



CITY OF HOBART

# AGENDA

## Finance and Governance Committee Meeting

### Open Portion

Tuesday, 9 April 2019

at 4:30 pm

Lady Osborne Room, Town Hall

## SUPPLEMENTARY ITEM

### ORDER OF BUSINESS

12	SOUTHERN TASMANIAN COUNCILS AUTHORITY MEMBERSHIP .....	3
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**The General Manager reports:**

“That in accordance with the provisions of Part 2 Regulation 8(6) of the *Local Government (Meeting Procedures) Regulations 2015*, these supplementary matters are submitted for the consideration of the Committee.

Pursuant to Regulation 8(6), I report that:

- (a) information in relation to the matter was provided subsequent to the distribution of the agenda;
- (b) the matter is regarded as urgent; and
- (c) advice is provided pursuant to Section 65 of the Act.”

**12 Southern Tasmanian Councils Authority Membership**  
**File Ref: F19/39198**

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Memorandum of the Acting General Manager of 8 April 2019.

Delegation: Council



City of **HOBART**

## MEMORANDUM: FINANCE AND GOVERNANCE COMMITTEE

### Southern Tasmanian Councils Authority Membership

#### 1. REPORT SUMMARY

The purpose of this report is to respond to a Notice of Motion in relation to the City of Hobart's membership of the Southern Tasmanian Councils Authority (STCA).

At its 1 April 2019 meeting, the Council resolved:

*That an urgent report be prepared on the strategic value of the City of Hobart maintaining its membership to the Southern Tasmanian Councils Authority (STCA).*

In response to the notice of motion the following information is provided for the Council's consideration.

The STCA has been the instrument for Southern Tasmania to speak with a united voice on the issues confronting the region, mirroring similar organisations operating in the north and north west regions.

As the Capital City of Tasmania, Hobart has played a leadership role particularly around the strategic regional projects of climate change, waste and planning being pursued by the STCA. Other than for a brief period in 2018, the Lord Mayor of Hobart has been the Chair of the STCA.

Clarence City, Glenorchy City and Kingborough Councils have now formally resolved to leave the STCA, effective 1 July 2019.

The Notice of Motion and the departure of some southern councils provides the City of Hobart with an opportunity to consider the value it receives from its membership of the STCA. To assist the Council in its consideration, this report documents the STCA's major achievements over the last five years, provides an overview of three significant regional projects currently being undertaken (climate change; waste and planning); outlines the impact on the Council if it withdraws from the STCA and details financial considerations.

There is no doubt that the withdrawal of Clarence City, Glenorchy City and Kingborough Councils significantly weakens the capacity of the STCA to act as an effective regional body.

In addition, the Greater Hobart Act will provide a mechanism for the urban councils to collaborate with the Tasmanian and Australian Governments.

In considering the Council's membership of the STCA, it is noted that the Council can remain a member of the STCA at no cost for 2019/20. This would allow the 2019 Regional Climate Change Initiative Action Plan to be completed for which Council has made a financial contribution. It also allows for the Greater Hobart Act governance arrangements to be bedded down.

If the Council determines that it wishes to withdraw from the STCA, the Rules of the Association state that a member may withdraw from the Authority on giving not less than 3 months' written notice of its intention to withdraw to each of the other members and the Board and provide an effective date on which it will no longer be a member.

The Council should note that if it withdraws from the Authority it is anticipated that the STCA will continue to operate with the remaining members. Section 37(2)(b) of the *Local Government Act 1993* states that the support of the majority of participating councils is required in order for a joint authority to be wound up. If wound up, assets or monies are distributed to members apportioned according to the proportionate payments made over the 3 financial years preceding the decision to wind up the STCA.

## **2. RECOMMENDATION**

***That the Council determine whether it wishes to remain a member of the Southern Tasmanian Councils Authority.***

*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  
**ACTING GENERAL MANAGER**

Date: 8 April 2019  
File Reference: F19/39198

### 3. BACKGROUND

The STCA is a joint authority under the *Local Government Act 1993* and is chaired by the Lord Mayor of Hobart. The STCA grew out of the Hobart Metropolitan Councils Association (HMCA) which was established in the 1980s and comprised the four metropolitan councils (Clarence, Glenorchy, Hobart and Kingborough) and Brighton Council.

Initially the focus of the STCA was local government sustainability and representation and the collaboration of local government (at a regional level) with other stakeholders.

In recent years, the STCA operated with paid Chief Executive Officers (CEO) who worked primarily in those areas that were not easily covered by existing structures. Examples of this included working regionally with the State Government on water and sewerage and regional planning matters; between the region and the Australian Government on transport; and between the region and the business sector on economic development.

With the departure of the last CEO in October 2016, the STCA engaged a consultant to undertake a review of its mode of operation which resulted in the STCA moving to its current operating model of 'communities of interest' around the regional issues of planning; waste; climate change; and shared services with administrative support being provided by the City of Hobart.

In more recent times, the STCA has continued to discuss its future with the Board resolving on 18 March 2019 that 2019/20 member subscriptions be set at nil; 2019/20 secretariat support be funded out of reserves and that Waste Strategy South and the Regional Climate Change continue for a further 12 months. In addition to this the Board agreed to hold a workshop in mid-May to discuss ongoing regional collaboration and the role of the STCA after June 2020.

As advised above, Clarence City, Glenorchy City and Kingborough Councils have formally resolved to leave the STCA, effective 1 July 2019. At the time of writing Brighton, Derwent Valley, Glamorgan Spring Bay, Huon Valley, Southern Midlands and Tasman Council have all indicated that they will remain members of the STCA for the 2019/20 financial year.

### 4. ACHIEVEMENTS

The STCA's *Strategic Plan 2015-2019* has identified a number of core areas that are priorities to the STCA. These areas fall into a number of strategic themes including, improved inter-regional cooperation and local government sustainability, good organisational governance and improved environmental and social performance.

In terms of improved inter-regional cooperation and local government sustainability, the STCA developed a regional State Election Priorities document for 2014 and 2018 and a Federal Election document in 2015 with a number of regional priorities funded including the final stage of the sealing on the Highland Lakes Road and a major upgrade of the Hobart Airport Roundabout.

In lobbying on issues that promote the combined interests of its member councils, the STCA convened meetings with a range of key stakeholders, including the Premier, Minister for Local Government, UTAS Vice Chancellor, the Leader of the Tasmanian Labor Party, the Tasmanian Audit Office, Infrastructure Tasmania, the Office of the Coordinator General, the Tasmanian Flood Recovery Taskforce, the *Mercury* newspaper, and the Antarctic Climate and Ecosystems Cooperative Research Centre.

The Board has provided regional submissions on a range of topics, including the Tasmanian Parliament's Legislative Council inquiry into medicinal cannabis, a submission on the *Climate Change (State Action) Act 2018*, the review of the *Local Government Act 1993* and the *Land Use Planning and Approvals Amendment (Major Projects) Bill 2017*.

In relation to the STCA's strategic direction of improved environmental and social performance, it has been responsible for the preparation of an amended Regional Land Use Strategy and Industrial Land Use Strategy for Southern Tasmania. The STCA played an active role in the southern regional planning project and the lodgement of the 12 southern interim planning schemes as well as working with the State Government on their planning reform process to implement a single statewide planning scheme.

It has worked with NRM South on natural resource management issues and worked closely with the Tasmanian Climate Change Office and DPIWE to arrange the additional capture of LiDAR mapping across Southern Tasmania. In addition to this they have worked with TasWater on a data sharing arrangement that ensured local councils have access, via the List, to all of TasWater's GIS water infrastructure data.

Quarterly meetings have been held with Annual Plans; Annual Reports and Annual budgets prepared and all financial obligations met.

The STCA also has a voice on the Board of Destination Southern Tasmania (DST) with two members being STCA appointed representatives (currently held by representatives from the City of Hobart and Derwent Valley Council).

In addition to the above, the STCA has taken the lead on a number of regional projects.

### **Regional Climate Change Initiative**

Established in 2010 by the STCA, the Regional Climate Change Initiative (RCCI) program supports and coordinates climate change action across the southern councils.

All Southern Tasmanian councils are represented by and participate in the program. It meets quarterly, with meetings attended by representatives from the Tasmanian Climate Change Office and the Local Government Association of Tasmania, along with briefings from technical, scientific, policy experts and practitioners.

The RCCI has proactively set the agenda for local government climate action in the absence of policy framing from the Tasmanian and Australian governments.

It has advocated to the Tasmanian Government on issues relating to energy efficiency and management and responding to natural hazards and taken key steps to address issues of liability around decision making.

It has sought to ensure a consistent and equitable approach to climate action that recognises the impact of climate hazards across municipal boundaries and to support Southern Tasmanian communities to reduce energy use and realise savings at the household level.

This is the only source of local government relevant 'climate' information available to Tasmanian councils.

The City of Hobart's Environment and Climate Change Officer coordinates and leads the program.

A wide range of regional projects have been completed by the RCCI, including the following:

- Regional Climate Change Adaptation Program (**\$460,000**) – this project developed a methodology appropriate to local government roles and responsibilities (statutory and non-statutory) and sought legal advice for local government climate adaptation planning and based on these undertook natural hazard risk assessments and adaptation planning response for the 12 southern councils as well as developing a Regional Councils Adaptation Strategy and a web based resources resource toolkit;
- Community Bushfire Action Plan (**in-kind**) – a partnership with the Tasmanian Fire Service and LGAT which set out the opportunities to better communicate and enhance bushfire knowledge and information across communities;
- 'Whatever the Weather' Project (**\$30,000**) – a communication resource for adaptation planning around bushfire and extreme events;
- Southern Tasmanian Coastal Monitoring Project (**\$20,000**) – an inventory of coastal data, information and resources to assist councils and key stakeholders understanding of coastal processes and adaptation planning;
- Southern Tasmanian Household Energy Bulk Buy Program (**\$70,000**) – a partnership with Sustainable Living Tasmania to deliver an energy efficient bulk purchase program with the project installing across Southern Tasmania, 99 heat pumps, 110 LED lights in 72 households, 637 kW solar panels across 148 households and 54 efficient hot water systems. This represented estimated annual cost savings to participating households of \$195,852 and over \$4 million over the lifetime of the products. Emission reductions of 14,836 eCO<sub>2</sub>t and energy savings of 28,412MWh; and

- Regional and Municipal Community Energy and Emissions Project – development of regional and municipal profiles of community energy use and emissions that will be used to inform a regional carbon strategy and suitable mitigation actions.

The 2019 RCCI work program was endorsed by the STCA Board at its December 2018 meeting and consists of projects to the value of \$205,000 as detailed below:

- Preparation of the Southern Regional Councils Climate Resilient Strategy that covers mitigation (carbon emissions reduction) and adaptation (responding to climate change) and a supporting regional action plan for implementation and Council Action Plan Template (mitigation and adaptation) which will work with councils to suit their local environmental circumstances, resources and community demographics **(\$100,000)**;
- Regional and Municipal Council Climate Profiles which will see the development of detailed individual council projections which will inform councils' strategic and operational policies and processes, reduce potential liability for decision making purposes and inform Long Term Financial Management and Asset Management Planning **(\$55,000)**; and
- Preparation of a Southern Regional Coastal Hazards Strategy and an associated action plan which informs and provides the framework for coastal adaptation planning and understanding of coastal processes and climate impacts. **(\$50,000)**.

The City of Hobart has provided a \$55,000 financial contribution to the 2019 RCCI program with Council's Environment and Climate Change Officer project-managing the working groups that have been established to support the above projects. It is unsure whether the Council would be able to recover these funds if it was to leave the Authority.

### **Regional Planning Initiative**

Since 2009 the STCA has coordinated a number of regional planning projects. These have included the preparation of the Southern Tasmania Regional Land Use Strategy (STRLUS), the Southern Tasmania Industrial Land Strategy, and implementation of the interim planning schemes.

In more recent times, the Department of Justice provided each region in Tasmania with \$100,000 in funding to assist STCA member councils with the preparation of their Local Provisions Schedules for inclusion in the Tasmanian Planning Scheme. This has involved the commissioning of consultants to undertake detailed assessments in relation to priority vegetation, agricultural land and scenic values as well as regular meetings of the regional planners group.

A regional perspective will also be required for the comprehensive review of the Regional Land Use Strategy and the development of the Tasmanian Planning Policies to occur over the next few years.

## Waste Strategy South

During 2014/15, the STCA developed Terms of Reference and a Governance paper which facilitated the integration of the regional waste group into the STCA called Waste Strategy South (WSS).

In the years since WSS was formed, an Action Plan was developed with a focus on regional cooperation and education and engagement, waste minimisation/resource recovery and clean-up activities. One of the most recent activities supported by the STCA has been the Garage Sale Trail which encourages reuse, waste reduction and minimising our impact on the environment.

Waste Strategy South (WSS) has significantly improved the quality and quantity of waste related communications to the community. They have provided the conduit for communications to be delivered not only in the south, but on a state-wide basis, contributing to standardised media and education campaigns being delivered across the three regional waste bodies and includes the website – *Rethink Waste Tasmania* (<http://rethinkwaste.com.au/>).

WSS has worked collaboratively with the other waste regions to create a waste awareness raising program to encourage all Tasmanians to avoid, reduce, and reuse waste. This program has included multi-messaged TV, radio, newsprint, and social media coverage state-wide.

In addition to promotion of worldwide, national and state programs such as World Environment Day, National Recycling Week, and Plastic Free July, the Rethink Tasmania platform also promotes programs being undertaken by individual southern councils, such as the Launch of the City's new A-Z recycling tool. It also provides information such as updates on the recycling industry impacts following China's decision to tighten recycling imports.

WSS also provides a platform for waste professionals within local government to communicate and learn from each other, to see what individual councils are working on, and to foster collaborative programs across local government.

The body provides a unified voice for the region, in regard to lobbying of State and Federal Governments as well as forum for cooperation and a unified approach to the waste issues facing councils.

## 5. FINANCIAL CONSIDERATIONS

When the STCA operated under the management of CEOs, external funding for a number of projects was obtained. This was coupled with higher member subscriptions which placed the STCA in a strong financial position. In 2016/17 member subscriptions raised a total of \$186,114 in revenue.

Since the departure of its CEO STCA projects have been funded by income which has been carried forward from previous years along with income derived from reduced member subscriptions. In 2017/18 and 2018/19 member subscriptions

raised a total of \$70,007 and \$71,400 respectively. The decision to reduce subscriptions was as a result of the changed mode of operation.

Most recently, the STCA Board resolved at its 18 March 2019 meeting to set 2019/20 subscriptions at nil. This decision was carried unanimously by the Board.

In the absence of a CEO, the City of Hobart has been providing secretariat support to the Board in the form of meeting preparation, agenda distribution and minute taking and other basic administrative duties.

The City also provides, under a Services Agreement with the STCA, financial services which includes accounts payable and receivable services, the production of monthly financial reports and annual financial statements as well as the audit undertaken by the Tasmanian Audit Office.

Under the Services Agreement, the City of Hobart receives approximately \$15,000 in income as well as being reimbursed for the secretariat services it provides.