	0	149	2	0
-20% to -10%	225	55	0	11	0	208	2	0
-10% to 0%	368	31	0	15	0	1968	2	69
0% to 10%	481	16	2	8	1	16285	9	221
10% to 20%	230	10	0	11	0	1905	6	166
20% to 30%	179	4	0	17	0	5	2	74
30% to 40%	46	2	0	22	0	0	1	10
40% to 50%	16	3	0	55	0	0	4	15
50% to 60%	29	1	0	8	0	0	18	2
60% to 70%	172	2	0	2	0	0	12	1
70% to 80%	18	2	0	0	0	0	6	2
80% to 90%	15	0	0	0	0	0	1	1
90% to 100%	14	0	0	0	0	1	5	0
>100%	20	1	0	5	0	0	22	6

Chart 8: AAV to CV Mitigated using Differentials and a Fixed Charge

A fixed charge has the effect of reducing the number of properties that would pay less under model 3 where only differential rates are used to mitigate the impact of a move to CV i.e. it reduces the number of properties that pay significantly less in rates.

As shown in table 20 above, a fixed charge will have a negative impact on rates paid by properties on lower AAVs, particularly separately titled car parks, jetties and slipways. It would be open to Council to offer a remission of all or part of the fixed charge under section

129 of the LG Act.

Table 21 shows a comparison of all CV models shown above. The most effective method of mitigating the shift to CV is to use differentials and cap those properties that aren't mitigated by differentials alone i.e. commercial, industrial and primary production.

Table 21: Comparison of all CV Models

Rates and Charges % Variance	CV Unmitigated "Pure"	CV Differentials	CV Differentials + 5% Cap	CV No Differentials but 10% Cap	CV Differentials + \$166 Fixed GenRate
-100% to -90%	0	0	1	0	0
-90% to -80%	0	0	0	0	0
-80% to -70%	0	0	0	0	0
-70% to -60%	7	1	1	0	1
-60% to -50%	32	7	2	3	9
-50% to -40%	238	20	9	8	23
-40% to -30%	674	108	25	36	111
-30% to -20%	766	256	178	178	236
-20% to -10%	402	700	397	506	501
-10% to 0%	280	5350	6740	710	2451
0% to 10%	1972	16103	16153*	22065	17025
10% to 20%	5290	670	0	0	2328
20% to 30%	12926	72	0	0	281
30% to 40%	919	55	0	0	81
40% to 50%	0	67	0	0	93
50% to 60%	0	33	0	0	58
60% to 70%	0	19	0	0	189
70% to 80%	0	16	0	0	28
80% to 90%	0	14	0	0	17
90% to 100%	0	9	0	0	20
>100%	0	6	0	0	54

*No property would increase in rates by more than 5%

This effect across the different parts of the municipality is shown on the municipal map at appendix 9.

Model 7 Conclusions

Using a Fixed Charge as well as a Differential Rate is not as effective as using a Differential Rate and a 5% Cap. A fixed charge has the effect of reducing the number of properties that would pay less if differentials alone are used; however, it has the effect of increasing rates for those properties on low AAVs.

Model 8 Shift from AAV to LV using Differential General Rates based on Land Use Category and 5%* Capping

Scenario: move from using AAV as the valuation base to LV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 2. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under the AAV ratebase. In addition to the differential Rate apply a 5% cap to ensure that no property pays more than 5% more in rates than current.

It should be noted that the Waste Management Service Charge and the Landfill Rehabilitation Service Charge are not part of the rates cap. These charges are flat and do not vary according to the valuation of the property. However, both charges were included in the rates modelling to ensure a comparison could be made of total rates and charges currently paid against any alternative rates model.

Model 4 found that using a differential rate alone to mitigate the impact of a shift to LV does not mitigate effectively and for some properties has a detrimental effect. This model explores whether a rates cap could be used, as well as a differential rate, to mitigate the impact of a shift to LV. This scenario has already been considered for CV in model 5 above.

****it should be noted that a 5% cap was not workable for all land use categories under this scenario due to the quantum of rate burden shift required compared to the number of properties i.e. when more higher variance properties fall over the cap, than there are properties to recover the difference that will still remain under the cap the cap will not be workable. Hence, under this scenario a cap of 25% for public enterprise and sport & recreation properties was required.***

Impact on Rate Burden

By using a differential General Rate the land use categories would pay the same proportion of General Rate burden than they currently do under AAV. The RID for each land use category would be different, as detailed in table 13 (Model 4). However, using a rates cap will affect the distribution of the rate burden between land use categories. A rates cap removes the revenue properties would have paid that experienced a rates increase that exceeded the cap and redistributes it amongst the remaining properties beneath the cap.

Impact on Rates Paid

Applying a rates cap as well as a differential General Rate has an impact on rates paid by individual properties as detailed in table 22 overleaf.

Table 22: AAV to LV using Differentials and 5% Cap % Impact - All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise*	Quarry & Mining	Residential	Sport & Recreation*	Vacant Land
-100% to -90%	1	0	0	0	0	0	0	0
-70% to -60%	0	0	0	0	0	2	0	0
-60% to -50%	0	0	0	1	0	20	0	0
-50% to -40%	4	0	0	1	0	26	0	1
-40% to -30%	0	1	0	1	0	139	1	0
-30% to -20%	5	0	0	2	0	414	0	2
-20% to -10%	4	0	0	1	0	942	0	2
-10% to 0%	10	1	0	1	0	1493	4	18
0% to 10%	1863	148	2	29	1	17597	12	544
10% to 20%	0	0	0	70	0	0	76	0
20% to 30%	0	0	0	65	0	0	1	0
30% to 40%	0	0	0	1	0	0	0	0

*A cap of 25% was required

This model shows that by using a differential rate and a rates cap the impact of a move to LV can be mitigated for most ratepayers. However, a cap of 25% is required for properties with a land use of public enterprise and sport & recreation.

Under this scenario a cap of 5% is not workable for all properties and using a rates cap under this scenario would impact upon most properties.

Under this scenario, 19,046 properties would be affected by the cap. That is their rates would be what they currently pay under AAV plus the rates cap. This represents 81% of all rateable properties and are predominately commercial, industrial, public enterprise, residential, sport & recreation and vacant land, as shown below:

Land Use Category	No. of Properties	Revenue Capped \$
Commercial	1,886	20,328,676
Industrial	148	997,709
Public Enterprise	165	3,885,759
Residential	16,767	13,594,630
Sport & Recreation	80	45,182

Table 23 overleaf shows a comparison of using differentials alone and using differentials and a rates cap.

Table 23: Comparison LV Differentials with and without Capping

Rates and Charges % Variance	LV Differentials	LV Differentials + 5% Cap*
-100% to -90%	0	1
-90% to -80%	18	0
-80% to -70%	42	0
-70% to -60%	51	2
-60% to -50%	157	21
-50% to -40%	481	32
-40% to -30%	1242	142
-30% to -20%	1892	423
-20% to -10%	2962	949
-10% to 0%	3492	1527
0% to 10%	3363	20196
10% to 20%	2785	146
20% to 30%	2249	66
30% to 40%	2089	1
40% to 50%	1029	0
50% to 60%	536	0
60% to 70%	311	0
70% to 80%	202	0
80% to 90%	140	0
90% to 100%	84	0
>100%	381	0

*A cap of 25% was required for properties with a land use of public enterprise and sport & recreation

The same scenario under CV produced a more desirable result with only 50% of properties needing to be capped, predominately residential, commercial, industrial and public enterprise.

This model shows that by using a differential rate and a rates cap the impact of a move to LV can be mitigated for all ratepayers. However, 81% of properties would be affected by the cap and fewer properties would experience a rate decrease under this scenario.

Table 24 overleaf shows a comparison of this scenario compared to the same scenario under CV. As can be seen the CV scenario produced a more desirable result with more ratepayers experiencing a rate decrease and fewer properties affected by the rates cap.

Table 24: Comparison CV Differentials with Capping vs LV Differentials with Capping

Rates and Charges % Variance	CV Differentials + 5% Cap	LV Differentials + 5% Cap**
-100% to -90%	1	1
-90% to -80%	0	0
-80% to -70%	0	0
-70% to -60%	1	2
-60% to -50%	2	21
-50% to -40%	9	32
-40% to -30%	25	142
-30% to -20%	178	423
-20% to -10%	397	949
-10% to 0%	6740	1527
0% to 10%	16153*	20196
10% to 20%	0	146
20% to 30%	0	66
30% to 40%	0	1

*No property would increase in rates by more than 5%

**A cap of 25% was required for properties with a land use of public enterprise and sport & recreation

This effect across the different parts of the municipality is shown on the municipal map at appendix 10.

Model 8 Conclusions

Using a Differential Rate and Cap, while mitigating for all ratepayers, would mean that 80% of properties would be affected by a rates cap.

Model 9 Shift from AAV to LV without using Differential Rates but using 10% Capping

Scenario: move from using AAV as the valuation base to LV, assume the same amount of rates are paid by each land use category as under AAV and use a 10% rates cap to mitigate the impact on ratepayers.

It should be noted that the Waste Management Service Charge and the Landfill Rehabilitation Service Charge are not part of the rates cap. These charges are flat and do not vary according to the value of the property. However, both charges were included in the rates modelling to ensure a comparison could be made of total rates and charges currently paid against any alternative rates model.

Given that model 4 has shown that the use of differential rates does not mitigate the impact for all ratepayers and in fact makes the impact worse for some, this scenario will test whether using a rates cap alone to mitigate the impact of a shift to LV will result in an equitable distribution of the rate burden.

Impact on Rates Burden

As shown in model 2 an unmanaged shift from AAV to LV will have a significant impact on the rate burden. Using a rates cap will also affect the distribution of the rate burden between land use categories. A rates cap removes the revenue properties would have paid that experienced a rates increase that exceeded the cap and redistributes it amongst the remaining properties beneath the cap.

Impact on Rates Paid

Table 25 shows the outcome of this scenario. The 10% cap isn't workable for all properties, with 6 properties experiencing an increase in rates greater than 10% suggesting that a slightly higher cap would be required.

Table 25: AAV to LV Mitigated by 10% Cap Only % Impact - All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-90% to -80%	1	0	0	1	0	0	0	0
-80% to -70%	4	0	0	3	0	0	0	0
-70% to -60%	8	0	0	1	0	0	0	0
-60% to -50%	10	1	0	1	0	0	0	0
-50% to -40%	14	0	0	3	0	1	0	0
-40% to -30%	7	0	0	3	0	1	0	0
-30% to -20%	10	1	0	3	0	2	0	0
-20% to -10%	11	0	0	3	0	4	0	0
-10% to 0%	21	0	0	4	0	10	0	1
0% to 10%	1797	147	2	149	1	20615	93	567
10% to 20%	1	0	0	0	0	0	0	0
30% to 40%	1	0	0	0	0	0	0	0
40% to 50%	0	0	0	1	0	0	0	0
>100%	2	1	0	0	0	0	0	0

Under this scenario, 23,348 properties would be affected by the cap. That is their rates would be what they currently pay under AAV plus the rates cap. This represents 99% of all modelled properties and affect all land use categories, as shown below:

Land Use Category	No. of Properties	Revenue Capped \$
Commercial	1783	15,173,138
Industrial	148	1,440,361
Primary Production	2	55,540
Public Enterprise	145	1,695,186
Quarry & Mining	1	2,371
Residential	20613	105,446,185
Sport & Recreation	88	177,979
Vacant Land	568	3,732,711

98% of all properties would experience an increase in rates of between 5% and 10%.

This model shows that, similar to CV, while capping alone would result in no properties paying more than 10% more in rates than present, the cap would impact 99% of properties and result in most properties experiencing an increase in rates of between 5% and 10%.

Table 26 overleaf shows a comparison of mitigating the impact of a move from AAV to LV using differentials alone, differentials and a 5% cap and capping alone. As shown, using a rates cap is the only method of mitigating the impact of a move to LV currently modelled. However, the cap would affect 99% of properties, all land use categories and would result in increases for most properties of between 5 and 10%.

Table 26: Comparison LV Differentials, LV Differentials + Cap and LV Cap Only

Rates and Charges % Variance	LV Differentials	LV Differentials + 5% Cap*	LV No Differentials but 10% Cap**
-100% to -90%	0	1	0
-90% to -80%	18	0	2
-80% to -70%	42	0	7
-70% to -60%	51	2	9
-60% to -50%	157	21	12
-50% to -40%	481	32	18
-40% to -30%	1242	142	11
-30% to -20%	1892	423	16
-20% to -10%	2962	949	18
-10% to 0%	3492	1527	36
0% to 10%	3363	20196	23371
10% to 20%	2785	146	1
20% to 30%	2249	66	0
30% to 40%	2089	1	1
40% to 50%	1029	0	1
50% to 60%	536	0	0
60% to 70%	311	0	0
70% to 80%	202	0	0
80% to 90%	140	0	0
90% to 100%	84	0	0
>100%	381	0	3

*No property would increase in rates by more than 5%

**A cap of 25% was required for properties with a land use of public enterprise and sport & recreation

This effect across the different parts of the municipality is shown on the municipal map at appendix 11.

Model 9 Conclusions

Using a 10% Rates cap only to mitigate the move from AAV to LV would impact 99% of properties, all land use categories and would result in rates increases for most properties of between 5% and 10%.

Model 10 Shift from AAV to LV using Differential General Rates based on Land Use Category and a Fixed Charge

Scenario: move from using AAV as the valuation base to LV, but use a differential General Rate calculated by assuming each land use category will contribute the same proportion of rate revenue than they do under the AAV ratebase and a 10% fixed component of the General Rate. Other fixed charge amounts were modelled but they were found have little difference on this modelling outcome.

Model 4 found that using differential rates did not mitigate the impact of a move to LV for most ratepayers. Models 8 and 9 have found that rates capping could be used but the result would be that a high percentage of properties would be capped. This model explores whether a fixed component of the General Rate could be used, as well as a differential rate, to mitigate the impact on ratepayers from a move from AAV to LV.

Fixed Charge

While a fixed charge can be used as a mitigating rates tool, the usage of the fixed charge is a policy decision for Council. A fixed charge is used by councils where it is deemed appropriate that all properties should contribute a fixed amount to the services that a council provides.

Impact on Rate Burden

Under this scenario the General Rate would have two parts: an ad valorem rate (a proportion of value or RID) and a fixed charge of \$238 that all properties would pay. The fixed charge would mean that \$5.5M of the General Rate would be divided amongst properties that pay the General Rate and the remaining \$49M would be levied as a RID and vary according to the property valuation.

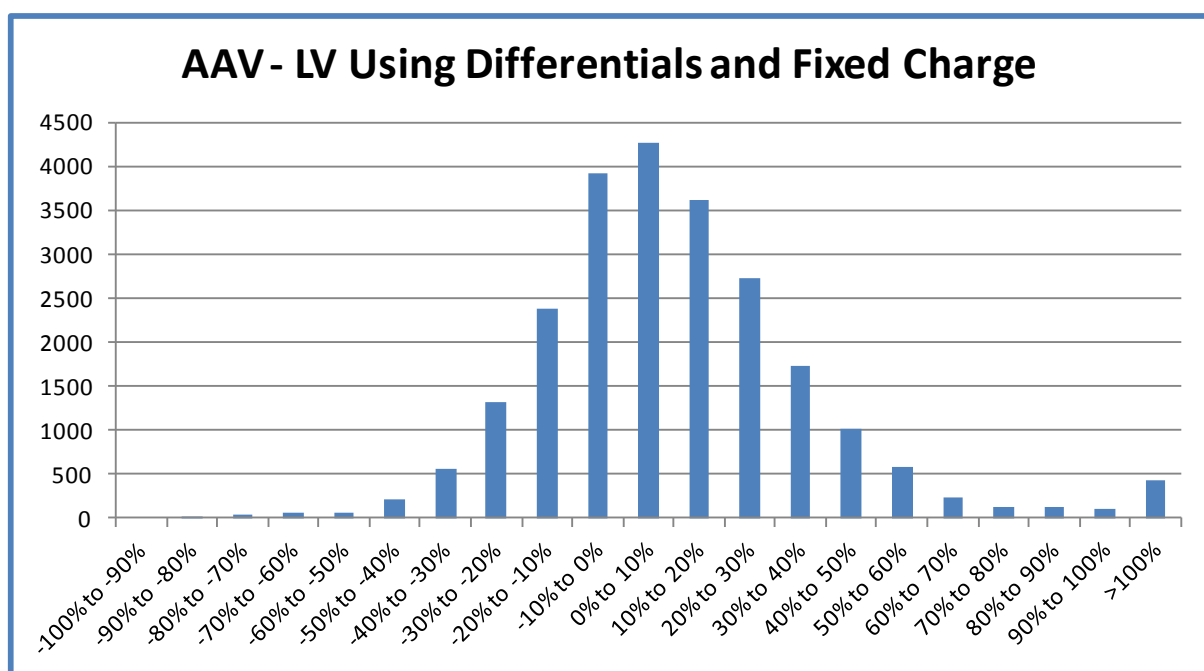
Impact on Rates Paid

The fixed charge modelled is 10% of the General Rate, being \$238. Table 27 overleaf shows the impact of applying a differential General Rate and a 10% fixed component of the General Rate on all land use categories. The outcome is similar to model 2; the effect is significant and varies considerably between land use categories.

Table 27: AAV to LV Using Differentials and a Fixed Charge % Impact - All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-90% to -80%	10	1	0	3	0	6	0	0
-80% to -70%	17	1	0	3	0	17	1	0
-70% to -60%	21	0	0	1	0	36	0	0
-60% to -50%	11	1	0	3	0	55	1	0
-50% to -40%	24	5	0	6	0	178	3	1
-40% to -30%	42	4	0	5	0	499	1	0
-30% to -20%	54	11	0	1	0	1248	0	0
-20% to -10%	66	18	0	8	0	2285	1	1
-10% to 0%	182	19	0	2	0	3704	2	3
0% to 10%	113	20	0	4	0	4126	2	3
10% to 20%	91	17	0	3	0	3466	4	27
20% to 30%	109	9	0	3	0	2512	0	88
30% to 40%	121	14	1	5	1	1443	2	141
40% to 50%	109	8	1	6	0	718	3	173
50% to 60%	256	7	0	7	0	238	6	65
60% to 70%	98	5	0	6	0	81	1	42
70% to 80%	95	2	0	6	0	15	5	7
80% to 90%	93	1	0	10	0	4	10	5
90% to 100%	82	1	0	3	0	0	12	0
>100%	293	6	0	87	0	2	39	12

Chart 11 shows the effect of table 27 that the use of a fixed charge will not mitigate the shift to LV.

Chart 11: AAV to LV Using Differentials and a Fixed Charge

The outcomes of this model shows that using a fixed component of the General Rate in

combination with differential rating will not successfully mitigate the impact of a move from AAV to LV. A significant number of properties will be paying more than 10% more in rates than current and a number of properties will be paying significantly more in rates i.e. more than 50%.

Table 28 below shows a comparison of all LV scenarios modelled. The comparison shows that the most effective way to mitigate the shift from AAV to LV is to use a rates cap. However, the 10% cap would affect 99% of properties, all land use categories and would result in increases for most properties of between 5 and 10%.

Table 28: Comparison of all LV Models

Rates and Charges % Variance	LV Unmitigated 'Pure'	LV Differentials	LV Differentials + 5% Cap*	LV No Differentials but 10% Cap**	LV Differentials + \$238 Fixed GenRate
-100% to -90%	10	0	1	0	0
-90% to -80%	39	18	0	2	20
-80% to -70%	44	42	0	7	39
-70% to -60%	80	51	2	9	58
-60% to -50%	293	157	21	12	71
-50% to -40%	297	481	32	18	217
-40% to -30%	644	1242	142	11	551
-30% to -20%	953	1892	423	16	1314
-20% to -10%	1382	2962	949	18	2379
-10% to 0%	1929	3492	1527	36	3912
0% to 10%	2412	3363	20196	23371	4268
10% to 20%	2879	2785	146	1	3608
20% to 30%	2677	2249	66	0	2721
30% to 40%	2337	2089	1	1	1728
40% to 50%	1998	1029	0	1	1018
50% to 60%	1671	536	0	0	579
60% to 70%	1232	311	0	0	233
70% to 80%	841	202	0	0	130
80% to 90%	529	140	0	0	123
90% to 100%	327	84	0	0	98
>100%	932	381	0	3	439

*No property would increase in rates by more than 5%

**A cap of 25% was required for properties with a land use of public enterprise and sport & recreation

This effect across the different parts of the municipality is shown on the municipal map at appendix 12.

Model 10 Conclusions

Using a differential General Rate and a Fixed Charge to mitigate the impact of a shift to LV has no material effect and for some properties has a detrimental effect. This model is not a material improvement over models 2 or 4.

Model 11 5 Year Shift in Rate Burden to CV

Scenario: stay with AAV as the ratebase but alter the rate burden over a period of 5 years to mirror a CV rating outcome and switch to CV as the ratebase in year 5.

This scenario could equally be achieved by shifting to CV in the first year and using differentials to gradually shift the rate burden towards a 'pure' CV outcome over time.

Models 3-10 explore the use of alternative rating tools to mitigate the shift of a move to both CV and LV in one year. As has been shown, some of the rating tools can be used to successfully mitigate the outcome immediately. This model explores the impact of a more gradual transition to CV. While five years has been chosen to be modelled, a shorter timeframe could be chosen and it would be open to Council to utilise the available rating tools to mitigate the impact.

The shift was modelled using General Rates only, as General Rates contribute 72% of total rates and charges revenue and the relative impact of including Fire and Stormwater rates would produce a similar impact.

It should be noted that Waste Management Service Charges and Landfill Rehabilitation Service Charges were included in the modelling but as they are flat charges and do not vary according to the value of the property they are the same under all models.

Impact on Rate Burden

This model tests the viability of a gradual shift to a pure CV method of rating. Table 29 below shows the quantum of the revenue shift required for each land use category. To allow a shift over a 5 year period, the total revenue shift required was divided by 5 and the impact of that shift on 1 year modelled.

Table 29: AAV to CV Shift in Rate Burden

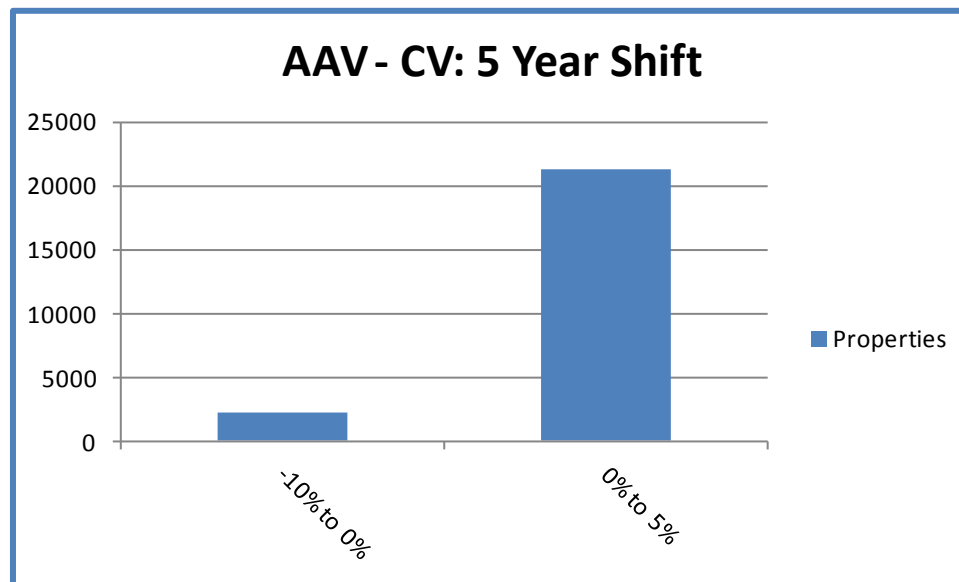
Charge Description	Total \$ CV	Total \$ AAV	\$ Shift	Win/Lose	% Shift from AAV to CV
Industrial	527,782	762,614	234,832	Winner	44%
Primary Production	8,684	6,577	-2,107	Loser	-24%
Vacant Land	587,629	446,260	-141,369	Loser	-24%
Residential	38,847,717	31,018,269	-7,829,448	Loser	-20%
Commercial	11,062,526	18,296,799	7,234,273	Winner	65%
Public Enterprise	3,414,926	3,929,380	514,453	Winner	15%
Quarry & Mining	371	281	-90	Loser	-24%
Sport & Rec	73,864	63,293	-10,571	Loser	-14%

Table 30 overleaf and chart 12 overleaf shows the yearly impact of a gradual shift to a pure CV outcome.

Table 30: AAV to CV Impact of Yearly Shift % Impact - All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-10% to 0%	1887	150	0	172	0	0	19	1
0% to 10%	0	0	2*	0	1*	20633*	74*	567

*No property would increase in rates by more than 6%

Chart 12: AAV to CV Impact of Yearly Shift

Impact on Rates Paid

As can be seen from table 30 and chart 12 moving to a pure CV outcome over time would result in the majority of properties paying up to 5% more in rates than the prior year for a period of 5 years. However, it does achieve the same result as model 1, but does it over five years to smooth the transition. At year five, all property rates (except for the waste service charge and tip rehabilitation charge) would be fully determined by the CV of the property, and not mitigated by any factor.

This effect across the different parts of the municipality is shown on the municipal map at appendix 13.

Model 11 Conclusions

Moving to a pure CV outcome over time would result in the majority of properties paying up to 5% more in rates each year for five years.

Model 12 5 Year Shift in Rate Burden to LV

Scenario: stay with AAV as the ratebase but alter the rate burden over a period of 5 years to mirror a LV rating outcome and switch to LV as the ratebase in year 5.

This scenario could equally be achieved by shifting to LV in the first year and using differentials to gradually shift the rate burden towards a 'pure' LV outcome over time.

Models 3-10 explore the use of alternative rating tools to mitigate the shift of a move to both CV and LV in one year. As has been shown, some of the rating tools can be used to successfully mitigate the outcome immediately. This model explores the impact of a more gradual transition to LV. Five years was chosen for LV because of the significant shifts in the rate burden experienced in a shift to LV.

The shift was modelled using General Rates only, as General Rates contribute 72% of total rates and charges revenue and the relative impact of including Fire and Stormwater rates would produce a similar impact.

It should be noted that Waste Management Service Charges and Landfill Rehabilitation Service Charges were included in the modelling but as they are flat charges and do not vary according to the value of the property they are the same under all models.

Impact on Rate Burden

This model tests the viability of a gradual shift to a pure LV method of rating. Table 31 below shows the quantum of the revenue shift required for each land use category. To allow a shift over a 5 year period, the total revenue shift required was divided by 5 and the impact of that shift on 1 year modelled.

Table 31: AAV to LV Shift in Rate Burden

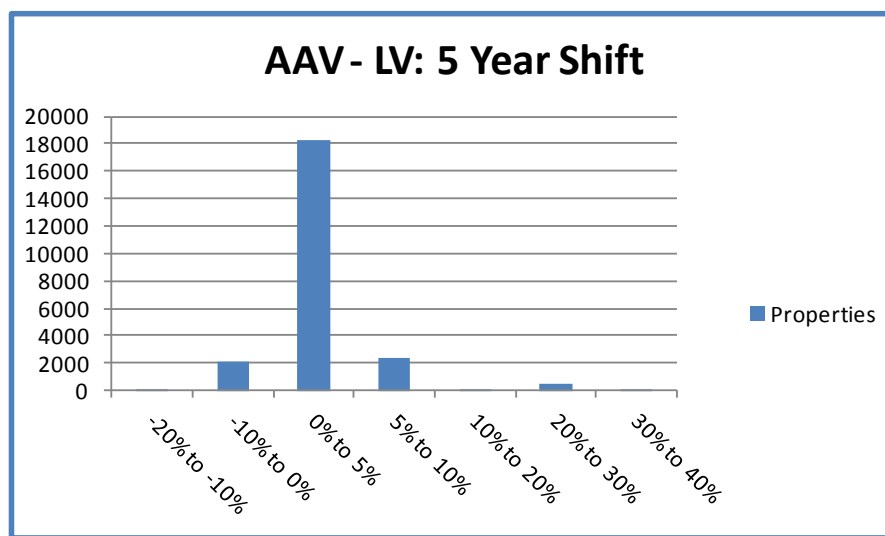
Charge Description	Total \$ LV	Total \$ AAV	Shift \$	Win/Lose	% Shift from AAV to LV
Industrial	754,566	762,614	8,048	Winner	1.06%
Primary Production	18,780	6,577	-12,203	Loser	-185.54%
Vacant Land	1,263,589	446,260	-817,329	Loser	-183.15%
Residential	41,720,414	31,018,269	-10,702,145	Loser	-34.50%
Commercial	9,343,503	18,296,799	8,953,296	Winner	48.93%
Public Enterprise	1,347,770	3,929,380	2,581,609	Winner	65.70%
Quarry & Mining	802	281	-521	Loser	-185.54%
Sport & Rec	74,076	63,293	-10,783	Loser	-17.04%

Table 32 overleaf and chart 13 overleaf shows the yearly impact of a gradual shift to a pure LV outcome.

Table 32: AAV to LV Impact of Yearly Shift % Impact - All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-20% to -10%	0	0	0	76	0	0	0	0
-10% to 0%	1887	150	0	96	0	0	19	0
0% to 10%*	0	0	0	0	0	20633	74	1
10% to 20%	0	0	0	0	0	0	0	4
20% to 30%	0	0	2	0	1	0	0	505
30% to 40%	0	0	0	0	0	0	0	58

*The highest increase in rates in the 0-10% range is 6.5% with only 3 properties increasing by more than 6%

Chart 13: AAV to LV Impact of Yearly Shift

Impact on Rates Paid

As can be seen from table 32 and chart 13 above moving to a pure LV outcome over time would result in the majority of properties paying up to 5% more in rates than the prior year for a period of 5 years. 570 properties would be paying between 10% and 40% more in rates each year for a five year period.

A comparison between a move to CV and LV under this scenario is shown in table 33 below.

Table 33: Comparison Gradual Shift to CV vs. LV over 5 Years

Rates and Charges % Variance	AAV to CV 5 Year Shift	AAV to LV 5 Year Shift
-20% to -10%	0	76
-10% to 0%	2229	2152
0% to 5%	20749	18328
5% to 10%	528*	2380
10% to 20%	0	4
20% to 30%	0	508
30% to 40%	0	58

*The highest increase in rates in the 0-10% range is 6.5% with only 3 properties increasing by more than 6%

A gradual shift to a pure CV system would result in no property paying more than 5% more in rates than current, but the impact would be for a five year period. A gradual shift to a pure LV system would have a more significant impact on individual ratepayers and again the impact would be for a five year period.

It would be open to Council to use other rating tools to mitigate the effect above, such as rates capping.

However, it does achieve the same result as model 1, but does it over five years to smooth the transition. At year five, all property rates (except for the waste service charge and tip rehabilitation charge) would be fully determined by the LV of the property, and not mitigated by any factor.

This effect across the different parts of the municipality is shown on the municipal map at appendix 14.

Model 12 Conclusions

Moving to a pure LV outcome over time would result in the majority of properties paying up to 5% more in rates than the prior year for a period of 5 years. 569 properties would be paying between 10% and 40% more in rates each year for a five year period.

Model 13 Shift from AAV to CV using Differential General Rates based on Land Use Category with addition of 30% Premium for Commercial and Industrial Properties

Scenario: move from using AAV as the valuation base to CV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 1. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under AAV except properties with a land use category of Commercial, Industrial and Residential. It is assumed that Commercial and Industrial properties will contribute 30% more of rate revenue than they currently do under AAV and Residential properties will contribute less (benefitted by the corresponding decrease in rate revenue) ensuring that Council raises the same amount of rates revenue overall.

This scenario was proposed by then Alderman Foley at the 19 November Finance and Corporate Services Committee meeting and is designed to model the impact of tax deductions for expenses such as Council rates available to eligible businesses.

Impact on Rate Burden

By using a differential General Rate the land use categories would pay the same proportion of general rate burden than they currently do under AAV except properties with a land use category of commercial, industrial and residential. The RID for each land use category would be different. However, the RID for commercial and industrial would be higher and the RID for residential would be lower than under a pure CV differential model (model 3).

Table 34 shows a comparison of the RIDs under model 3 and this scenario. As can be seen the CV RID for commercial and industrial would need to be almost three times the CV RID for residential under this scenario.

It should be noted that even though each land use category would have its own RID, within each land use category the capital value of the property would determine the rates paid by individual property owners.

Table 34: Comparison CV Differential Rate in Dollar by Land Use Category with and without 30% Premium for Commercial and Industrial Properties

Land Use Category	General Rates CV Rate in \$	General Rates CV Rate in \$ (with 30% Premium for C&I)
Commercial	0.006455	0.008324
Industrial	0.005639	0.008754
Primary Production	0.002957	0.002957
Public Enterprise	0.004491	0.004491
Quarry & Mining	0.002947	0.002947
Residential	0.003116	0.002542
Sport & Recreation	0.003344	0.003344
Vacant	0.002964	0.002964

Impact on Rates Paid

Using a differential General Rate that reflects a scenario where commercial and industrial properties pay 30% more of the rate burden than they would under AAV and residential properties pay, as a result, less than they would under AAV, has an impact on the rates paid by individual ratepayers. Table 35 below shows the impact of moving from AAV to CV but mitigating the impact of that shift by using a differential General Rate with a 30% premium for commercial and industrial properties.

Table 35: AAV to CV Mitigated Shift % Impact 30% C&I Premium – All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-60% to -50%	0	0	0	0	0	5	0	0
-50% to -40%	0	0	0	0	0	26	0	0
-40% to -30%	0	0	0	6	0	183	0	0
-30% to -20%	3	0	0	6	0	539	2	1
-20% to -10%	4	0	0	12	0	13125	2	0
-10% to 0%	20	0	0	19	0	6755	9	63
0% to 10%	100	6	2	31	1	0	70	504
10% to 20%	290	22	0	25	0	0	10	0
20% to 30%	485	54	0	17	0	0	0	0
30% to 40%	627	31	0	19	0	0	0	0
40% to 50%	165	13	0	36	0	0	0	0
50% to 60%	56	11	0	1	0	0	0	0
60% to 70%	21	2	0	0	0	0	0	0
70% to 80%	24	2	0	0	0	0	0	0
80% to 90%	25	2	0	0	0	0	0	0
90% to 100%	15	1	0	0	0	0	0	0
>100%	52	6	0	0	0	0	0	0

Under model 1 the most significant impact of a move from using AAV to CV as the ratebase for Council would be the impact on residential and vacant land with 89% of residential properties experiencing an increase in rates of between 10-40% from the prior year and 100% of vacant land experiencing a rate increase. Primary production, quarry and mining and sport & recreation would also be impacted. Model 3 shows that by using a differential rate to mitigate the impact of a move to CV, the impact on these properties can be mitigated considerably.

Table 35 above shows that all residential properties would pay equal to or less than current rates paid under AAV. However, the majority of commercial and industrial properties would pay more. Should Council determine that commercial and industrial properties should pay more of the rate burden i.e. because they may benefit more from certain Council services such as City activation or street lighting or because they benefit from certain tax concessions, then this model achieves this result.

Table 36 overleaf shows the comparison between a CV differential model that maintains the relative rate burdens as under AAV and a CV differential model that has commercial and industrial properties contributing 30% more of the rate burden and residential properties contributing less of the rate burden.

Table 36: Comparison Mitigated With and Without 30% C&I Premium – All Properties

Rates and Charges % Variance	CV Mitigated Pure	CV Mitigated 30% C&I Premium
70% to -60%	1	0
-60% to -50%	7	5
-50% to -40%	20	26
-40% to -30%	108	189
-30% to -20%	256	551
-20% to -10%	700	13143
-10% to 0%	5350	6867
0% to 10%	16103	713
10% to 20%	670	347
20% to 30%	72	556
30% to 40%	55	677
40% to 50%	67	214
50% to 60%	33	68
60% to 70%	19	23
70% to 80%	16	26
80% to 90%	14	27
90% to 100%	9	16
>100%	6	58

As can be seen from tables 35 and 36 above, this scenario does not mitigate the impact entirely for commercial, industrial and public enterprise properties. However, additional rating tool(s) could be used to lessen the impact on these properties i.e. through the use of rates capping.

Model 13 Conclusions

Using a differential rate with a 30% premium for commercial and industrial properties would mitigate the impact of a move to CV entirely for all residential properties. All residential properties would pay equal to or less than current rates paid under AAV. However, the majority of commercial and industrial properties would pay more and some considerably more. An additional rating tool, such as capping, could be used to lessen the impact on these properties.

Model 14 Shift from AAV to LV using Differential General Rates based on Land Use Category with addition of 30% Premium for Commercial and Industrial Properties

Scenario: move from using AAV as the valuation base to LV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 2. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under AAV except properties with a land use category of Commercial, Industrial and Residential. It is assumed that Commercial and Industrial properties will contribute 30% more of rate revenue than they currently do under AAV and Residential properties will contribute less (benefitted by the corresponding decrease in rate revenue) ensuring that Council raises the same amount of rates revenue overall.

This scenario was proposed by then Alderman Foley at the 19 November Finance and Corporate Services Committee meeting and is designed to model the impact of tax deductions for expenses such as Council rates available to eligible businesses.

Impact on Rate Burden

By using a differential General Rate the land use categories would pay the same proportion of general rate burden than they currently do under AAV except properties with a land use category of commercial, industrial and residential. The RID for each land use category would be different. However, the RID for commercial and industrial would be higher and the RID for residential would be lower than under a pure LV differential model (model 4).

Table 37 shows a comparison of the RIDs under model 4 and this scenario. As can be seen the LV RID for commercial and industrial would need to be three to four times the LV RID for residential under this scenario.

It should be noted that even though each land use category would have its own RID, within each land use category the land value of the property would determine the rates paid by individual property owners.

Table 37: Comparison LV Differential Rate in Dollar by Land Use Category with and without 30% Premium for Commercial and Industrial Properties

Land Use Category	General Rates LV Rate in \$	General Rates LV Rate in \$ (with 30% Premium for C&I)
Commercial	0.016529	0.021314
Industrial	0.008531	0.013243
Primary Production	0.002957	0.002957
Public Enterprise	0.024608	0.024608
Quarry & Mining	0.002947	0.002947
Residential	0.006275	0.005119
Sport & Recreation	0.007212	0.007212
Vacant	0.002981	0.002981

Impact on Rates Paid

Using a differential General Rate that reflects a scenario where commercial and industrial properties pay 30% more of the rate burden than they would under AAV and residential properties pay, as a result, less than they would under AAV, has an impact on the rates paid by individual ratepayers. Table 38 below shows the impact of moving from AAV to LV but mitigating the impact of that shift by using a differential General Rate with a 30% premium for commercial and industrial properties.

Table 38: AAV to LV Mitigated Shift % Impact 30% C&I Premium – All Land Use Categories

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-80% to -70%	0	0	0	1	0	2	0	0
-70% to -60%	7	1	0	2	0	27	0	0
-60% to -50%	17	1	0	2	0	78	1	0
-50% to -40%	17	0	0	2	0	556	1	1
-40% to -30%	13	0	0	5	0	2105	2	0
-30% to -20%	25	1	0	5	0	4413	1	2
-20% to -10%	192	4	0	2	0	5536	2	2
-10% to 0%	135	8	0	8	0	4191	9	38
0% to 10%	96	11	2	7	1	2431	12	525
10% to 20%	51	12	0	9	0	966	12	0
20% to 30%	77	18	0	7	0	261	16	0
30% to 40%	80	15	0	6	0	62	5	0
40% to 50%	85	12	0	5	0	5	9	0
50% to 60%	73	14	0	5	0	0	6	0
60% to 70%	118	10	0	4	0	0	9	0
70% to 80%	103	6	0	8	0	0	1	0
80% to 90%	99	15	0	5	0	0	2	0
90% to 100%	74	7	0	9	0	0	1	0
>100%	625	15	0	80	0	0	4	0

An unmitigated move from AAV to LV (model 2) causes a significant shift in the rate burden that has a significant but variable effect on properties in all land use categories with some properties experiencing a rate increase of up to 200%. A significant proportion of residential and vacant land receive large increases. Using a differential general rate (model 4) to mitigate the impact of a shift to LV has little material effect and for some properties has a detrimental effect.

Table 38 above shows that under this scenario the results are more favourable than under a pure LV mitigated model where all land use categories pay the same portion of rate revenue as under AAV. In this scenario, fewer residential properties pay more than current rates paid, but more commercial and industrial properties pay more than current rates paid, some considerably more.

Table 39 overleaf shows the comparison between a LV differential model that maintains the relative rate burdens as under AAV and a LV differential model that has commercial and industrial properties contributing 30% more of the rate burden and residential properties contributing less of the rate burden.

Table 39: Comparison Mitigated With and Without 30% C&I Premium – All Properties

Rates and Charges % Variance	LV Mitigated Pure	LV Mitigated 30% C&I Premium
-90% to -80%	18	0
-80% to -70%	42	3
-70% to -60%	51	37
-60% to -50%	157	99
-50% to -40%	481	577
-40% to -30%	1242	2125
-30% to -20%	1892	4447
-20% to -10%	2962	5738
-10% to 0%	3492	4388
0% to 10%	3363	3084
<hr/>		
10% to 20%	2785	1050
20% to 30%	2249	379
30% to 40%	2089	168
40% to 50%	1029	116
50% to 60%	536	100
60% to 70%	311	141
70% to 80%	202	118
80% to 90%	140	121
90% to 100%	84	91
>100%	381	724

As can be seen from tables 38 and 39 above, while the results of model 14 are more favourable than a pure LV mitigated model (model 4), a considerable number of properties would pay more in rates, some considerably more.

Model 14 Conclusions

Using a differential rate with a 30% premium for commercial and industrial properties produces a more favourable result than using a differential rate with no premium. However, a significant proportion of properties would still experience large increases in rates in a move from AAV to LV under this scenario.

Other Models

Use of Minimums

The use of minimum rates has been modelled. However, minimums were found to not create enough revenue yield to have any impact on the scenarios modelled.

A \$100 minimum under CV would only affect a small number of properties and only a small amount of revenue would be required to be added to these properties so that all properties paid a minimum of \$100 each. A \$200 minimum makes no material difference.

A \$100 minimum under LV would only affect slightly more properties than under CV but not significantly more and only a moderate amount of revenue would be required to be added to these properties so that all properties paid a minimum of \$100 each. There would be no material difference between a \$100 minimum and a \$200 minimum under LV. Small revenue yields are not significant enough to impact on the rates modelling outcomes.

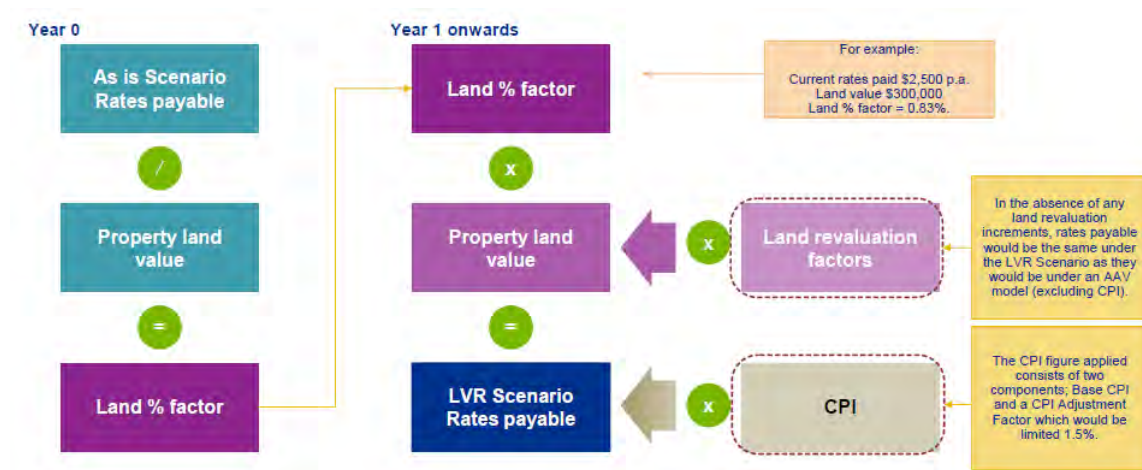
The impact of utilising a fixed charge has a greater impact (i.e. a 7% fixed charge has a revenue yield of \$3.8M, a 10% fixed charge has a revenue yield of \$5.8M) than the use of minimums. Minimums are therefore not considered to be an effective tool for Council at this time.

Land Value % Adjustment Factor Rating

In 2011 Alderman Zucco proposed a Land Value rating proposal. Under the proposal:

- Rates are calculated by multiplying a property's LV by its 'land % factor'.
- The Land % factor:
 - Based on current rates payable under AAV
 - Current rates payable divided by property's LV
 - Sets a relationship between existing rates paid under AAV and LV
 - Once set the land % factor does not change
- Future increases in LV increase rates collected
- Rates payable capped annually by $\leq 1.5\%$ above CPI
- There are no 'winners' and 'losers' – determined by rates paid now

Diagram 1 overleaf describes the model.

Diagram 1: Land Value % Adjustment Factor Rating Model Methodology

Land Value % Adjustment Factor Rating Model – Conclusions

Modelling suggests that this proposal is conceptually feasible if land values increase at 1% p.a. and rates increase by 4% p.a., however, there are financial risks relating to land value projections and if land values plateau or decrease the model would not produce enough rates revenue for Council and would therefore be unsustainable. Other equity, legal and technical considerations are as follows:

- Equity - less developed properties benefit from lower land % factor and will always pay less, even if the property is developed later.
More highly developed properties get higher land % factors and so will always pay more
- Legality - this proposal is currently not contemplated in the LG Act.
- Technical - Council's current Property and Rating system could not support this proposal.

Variable Municipal Charge 'Additive' Model – G Putland

At its meeting on 19 November 2013 the then Finance and Corporate Services Committee resolved that further rates modelling be undertaken in respect of the Variable Municipal Charge Model (additive model) as advocated by G Putland in his paper, "Why Site Value Rating is better, and how to implement it with no losers", as proposed by then Alderman Foley.

The additive model is designed as a mechanism to transition to LV without sudden large changes in rates for individual properties.

Under the additive model:

- Property rates are determined by multiplying property LV by the LV RID (whole of city). Rates in the first year are then made to equal rates paid in the last year under AAV. This is achieved by having a single adjustment charge added or subtracted to the rates bill for every property.
- The adjustment charge is the difference between rates payable under AAV and what the rates would be under a LV rating system.
- In year 2 and for subsequent years rates are calculated by multiplying the LV RID by the

property's LV and either adding or subtracting the adjustment charge.

- The adjustment charge is calculated once and remains fixed while over time it decreases as a share of the total rates bill.

The additive model was modelled in 2014 using actual movements in historical LVs for the City of Hobart (1.06% assumed) and current rate revenue increases (for the purposes of modelling 3% has been assumed). The results of modelling Putland's additive model using Council's assumptions are shown in table 40 below. ***It should be noted that modelling was based on 2014/15 rates data.***

Table 40: Putland Additive Model

Rates and Charges % Variance	Year 1-2	Year 2-3	Year 3-4	Year 4-5	Year 5-6	Year 6-7	Year 7-8	Year 8-9	Year 9-10	Year 10-11
<-40%	162	0	0	0	0	0	0	0	0	0
-40% to -30%	46	0	0	0	0	0	0	0	0	0
-30% to -20%	824	0	0	0	0	0	0	0	0	0
-20% to -10%	2588	0	0	0	0	0	0	0	0	0
-10% to 0%	9756	0	0	0	0	0	0	0	0	0
0% to 10%	7136	23305	23305	23305	23305	23305	23305	23305	23305	23305
10% to 20%	1836	0	0	0	0	0	0	0	0	0
20% to 30%	319	0	0	0	0	0	0	0	0	0
30% to 40%	219	0	0	0	0	0	0	0	0	0
40% to 50%	310	0	0	0	0	0	0	0	0	0
>50%	109	0	0	0	0	0	0	0	0	0

In year 1 of the additive model all properties would pay the same amount of rates than they did under the last year of AAV. In year 2, 12% of properties would pay more than 10% more in rates. However, from year 3 no property would pay more than 7.13% more in rates.

Multiplicative Model

Cameron K Murray in his notes clarifying Putland's proposal on phasing in site (land) value tax to then Alderman Foley, dated 18 November 2013, suggests an alternative proposal called the 'Multiplicative Model'. The multiplicative model, like the additive model, is designed as a mechanism to transition to LV without sudden large changes in rates for individual properties.

Under the multiplicative model:

- Rates in the first year equal rates paid in the last year under AAV, calculated by multiplying a property's LV by its 'land % factor' (current rates and charges payable divided by property's LV).
- A transition period is calculated. This would be the number of years a council would wish to transition to LV over i.e. 10 years.
- A target rate is calculated. This would be the RID required to achieve LV over the 10 years period.
- An adjustment path is calculated for each property. This would be target RID minus current RID divided by the transition period i.e. 10 years.

For example, say the rates applicable to a property calculated on the present AAV based rates system are \$2,000, and the LV is \$100,000, then the land % factor is 2%. If the total rate revenue required is \$70M, and total city LV is \$6Bn, then the target rate, which would be applicable to all properties, is 1.166%. Over the selected transition period, the land %

factor for the individual property would transition from 2% to 1.166% (so in this example, this property would pay less rates than present). Note this example, for simplicity, ignores, annual movements in LVs and Council rate revenue required.

Murray comments that those that have been underpaying rates under AAV compared to LV would see a more rapid increase in rates payable over the transition period and those that have been overpaying rates under AAV compared to LV would see a moderate increase or a decrease in rates payable over the transition period.

The multiplicative model was modelled in 2014 using actual movements in historical LVs for the City of Hobart (1.06% assumed) and current rate revenue increases (for the purposes of modelling 3% has been assumed). The transition RID and adjustment path have been calculated accordingly over a 10 year transition period. Pure LV is achieved in year 11. The results of modelling the multiplicative model using Council's assumptions are shown in table 41 below. ***It should be noted that modelling was based on 2014/15 rates data.***

Table 41: Multiplicative Model

Rates and Charges % Variance	Year 1-2	Year 2-3	Year 3-4	Year 4-5	Year 5-6	Year 6-7	Year 7-8	Year 8-9	Year 9-10	Year 10-11
<-40%	0	0	0	0	0	0	0	0	0	14
-40% to -30%	0	0	0	0	0	0	0	0	8	15
-30% to -20%	0	0	0	0	0	0	0	18	102	229
-20% to -10%	0	0	6	26	230	295	361	414	387	310
-10% to 0%	4229	4237	4237	4230	4026	3986	3929	3872	3809	3748
0% to 10%	15247	16037	16745	17355	17849	18170	18368	18429	18937	18978
10% to 20%	3179	2459	2241	1683	1192	854	647	572	62	11
20% to 30%	570	561	68	6	8	0	0	0	0	0
30% to 40%	69	3	1	5	0	0	0	0	0	0
40% to 50%	4	1	6	0	0	0	0	0	0	0
>50%	7	7	1	0	0	0	0	0	0	0

In year 1 of the multiplicative model all properties would pay the same amount of rates than they did under the last year of AAV. In year 2, 16% of properties would pay more than 10% more in rates. However, by year 10, only 0.05% of properties would pay more than 10% more in rates and by year 11 all properties would be paying rates under a pure LV rating system.

G Putland Variable Municipal Charge Model – Conclusions

In year 2 of the additive model a number of properties would pay more than 10% more in rates. By year 3 no property would pay more than 7.13% more in rates. However, whilst a property's LV is being multiplied by a LV RID (ie: LV rating), this is not pure LV rating as it is reliant upon a fixed adjustment charge which would remain, albeit becoming a smaller share of the total rates bill over time.

In the early years of the multiplicative model, a portion of properties would pay more than 10% more in rates. However, this impact declines over time and by years 5 and 6 most properties would be paying only a small amount more in rates than under AAV. So, whilst there are some early 'winners and losers', LV is achieved over time.

While the modelling has found both models to be conceptually feasible using Council assumptions and data, there are financial risks relating to land value projections and if land

values plateau or decrease the models would not produce enough rates revenue for Council to remain financially sustainable. As an example, the total municipal LV for the City is less today than it was in 2009 but between 2002 and 2009 the City experienced large increases in LVs due to the property boom.

Other considerations are as follows:

- Equity – less developed properties benefit from lower rates in the short term with both models i.e. either by having a low land % RID or a high adjustment factor.
- Legality – the mechanics required for both models are not contemplated in the LG Act.
- Simplicity – both models are complex and difficult to understand. They would therefore be difficult to explain to ratepayers. Simplicity for ratepayers is a taxation principle.
- Administrative ease – both models would be resource intensive to maintain and would not be cost effective.
- Technical – Council's current Property and Rating system could not support these models.

Rates Modelling Conclusions

The following conclusions can be made in respect of the rates modelling.

The modelling shows that overall, an unmanaged move to LV as a ratings base would cause larger shifts for a greater proportion of ratepayers, compared to a move to CV. This result reflects that there is a less direct relationship between AAV and LV compared to AAV and CV. Council can however, successfully move from AAV to rating on an alternative valuation base without impacting ratepayers materially, by using the rating tools available under the *Local Government Act 1993*.

The Review report found that the impact on ratepayers associated with a transition from AAV to CV or LV will be driven largely by the relationship between the bases.

A regression analysis conducted during the Review found that there is a close linear relationship between AAV and CV meaning that rates based on CV or AAV will produce a relatively similar outcome in terms of the distribution of the rates burden across the community. This reflects that a differential rate based on CV is likely to deliver similar rate to those based on AAV for a large proportion of properties, particularly those on the 4% rule and a benefit for others. Conversely the relationship between AAV and LV is less clear with significant variation in LV associated with properties of lower CV (between \$100,000 and \$600,000). Council has substantiated this finding that there are greater challenges in producing a similar distribution of rates using LV, compared to the outcome currently being delivered using AAV.

The application of the simple differential General Rate produced significantly improved outcomes for residential, primary production, sport & recreation and quarry & mining and vacant land ratepayers under CV. Shifts under LV were not able to be successfully mitigated using the model - in fact shifts for residential and other ratepayers were exacerbated.

The use of rates capping in addition to differential rates further mitigated the impact on ratepayers of a move to an alternative ratebase. This proved more successful under CV where fewer properties would be capped than LV where most properties would be affected by the cap and hence would effectively be rated by what they paid last year plus the percentage cap.

It is more difficult to mitigate the impacts of a move to LV and this valuation base has been found to not be a suitable option for Tasmania and is not supported by the Minister for Local Government.

However, the modelling shows that a move to CV can be made without compromising the principles of taxation nor the simplicity of Council's current rating resolution. A CV rating resolution need not be complex. The move to CV could be made by the use of a small number of differential General Rates based on current land use categories and a 5% cap which would affect 50% of all rateable properties. This would ensure that no ratepayer would experience a rate increase of more than 5% in a move to CV and indeed 7,353 properties would experience a rates decrease.

A tabular summary of models 1 to 12 and outcomes is attached as Appendix 2.

8. Rating Strategy Options

Legality

In making decisions concerning the making of rates, Council is required to comply with section 86A(1) of the LG Act, which states:

- (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.

Council rates are based on property values (with the exception of waste management) and are therefore a property tax. The LG Act inherently contemplates that the higher the value of the property the higher the rates to be paid.

In setting its policy on rates and charges, Council is required, pursuant to section 86A of the LG Act and LGD guidance, to apply the following principles of taxation:

- Equity –by taking into account the different levels of capacity to pay within the local community;
- Benefit – by recognising that Council services benefit the community as a whole.
- Simplicity – by using a rating system that is simple and cost effective to administer.
- Sustainability – by making revenue decisions that support the financial strategies for the delivery of infrastructure and services identified in Council’s Long-term Financial Management Plan and Asset Management Plans.
- Effectiveness / efficiency – by meeting the financial, social, economic and environmental, and other strategic objectives outlined in Council’s Strategic Plan.
- Transparency – by being open in the processes involved in the making of rates and charges.
- Timeliness – by ensuring all ratepayers are given adequate notice of their liability to pay rates and charges.
- Flexibility – by responding where possible to unforeseen changes in the economy.
- Compliance – by complying with the requirements and intent of relevant legislation.

It is important that in designing a rating system the above are taken into consideration. Rates are a form of taxation and the principle of equity (capacity to pay) must be a key consideration when setting rates. The value of a ratepayer’s land is an indicator of a ratepayer’s capacity to pay.

From the rate modelling undertaken there are six broad rating strategy options available to Council. Further modelling work would be required to further analyse and test the integrity of any model, or variants thereof, that Council might be interested in pursuing.

Option 1 – Stay with AAV

Council could stay with its current rating strategy and change nothing. However, the Review has found that there is 'little merit' in continuing to use AAV as a valuation base.

Issues with continuing with AAV are:

- AAV as a tax base has been found to perform least effectively against the principles of taxation. It is the most expensive to administer, least understandable by either ratepayers or councils, least equitable when comparing individuals on and off the 4% Rule and the least sustainable due to its volatility.
- For a growing proportion of properties, the term 'AAV' no longer refers to the rental value of the property, but rather confusingly refers to an arbitrary measure of 4% of the CV of the property. The requirement that AAV cannot be less than 4% of the CV has resulted in a significant number of properties across the State where the deemed AAV is higher than it would otherwise be. During Council's last revaluation in 2009, CVs rose significantly thereby increasing many AAVs due to this rule. Previously 8% of residential properties in the Hobart municipality were on the minimum 4%, this figure increased to 46% in 2009 and 58% in 2015 as a result of property revaluations.
- Removing the 4% Rule is not considered to be an appropriate option of 'fixing AAV'. It would limit the ability to set an appropriate rate for properties where a rental value cannot be reasonably estimated (such as rural properties) and significantly increase the costs associated with maintaining the valuation system. The shift caused by removing the 4% Rule is also likely to be as dramatic as any shifts caused by moving to an alternative base.

The Review has found that to say that AAV as a valuation base is 'broken' is to overstate the case. The Review finds that AAV could continue as a base for local government rating if there was adequate funding of the OVG, availability of external contractors, further attention to change in the management of adjustment factors and ongoing capability in councils in the use of available rating tools.

If Council continued with AAV it would still be open for Council to utilise the rating tools available under the LG Act to mitigate shifts in the rate burden and resultant impact on ratepayers caused during a revaluation or indexation.

Option 2 – Transition to a Pure CV or LV Rating System - Unmitigated

Council could transition from using AAV to using CV or LV. Under this option Council would not mitigate the impact of a move to CV or LV but would allow property values to determine the rates paid. This option mirrors Council's current rating policy under AAV. That is, except for the waste management service charge, and the tip rehabilitation service charge, rates are fully determined by the property valuation.

However, modelling has found that an unmitigated shift to either CV or LV would cause a significant shift in the rate burden between land use categories and thus has obvious political and ratepayer communication challenges. The move to LV would create a larger

shift in the rate burden than under CV and the impact on rates paid by individual ratepayers would be significant and variable.

A comparison of the rates modelling undertaken at model 1 and 2 shows that an unmitigated move to CV has a lesser impact than to LV. Under a move to CV no property would experience a rate increase of more than 40%. This is because of the more linear relationship between AAV and CV (and that almost 60% of Hobart properties are on the 4% of CV Rule). Conversely, under a move to LV some properties would experience an increase in rate of up to 200%.

The Review has found LV to be the most economically efficient tax base, most administratively efficient and strongest performer in equity (in terms of the benefit principle). It does not, however, perform well against the principles of equity as significant differences in the improved value of the property would not be reflected in the rates burden i.e. rating on LV would result in similar levels of rates being levied on a one-bedroomed dwelling on a large block of land as are applied to a six bedroom, two bathroom, two garage home on a similar block of land.

The Review has found that CV demonstrates the strongest performance of the three bases against the principles of taxation. It is easiest to understand, most equitable (particularly in terms of capacity to pay) and is the least volatile in a property market where property value is growing at a different rate to rental values.

The Review has found that a transition to LV is not considered to be a suitable option for Tasmania at this time. The Review has found, and Council's modelling has confirmed, that the impacts on all categories of ratepayers are significant and the concerns around equity have not been suitably resolved. The Minister for Local Government has accepted this Review finding.

Council would need to consider whether it considers that a pure CV or LV scenario provides a rating burden outcome that addresses benefit and capacity to pay consideration. This is discussed further at option 5, however, tables 5 (model 1) and 7 (model 2) show the rate burden under a pure CV and a pure LV respectively. Both models show large shifts to residential and vacant land away from commercial and industrial, with a larger shift evident under LV than under CV.

Options 3 and 4 will produce the same outcome as this but does so over a transition period.

Option 3 - Transition to a Pure CV or LV Rating System - Mitigated

Council could transition to either CV or LV and mitigate the impact on ratepayers shown in models 1 and 2 by using one, or a combination, of tools available under the LG Act.

The modelling has shown that a move to CV is easier to mitigate than a move to LV. The Review has found that there is sufficient evidence to suggest that the State could transition to CV as a base for rates without unreasonable impacts on ratepayers. Modelling undertaken substantiates this finding. Modelling undertaken finds that the targeted use of differential rates could be used by Council to ensure that no residential ratepayer in the

Hobart municipality would experience a rate increase of more than 10% if Council transitioned to CV. However, shifts for commercial and industrial ratepayers would require use of additional rating tools available under the LG Act and modelling has shown that the use of rates capping could be used to further mitigate the impacts under CV.

Modelling has shown that in transitioning to LV differential rates and capping could be used. However, most properties would be affected by the rates cap and as a result would effectively be rated according to what they currently pay plus the rates cap.

Models 3 to 10 in Chapter 7 showed 'mitigating' scenarios where the LG Act tools are utilised to lessen or mitigate shifts to CV or LV, and reproduce rate outcomes that are broadly consistent with rates paid now under the AAV system. They thus presume that large shifts in the rate base are unfair and to be avoided.

However, the Review analysed the three valuation bases and determined that CV or LV have more advantages than AAV (e.g. equity, capacity to pay). A system that adopts an alternative valuation base (i.e. CV or LV) but manipulates the outcomes to reproduce the outcomes under AAV, may mean those benefits are not fully realised. Some still would be – for example, the 4% Rule would disappear as it is only relevant to AAV. However, one must question the desirability of moving to CV or LV, if manipulation is used to reproduce AAV outcomes. This would be option 5 below.

However, given the above, this option 3 would utilise mitigating tools in the short term only with the goal of achieving a pure CV or LV rating system over time. It would be open for Council to consider what time period would be appropriate and whether there would be advantages in moving in a revaluation year.

Option 4 – Transition to CV or LV Rating System – Gradual to Pure

This scenario is similar to option 3 above in that a short-term mitigated transition to a pure CV or LV rating system is suggested. Except, under this scenario Council would continue using AAV in the short-term and gradually shift the rate burden, through the use of differentials, until a pure CV or LV rate burden outcome was achieved and then move to CV or LV rating.

Models 11 and 12 show that a 5-year move to CV under this scenario would have a lesser impact on rates paid by individual ratepayers than a 5-year move to LV. It should be noted that these models are indicative as only the impact on General Rates was modelled. However, it would be open for Council to consider what time period would be appropriate.

Option 5 – Transition to CV or LV Rating System – Mitigated to Reproduce AAV Rate Burden

The alternative to option 3 above is to transition to a CV or LV rating system but mitigate the resultant shift in the rate burden to achieve a rate burden for all land use categories similar to AAV, by using the available rating tools under the LG Act.

As can be seen from the rates modelling, a move in one year to CV can be achieved by utilising a simple differential General Rate by land use category and a 5% rates cap, which would only affect 50% of properties predominately commercial, industrial and public enterprise. It would also achieve a rates decrease for more than 7000 properties, particularly lower to medium valued properties.

However, this would achieve a rate burden outcome similar to AAV and Council may/may not consider it appropriate that the relativities of the AAV rate burden are maintained. Maintaining rates at AAV levels would undermine the benefits of moving to CV or LV.

Option 6 – Transition to CV or LV Rating System – Set Rate Burden

Council could move to CV or LV but instead of accepting the rate burden that CV, LV or indeed AAV produces (option 5), Council could give consideration to the optimal rate burden for the city. This would involve Council considering what locality or land uses should pay what for Council services and applying a differential rate accordingly. The differential rate would effectively set a price for each land use category that Council determines that land use category should pay in rates. This would depend on what benefit Council considers each land use to derive from its services.

Using differential rates is a policy decision and will depend on whether a council considers:

- That property valuations as determined by the Valuer-General provide an adequate measure and differentiation to determine relative amounts of rates to be paid; or
- There are inequities within the community that are not reflected in the property valuations and necessitate the use of differential rates. As an example, inequities could be the availability of council services to certain properties and not others or where certain properties derive a greater benefit from council services than others.

Council may consider that the shifts in the rate burden to residential experienced under a move to CV or LV, which mean that commercial properties pay considerably less in rates than present, is unfair and it would be appropriate for commercial properties to pay more, or indeed similar to what portion of the rate burden they pay now in rates under AAV.

Other Option – Differentially Rating Vacant Land

At present, Council uses a single rate, that is, the same rate in the dollar applied to all properties no matter what the land is being used for or where it is located. As a result, properties classified as Vacant enjoy lower rates due to having lower valuations. The Assessed Annual Value (AAV) of the property is always 4% of the Land Value due to the 4% Minimum Rule and because there are no capital improvements on the land. Vacant properties do not pay the Waste Management Service Charge nor contribute to the Landfill Rehabilitation Levy. There is, therefore, little incentive for these properties to be developed or improved.

Hobart currently has 568 properties with a land use classification of Vacant according to the Office of the Valuer-General (OVG) that pay rates i.e. are not Council owned. The OVG does not provide Council with information on whether a property is unoccupied. Therefore, it is

difficult to determine how many properties, in addition to the 568 vacant land 'properties' are unoccupied and derelict in the Hobart municipality.

However, the Hobart municipality clearly has a number of properties that are unoccupied and considered derelict. There are a number of councils who use a strategy of differentially rating unoccupied land to ensure that derelict and unoccupied properties are responsibly managed and developed by property owners. The differential rate is directly aimed at those property owners who allow their sites to become untidy or deteriorate, become unsafe and pose a risk to public safety or adversely affect public amenity. This differential rating strategy for vacant land has had the effect of encouraging property owners to manage and develop their vacant and unoccupied land.

Model 15 Shift from AAV to CV using a Differential Rate for Vacant Land only

Scenario: move from using AAV as the valuation base to CV, but use a differential rate for vacant land only that is 4 times the differential rate for the other land use categories and analyse the results.

As only a differential rate for vacant land is being modelled, the RID for the other categories of land will be the same i.e. a high RID for vacant land, but the same RID for all land categories.

Impact on Rate Burden

Using a RID for one category of land that is 4 times the RID for all the other categories of land has the effect of shifting the rate burden. Previously vacant land would contribute \$557K towards the rate burden, under this scenario vacant land now contributes \$2.3M. Correspondingly, the amount of revenue the other land use categories contributes to overall rates revenue has decreased by the same amount respectively.

Under an unmitigated CV scenario, the RID for all properties is 0.0039. Under this scenario, the RID for vacant land would increase to 4 times the RID, being 0.0151. Because this scenario is revenue neutral i.e. additional revenue is not to be generated under this scenario, the RIDs for all other land categories would decrease from 0.0039 to 0.00378.

Impact on Rates Paid

The impact on the rate burden detailed above has an impact on the rates paid by individual ratepayers. Table 42 shows the impact of moving from AAV to CV, but assuming the RID for vacant land would be 4 times greater than the RID for other land categories.

Table 42: Impact of High Differential Rate for Vacant Land

Rates and Charges % Variance	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land
-70% to -60%	7	0	0	0	0	1	0	0
-60% to -50%	38	1	0	1	0	1	0	0
-50% to -40%	260	23	0	8	0	7	0	0
-40% to -30%	771	73	0	12	0	13	0	0
-30% to -20%	444	25	0	17	0	78	2	0
-20% to -10%	230	13	0	15	0	128	2	0
-10% to 0%	40	4	0	6	0	287	0	0
0% to 10%	38	5	0	28	0	2691	11	0
10% to 20%	25	3	0	18	0	5773	24	0
20% to 30%	33	3	2	67	1	11461	54	0
30% to 40%	1	0	0	0	0	191	0	0
40% to 50%	0	0	0	0	0	2	0	0
50% to 60%	0	0	0	0	0	0	0	1
>100%	0	0	0	0	0	0	0	567

As can be seen from table 42, 568 vacant land properties would be paying more than 100% more in rates than current and in some cases up to 400% more in rates. However, the shift in the rate burden towards vacant land and away from the other land use categories has the effect of mitigating the impact of shifting from AAV to CV. The effect is shown in table 43 below, which compares the effect of shifting from AAV to CV without mitigating the effect and shifting from AAV to CV using a high differential rate for vacant land only.

Table 43: AAV to CV Unmitigated vs. AAV to CV Differential Rate for Vacant Land

Rates and Charges % Variance	CV Unmitigated 'Pure'	CV Vacant Land Differential
-70% to -60%	7	8
-60% to -50%	32	41
-50% to -40%	238	298
-40% to -30%	674	869
-30% to -20%	766	566
-20% to -10%	402	388
-10% to 0%	280	337
0% to 10%	1972	2773
10% to 20%	5290	5843
20% to 30%	12926	11621
30% to 40%	919	192
40% to 50%	0	2
50% to 60%	0	1
>100%	0	567

It should be noted that the properties paying more than 50% more in rates under the CV Vacant Land Differential scenario are all vacant land.

Table 43 shows that by using a RID for vacant land 4 times greater than the RID for the other land use categories, fewer properties would pay more under a move to CV; albeit slightly fewer. Most properties would pay a maximum of up to 30% more in rates than current and more properties would experience a rates decrease. The effect is consistent across all land use categories except vacant land.

The effect has not been modelled for LV as the rate burden shift effect would be similar to that of CV, but as we know from model 4 the use of differentials to mitigate the shift to LV creates a significant and variable effect.

Differentially rating vacant land is an option open to the City of Hobart under the LG Act.

9. Conclusions

The outcomes of the joint State and Local Government Review of Tasmania's Valuation and Local Government Rating (the Review) were clear: there is little merit in continuing to use AAV, LV is not considered to be a suitable option and CV is considered to be the best option for Tasmania at this time. However, as no legislative change has been made to mandate a change, the option remains for Council to continue using AAV, or to voluntarily move to either CV or LV.

Extensive rates modelling has been undertaken to compare the outcomes for ratepayers from adopting the different valuation bases, and the use of the rating tools available under the *Local Government Act 1993*. The modelling shows that overall, an unmanaged move (that is, not using the rating tools to mitigate the impacts on ratepayers) to LV as a ratings base would cause larger shifts for a greater proportion of ratepayers, compared to a move to CV. Any change to Council's current rating strategy results in ratepayers who will pay more and others who will pay less. However, the modelling also shows that by using the rating tools (such as differential rating, caps on increases), Council can successfully move from AAV to rating on an alternative valuation base without impacting ratepayers materially, should Council wish for that to be the case. Council can use the rating tools to determine the optimal rating strategy for Hobart and address equity and capacity to pay considerations.

The modelling reveals that mitigating the move to CV could be achieved. However, it is more difficult to mitigate the impacts of a move to LV and this valuation base has been found to not be a suitable option for Tasmania and is not supported by the Minister for Local Government.

Council rates are a tax. Council's rating decisions need to have regard to how the rating burden should be distributed amongst property owners. The distribution is influenced by both the valuation system and usage of the rating tools available under the LG Act.

To date four councils in Tasmania, namely Clarence, Kingborough, Sorell and George Town have made the transition from AAV to CV as the valuation base. Two further councils, namely Launceston and Devonport have an interest in transitioning. At the date of this paper, the State Government's position on the Review outcomes has not changed and a voluntary transition for councils to CV remains the State Government's position.

Any future revaluation or indexation has the potential to alter the rate burden, meaning that some properties pay more and some properties will pay less in rates. However, it is always open to Council to utilise the rating tools available under the LG Act to ensure the rating system satisfies the legislative objectives and ratepayer concerns in any given year.

10. Recommendations

The following recommendations are made in respect of the Review and the outcomes of the rates modelling for the Hobart municipality:

1. That Council consider whether it wishes to move away from using the AAV valuation base.
2. That Council consider whether it wishes to move to CV as a valuation base.
3. That Council consider whether it wishes to move to LV as a valuation base.
4. If Council considers it does wish to move:
 - a. whether it prefers a pure rating strategy (i.e.: without mitigating the outcomes) - either now or moving to one in the future; or
 - b. a mitigated strategy - either now or moving to one in the future.
5. That Council consider which rating strategy option it wishes to pursue, if any, including the options outlined in this report.

Appendix 1 – Hobart Properties by Property Type

	Commercial	Industrial	Primary Production	Public Enterprise	Quarry & Mining	Residential	Sport & Recreation	Vacant Land	Total
Bank	7	0	0	0	0	0	0	0	7
Broadcasting Media	4	0	0	0	0	0	0	0	4
Business & Residence	91	0	0	0	0	0	0	0	91
Car Park	221	0	0	0	0	0	0	0	221
Cemetery	0	0	0	1	0	0	0	0	1
Church	0	0	0	12	0	0	0	0	12
Cinema/Theatre	2	0	0	0	0	0	0	0	2
Colleges-Tertiary	0	0	0	5	0	0	0	0	5
Commercial Services	19	0	0	0	0	0	0	0	19
Conjoined units	0	0	0	0	0	1,270	0	0	1,270
Converted house/business	15	0	0	0	0	0	0	0	15
Day Care Centres/Child Minding	6	0	0	0	0	0	0	0	6
Department Store	7	0	0	0	0	0	0	0	7
Domestic Slip/Jetty-Auth.	0	0	0	0	0	0	47	0	47
Domestic Slip/Jetty-Private	0	0	0	0	0	0	25	0	25
Domestic Slipway/Jetty	0	0	0	0	0	0	1	0	1
Education	0	0	0	5	0	0	0	0	5
Entertainment/Civic	0	0	0	1	0	0	0	0	1
Executive/Legislat. & Judicial	0	0	0	5	0	0	0	0	5
Fire/Police/Ambulance	0	0	0	13	0	0	0	0	13
Flat/s	0	0	0	0	0	575	0	0	575
Forestry-Natural Bush-Authorit	0	0	2	0	0	0	0	0	2
Funeral Parlour	3	0	0	0	0	0	0	0	3
Gardens etc	0	0	0	1	0	0	0	0	1
Gardens etc.- Authority	0	0	0	2	0	0	0	0	2
Government/Local Government	0	0	0	6	0	0	0	0	6
Hall	0	0	0	7	0	0	0	0	7
Holiday Apart/Resident. club	35	0	0	0	0	0	0	0	35
Holiday home / Shack	0	0	0	0	0	5	0	0	5
Home for Aged-Private	0	0	0	4	0	0	0	0	4
Hospital	0	0	0	1	0	0	0	0	1
Hospital-Authority	0	0	0	1	0	0	0	0	1
Hospital-Private	0	0	0	4	0	0	0	0	4
Hotel/Motel	49	0	0	0	0	0	0	0	49
House & Flat/s	0	0	0	0	0	415	0	0	415
House & Rooms other use	0	0	0	0	0	1	0	0	1
House or Cottage	0	0	0	0	0	13,867	0	0	13,867

Indoor Sport-Authority	0	0	0	0	0	0	1	0	1
Indoor Sport-Private	0	0	0	0	0	0	5	0	5
Indoor/Outdoor Sport Facility	0	0	0	0	0	0	5	0	5
Industrial	0	2	0	0	0	0	0	0	2
Institution Residential Accom	0	0	0	0	0	21	0	0	21
Library	0	0	0	1	0	0	0	0	1
Licenced Club	9	0	0	0	0	0	0	0	9
Licenced Premises	3	0	0	0	0	0	0	0	3
Lodge/Meeting Room	0	0	0	8	0	0	0	0	8
Manuf.Factory-Food Processing	0	2	0	0	0	0	0	0	2
Manuf.Factory-Not food Process	0	2	0	0	0	0	0	0	2
Manufacturing	0	13	0	0	0	0	0	0	13
Manufacturing Factory	0	17	0	0	0	0	0	0	17
Manufacturing Workshop	0	56	0	0	0	0	0	0	56
Marine Services	18	0	0	0	0	0	0	0	18
Media	2	0	0	0	0	0	0	0	2
Medical Centre	0	0	0	1	0	0	0	0	1
Medical Centre-Authority	0	0	0	6	0	0	0	0	6
Medical Centre-Private	0	0	0	3	0	0	0	0	3
Medical Services	0	0	0	1	0	0	0	0	1
Military Installations	0	0	0	2	0	0	0	0	2
Mine	0	0	0	0	1	0	0	0	1
Mine-Private	0	0	0	0	1	0	0	0	1
Mixed-Shops/Offices	74	0	0	0	0	0	0	0	74
Motel	139	0	0	0	0	0	0	0	139
Multiple storey units	0	0	0	0	0	1,390	0	0	1,390
Museum P521	0	0	0	1	0	0	0	0	1
Museum P522	0	0	0	3	0	0	0	0	3
Nursery/Roadside outlet-Retail	3	0	0	0	0	0	0	0	3
Office	205	0	0	0	0	0	0	0	205
Office space	143	0	0	0	0	0	0	0	143
Outdoor Sport	0	0	0	0	0	0	3	0	3
Outdoor Sport-Authority	0	0	0	0	0	0	16	0	16
Park S0	0	0	0	0	0	0	23	0	23
Park S01	0	0	0	0	0	0	2	0	2
Park S02	0	0	0	0	0	0	129	0	129
Place of Assembly	0	0	0	7	0	0	0	0	7
Private Hotel/Boarding House	15	0	0	0	0	0	0	0	15
Professional Room-Surgery	96	0	0	0	0	0	0	0	96
Public Serv./Institut./Utility	0	0	0	1	0	0	0	0	1
Quarry-Sand Q2	0	0	0	0	2	0	0	0	2
Refinery/Fuel Installation	0	6	0	0	0	0	0	0	6

Residential	0	0	0	0	0	3	0	0	3
Restaurant	62	0	0	0	0	0	0	0	62
Retail/Business	307	0	0	0	0	0	0	0	307
Rural Residential	0	0	0	0	0	124	0	0	124
School-Primary P201	0	0	0	6	0	0	0	0	6
School-Primary P202	0	0	0	17	0	0	0	0	17
Service Station	2	0	0	0	0	0	0	0	2
Service Station-not self serve	9	0	0	0	0	0	0	0	9
Service Station-self serve	6	0	0	0	0	0	0	0	6
Shop	192	0	0	0	0	0	0	0	192
Shopping Centre	6	0	0	0	0	0	0	0	6
Showroom/Store	74	0	0	0	0	0	0	0	74
Storage Compounds -Ltd Bldgs.	0	1	0	0	0	0	0	0	1
Studio/Atelier	8	0	0	0	0	0	0	0	8
Supermarket	7	0	0	0	0	0	0	0	7
Tavern	11	0	0	0	0	0	0	0	11
Telecom. Services Incls Post	0	0	0	11	0	0	0	0	11
Tourism	3	0	0	0	0	0	0	0	3
Tourist complex	2	0	0	0	0	0	0	0	2
Transport-Bus & Taxi	0	0	0	1	0	0	0	0	1
Transport-Marine/Wharves	0	0	0	1	0	0	0	0	1
Transport-Marine/wharves-Auth.	0	0	0	4	0	0	0	0	4
Transport-Railway	0	0	0	2	0	0	0	0	2
Unit/s	0	0	0	0	0	2,241	0	0	2,241
Utility Services-Sewer/Water	0	0	0	71	0	0	0	0	71
Vacant Land	0	0	0	0	0	0	0	2	2
Vacant-Commercial	0	0	0	0	0	0	0	11	11
Vacant-Englobo/Broad Hectares	0	0	0	0	0	0	0	33	33
Vacant-Industrial	0	0	0	0	0	0	0	5	5
Vacant-Residential	0	0	0	0	0	0	0	551	551
Vacant-Rural Residential	0	0	0	0	0	0	0	44	44
Villa units	0	0	0	0	0	724	0	0	724
Warehouse	0	52	0	0	0	0	0	0	52
Water Sport-Authority	0	0	0	0	0	0	2	0	2
Water Sport-Private	0	0	0	0	0	0	1	0	1
Wine & Spirit merchant	4	0	0	0	0	0	0	0	4
Yard-Motor	28	0	0	0	0	0	0	0	28
Youth Centre/Camp	0	0	0	1	0	0	0	0	1
#LU Not Included	0	0	0	0	0	0	0	0	5
Commercial	21	0	0	0	0	0	0	0	21
GARAGE	0	0	0	0	0	1	0	0	1
Tourist hostel	4	0	0	0	0	0	0	0	4

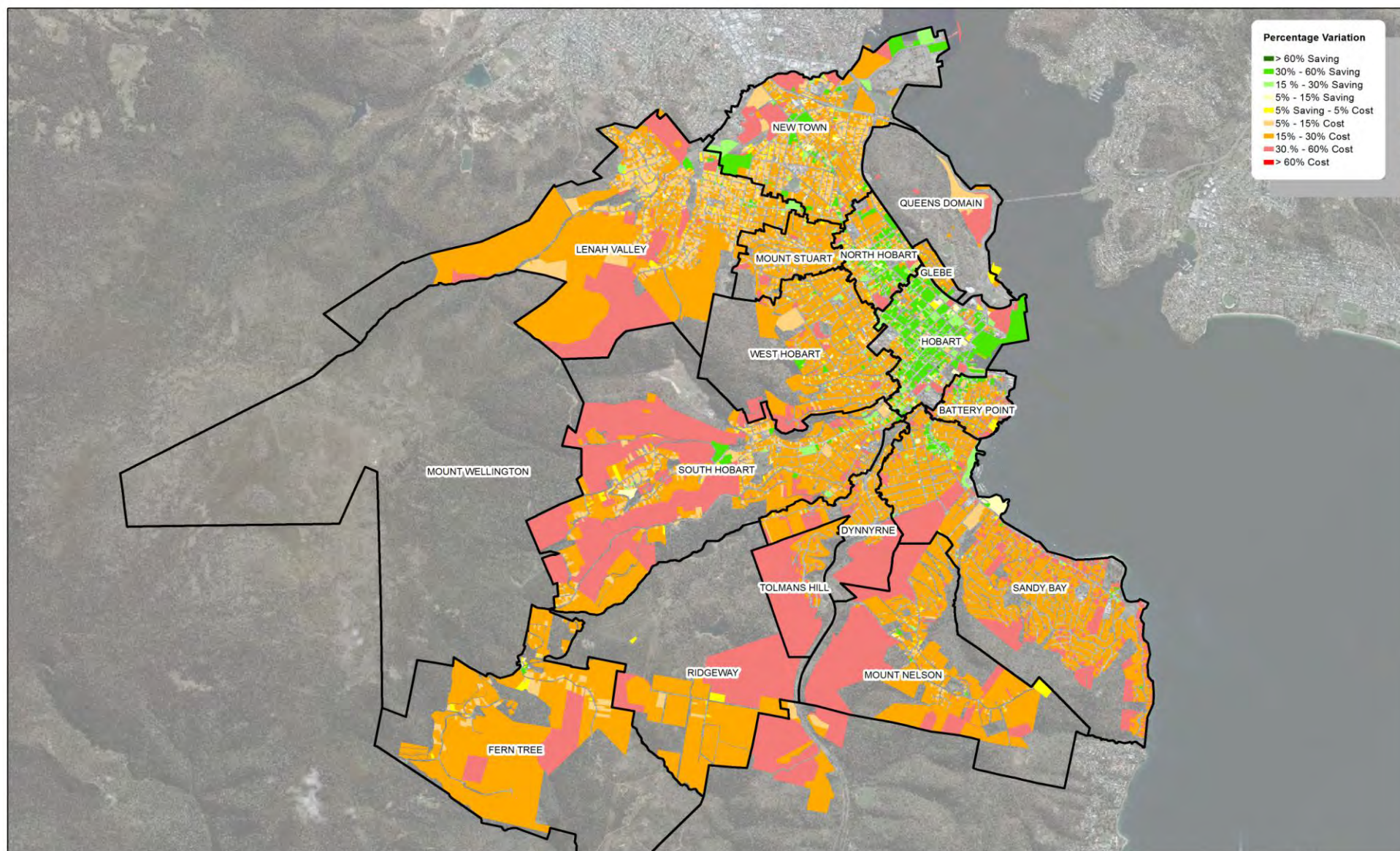
Appendix 2 – Summary of Rates Modelling Outcomes

Model No.	Model Name	Scenario	Outcome
1	Shift from AAV to CV without mitigating impact on ratepayers	Move from using AAV as the valuation base to CV, assume the same amount of rates revenue is required as under AAV	Moving from AAV to CV causes a significant shift in the rate burden to residential, primary production, sport & recreation, quarry & mining and vacant land, resulting in these properties paying up to 40% more in rates.
2	Shift from AAV to LV without mitigating impact on ratepayers	Move from using AAV as the valuation base to LV, assume the same amount of rates revenue is required as under AAV	A move from AAV to LV causes a significant shift in the rate burden that has a significant but variable effect on properties in all land use categories with some properties experiencing a rate increase of up to 200%. A significant proportion of residential and vacant land (in particular) receive large increases.
3	Shift from AAV to CV using Differential General Rates based on Land Use Category	Move from using AAV as the valuation base to CV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 1. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under AAV.	Using a differential rate for land use categories instead of one rate in the dollar for all properties would mitigate the impact for residential, vacant land, sport & recreation, primary production and quarry & mining. However, using a differential rate does not mitigate the impact entirely for commercial, industrial and public enterprise properties. An additional rating tool, such as capping, could be used to mitigate the impact on these properties.
4	Shift from AAV to LV using Differential General Rates based on Land Use Category	Move from using AAV as the valuation base to LV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 2. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under AAV.	Using a differential General Rate to mitigate the impact of a shift to LV has little material effect and for some properties has a detrimental effect.

5	Shift from AAV to CV using Differential General Rates based on Land Use Category and 5% Capping	Move from using AAV as the valuation base to CV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 1. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under the AAV ratebase. In addition to the differential Rate apply a 5% cap to ensure that no property pays more than 5% more in rates than current.	This model shows that by using a differential rate and a rates cap the impact of a move to CV can be mitigated for all ratepayers. Under this scenario no property would pay more than 5% more in rates, a high % of properties would experience a rates decrease and 50% of properties would be affected by the rates cap.
6	Shift from AAV to CV without using Differential Rates but using 10% Capping	Move from using AAV as the valuation base to CV, assume the same amount of rates are paid by each land use category as under AAV and use a 10% rates cap to mitigate the impact on ratepayers.	Under this scenario 92% of properties would be affected by a rates cap. Of the properties that experience an increase in rates between 0% and 10% under this model, 99% would experience an increase in rates between 5% and 10%.
7	Shift from AAV to CV using Differential General Rates based on Land Use Category and a Fixed Charge	Move from using AAV as the valuation base to CV, but use a differential General Rate calculated by assuming each land use category will contribute the same proportion of rate revenue than they do under AAV and a 7% fixed component of the General Rate. A 7%, 8%, 9%, 10% and 12% fixed charge was modelled. However, 7% was found to produce the most optimal outcome.	Using a Fixed Charge as well as a Differential Rate is not as effective as using a Differential Rate and a 5% Cap. A fixed charge has the effect of reducing the number of properties that would pay less if differentials alone are used; however, it has the effect of increasing rates for those properties on low AAVs. A 7% fixed charge equates to \$166.
8	Shift from AAV to LV using Differential General Rates based on Land Use Category and 5%* Capping	Move from using AAV as the valuation base to LV, but use a differential General Rate to mitigate the shift in the rate burden and resultant impact on rates paid shown in model 2. The differential General Rate is calculated by assuming each land use category will contribute the same proportion of rate revenue that they currently do under the AAV ratebase. In addition to the differential Rate	Using a Differential Rate and Cap, while mitigating for all ratepayers, would mean that 81% of properties would be affected by a rates cap. *The 5% cap was not workable for all land use due to the quantum of rate burden shift required compared to the number of properties. Therefore, a cap of 25% for public enterprise and sport & recreation was required.

		apply a 5% cap to ensure that no property pays more than 5% more in rates than current.	
9	Shift from AAV to LV without using Differential Rates but using 10% Capping	Move from using AAV as the valuation base to LV, assume the same amount of rates are paid by each land use category as under AAV and use a 10% rates cap to mitigate the impact on ratepayers.	Using a 10% Rates cap only to mitigate the move from AAV to LV would impact 99% of properties, all land use categories and would result in rates increases for most properties of between 5% and 10%.
10	Shift from AAV to LV using Differential General Rates based on Land Use Category and a Fixed Charge	Move from using AAV as the valuation base to LV, but use a differential General Rate calculated by assuming each land use category will contribute the same proportion of rate revenue than they do under the AAV ratebase and a 10% fixed component of the General Rate. Other fixed charge amounts were modelled but they were found to have little difference on this modelling outcome.	Using a differential General Rate and a Fixed Charge to mitigate the impact of a shift to LV has no material effect and for some properties has a detrimental effect. This model is not a material improvement over models 2 or 4. A 10% fixed charge equates to \$238.
11	5 Year Shift in Rate Burden to CV	Stay with AAV as the ratebase but alter the rate burden over a period of 5 years to mirror a CV rating outcome and switch to CV as the ratebase in year 5.	Moving to a pure CV outcome over time would result in the majority of properties paying up to 5% more in rates each year for five years.
12	5 Year Shift in Rate Burden to LV	Stay with AAV as the ratebase but alter the rate burden over a period of 5 years to mirror a LV rating outcome and switch to LV as the ratebase in year 5.	Moving to a pure LV outcome over time would result in the majority of properties paying up to 5% more in rates than the prior year for a period of 5 years. 570 properties would be paying between 10% and 40% more in rates each year for a five year period.

Appendix 3 – Hobart Map – AAV to CV ‘Pure’ Using No Mitigating Tools



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information.

It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team.

0 0.5 1 2 3 4 Kilometres

HOBART CAPITAL VALUE 'PURE'
Using No Mitigating Tools
Classified Percentage Variation

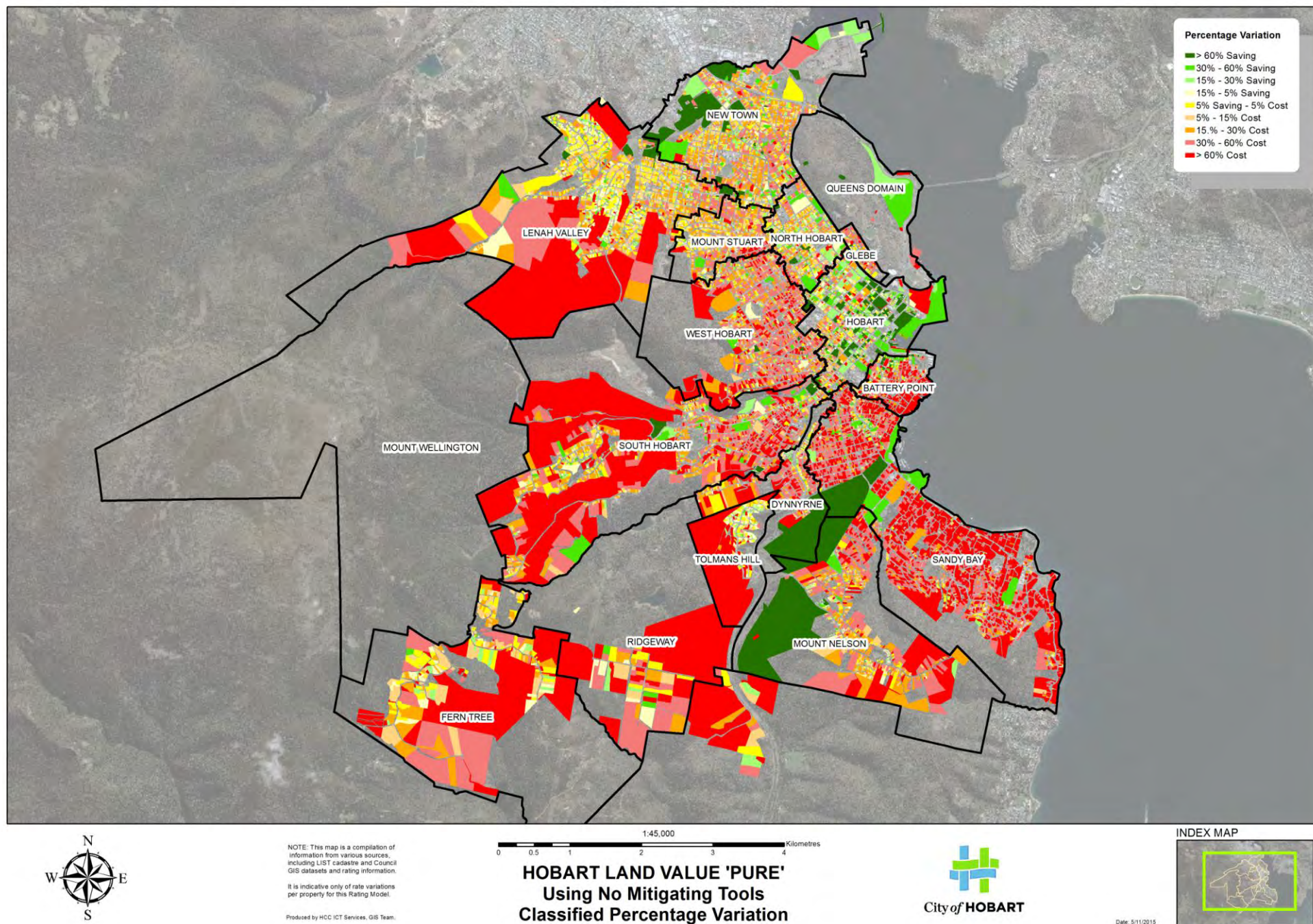


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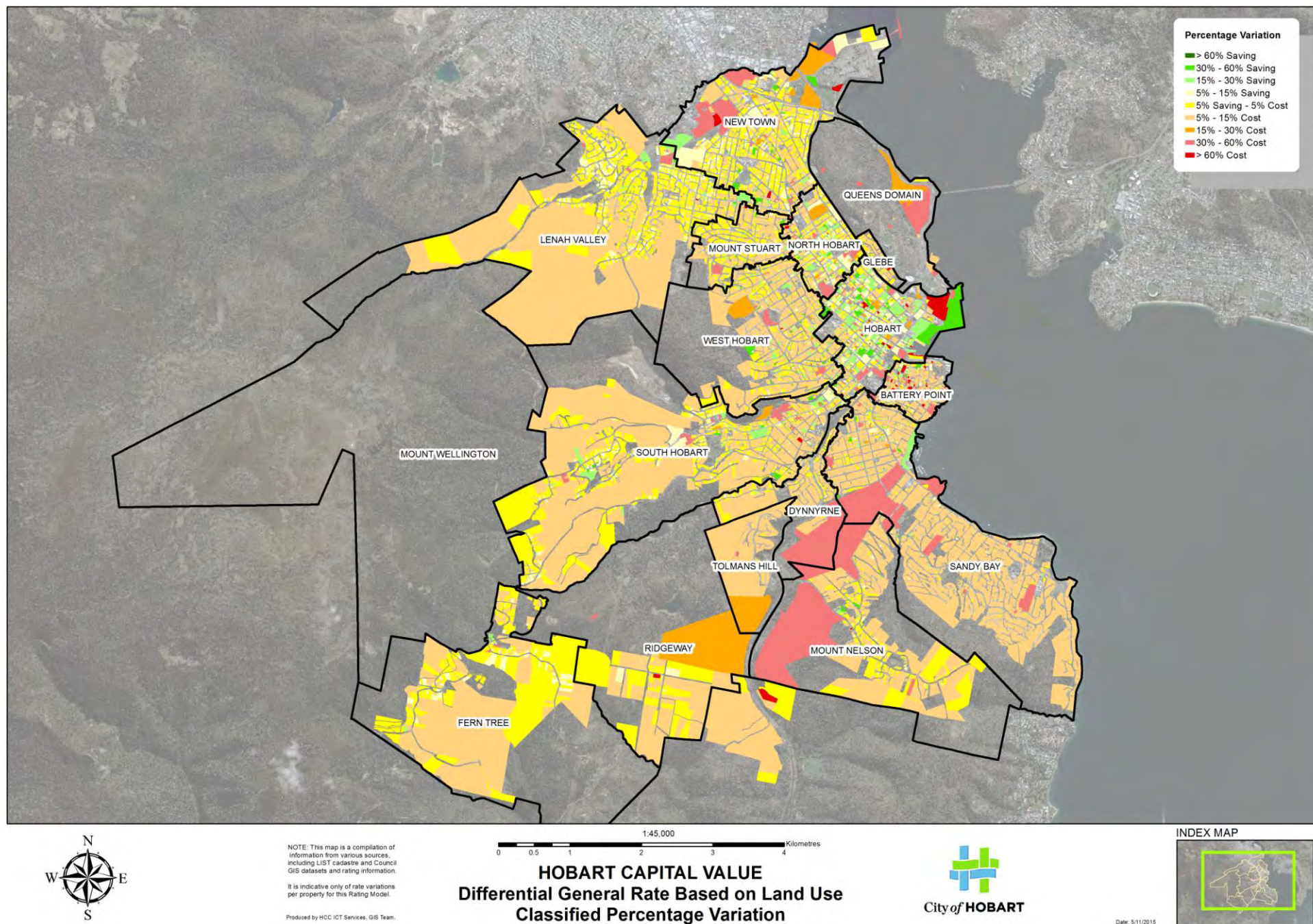


Date: 5/11/2015

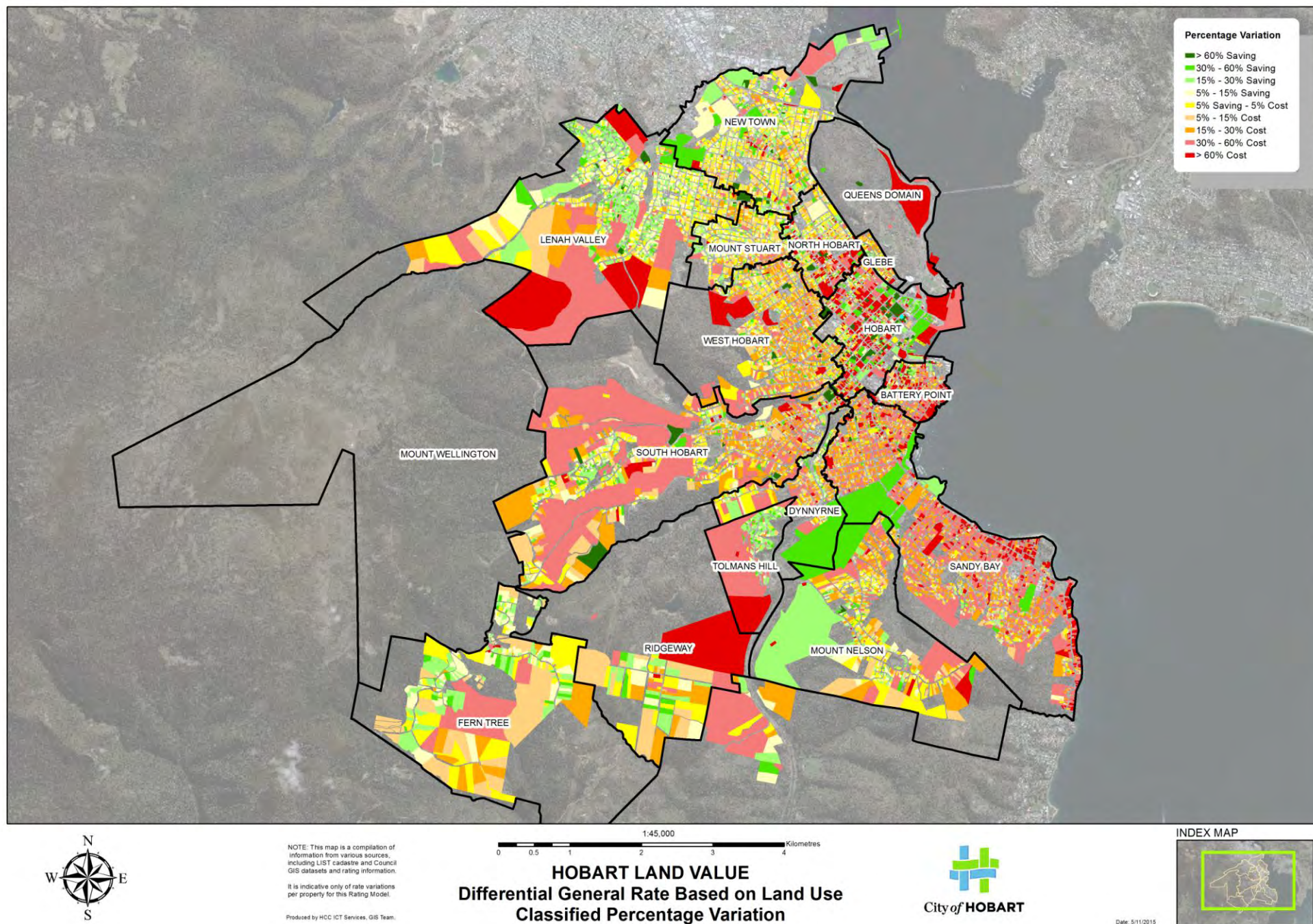
Appendix 4 – Hobart Map – AAV to LV ‘Pure’ Using No Mitigating Tools



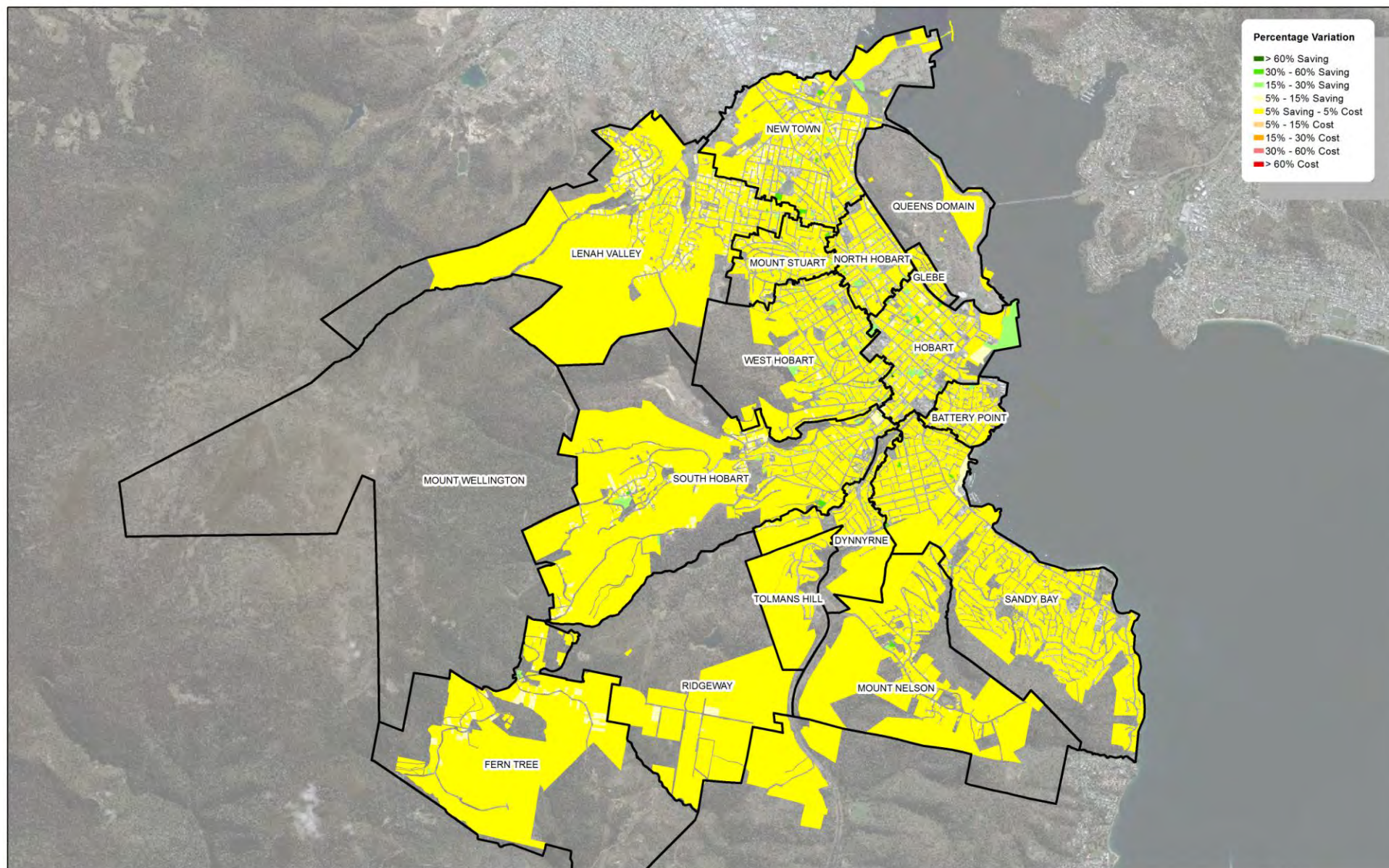
Appendix 5 – Hobart Map – AAV to CV Mitigating Shift using Differential Rates



Appendix 6 – Hobart Map – AAV to LV Mitigating Shift using Differential Rates



Appendix 7 – Hobart Map – AAV to CV Mitigating Shift using Differential Rates and 5% Rates Cap



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information. It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team.

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART CAPITAL VALUE
Differential General Rate Based on Land Use and 5% Capping
Classified Percentage Variation

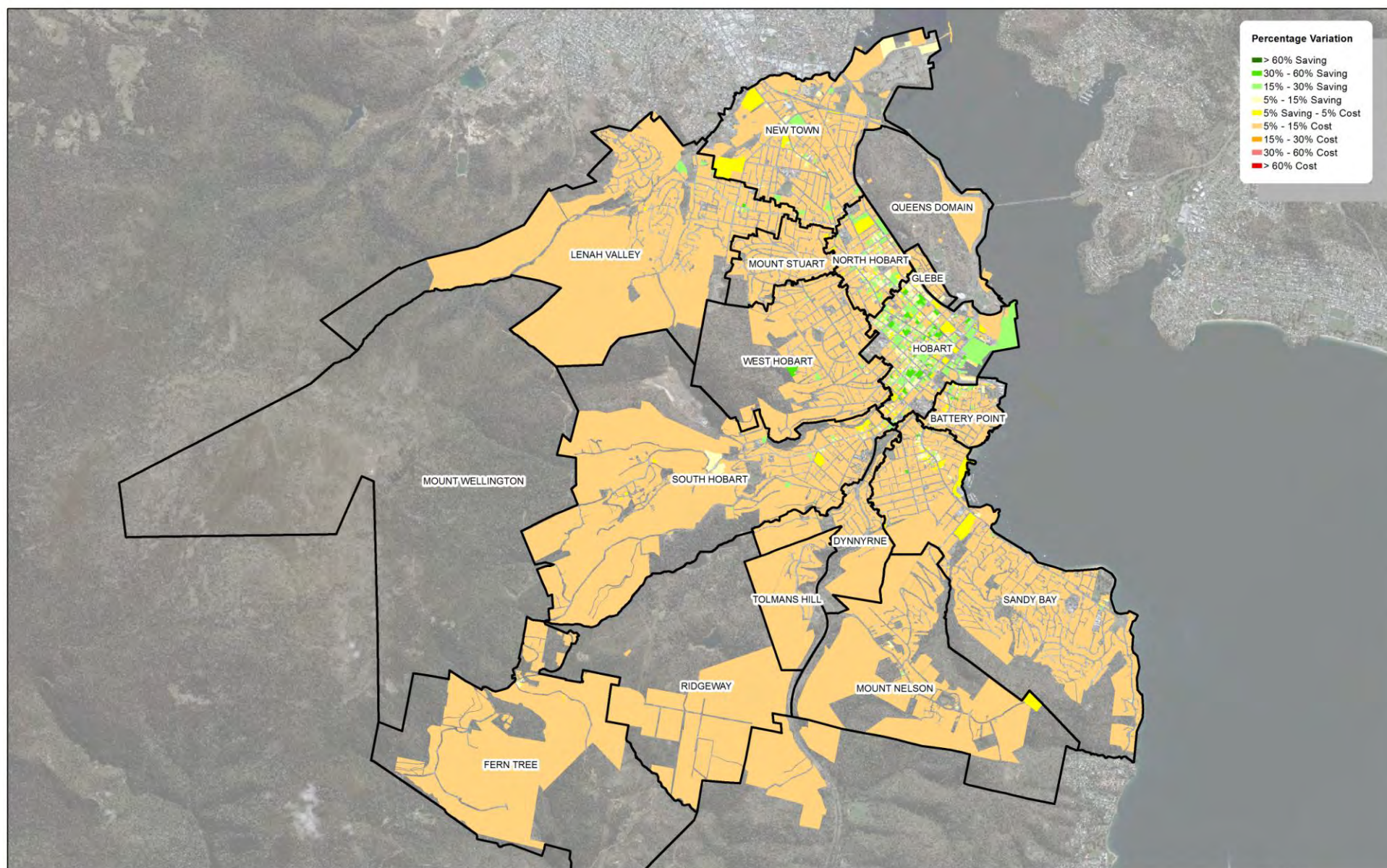


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Date: 5/11/2015

Appendix 8 – Hobart Map – AAV to CV without Differentials but 10% Rates Cap



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information. It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team.

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART CAPITAL VALUE
No Differential Rates but 10% Capping
Classified Percentage Variation

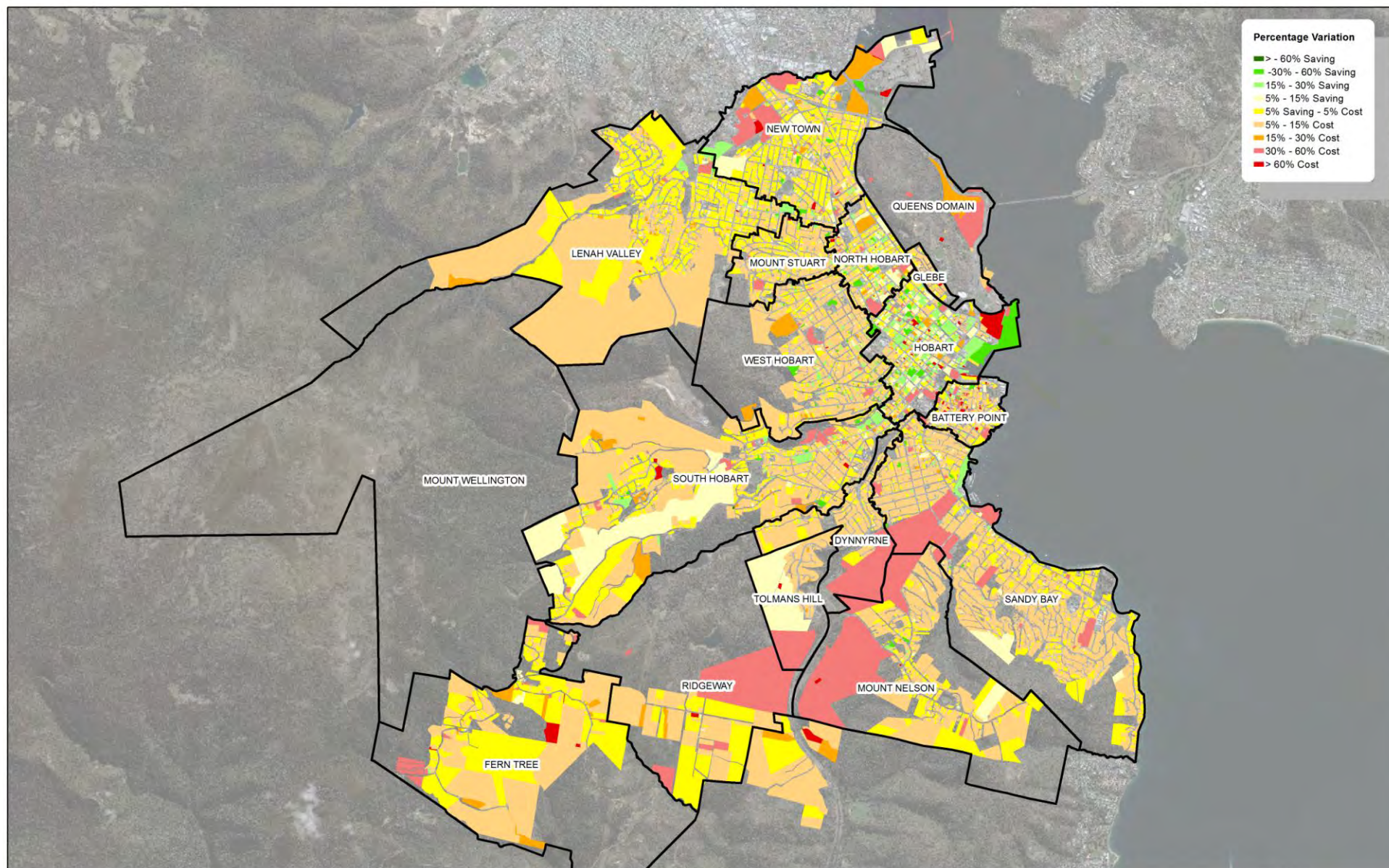


INDEX MAP



Date: 5/11/2015

Appendix 9 – Hobart Map – AAV to CV Mitigating Shift using Differentials and \$166 Fixed Charge



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information. It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART CAPITAL VALUE
Differential General Rate Based on Land Use and 7% Fixed Charge
Classified Percentage Variation



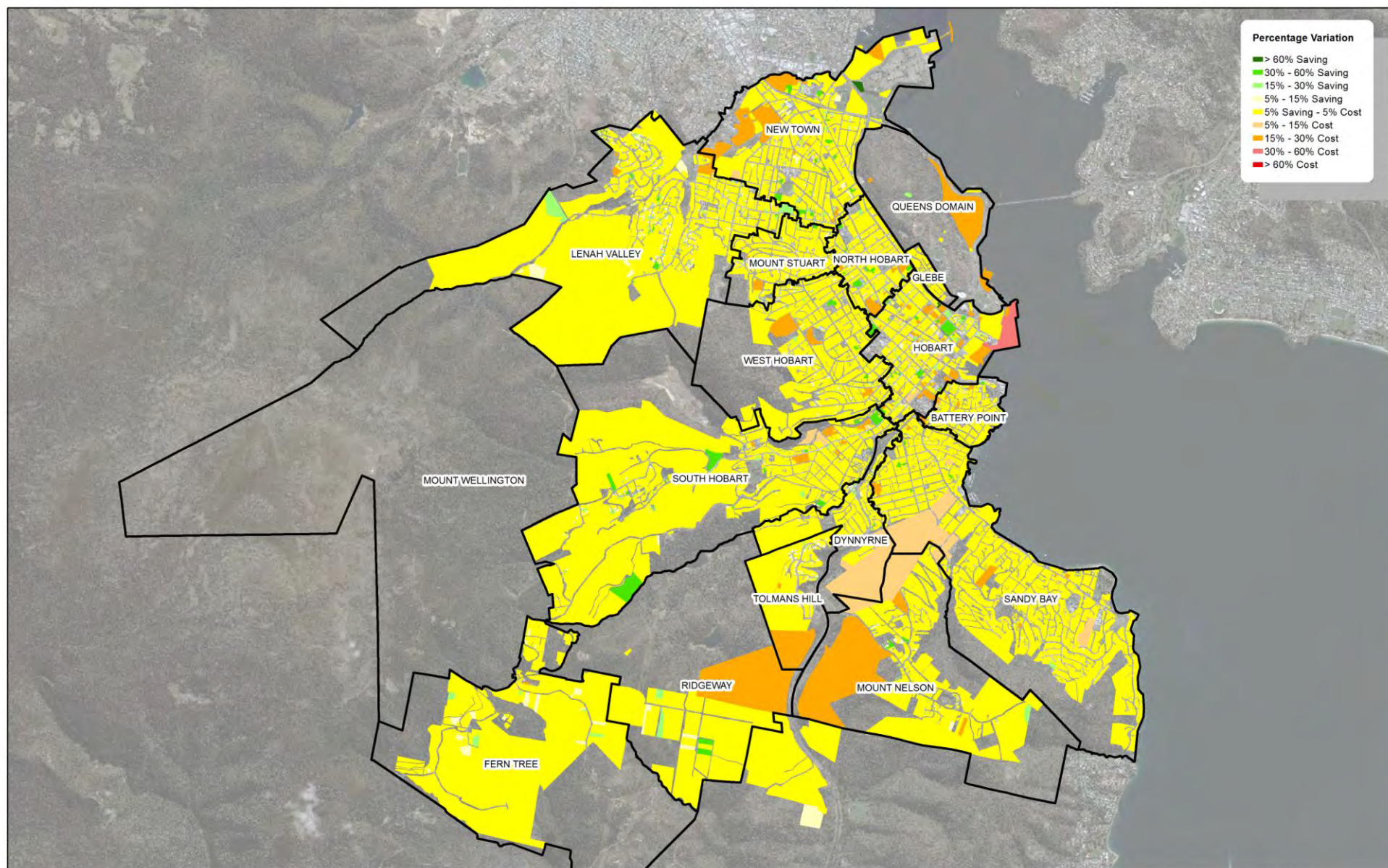
Date: 5/11/2015

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Appendix 10 – Hobart Map – AAV to LV Mitigating Shift using Differential Rates and 5%* Rates Cap

*25% cap required for land classified as public enterprise and sport & recreation



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information.

It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team.

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART LAND VALUE
Differential General Rate Based on Land Use and 5% Capping
Classified Percentage Variation

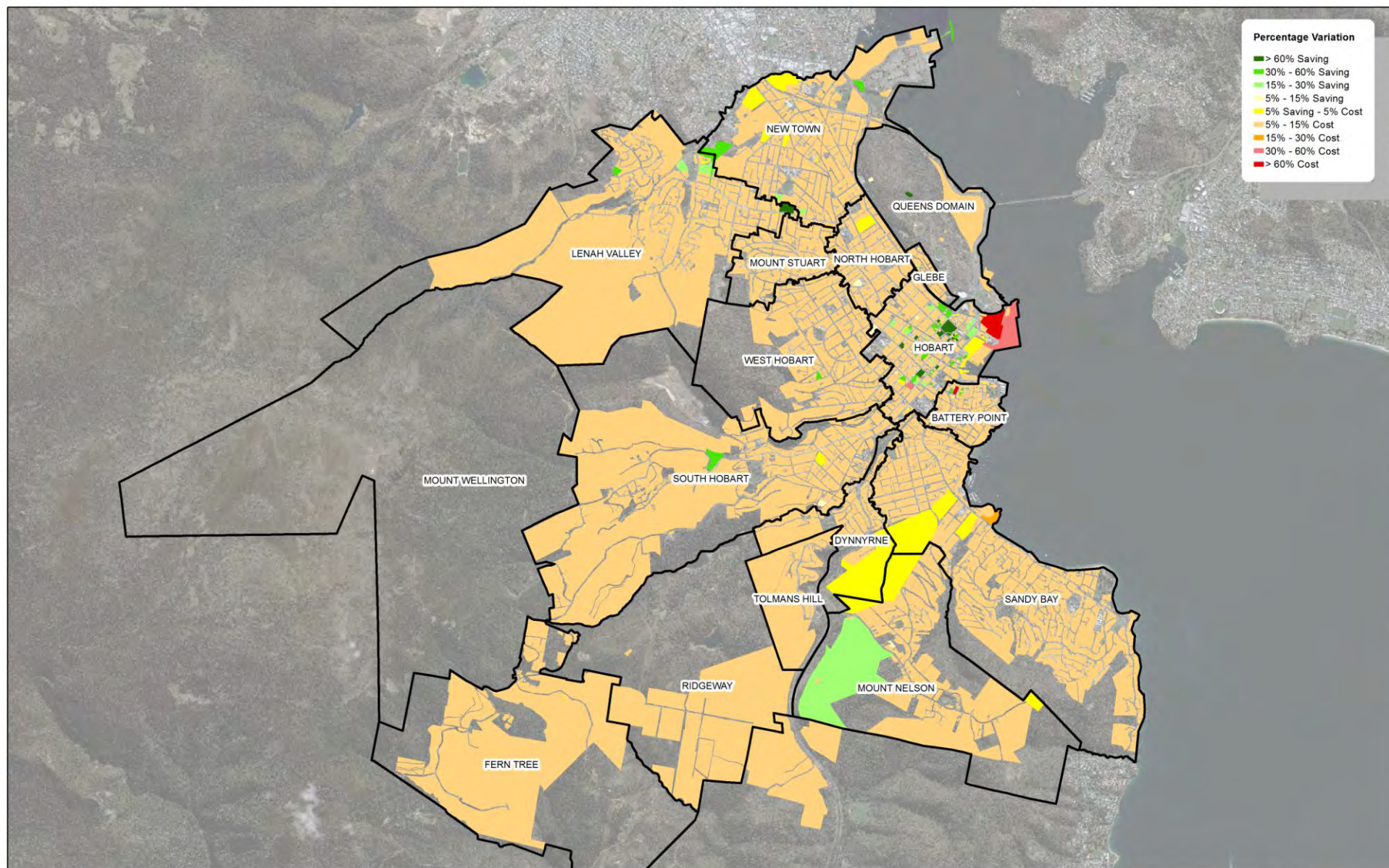


Date: 5/11/2015

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Appendix 11 – Hobart Map – AAV to LV without Differentials but 10% Rates Cap



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information. It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team.

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART LAND VALUE
No Differential Rate but 10% Capping
Classified Percentage Variation

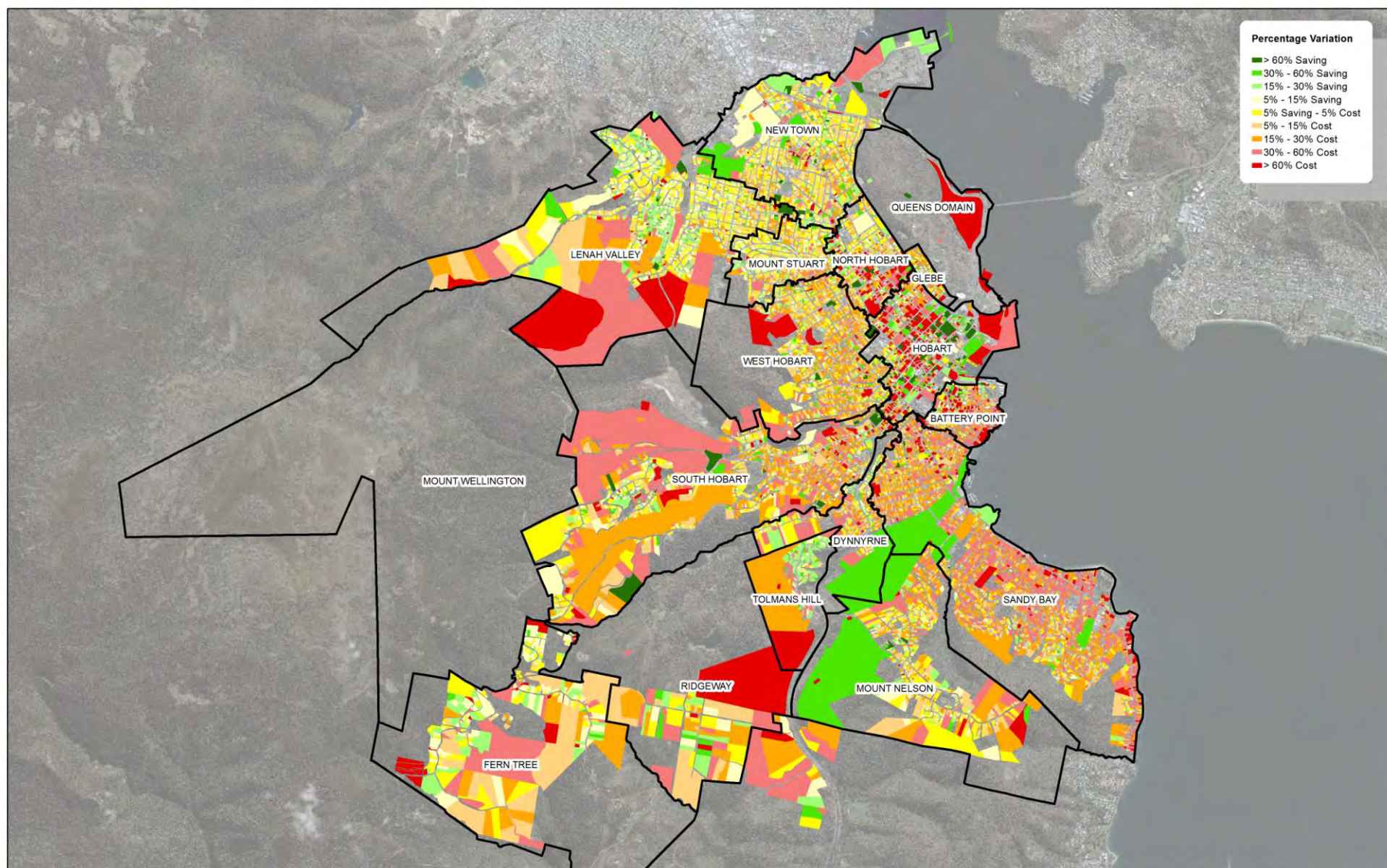


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Date: 5/11/2015

Appendix 12 – Hobart Map – AAV to LV Mitigating Shift using Differentials and \$238 Fixed Charge



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information. It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART LAND VALUE
Differential General Rate Based on Land Use and Fixed Charge
Classified Percentage Variation

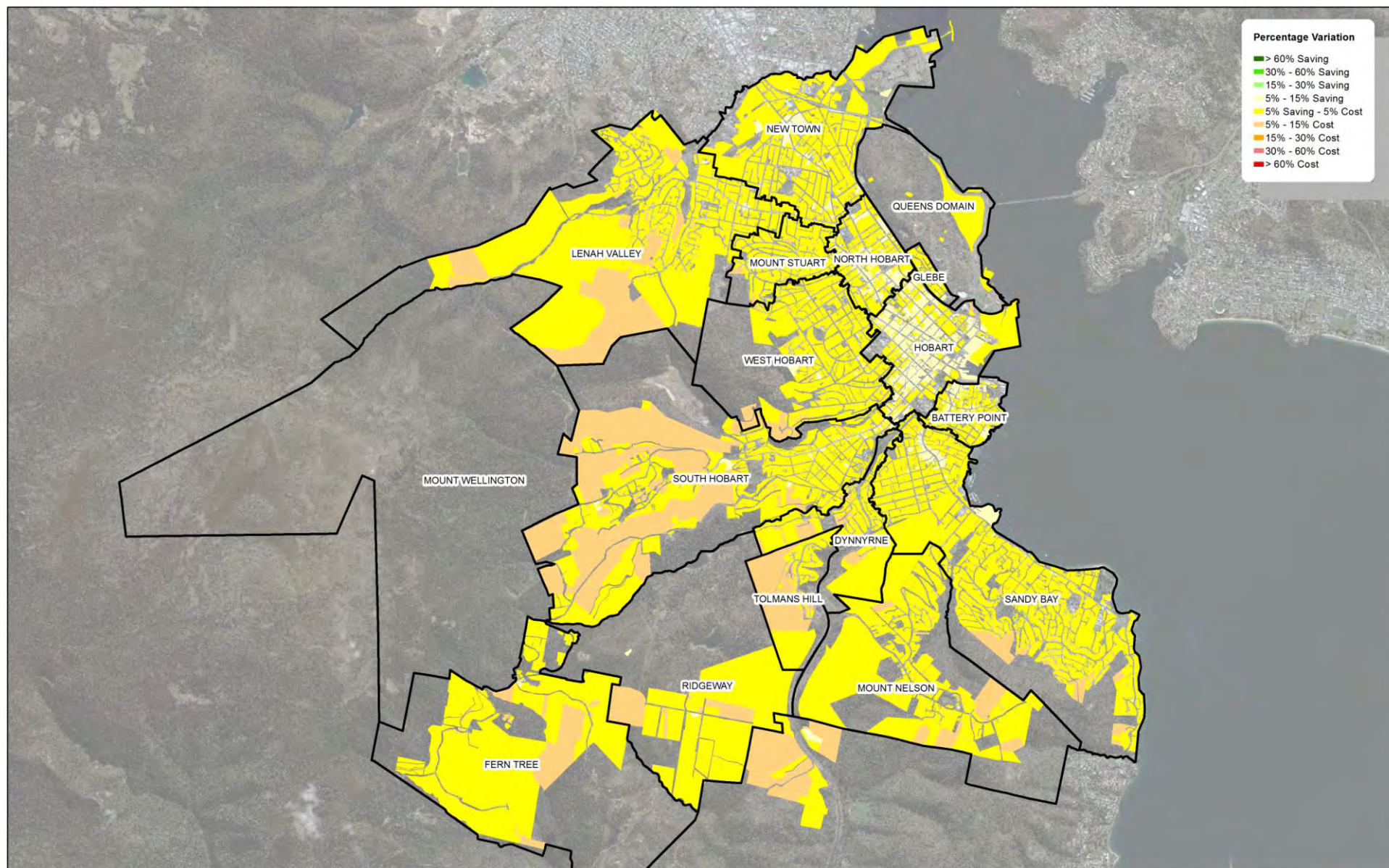


Date: 5/11/2015

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Appendix 13 – Hobart Map – AAV 5 Year Rate Burden Shift to CV



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information. It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team.

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART CAPITAL VALUE
5 Year Shift in Rate Burden to Capital Value
Classified Percentage Variation

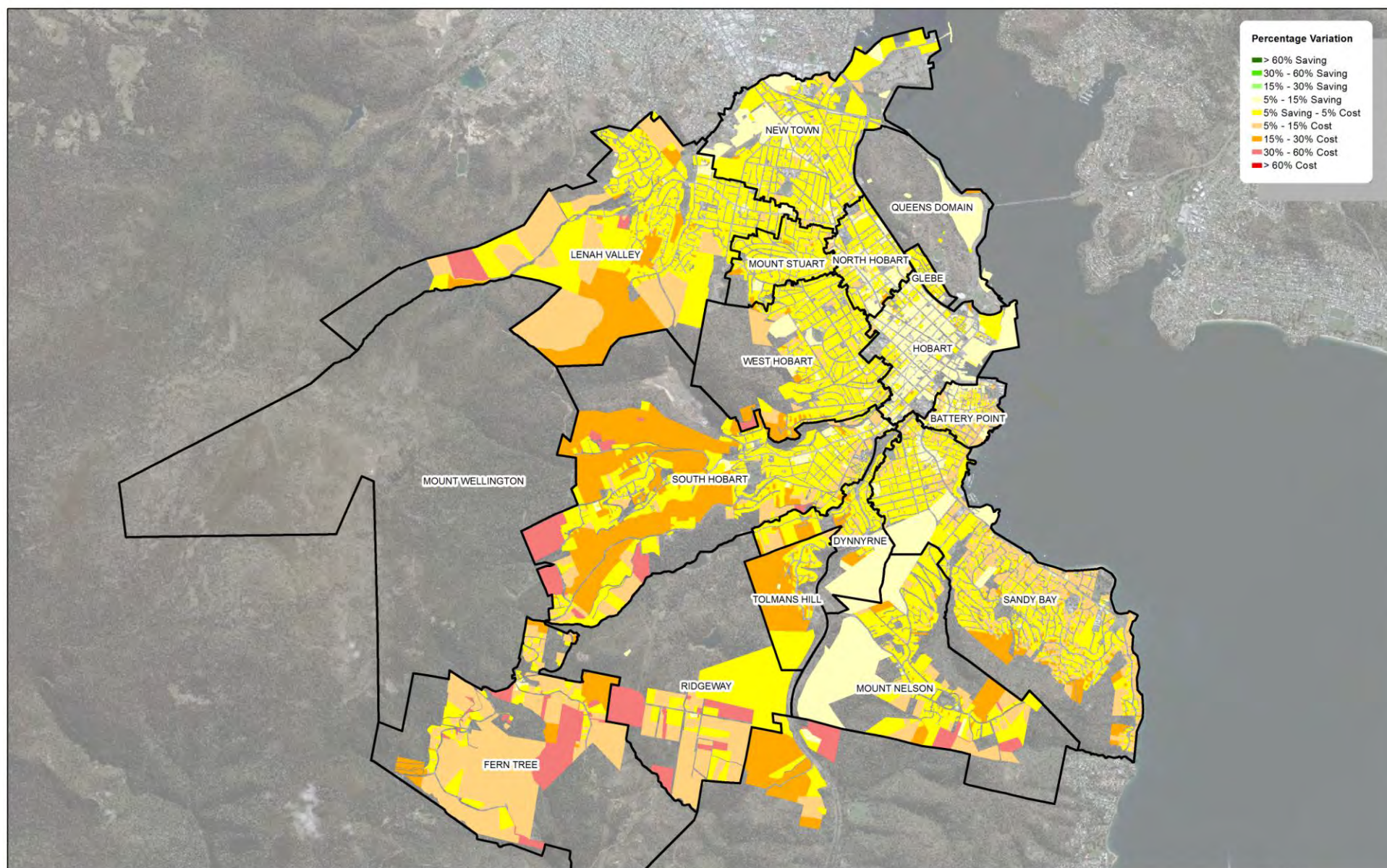


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Date: 5/11/2015

Appendix 14 – Hobart Map - AAV 5 Year Rate Burden Shift to LV



NOTE: This map is a compilation of information from various sources, including LIST cadastre and Council GIS datasets and rating information. It is indicative only of rate variations per property for this Rating Model.

Produced by HCC ICT Services, GIS Team.

1:45,000
0 0.5 1 2 3 4 Kilometres

HOBART LAND VALUE
5 Year Shift in Rate Burden to Land Value
Classified Percentage Variation



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Date: 5/11/2015

**FINANCE COMMITTEE AGENDA
(OPEN PORTION OF THE MEETING)
16/3/2016**

10. FINANCE COMMITTEE – STATUS REPORT

6x's

A report indicating the status of current decisions is attached for the information of Aldermen.

DELEGATION: Committee

Recommendation:

That the information be received and noted.

FINANCE COMMITTEE - STATUS REPORT

OPEN PORTION OF THE MEETING

November 2014 to February 2016

Ref.	Title	Report / Action	Action Officer	Comments
1	SANDY BAY BATHING PAVILION – PROPOSED EXPRESSION OF INTEREST PROCESS FCSC, 19/11/2013, Open Item 13 FCSC, 19/8/2014, Open Item 8 Council, 24/8/2015, Item 22 Council, 21/12/2015, Item 13	1. The Council authorise the General Manager to progress an expansion of use of the Sandy Bay Bathing Pavilion by developing and submitting a development application for a generic restaurant facility, on a second floor, at an estimated cost of up to \$20,000. 2. Subject to the development approval, a further report be provided detailing the proposed tender process for the Sandy Bay Bathing Pavilion facility use.	General Manager	Advice has been received from the private sector as to suitable commercial models for potential development. Officers are currently progressing the submission of a development application for a generic restaurant facility.
2	MUNICIPAL RATING STRATEGY – DIFFERENTIAL RATING VACANT LAND Council, 19/5/2015, Item 21	1. The Council not introduce a differential general rate for vacant land classified as Vacant Residential, Vacant Commercial and Vacant Industrial pursuant to Section 107 of the LGA 1993, from 1 July 2015. 2. The matter be further considered as part of the Council's rating and valuation strategy for 2016/2017 and future years.	Director Financial Services	A workshop was held on 16 February 2016 prior to the Finance Committee meeting. A report is included on this agenda.

Ref.	Title	Report / Action	Action Officer	Comments
3	CITY PARKING REQUIREMENTS Council, 22/9/2014, Item 20	<ol style="list-style-type: none"> 1. An economic impact study be carried out to determine the feasibility of creating a park and ride service in an appropriate location such as the Kingborough municipality. 2. Investigations be undertaken on the use of sensors for on-street parking, with a report to be provided to the Council. 	Director Financial Services	<p>Consultation in relation to Clause 1 is taking place with the Department of State Growth Traffic Congestion team. A report will be provided mid in 2016.</p> <p>A report on clause 2 was presented to Council on 22 February 2016. This action is complete.</p>
4	BATTERY POINT PARKING METER INSTALLATION Council, 24/11/2014, Item 15	Consultation with traders and residents on Hampden Road occur with a view to increasing availability of short term parking.	Director City Infrastructure	<p>Consideration will be given to this issue during development of the Battery Point Local Retail Precinct Plan.</p> <p>Officers are not aware of any demand from the community for immediate changes to parking.</p>
5	SALAMANCA SQUARE TOILET REFURBISHMENT – USE OF PROPOSED MULTI PURPOSE DECK – LANDLORD APPROVAL Council, 24/11/2014, Item 22	That the Council provide landlord approval for the use of the proposed multipurpose deck on the roof of the upgraded public toilet facility.	Director Community Development	<p>The Salamanca Square toilets were opened to the general public on 23 December 2015.</p> <p>The adult change facility hoist will be fully operational in March once installation is complete and testing and procedure development has been undertaken with relevant stakeholders.</p>
6	FUTURE OF GIBLIN STREET QUARRY Council, 15/12/2014, Item 22	A detailed report be prepared seeking innovative engineering and architectural solutions to enable the sale of portions of the Quarry site near Giblin Street for residential development along with impacts on potential future uses of the balance of the site.	Mark Painter Director City Infrastructure	<p>A geotechnical engineer has provided a technical report. The rezoning of a section of land to residential use has been proposed as part of the Tasmanian Planning Commission's consideration of the Hobart Interim Planning Scheme.</p> <p>A report will be provided to the Committee when the Planning Commission's decision is known.</p>

Ref.	Title	Report / Action	Action Officer	Comments
7	<p>CITY HALL – DEVELOPMENT OPPORTUNITIES – VENUES Council, 23/2/15, Item 12</p> <p>CITY HALL RESTORATION Council, 22/02/2016 Item 19</p>	<p>That:</p> <ol style="list-style-type: none"> 1. Funding of \$400,000 in 2016/2017 and \$200,000 in 2017/2018 be listed for consideration in the City's draft 5 Year Capital Works Program to undertake a short term works package for City Hall. 2. A consultant be engaged to develop a business plan for the City Hall, as a matter of urgency to inform long term infrastructure investment, the future management and operational model for the facility, at an approximate cost of \$100,000 to be funded from 2015/2016 operational savings. 3. A brief report be provided that details the model used for the 2010-2013 Brisbane City Hall restoration works. <p>A further report also be prepared that provides details of all Council physical building assets and their current uses including options for maximising community usage for buildings that are underutilised.</p>	Director Community Development	The matter is being progressed with the initial priority being planning for the future upgrade and use of City Hall.
8	<p>INVESTMENT OF COUNCIL FUNDS – AMENDMENT TO COUNCIL POLICY Council, 27/4/2015, Item 18</p> <p>FC, 15/12/2015 Item 5</p>	A further report be prepared detailing external professional advice and research in relation to the possible risks, benefits, and governance arrangements of the Council moving into direct property and other investment opportunities	Director Financial Services	A further report will be provided in due course.

Ref.	Title	Report / Action	Action Officer	Comments
9	ACOUSTICS FOR THE HOBART TOWN HALL BALLROOM Council, 22/6/2015, Item 13	That a report be prepared documenting the quality of acoustics for the Hobart Town Hall Ballroom and addressing the costs associated with the recommendations made.	Deputy General Manager	A contractor has been engaged to undertake a detailed acoustic assessment.
10	MAJOR WORKS PROJECTS Council, 22/6/2015, Item 20	<ol style="list-style-type: none"> 1. The Council endorse the draft Capital Works Program as a guide for officers in prioritising project development work for the next four financial years. 2. Officers report back to Council on opportunities for external funding from both public and private sources. 3. The Council approve the development of a feasibility study into possible options to link the CBD to the waterfront, and resolving pedestrian issues with crossing Macquarie and Davey Streets, in the 2015/2016 financial year. 	Director City Planning	<ol style="list-style-type: none"> 1. ELT determined that all major works programs identified would be placed into a prioritised program of projects that will be subject of a Council workshop to be held on 16 March 2015 2. The report on external funding opportunities will be prepared once the capital works program has been agreed to. 3. The draft brief for the City to Cove pedestrian link feasibility study has been prepared and circulated to all Aldermen. The finalised brief will be used as the basis for tenders to be called in March 2016 for a consultant to undertake the feasibility study.
11	MARKETING STRATEGY FOR HOBART CITY CENTRE Council, 24/8/2015, Item 23	<p>A new marketing strategy be adopted for the city centre including development of a social media strategy, a rebranding of the One City Centre Shop Hobart campaign and promotion of entertainment in the City Centre.</p> <p>Further research and concept design work be undertaken on increasing the functionality of the Elizabeth Mall Information Booth, and this be the subject of a further report to the Council.</p>	Director Community Development	The new Marketing Strategy for the City Centre is being progressed.

Ref.	Title	Report / Action	Action Officer	Comments
12	TOWN HALL UNDERGROUND REFURBISHMENT Council, 24/8/2015, Item 21	<ol style="list-style-type: none"> 1. The Council approve the following works being undertaken in the Town Hall Underground, to the value of between \$37,000 and \$41,000. 2. An appropriate fee structure for the hiring of the Town Hall Underground be determined The Town Hall Underground be actively marketed as a venue for hire 3. Council officers undertake further investigation with a view to providing further clarification in respect to appropriate nomenclature for the site. 	Deputy General Manager	The works associated with Clause 1 are progressing. The other items contained in the resolution are being considered and will be addressed prior to the works being completed.
13	TOWN HALL ANNIVERSARY COMMITTEE – FUNDING Council, 24/08/2015, Item 25 TOWN HALL ANNIVERSARY COMMITTEE - PROGRESS REPORT AND PROPOSED FUNDING ALLOCATION Council, 22/02/2016 Item 18	That the Council approve a budget allocation of an estimated \$150,000 for the Town Hall Anniversary Committee, subject to a report back on proposed events, to be funded from General Reserves within the 2015/2016 and 2016/2017 financial years.	General Manager	Council resolved at its meeting 22 February 2016 <i>That the Council approve the implementation of the specified events and activities listed in the “Sesquicentenary Celebration Events and Activities Draft Budget Allocation” in accordance with the approved budget allocation of \$150,000 which is to be funded from General Reserves within the 2015/2016 and 2016/2017 financial years.</i>
14	ANTARCTIC CITIES PROJECT – UTAS FUNDING REQUEST Council, 21/9/2015, Item 23	That \$40,000 total cash and in-kind funding per annum be provided to the Antarctic Cities project for the financial years 2016/2017, 2017/2018 and 2018/2019, subject to the successful funding bid by the Antarctic Cities project to the Antarctic Research Council.	General Manager	News of the funding application to the Antarctic Research Council is expected in June / July 2016. If the funding bid is successful then the \$40,000 contribution will be actioned.
15	INVESTIGATION INTO ALTERNATIVE CASHLESS PARKING METERS Council, 26/10/2015, Item 12	That a report be provided detailing the implementation of cashless car parking meters.	Director Financial Services	<p>A report on new Parking infrastructure was approved by Council on 22 February.</p> <p>Complete</p>

Ref.	Title	Report / Action	Action Officer	Comments
16	SUPERANNUATION ENTITLEMENTS FOR ALDERMEN Council, 26/10/2015, Item 20	The matter be deferred until it has been considered by the Local Government Association of Tasmania.	General Manager	Matter deferred.
17	MYER REDEVELOPMENT – STAGE ONE PAYMENT Council, 21/12/2015, Item 12	<ol style="list-style-type: none"> 1. The value of the financial assistance as part of the Development Assistance Deed be recorded as a grant in the Annual Report. 2. The General Manager be authorised to approve future payments in relation to the Development Assistance Deed with a subsequent report to be provided to the Finance Committee and Council for noting. 3. A media release, be issued by the Lord Mayor at an appropriate time, to include the fundamental basis on which the Council provided the Myer development with financial support, including but not limited to the SGC Economics report data. 	Director Financial Services Deputy General Manager	1. The value of the financial assistance as part of the Development Assistance Deed has been listed for inclusion in the 2015/16 City of Hobart Annual Report.
18	FINANCIAL REPORT AS AT 31 DECEMBER 2015 Council, 22/02/2016 Item 17	That the Council approve the changes to the 2015/2016 Estimates listed in tables 4, 5, 7 and 10 of the 'Financial Report for period ending December 2015', the financial impacts of which are to increase the underlying surplus by \$0.37 million, and to reduce the cash balance by \$0.97 million.	Director Financial Services	Approved by Council at their meeting of 22 February 2016. Complete
19	TOWN HALL EXTERNAL LIGHTING Council, 22/02/2016 Item 20	That the lighting scheme options described in the "Hobart Town Hall Facade Lighting Concept" for the exterior of the Hobart Town Hall, be included for consideration in the 2016/2017 Major Projects Program.	Director City Infrastructure	This project has been included for consideration in the 2016/2017 Major Project Program. Complete.

11. QUESTIONS WITHOUT NOTICE – FILE REF: 13-1-10

Pursuant to Section 29 of the Local Government (Meeting Procedures) Regulations 2015, an Alderman may ask a question without notice of the Chairman, another Alderman or the General Manager or the General Manager's representative in accordance with the following procedures endorsed by the Council on 10 December 2012:

1. The chairman will refuse to accept a question without notice if it does not relate to the Terms of Reference of the Council committee at which it is asked.
2. In putting a question without notice, an Alderman must not:
 - (i) offer an argument or opinion; or
 - (ii) draw any inferences or make any imputations – except so far as may be necessary to explain the question.
3. The chairman must not permit any debate of a question without notice or its answer.
4. The chairman, Aldermen, General Manager or General Manager's representative who is asked a question without notice may decline to answer the question, if in the opinion of the intended respondent it is considered inappropriate due to its being unclear, insulting or improper.
5. The chairman may require an Alderman to put a question without notice, to be put in writing.
6. Where a question without notice is asked at a meeting, both the question and the response will be recorded in the minutes of the meeting.
7. Where a response is not able to be provided at the meeting in relation to a question without notice, the question will be taken on notice and
 - (i) the minutes of the meeting at which the question is put will record the question and the fact that it has been taken on notice.
 - (ii) a written response will be provided to all Aldermen, at the appropriate time.
 - (iii) upon the answer to the question being circulated to Aldermen, both the Question and the Answer will be listed on the agenda for the next available ordinary meeting of the committee at which it was asked, whereat it be listed for noting purposes only, with no debate or further questions permitted, as prescribed in Section 29(3) of the Local Government (Meeting Procedures) Regulations 2015.

**FINANCE COMMITTEE AGENDA
(OPEN PORTION OF THE MEETING)
16/3/2016**

12. CLOSED PORTION OF THE FINANCE COMMITTEE MEETING

The following items were discussed:-

- Item No. 1. Minutes of the Closed Portion of the Finance Committee Meeting held on 16 February 2016
- Item No. 2. Consideration of Supplementary Items to the Agenda
- Item No. 3. Indications of Pecuniary and Conflicts of Interest
- Item No. 4. 334 Davey Street, South Hobart - File Refs: 5577897; P/1334/437; 1633205; P/12B/641 LG(MP)R 15(2)(i)
- Item No. 5. Review of Council Policy – Rates Exemption for Charitable Purposes - File Ref: 22-1-1 LG(MP)R 15(2)(g)
- Item No. 6. Finance Committee – Status Report
- Item No. 7. Questions Without Notice – File Ref: 13-1-10