



CITY OF HOBART

# **AGENDA**

## **Finance and Governance Committee Meeting**

### **Open Portion**

**Wednesday, 12 June 2019**

**at 4:30 pm**

**Lady Osborne Room, Town Hall**

## THE MISSION

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

## THE VALUES

**The Council is:**

<b>about people</b>	We value people – our community, our customers and colleagues.
<b>professional</b>	We take pride in our work.
<b>enterprising</b>	We look for ways to create value.
<b>responsive</b>	We're accessible and focused on service.
<b>inclusive</b>	We respect diversity in people and ideas.
<b>making a difference</b>	We recognise that everything we do shapes Hobart's future.

---

## ORDER OF BUSINESS

---

**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.**

### **APOLOGIES AND LEAVE OF ABSENCE**

<b>1. CO-OPTION OF A COMMITTEE MEMBER IN THE EVENT OF A VACANCY .....</b>	<b>5</b>
<b>2. CONFIRMATION OF MINUTES.....</b>	<b>5</b>
<b>3. CONSIDERATION OF SUPPLEMENTARY ITEMS .....</b>	<b>5</b>
<b>4. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST .....</b>	<b>5</b>
<b>5. TRANSFER OF AGENDA ITEMS.....</b>	<b>6</b>
<b>6. REPORTS .....</b>	<b>7</b>
6.1 Budget Estimates 2019-20.....	7
6.2 Financial Report as at 31 March 2019.....	152
6.3 Local Government Act 1993 - Petitions, Polls and Meetings.....	184
6.4 Delegation - Use of Common Seal .....	193
6.5 Town Hall - Provision of Additional Flagpoles .....	197
6.6 Revised City of Hobart Code for Tenders and Contracts .....	201
6.7 City of Hobart and UTAS Governance Forum .....	248
6.8 Lease - Christina Henri - Part of Level 4 Council Centre.....	253
6.9 Lease - Tasmanian Writers' Centre - Part of Level 4 Council Centre .....	266
<b>7. MOTIONS OF WHICH NOTICE HAS BEEN GIVEN .....</b>	<b>275</b>
7.1 Notices of Motion .....	275
<b>8. COMMITTEE ACTION STATUS REPORT .....</b>	<b>277</b>
8.1 Committee Actions - Status Report.....	277
<b>9. RESPONSES TO QUESTIONS WITHOUT NOTICE.....</b>	<b>294</b>
9.1 Committees - Structure .....	295
9.2 Parking Meters - Performance .....	296
9.3 Parking Meters - Integration Enhancements .....	298
9.4 Employment Policy .....	300

<b>10. QUESTIONS WITHOUT NOTICE .....</b>	<b>302</b>
<b>11. CLOSED PORTION OF THE MEETING.....</b>	<b>303</b>



**Finance and Governance Committee Meeting (Open Portion) held Wednesday, 12 June 2019 at 4:30 pm in the Lady Osborne Room, Town Hall.**

**COMMITTEE MEMBERS**

Zucco (Chairman)  
Deputy Lord Mayor Burnet  
Sexton  
Thomas  
Dutta

**Apologies:**

**Leave of Absence:**

Alderman Dr P T Sexton.  
Councillor M Dutta.

**NON-MEMBERS**

Lord Mayor Reynolds  
Briscoe  
Denison  
Harvey  
Behrakis  
Ewin  
Sherlock

**1. CO-OPTION OF A COMMITTEE MEMBER IN THE EVENT OF A VACANCY**

---

**2. CONFIRMATION OF MINUTES**

---

The minutes of the Open Portion of the Finance and Governance Committee meeting held on [Tuesday, 14 May 2019](#) and the Special Finance and Governance Committee meeting held on [Monday, 20 May 2019](#), are submitted for confirming as an accurate record.

**3. CONSIDERATION OF SUPPLEMENTARY ITEMS**

---

Ref: Part 2, Regulation 8(6) of the *Local Government (Meeting Procedures) Regulations 2015*.

**Recommendation**

That the Committee resolve to deal with any supplementary items not appearing on the agenda, as reported by the General Manager.

**4. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST**

---

Ref: Part 2, Regulation 8(7) of the *Local Government (Meeting Procedures) Regulations 2015*.

Members of the Committee are requested to indicate where they may have any pecuniary or conflict of interest in respect to any matter appearing on the agenda, or any supplementary item to the agenda, which the Committee has resolved to deal with.

## **5. TRANSFER OF AGENDA ITEMS**

---

Regulation 15 of the *Local Government (Meeting Procedures) Regulations 2015*.

A Committee may close a part of a meeting to the public where a matter to be discussed falls within 15(2) of the above regulations.

In the event that the Committee transfer an item to the closed portion, the reasons for doing so should be stated.

Are there any items which should be transferred from this agenda to the closed portion of the agenda, or from the closed to the open portion of the agenda?

## 6. REPORTS

---

### 6.1 Budget Estimates 2019-20 File Ref: F19/57884

---

Report of the Acting Director City Governance of 7 June 2019 and attachments.

#### **The General Manager reports:**

*"This matter was considered by the Risk and Audit Panel at its meeting of the 4 June 2019 whereat the Panel resolved the following:*

#### **Resolutions:**

*In accordance with Section 4.6.1 Long Term Sustainability of the Risk and Audit Panel Terms of Reference, the Panel:*

- 1. Reviewed the Draft Long Term Financial Management Plan in respect of its consistency with the intent of the City of Hobart Capital City Strategic Plan 2015-2025, noting Council has made specific Capital expenditure decisions in response to the Strategic Plan.*
- 2. Noted the proposed 2019-20 Budget Estimates as being consistent with the City's draft Long Term Financial Management Plan 2020-2040. Recommend that a summary of significant changes the LTFMP be included prior to submission to Council and the report be updated to make it clear that the 2019/20 year has changed.*
- 3. Recommends to the Council that it continue to budget prudently for a surplus to provide financial capacity to invest in new and enhanced infrastructure, service debt, meet future liabilities and to allow for unexpected and unforeseen events."*

Delegation: Council

**REPORT TITLE: BUDGET ESTIMATES 2019-20**

**REPORT PROVIDED BY:** Acting Director City Governance

**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to present the City's 2019-20 Estimates and Annual Plan for consideration. It is proposed that the Estimates be formally adopted at the Council meeting on 17 June 2019.

**2. Report Summary**

- 2.1. This report presents the City's 2019-20 Estimates and Annual Plan together with the Long Term Financial Management Plan 2020 – 2040.
- 2.2. The Estimates propose a 3.5% increase in rates to fund the increased cost of providing Council services. The increase in the state government fire levy is in addition to this.
- 2.3. In total, rates revenue will increase by \$4 million over the previous year resulting from an increase in rates to fund the increased cost of providing Council services, an increase in the Tasmanian Government Fire Service Levy and growth in the rate base from development activity.
- 2.4. It is proposed that the 2019-20 Estimates, 2019-20 Annual Plan, and Long Term Financial Management Plan 2020-2040 be formally adopted at the Council meeting on 17 June 2019.

**3. Budget Estimates Recommendation**

*That:*

- 1. *The expenses, revenues, capital expenditure, and plant and equipment expenditure detailed in the document 'City of Hobart, Budget Estimates, for the 2019-20 Financial Year' be approved.***
- 2. *New borrowings of up to \$20M be approved for infrastructure.***
- 3. *The Council delegate to the General Manager the power to enter into loan agreements to source the above borrowings on the most favourable terms.***
- 4. *The General Rate be 6.87 cents in the dollar of assessed annual value (AAV).***
- 5. *The following Service Rates be made:***
  - (i) *A Stormwater Removal Service Rate of 0.38 cents in the dollar of AAV; and***
  - (ii) *A Fire Service Rate of 1.13 cents in the dollar of AAV.***
- 6. *A Waste Management Service Charge be made and varied according to the use or predominant use of land as follows:***
  - (i) *A Service charge of \$250 to apply to residential properties;***
  - (ii) *A Service charge of \$500 to apply to non-residential properties;***
- 7. *A Waste Management Service Charge of \$50 be made for kerbside green waste collection for all rateable land within the municipal area to which Council supplies or makes available a green waste collection service utilising a green waste collection bin.***
- 8. *A Landfill Rehabilitation Service Charge be made and varied according to the use or predominant use of land as follows:***
  - (i) *A Service charge of \$10 to apply to residential properties;***
  - (ii) *A Service charge of \$20 to apply to non-residential properties.***
- 9. *The rates be subject to the following remissions:***
  - (i) *A remission of 0.83 cents in the dollar on the AAV of any land or building which is within the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.***

- (ii) ***A remission of 0.85 cents in the dollar on the AAV of any land or building which is within areas other than Permanent Brigade Rating Districts or the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.***
- 10. ***Unspent 2018-19 capital funding be carried-forward into 2019-20, with any necessary adjustments to be made in the September 2019 quarter financial report to Council.***
- 11. ***The interest rate on unpaid rates be 8.1% per annum, charged monthly.***
- 12. ***The 2019-20 Annual Plan be adopted.***
- 13. ***The Long Term Financial Management plan 2020-40 be adopted.***
- 14. ***The following delegations be approved:***
  - (i) ***Pursuant to Section 22 of the Local Government Act 1993, the Council delegate to the General Manager the power to expend monies on Council's behalf identified as Delegation Classification 1 items in the Council's Annual Plan; and, the Council authorise the General Manager to delegate, pursuant Section 64 of the Local Government Act 1993, to such employees of the Council as he considers appropriate, the power to expend monies on Council's behalf identified as Delegation Classification 1 items in the Council's Annual Plan.***
  - (ii) ***Pursuant to Section 22 of the Local Government Act 1993, the Council delegate to all the Council Committees the power to expend monies on Council's behalf identified as Delegation Classification 2 items in the Council's Annual Plan.***

#### **4. Background**

- 4.1. The budget process for 2019-20 has included workshops/briefings with Elected Members and Committee/Council meetings on 5 February, 13 February, 18 February and 14 May to discuss matters impacting on the 2019-20 Estimates and the 10 year capital works program.
- 4.2. The Estimates have now been drafted and are presented for consideration.

#### **Estimates Preparation**

- 4.3. The Estimates documents comprise:
  - 4.3.1. This report;

- 4.3.2. A separate document – ‘City of Hobart, Budget Estimates for the 2019-20 Financial Year’, which is attached – refer **Attachment A**. This document contains discussion of all elements comprising the Estimates;
- 4.3.3. The Annual Plan for the 2019-2020 Financial Year, which is attached – refer **Attachment B**. This document is required pursuant to Section 71 of the *Local Government Act 1993*. It is required to set out how the objectives of Council’s Strategic Plan are to be met, including a summary of the Estimates adopted, and is to be formally adopted by the Council; and
- 4.3.4. The updated Long-Term Financial Management Plan 2020-2040 (LTFMP), which is attached – refer **Attachment C**.

### Estimates Overview

- 4.4. The Estimates propose a 3.5% increase in rates to fund the increased cost of providing Council services.
- 4.5. In total, rates revenue will be \$88.6 million, an increase of \$4 million over the previous year. This includes growth in the rate base from development activity of \$0.59 million and an increase in the fire protection service rate (to fund the increase in the State Government Fire Service Levy which is collected by Council on behalf of the Tasmanian Government) of \$0.45 million.
- 4.6. This increase is comprised of; -
  - 4.6.1. An decrease in the total cents in the dollar of Assessed Annual Values (AAV) from 9.98 cents to 8.38 cents;
  - 4.6.2. Waste management service charges of \$250 for residential properties and \$500 for non-residential properties (amounts are unchanged from the previous year);
  - 4.6.3. Landfill rehabilitation service charges remain unchanged from the previous year at \$10 for residential properties and \$20 for non-residential properties; and
  - 4.6.4. A kerbside green waste collection service charge of \$50 for properties meeting certain criteria within the municipal area to which Council supplies or makes available a green waste collection service utilising a green waste collection bin. This amount is unchanged from the previous year.

**Property Valuation Adjustment Factors (Indexation)**

- 4.7. As reported to Finance and Governance Committee on 14 May 2019, pursuant to the *Valuation of Land Act 2001*, AAVs are adjusted every two years according to the adjustment factors published by the Valuer-General. The Valuer-General has recently published AAV adjustment factors to apply from 1 July 2019.
- 4.8. While AAV indexation does not directly impact the Estimates, it does impact the distribution of the rate burden, and the impact on individual ratepayers will vary. In general terms, AAV indexation will result in a minor shift in the rate burden from residential properties to non-residential properties. Residential properties will therefore pay slightly less, and non-residential properties will pay slightly more.
- 4.9. The combination of amounts which vary according to property value (rates) and amounts which do not vary according to property value (charges) results in differing impacts across the rate base.
- 4.10. The Estimates propose a 3.5% increase in rates to fund the increased cost of providing Council services.
- 4.11. The Fire Services Contribution, which Council is obliged to pay to the Tasmanian Fire Service has increased by 6.0% (\$0.65 million). Pursuant to the *Fire Service Act 1979*, local government acts as a collection agent for this levy, which is then paid directly to the State Fire Commission.
- 4.12. As detailed in the report to May Finance and Governance Committee, AAV indexation will result in a minor shift in the rate burden from the residential sector to the non-residential sector. Residential properties will therefore experience slightly lower rate increases than indicated above, and non-residential properties will experience slightly higher rate increases than indicated above, as follows:
  - 4.13. Most residential properties will receive rate increases of between 2.7% (\$38) and 3.2% (\$124). The average residential ratepayer will receive a rate increase of 3.0% (\$74) plus fire protection rates of \$11. Most non-residential properties will receive rate increases of between 3.8% and 4.3%.
- 4.14. It should be noted that although the Hobart March CPI was 2.1%, the December CPI was 3% and the council cost index, as issued by the Local Government Association of Tasmania, is 3.38%.
- 4.15. The 2019-20 rate resolution is attached – refer **Attachment D**.



**Operating Result**

- 4.16. Greater detail is contained within the Budget Estimates document, however some factors impacting on Council's modest forecast underlying operating result of \$0.76 million are: -
- 4.16.1. An expected increase in depreciation expenses of \$1.242 million due to Council's rolling program of asset revaluations/indexation and new assets, and an expected decrease in depreciation expenses of \$0.35 million due to transfers of Davey and Macquarie Streets and Brooker Avenue to the Department of State Growth, together producing a net increase in depreciation expenses of \$0.892 million (4.2%);
  - 4.16.2. An increase in the State Government fire levy of \$0.65 million (6.0%);
  - 4.16.3. Southern Cross Care rates decision on independent living units equating to \$0.4 million of lost rates revenue per annum;
  - 4.16.4. Severe weather event on 10 May 2018;
  - 4.16.5. Increase in tourism numbers to the City;
  - 4.16.6. An increase in other expenses \$0.3 million (6.8%); and
  - 4.16.7. An increase in interest revenue \$0.21 million (28.8%).

**Cash Flows**

- 4.17. Council's cash balance is forecast to increase by \$5.91 million from \$21.27 million at 30 June 2019 to \$27.18 million at 30 June 2020.
- 4.18. Cash provided by operating activities will increase by \$1.02 million, from \$21.90 million in 2018-19 to \$22.92 million in 2019-20.

**Financing**

- 4.19. New borrowings of up to \$20 million will be undertaken in 2019-20, and existing debt of \$3.19 million will be retired.

**Capital Expenditure – New Assets/Upgrades and Asset Renewal**

- 4.20. The 2019-20 budget provides capital works funding of \$37.4 million, comprising asset renewal of \$22 million and new assets/upgrades of \$15.4 million.

- 4.21. Council considered and endorsed the proposed 2019-20 capital works program on 18 February 2019 subject to any future variation that Council may approve prior to approving the 2019-20 budget. Council also endorsed the proposed capital works programs for 2020-21 and 2021-22 to enable preliminary planning to occur.
- 4.22. Asset renewal expenditure is split between infrastructure assets (\$17.79 million) and plant and equipment (\$4.22 million). The level of asset renewal funding provided for 2019-20 is 70% (benchmark 100%) because a number of "Transforming Hobart" projects will take precedence, resulting in some asset renewal works being deferred. This will also be the case for the following two years
- 4.23. Some significant projects and programs include:
- \$5.6 million for the DKHAC refurbishment;
  - \$2.1 million for road overlays;
  - \$1.7 million for Building renewals;
  - \$1.98 million for Stormwater renewals;
  - \$1.9 million for Sporting Facilities;
  - \$1.42 million for footpath renewals;
  - \$1 million for Salamanca pedestrian works;
  - \$1.25 million for New Town Retail Precinct upgrade; and
  - \$1.0 million for Elizabeth Street Bus Mall - Construction.

### **Long Term Financial Management Plan**

- 4.24. The 2019-20 Estimates have been prepared in accordance with the updated LTFMP (refer Attachment C), and produce outcomes which are consistent with the plan. These are:
- 4.24.1. The achievement of modest underlying surpluses;
- 4.24.2. Debt and liabilities increasing as a result of the expanded capital works program but remaining within reasonable benchmarks; and
- 4.24.3. Asset renewal funding equal to 100% of known requirements (identified in Council's Asset Management Plans).

### **Unspent Plant and Capital Funds**

- 4.25. As part of the budget approval process it is proposed that unspent capital budgets from 2018-19 be carried forward into 2019-20. Based on year-to-date expenditure, carry-forwards are expected to be around \$18 million for projects, and around \$1 million for plant and equipment. This includes the DKHAC refurbishment, various traffic and roadworks and the replacement of core business systems. This figure is the expected unexpended cash for capital works only recognising the works program itself is substantially progressed.

## 5. Proposal and Implementation

- 5.1. It is proposed that the 2019-20 Estimates be formally considered at the Finance and Governance Committee meeting to be held on 12 June, and be listed on the Council meeting agenda for 17 June for formal adoption.
- 5.2. Subject to any amendments that may arise following the Finance and Governance Committee's consideration, the following are the draft resolutions that would be presented to Council on 17 June: -
  - 5.2.1. The expenses, revenues, capital expenditure, and plant and equipment expenditure detailed in the document 'City of Hobart, Budget Estimates, for the 2019-2020 Financial Year' be approved.
  - 5.2.2. New borrowings of up to \$20M be approved for infrastructure.
  - 5.2.3. The Council delegate to the General Manager the power to enter into loan agreements to source the above borrowings on the most favourable terms.
  - 5.2.4. The General Rate be 6.87 cents in the dollar of assessed annual value (AAV).
  - 5.2.5. The following Service Rates be made:
    - 5.2.5.1. A Stormwater Removal Service Rate of 0.38 cents in the dollar of AAV; and
    - 5.2.5.2. A Fire Service Rate of 1.13 cents in the dollar of AAV.
  - 5.2.6. A Waste Management Service Charge be made and varied according to the use or predominant use of land as follows:
    - 5.2.6.1. A Service charge of \$250 to apply to residential properties;
    - 5.2.6.2. A Service charge of \$500 to apply to non-residential properties.
  - 5.2.7. A Waste Management Service Charge of \$50 be made for kerbside green waste collection for all rateable land within the municipal area to which Council supplies or makes available a green waste collection service utilising a green waste collection bin.
  - 5.2.8. A Landfill Rehabilitation Service Charge be made and varied according to the use or predominant use of land as follows:

- 5.2.8.1. A service charge of \$10 to apply to residential properties;
- 5.2.8.2. A service charge of \$20 to apply to non-residential properties.
- 5.2.9. The rates be subject to the following remissions:
  - 5.2.9.1. A remission of 0.83 cents in the dollar on the AAV of any land or building which is within the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.
  - 5.2.9.2. A remission of 0.85 cents in the dollar on the AAV of any land or building which is within areas other than Permanent Brigade Rating Districts or the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.
- 5.2.10. Unspent 2018-19 capital funding be carried-forward into 2019-20, with any necessary adjustments to be made in the September 2019 quarter financial report to Council.
- 5.2.11. The interest rate on unpaid rates be 8.1% per annum, charged monthly.
- 5.2.12. The 2019-20 Annual Plan be adopted.
- 5.2.13. The Long Term Financial Management plan 2020-40 be adopted.
- 5.2.14. The following delegations be approved:
  - 5.2.14.1. Pursuant to Section 22 of the *Local Government Act 1993*, the Council delegate to the General Manager the power to expend monies on Council's behalf identified as Delegation Classification 1 items in the Council's Annual Plan; and, the Council authorise the General Manager to delegate, pursuant Section 64 of the *Local Government Act 1993*, to such employees of the Council as he considers appropriate, the power to expend monies on Council's behalf identified as Delegation Classification 1 items in the Council's Annual Plan.
  - 5.2.14.2. Pursuant to Section 22 of the *Local Government Act 1993*, the Council delegate to all the Council Committees the power to expend monies on Council's behalf identified as Delegation Classification 2 items in the Council's Annual Plan.

- 5.3. In respect of the interest rate to be applied to outstanding rates (see 4.2.11) the Local Government Act 1993 at section 128 provides for a maximum rate that can be charged. That rate is the 10 year long term bond rate (on the last business day in February) plus a risk premium of up to 6%. For 2019-20 this calculation results in a maximum rate of 8.1% and this is the rate being recommended.

## **6. Strategic Planning and Policy Considerations**

- 6.1. Goal 5 – Governance is applicable in considering this report, particularly strategic objective:

*“5.1 The organisation is relevant to the community and provides good governance and transparent decision-making.*

*5.1.7 Continually review and update the Long Term Financial Management Plan.*

*5.1.8 Ensure a rating system that supports fairness, capacity to pay and effectiveness”*

- 6.2. The Budget Estimates provide the resource allocation to deliver on community expectations as expressed in Council’s Capital City Strategic Plan 2015-25.

## **7. Legal, Risk and Legislative Considerations**

- 7.1. Section 82 of the *Local Government Act 1993* requires the General Manager to prepare Estimates of Council’s revenue and expenditure for each financial year, and details what the Estimates must contain.
- 7.2. The Estimates must be adopted by Council before 31 August by absolute majority.
- 7.3. As noted above, the 2019-20 Estimates have been prepared in accordance with the updated Long Term Financial Management Plan (refer Attachment C), and produce outcomes which are consistent with the plan, including the provision for contingencies and reserves.

## **8. Marketing and Media**

- 8.1. Communication of the Council’s approval of the Estimates and General Rates charge will be by a combination of a media release, publication of the Lord Mayor’s budget speech, information on the Council’s website and Facebook pages, an insert with the first rates instalment notice, and a City News article.

## **9. Community and Stakeholder Engagement**

- 9.1. The preparation of the 2019-20 budget was primarily guided by the City’s Capital City Strategic Plan 2015-2025 and Long-Term Financial Management Plan.

- 9.2. An engagement process via the City's Your Say Hobart portal, using the Budget Allocator tool commenced on 21 March and was open for a period of three weeks. A summary of the results is provided at **Attachment E**.

## 10. Delegation

- 10.1. Approval of the Estimates is delegated to 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.*



Lara MacDonell  
**ACTING DIRECTOR CITY  
GOVERNANCE**

Date: 7 June 2019  
File Reference: F19/57884

Attachment A: 2019-20 Budget Estimates ↴  
Attachment B: 2019-20 Annual Plan ↴  
Attachment C: 2020-40 Long-term Financial Management Plan ↴  
Attachment D: 2019-20 Rates Resolution ↴  
Attachment E: 2019-20 Budget Your Say Summary ↴



# **BUDGET ESTIMATES**

---

## **2019–20 FINANCIAL YEAR**

## Table of Contents

<b>1. Executive Summary.....</b>	<b>1</b>
Introduction .....	1
Operating Result .....	1
Cash Flows .....	2
<b>2. External Factors Impacting the Estimates.....</b>	<b>4</b>
2.1 State Fire Commission Contribution .....	4
2.2 Federal Budget .....	4
2.3 TasWater Ownership .....	4
2.4 Transfer of Macquarie and Davey Streets to the State Government.....	4
2.5 Severe Weather Event 10 May 2018.....	5
2.6 Charitable Rates Exemptions – Independent Living Units .....	5
<b>3. Operating Result.....</b>	<b>7</b>
3.1 Expenses .....	8
3.2 Revenues.....	12
<b>4. Capital Budget.....</b>	<b>18</b>
4.1 Overview .....	18
4.2 Core Business Systems .....	18
4.3 Brooker Bridge Pedestrian and Cycle Crossing.....	18
4.4 The Doone Kennedy Hobart Aquatic Centre – Major Refurbishment.....	19
4.5 Infrastructure.....	19
4.6 Plant and Equipment.....	20
<b>5. Financing.....</b>	<b>21</b>
<b>6. Commercial-Like Undertakings .....</b>	<b>22</b>
6.1 Off-Street Parking .....	22
6.2 On-Street Parking .....	23
6.3 The Doone Kennedy Hobart Aquatic Centre .....	24
6.4 Tasmanian Travel and Information Centre .....	25
<b>7. Forecasts.....</b>	<b>26</b>
7.1 Assumptions .....	26
7.2 Operating Result .....	26
7.3 Cash Flow.....	27
7.4 Balance Sheet.....	29
7.5 Sustainability Indicators.....	30
<b>8. Appendix - Capital Expenditure Program 2019-20.....</b>	<b>35</b>



## 1. Executive Summary

---

### Introduction

Pursuant to the *Local Government Act 1993*, Council is required to prepare Estimates of its revenue and expenditure for each financial year. These are required to be adopted by August 31 each year.

### Operating Result

Council's underlying surplus is forecast to be \$0.76 million in 2019-20. Major factors impacting on the 2019-20 operating result are:

- The Estimates forecast total Rates income of \$88.6M, an increase of \$4M or 4.73%. This includes a 3.5% rate increase to fund the increased cost of providing services. The rate increase would have been 3% but for the loss of rate revenue resulting from the court decision regarding independent living units.
- As always, the effects on individual ratepayers will vary due to the combination of amounts which vary according to property value (rates) and amounts which do not vary according to property value (charges).
- This increase is comprised of: -
  - Increased property values as a consequence of applying Assessed Annual Value (AAV) adjustment factor (see below);
  - A decrease in the total cents in the dollar of AAV, from 9.98 cents to 8.38 cents;
  - Waste management service charges remain unchanged from the previous year at \$250 for residential properties and \$500 for non-residential properties;
  - Landfill rehabilitation service charges remain unchanged from the previous year at \$10 for residential properties and \$20 for non-residential properties; and
  - A kerbside green waste collection service charge of \$50 for properties meeting certain criteria within the municipal area to which Council supplies or makes available a green waste collection service utilising a green waste collection bin. This amount is unchanged from the previous year.
- Rate base growth provides additional rates income of \$0.59 million, and increases in fire protection service rates of \$0.45 million are necessary to fund the increase in the State Government fire levy.
- The Valuer-General has recently published AAV adjustment factors which apply from 1 July 2019. Whilst AAV adjustment factors do not directly impact the Estimates, they do alter the distribution of the rate burden. In general terms, there has been a minor shift in the rate burden from residential properties to non-residential properties. Rate increases will therefore be lower for residential properties, and higher for non-residential properties, as a direct result of applying AAV adjustment factors.
- Increases for most residential properties range between \$38 and \$124, plus additional fire protection service rates. The average residential ratepayer will

experience a rate increase of \$74, plus an additional \$11 in fire protection service rates.

- Increases in materials and services of \$3.45 million (11.6%) for reasons outlined in chapter 3.1.2;
- An increase in labour costs of \$2.43 million (4.1%), which includes an enterprise bargaining increase;
- An increase in finance costs of \$1.07 million (84.5%) mainly due to increased interest on borrowings;
- An expected increase in depreciation expenses of \$1.242 million due to Council's rolling program of asset revaluations/indexation and new assets, and an expected decrease in depreciation expenses of \$0.35 million due to transfers of Davey and Macquarie Streets and Brooker Avenue to the Department of State Growth, together producing a net increase in depreciation expenses of \$0.892 million (4.2%);
- An increase in other expenses \$0.3 million (6.8%);
- Increases in parking fines, fees and charges of \$3.83 million (16.5%) primarily due annual increases and changes to operating hours in specific high-volume parking areas;
- An increase in other fees and charges income \$0.69 million (4.7%) for reasons outlined in chapter 3.2.10;
- An increase in the State Government fire levy of \$0.65 million (6.0%). Pursuant to the *Fire Service Act 1979*, local government acts as a collection agent for this levy, which is then paid directly to the State Fire Commission;
- Council expects to pay \$0.875 million associated with the Myer site redevelopment during 2019-20; and
- An increase in interest revenue of \$0.21 million (28.8%).

#### **Cash Flows**

The cash balance is forecast to increase by \$5.94 million, from \$21.27 million at 30 June 2019 to \$27.21 million at 30 June 2020.

#### *Operations*

Cash provided by operating activities will increase by \$1.05 million, from \$21.90 million in 2018-19 to \$22.95 million in 2019-20. The size of this increase is impacted by the Federal Government's decision to bring forward \$1.355 million of financial assistance grants from 2019-20 into 2018-19 (see chapter 2.2).

#### *Capital*

Capital expenditure of \$37.4 million includes asset renewal of \$22 million and new assets/upgrades of \$15.4 million. Council recently considered and approved the early years of the ten year capital works program. A key element of the program is projects under the Transforming Hobart banner.

Asset renewal expenditure is split between infrastructure assets (\$17.79 million) and plant and equipment (\$4.22 million). The level of asset renewal funding provided for 2019-20 is 70%. This is less than the benchmark (100%) because a number of

"Transforming Hobart" projects will take precedence, resulting in some asset renewal works being deferred. This will also be the case for the following two years.

New asset/upgrade spending includes \$0.42 million for the new Corporate Core Business Systems and \$5.6 million for the Doone Kennedy Hobart Aquatic Centre (DKHAC) major refurbishment.

Most of Council's capital expenditure will be funded from borrowings and operating revenues. Some funding is also provided by asset sales, capital grants and cash reserves.

#### *Financing*

New borrowings of up to \$20 million will be undertaken in 2019-20, and existing debt of \$3.19 million will be retired.

#### **Balance Sheet**

Net assets will decrease by \$24 million from \$1.784 billion at 30 June 2019 to \$1.760 billion at 30 June 2020 mainly due to asset revaluations.

#### **Conclusions**

The Estimates will deliver an underlying surplus of \$0.764 million in 2019-20, and modest surpluses in following years. Cash balances will be maintained at between \$27 million and \$32 million over the next 5 years, and Council's balance sheet will remain strong. Council's eight financial sustainability indicators will all be within benchmark ranges within the next four years.

The above results can be achieved with the 3.5% rate increase proposed for 2019-20, and 3% in following years, based on current forecasts.

#### **Appendix**

The appendix to this document contains the detailed capital expenditure program for 2019-20.

## 2. External Factors Impacting the Estimates

---

### 2.1 State Fire Commission Contribution

Pursuant to the *Fire Service Act 1979*, local government acts as a collection agent for this State Government tax, which is paid directly to the State Fire Commission. Council earns a 4% collection fee for this service.

Council has been advised that it will be required to contribute \$11.39 million in 2019-20, which represents a \$0.65 million (6.0%) increase from the previous year.

This additional impost accounts for a further 0.53% increase over and above the rate increase required for Council operations.

### 2.2 Federal Budget

The Federal Government's budget announced by the Treasurer on 2 April 2019 has no significant effect on Council's budget. It contains ongoing funding to Local Government under its Roads to Recovery program and accordingly, the Estimates include capital grant funding from this source.

The Budget Papers indicate that 50 percent of the 2019-20 financial assistance grants will be brought forward and paid in 2018-19. The Estimates include a timing adjustment of \$1.355 million between the two years to recognise the Federal Government's intention.

### 2.3 TasWater Ownership

On 1 May 2018, the State Government, Chief Representative of the TasWater Owners Group and TasWater announced a memorandum of understanding (MOU) to bring an end to the debate about future ownership of TasWater.

The MOU paved the way for a package of reforms that were supported by member councils and was tabled in Parliament to enable implementation on 1 January 2019.

Under the agreement, the Government will invest \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater. The State Government has elected not to receive dividends from TasWater with councils continuing to receive payments as agreed. The TasWater corporate plan provides for \$20 million to be distributed to owner councils in 2019-20 and the City of Hobart's share of this is approximately \$2.172 million, and this amount is included in the 2019-20 Estimates.

### 2.4 Transfer of Macquarie and Davey Streets to the State Government

The State Government has transferred the management of Davey and Macquarie Streets and Brooker Avenue to the Department of State Growth with a proclamation dated 26 December 2018. The State Government will be responsible for managing and maintaining the vehicular road surface and road street lighting and the City will manage and maintain footpath related infrastructure, operate parking meters and manage parking compliance.

The annual reduction in depreciation resulting from the asset transfer is \$0.7 million. Half of this reduction (\$0.35 million) has been recognised in 2018-19 and the full year impact of the transfer has been recognised from 2019-20.

The Estimates also include savings for street lighting (\$30,000) and for road maintenance (\$5,000) representing the full year impact of the transfer in 2019-20.

## **2.5 Severe Weather Event 10 May 2018**

Provision has been made in the Estimates for ongoing expenses and revenues resulting from the weather event of 10 May 2018. Costs will be incurred in relation to insurable losses, and in relation to both essential and non-essential infrastructure. These expenses and revenues are excluded from the underlying result.

Council is tracking its costs and these will continue to accumulate for some time. The final financial outcome is not possible to determine at this time. However, Council is confident that it will be able to accommodate any residual financial outcome given its strong financial position.

The 2019-20 capital budget also includes an amount of \$800 000 for ongoing remedial works relating to the severe weather event.

## **2.6 Charitable Rates Exemptions – Independent Living Units**

The *Local Government Act 1993 (Tas)* (LG Act) requires land to be owned and occupied exclusively for charitable purposes in order for a rates exemption to apply. In early 2015, at a Local Government Association of Tasmania (LGAT) General Meeting, councils discussed legal advice that suggested that although a property may be owned by a charitable institution, occupancy by private residents is not a charitable purpose. For example, non-subsidised independent living units (ILUs) in retirement villages owned by a charity would not be exempt from general rates. This advice arose after two successful Magistrate court cases in Tasmania.

LGAT's members at that time determined that they would take a common and equitable approach to the rating of ILUs which takes as a core assumption that private residential occupancy is not a charitable purpose and is not exempt from general rates.

The City of Hobart undertook a review of all properties at the time in receipt of the General Rate exemption with Council resolving to remove the General Rate exemption from properties not eligible under the new Council Policy giving 13 months' notice.

Southern Cross Care (Tas) Inc. objected to Council's decision and subsequently took legal action against the City of Hobart, and three other councils, in relation to the application of general rates to part of properties it owns as independent living units.

The court upheld councils' rights to charge rates on such properties on the basis that the land was not both owned and occupied exclusively for charitable purposes. Southern Cross Care then escalated action to the Full Bench of the Supreme Court and on 12 November 2018 the court handed down its judgement finding that

Southern Cross Care did not have to pay general rates on its ILUs, and ordering councils to pay back rates collected.

The decision has meant that approximately \$4 million of AAV is no longer rateable, equating to approximately \$400 000 of lost rates revenue per annum. This lost rates revenue contributes approximately 0.5% to the rates increase for 2019-20.



### 3. Operating Result

This section considers Council's forecast 2019-20 operating result, as outlined in Table 1. It is presented as follows: -

- Expenses by expense type                      refer 3.1
- Revenues by revenue type                    refer 3.2

**Table 1: Operating Result**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
<b>Expenses</b>				
Labour	3.1.1	(59,683)	(62,117)	(2,434)
Materials and services	3.1.2	(29,728)	(33,173)	(3,445)
Depreciation	3.1.3	(21,140)	(22,032)	(892)
Fire Levy	3.1.4	(10,741)	(11,388)	(647)
Energy costs	3.1.5	(2,367)	(2,318)	49
Bad Debts	3.1.6	(351)	(351)	-
Finance Costs	3.1.7	(1,265)	(2,334)	(1,069)
Asset write-offs	3.1.8	(2,100)	(2,202)	(102)
Other	3.1.9	(4,615)	(4,931)	(316)
		<b>(131,990)</b>	<b>(140,846)</b>	<b>(8,856)</b>
<b>Revenues</b>				
Rates and Charges	3.2.1	84,604	88,604	4,000
Parking Fines	3.2.2	7,059	8,463	1,404
Operating Grants	3.2.3	3,441	3,226	(215)
Distributions from TasWater	3.2.4	2,172	2,172	-
Rents	3.2.5	3,530	3,714	184
Interest	3.2.6	722	930	208
Fire Levy collection fee	3.2.7	429	455	26
Fees and Charges - car parks	3.2.8	10,257	11,219	962
Fees and Charges - on street parking	3.2.9	5,929	7,389	1,460
Fees and Charges - other	3.2.10	14,747	15,438	691
		<b>132,890</b>	<b>141,610</b>	<b>8,720</b>
<b>Underlying Surplus</b>		<b>900</b>	<b>764</b>	<b>(136)</b>
<b>Capital items and timing adjustments</b>				
Capital Grants	3.2.3	2,318	550	(1,768)
Financial assistance grants in advance	3.2.3	(10)	(1,355)	(1,345)
2018 Storm Event	3.2.11	(724)	(85)	639
<b>Surplus</b>		<b>2,484</b>	<b>(126)</b>	<b>(2,610)</b>

Council's underlying result is forecast to be a surplus of \$0.76 million in 2019-20 which represents 0.54% of revenue.

The following is a more detailed examination of significant movements, or otherwise noteworthy changes, in specific expense and revenue categories.

### 3.1 Expenses

#### 3.1.1 Labour

**Table 2: Labour**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
Wages and salaries	3.1.1.1	(45,099)	(47,250)	(2,151)
Labour On-costs	3.1.1.2	(7,535)	(8,184)	(649)
Leave entitlements	3.1.1.3	(4,328)	(4,520)	(192)
Defined-benefit superannuation expense	3.1.1.4	(1,252)	(1,238)	14
Employee costs		<b>(58,214)</b>	<b>(61,192)</b>	<b>(2,978)</b>
External labour	3.1.1.5	(1,469)	(925)	544
		<b>(59,683)</b>	<b>(62,117)</b>	<b>(2,434)</b>

##### 3.1.1.1 Wages and Salaries

Wages and salaries include the direct costs of employees such as base pay, overtime and allowances.

Wages and salaries are expected to increase by \$2.15 million over the 2018-19 forecast. This increase is inflated due to the extent that the 2018-19 forecast has been revised downwards throughout the year due to a number of vacant positions. As some of these positions have been filled by external labour, the 2018-19 forecast for external labour has been revised upwards throughout the year.

The major factors contributing to the increase include an expected enterprise bargaining increase from 1 July 2019, filling of the current vacant positions including some salary increments arising from employee grade reclassifications, some additional positions arising from the Council restructure and the conversion of some roles being filled by external labour in 2018-19. This increase is partially offset by a decrease in positions due to Council restructure and external labour (see below).

##### 3.1.1.2 Labour On-costs

Labour on-costs include workers compensation insurance, superannuation contributions (except contributions to Council's defined-benefit superannuation scheme) and payroll tax levied by the State Government. Increases are in line with expected wage and salary increases for 2019-20.

##### 3.1.1.3 Leave Entitlements

Leave entitlements include annual leave, long service leave, sick leave, public holidays and other leave accruing to employees. Increases are in line with expected wage and salary increases for 2019-20.

##### 3.1.1.4 Defined-benefit Superannuation Expense

Council contributes to a defined-benefit superannuation scheme on behalf of employees who commenced employment with Council prior to 11 March 2003. The contribution rate is 9.5% of the wages and salaries of those employees, resulting in contributions of \$0.808 million in 2019-20 (\$0.841 million in 2018-19).



The accounting requirements for defined-benefit superannuation schemes are set out in Accounting Standard AASB 119 *Employee Benefits*. This accounting standard specifies the method for determining the defined-benefit superannuation expense to be recognised in financial statements, which generally involves an actuarial calculation. The defined-benefit superannuation expense will generally not be the same as the amount of contributions paid to the scheme during the year.

Council engages an actuary to provide reports and forward projections for its defined-benefit superannuation scheme. The amounts shown in the table above are in accordance with advice received from Council's actuary.

#### 3.1.1.5 External Labour

External labour includes all labour sourced from external labour-hire companies to fill short-term vacancies across a variety of disciplines.

External labour is expected to decrease by \$0.54 million from the 2018-19 forecast. This decrease reflects progressive upward revisions of the 2018-19 forecast due to a number of vacant positions being filled by external labour. At the same time, the 2018-19 forecast for wages and salaries has been progressively revised downwards (see above).

#### 3.1.2 Materials and Services

A detailed examination of the individual expense categories which comprise "Materials and Services" is provided in Table 3 below.

**Table 3: Materials and Services**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
Water and sewerage charges	3.1.2.1	(864)	(985)	(121)
Consultancy Fees	3.1.2.2	(3,406)	(3,631)	(225)
Election Costs/Elector Polls	3.1.2.3	(297)	(198)	99
Materials	3.1.2.4	(1,956)	(1,830)	126
Stock Purchases		(840)	(759)	81
Chemicals and Herbicides		(208)	(251)	(43)
Contractor Charges	3.1.2.5	(9,455)	(10,266)	(811)
Lease and Rental		(1,432)	(1,410)	22
Licence Costs	3.1.2.6	(1,671)	(2,562)	(891)
Motor Vehicle Registration		(206)	(203)	3
Vehicle Expenses - Fuel		(822)	(841)	(19)
Advertising and Promotions		(770)	(778)	(8)
Mobile Phone Costs		(257)	(254)	3
Communications - Telephones, Faxes		(368)	(326)	42
Legal Expenses		(949)	(902)	47
Conferences and Seminars (Registration)		(162)	(172)	(10)
Travel (incl Accom, fares, meals allow,)		(259)	(346)	(87)
Equipment Maintenance		(209)	(297)	(88)
Insurance		(839)	(958)	(119)
Publications/Subscriptions/Memberships		(284)	(340)	(56)
Plant Hire		(1,479)	(1,440)	39
Printing and Stationery		(398)	(456)	(58)
Training Courses		(534)	(458)	76
Postage		(229)	(219)	10
Security	3.1.2.7	(1,052)	(945)	107
Credit Card Fees	3.1.2.8	(489)	(1,066)	(577)
Other		(4,127)	(4,429)	(302)
		<b>(33,562)</b>	<b>(36,322)</b>	<b>(2,760)</b>
less amounts capitalised		3,834	3,149	(685)
		<b>(29,728)</b>	<b>(33,173)</b>	<b>(3,445)</b>

**3.1.2.1 Water and Sewerage Charges**

Water and sewerage charges are expected to increase by \$121 000 primarily due to increased costs for Recreation and Sporting Facilities and Parks and Reserves Management.

**3.1.2.2 Consultancy Fees**

Consultancy fees are expected to increase by \$225 000 mainly due to increases in Storm Water for the development of a storm water management plan and Road Strategy for the engagement of consultants to conduct risk and condition assessments of bridges, roads and geotech.

**3.1.2.3 Election Costs/Elector Polls**

Elector Poll costs of \$198 000 are budgeted in 2019-20, representing a contribution of 0.225% of the rates increase. The Poll is being conducted by virtue of the provisions in the *Local Government Act 1993*.

**3.1.2.4 Materials**

Material costs are expected to decrease by \$126 000 mainly due to decreased spending in Civil Maintenance for quarry products, construction products, concrete products and asphalt supplies. Decreases are expected in Corporate Branding also.

**3.1.2.5 Contractor Charges**

Contractor charges are expected to increase by \$811 000 due to increased costs for DKHAC for electrical contractors, Solid Waste for recycling collection, Building Maintenance for general maintenance and Fire and Biodiversity for fire management. These increases are partly offset by decreases in spending for vehicle maintenance and asbestos inspections.

**3.1.2.6 Licence Costs**

Licence costs are expected to increase by \$891 000 in 2019-20. Increases are mainly due to the introduction of the new core business systems, the introduction of new software including Walkthrough, Bluebeam and Lanteria, fleet and asset management software, existing enterprise licence increases including Microsoft increases and licence fees for parking meters, sensors and monitoring software.

**3.1.2.7 Security**

Security costs are expected to decrease by \$107 000 mainly due to decreased costs for DKHAC, parking enforcement cash handling services and reduced requirements for security for convenience cleansing at Salamanca Square.

**3.1.2.8 Credit Card Fees**

Credit Card Fees are expected to increase by \$577 000 due to increased costs associated with the public uptake of credit card payment functionality in the integrated parking system.

**3.1.3 Depreciation**

Depreciation expense is expected to increase by \$899 000 (4.2%) to \$22.03 million in 2019-20. Increases of \$1.242 million are due to asset revaluations/indexation and new assets. A decrease of \$355 000 results from the transfers of Davey and Macquarie Streets and Brooker Avenue to the Department of State Growth.

**3.1.4 Fire Levy**

The fire levy will increase by \$647 000 (6.0%) to \$11.39 million. Pursuant to the *Fire Service Act 1979*, local government acts as a collection agent for this State Government levy, which is paid directly to the State Fire Commission. Council earns a 4% collection fee which is included in revenue (refer to chapter 3.2.7).

**3.1.5 Energy Costs**

Energy costs are expected to decrease by \$49 000 (2.1%) to \$2.3 million mainly due to the savings resulting from transfers of Davey and Macquarie Streets and Brooker Avenue to the Department of State Growth, partially offset by CPI increases for Council owned buildings and at DKHAC.

**3.1.6 Bad Debts**

Council maintains a provision for bad and doubtful debts, which is mainly in respect to parking fines. Bad debts will remain the same as 2018-19 at \$351 000.

**3.1.7 Finance Costs**

Finance costs will increase by \$1.07 million due to the following:

- Interest on borrowings increasing from \$1.26 million to \$2.25 million;
- Finance costs associated with Council's landfill restoration liability (decreasing from \$111 000 to \$101 000); and
- Finance costs associated with Council's defined-benefit superannuation scheme liability (increasing from -\$108 000 to -\$14 000).

**3.1.8 Asset Write-Offs**

Asset write-offs comprise the remaining value of infrastructure assets replaced as part of Council's asset renewal program. The amount of \$2.2 million estimated for 2019-20 is \$102 000 more than 2018-19 reflecting Council's increasing capital works program.

**3.1.9 Other Expenses**

A detailed examination of the individual items which comprise "Other Expenses" is provided in Table 4 overleaf.

**Table 4: Other Expenses**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
Grants and Specific Purpose Benefits	3.1.9.1	(2,432)	(2,670)	(238)
Rate remissions (net)		(109)	(57)	52
Fringe Benefits Tax	3.1.9.2	(145)	(290)	(145)
Land Tax		(827)	(849)	(22)
Auditors Remuneration		(225)	(190)	35
Myer payments	3.1.9.3	(875)	(875)	-
Other		(2)	-	2
		<b>(4,615)</b>	<b>(4,931)</b>	<b>(316)</b>

#### 3.1.9.1 *Grants and Specific Purpose Benefits*

Council provides grants and benefits to a range of community and cultural organisations including Dark MoFo, Ten Days on the Island, Cycling South, Kennerley Children's Festival, Festival of Voices, Wooden Boat Festival, North Melbourne Partnership, Community Christmas Events, Playgroup Tasmania and the Tasmanian Museum and the Tasmanian Symphony Orchestra. Other Council grant/benefit payments include contributions to Business Events, Performing Arts, the Theatre Royal, and the Tasmanian University as well as local sporting organisations. Payments pursuant to Council's development assistance deed in relation to the Vodafone Development are also included in this line item.

#### 3.1.9.2 *Fringe Benefits Tax*

Fringe Benefits tax has increased by \$145 000 but this is due to the 2018-19 forecast being revised down to reflect a refund received in 2018-19 in respect of 2017-18.

#### 3.1.9.3 *Myer Payments*

Council's agreement with Myer Pty Ltd (Myer) in relation to the Myer site redevelopment in Liverpool Street requires Council to make payments to Myer if sales targets are not met. The maximum amount payable in 2019-20 is \$0.875 million and this amount has been included in the 2019-20 budget.

### 3.2 **Revenues**

#### 3.2.1 **Rates and Charges**

The Estimates propose a 3.5% increase in rates to fund the increased cost of providing services.

Additional rates income will also be derived from: -

- A \$0.45 million increase in rates to fund the increase in the State Government fire levy; and
- \$0.59 million derived from growth in the rate base due to development activity.

In total, rates revenue will be \$88.6 million, an increase of \$4 million over the prior year.

Service charges to provide funding for rehabilitation costs at Council's McRobies Gully Landfill site following completion of land filling were introduced in 2011-12. Up until 2017-18, the amounts were \$50 for residential properties and \$100 for non-residential properties. In 2018-19, these amounts reduced to \$10 for residential properties and \$20 for non-residential properties. These amounts remain unchanged for 2019-20, and will provide annual rates income of \$0.25 million.

Waste management service charges remain unchanged from the previous year at \$250 for residential properties, and \$500 for non-residential properties.

A kerbside green waste collection service charge was introduced in 2016-17. The amount remains unchanged at \$50 for properties receiving the green waste collection service.

The combination of amounts which vary according to property value (rates) and amounts which do not vary according to property value (charges) results in slightly differing impacts across the rate base.

Before the impact of the increased fire protection service rate and before the impact of AAV indexation (see below), most residential ratepayers (approximately 85%) will receive increases of between 2.8% and 3.3%, meaning increases in the range \$39 to \$129. Lower-valued properties will experience lower increases, and higher-valued properties will experience higher increases. Most non-residential properties will receive rate increases of between 3.2% and 3.6%.

The Fire Services Contribution which Council is obliged to pay to the Tasmanian Fire Service has increased by 6% (\$0.65 million). Pursuant to the *Fire Service Act 1979*, local government acts as a collection agent for this levy, which is then paid directly to the State Fire Commission.

Before the impact of AAV indexation (see below) most residential ratepayers will receive increases of between 3.2% and 3.8%, meaning increases in the range \$45 to \$146. Lower-valued properties will experience lower increases, and higher-valued properties will experience higher increases. The average residential ratepayer will experience a rate increase of 3.6% or \$88, comprised as follows: -

General and storm water rates	\$77
Waste management service charge	\$0
Landfill rehabilitation service charge	\$0
Kerbside green waste collection service charge	\$0
Fire protection service rate	\$11
Total	\$88

### 3.2.1.1 AAV Indexation

Pursuant to the Valuation of Land Act 2001, Assessed Annual Values are adjusted every two years according to adjustment factors published by the Valuer-General. Whilst AAV indexation does not directly impact the Estimates, it does impact the distribution of the rate burden, and the impact on individual ratepayers can vary considerably.



A full revaluation which applied from 1 July 2015 saw an overall shift in the rate burden from the residential sector to the non-residential sector. Consequently, most non-residential properties experienced rate increases in 2015-16, but most residential properties received rate reductions.

The Valuer-General published adjustment factors to apply from 1 July 2017. These resulted in an overall shift in the rate burden from the non-residential sector to the residential sector. Residential properties therefore experienced higher rate increases than non-residential properties in 2017-18.

The Valuer-General recently published adjustment factors to apply from 1 July 2019. These will result in a minor shift in the rate burden from the residential sector to the non-residential sector. Residential properties will therefore experience slightly lower rate increases than non-residential properties in 2019-20.

After AAV indexation is applied, rate increases for most residential properties range between 3.1% and 3.6% and rate increases for non-residential properties range between 4.4% and 4.9%.

Increases for most residential properties range between \$43 and \$140. The *average* residential ratepayer experiences a rate increase of \$85, comprised as follows: -

General and storm water rates	\$74
Waste management service charge	\$0
Landfill rehabilitation service charge	\$0
Kerbside green waste collection service charge	\$0
Fire protection service rate	\$11
Total	\$85

### 3.2.2 Parking Fines

Fines income is expected to increase by \$1.4 million (20.0%) as a result of State Government penalty unit fee increases for both parking meter and traffic infringements, and the extension of operating hours and corresponding enforcement of city and suburban parking areas.

### 3.2.3 Grants

Operating grants are expected to decrease by \$215 000 in 2019-20, mainly due to a decrease of \$65 000 for fuel tax credits and a \$150 000 reduction for Community and Cultural Program grant revenue. In 2018-19, the forecast for fuel tax credits was revised up to reflect a refund for prior year credits received. These are not expected in 2019-20. Community grants not expected in 2019-20 include forces of nature, resilience for children art project and Australian Red Cross training.

Recurring operating grants are mainly comprised of Commonwealth Government Financial Assistance Grants (FAGs) which will total \$2.740 million in the 2019-20 year. However, the Federal Government Budget Papers indicate that 50 percent of this amount will be bought forward and paid in 2018-19. The Estimates therefore include a timing adjustment of \$1.355 million between the two years.

Capital grants are comprised of \$0.55 million for Roads to Recovery projects.

**3.2.4 Distributions from TasWater**

Council's ownership interest in TasWater entitles it to receive annual distributions of dividends, income tax equivalent payments and guarantee fees. The expected revenue will remain consistent with 2018-19 at \$2.17 million.

**3.2.5 Rents**

Property rental income is expected to increase by \$184 000 (5.2%) due to increased rental income from commercial properties and other rentals.

**3.2.6 Interest**

Interest income will increase by \$208 000 (28.8%) due to higher forecast cash holdings.

**3.2.7 Fire Levy Collection Fee**

The 4% collection fee earned by Council for collecting the fire levy on behalf of the State Fire Commission will increase by \$26 000 (6.1%) in line with the increase in the fire levy payment.

**3.2.8 Fees and Charges – Car Parks**

Car park fees and charges are forecast to increase by \$962 000 (9.4%) as a result of a slight increase in fees at Dunn Street Car Park, an anticipated increase in rental of Trafalgar Car Park and the introduction of Sunday parking at Salamanca Car Park.

**3.2.9 Fees and Charges – On-Street Parking**

On-street parking collections are expected to increase by \$1.46 million (24.6%) due to higher occupancy periods, normal annual fees and charges increases and an extension of the operating hours of specific parking areas.

**3.2.10 Fees and Charges – Other**

Other fees and charges income will increase by \$691 000 (4.7%) in 2019-20. Further detail is provided in Table 5 overleaf.

**Table 5: Other Fees and Charges**

Description	Ref.	2018-19 Forecast \$'000	2019-20 Budget \$'000	Change \$'000
The Doone Kennedy Hobart Aquatic Centre	3.2.10.1	5,609	6,074	465
Landfill Charges		1,654	1,610	(44)
Plumbing Compliance fees	3.2.10.2	601	470	(131)
Tasmanian Travel & Information Centre		955	964	9
Taste of Tasmania	3.2.10.3	1,037	1,300	263
Customer Services		320	300	(20)
Sporting Facility hire		407	415	8
Public Health		352	367	15
Building Compliance fees		374	401	27
Roads Policy & Management		134	137	3
Salamanca Market		51	45	(6)
External Services revenue		365	415	50
Development Appraisal fees	3.2.10.4	955	1,040	85
Stormwater Maintenance		50	50	0
Traffic Strategy and Projects		198	234	36
Parental Leave Scheme reimbursements		150	100	(50)
Other		1,535	1,516	(19)
<b>Total Fees &amp; Charges</b>		<b>14,747</b>	<b>15,438</b>	<b>691</b>

#### 3.2.10.1 *The Doone Kennedy Hobart Aquatic Centre*

The Doone Kennedy Hobart Aquatic Centre fees and charges will increase by \$465 000 (8.3%) mainly due to expected increases in the Café, Gym and Pool Operations.

#### 3.2.10.2 *Plumbing Compliance*

Plumbing Compliance will decrease by \$131,000 (21.8%). This decrease is inflated due to the 2018-19 forecast being revised up due to greater than expected applications received, without the forecast increase Plumbing Compliance would have increased by \$71 500 from 2018-19.

#### 3.2.10.3 *Taste of Tasmania*

The Taste of Tasmania fees and charges will increase by \$263,000 (25.4%) due to an expected increase in sponsorship, glass levy and sale of goods.

#### 3.2.10.4 *Development Appraisal Fees*

Development Appraisal fees have increased by \$85 000 (8.9%) in 2019-20, primarily due to the increase in development activity within the city which has increased the number of development applications forecast and the introduction of new re-advertising fees.



**3.2.11 Severe Weather Event 2018**

Provision has been made in the budget for expenses and revenues resulting from the weather event of 10 May 2018. Costs will be incurred in relation to insurable losses, and in relation to both essential and non-essential infrastructure.

Council is tracking its costs, and these will continue to accumulate for some time. The final financial outcome is not possible to determine at this time. However, Council is confident that it will be able to accommodate any residual financial outcome given its strong financial position.

The 2019-20 operating budget includes a net cost of \$85 000. These expenses and revenues are excluded from the underlying result.

## 4. Capital Budget

### 4.1 Overview

Capital expenditure will consist of the following six components: -

- Core Business Systems refer 4.2
- Brooker Bridge Pedestrian and Cycle Crossing refer 4.3
- DKHAC – Major refurbishment refer 4.4
- Infrastructure refer 4.5
- Plant and Equipment refer 4.6

The budget provides capital works funding of \$37.44 million, as summarised in the following table.

**Table 7: Capital Expenditure**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
<b>New Assets / Upgrades</b>				
- Core Business Systems	4.2	(2,961)	(420)	2,541
- Brooker Bridge Pedestrian and Cycle Crossing	4.3	(5,857)	-	5,857
- DKHAC - Major Refurbishment	4.4	(2,932)	(5,600)	(2,668)
- Infrastructure	4.5	(13,018)	(8,883)	4,135
- Property		(143)	-	143
- Plant and Equipment	4.6	(581)	(520)	61
<b>Asset Renewal</b>				
- Infrastructure	4.5	(25,232)	(17,794)	7,438
- Plant and Equipment	4.6	(4,674)	(4,220)	454
<b>Total</b>		<b>(55,398)</b>	<b>(37,437)</b>	<b>17,961</b>

Funding sources for this \$37.44 million program comprise: -

- Capital Grants \$0.55 million;
- Plant and Equipment sales \$0.9 million;
- Borrowings of up to \$20 million; and
- Funds from operations and cash reserves \$15.99 million.

A list of approved projects is included in chapter 8.

### 4.2 Core Business Systems

The fourth allocation of \$0.42 million of the approved project budget is included in the 2019-20 budget for the replacement of Council's core business systems.

### 4.3 Brooker Bridge Pedestrian and Cycle Crossing

The Brooker Bridge Pedestrian and Cycle Crossing is expected to be completed in 2019-20. Funding will be from an expected carry forward from 2018-19.

**4.4 The Doone Kennedy Hobart Aquatic Centre – Major Refurbishment**

An additional allocation of \$5.6 million is included in the 2019-20 budget for the DKHAC – Major Refurbishment and Upgrade Works.

Expected expenditure includes the demolition of the entry building and construction of a new two story building, a new staircase and lift, a new indoor/outdoor café, increased sizes to gym facilities, improved change facilities and improved car parking facilities.

**4.5 Infrastructure**

Capital expenditure on infrastructure will be \$26.7 million in 2019-20.

Some significant projects and programs proposed include: -

	<b>\$'000</b>
Records and Information Management System	630
Salamanca Pedestrian Works	1,000
Elizabeth Street Bus Mall - Construction	1,000
New Town Retail Precinct Upgrade	1,250
Collins Street / Hobart Rivulet Linear Park Connection	500
North Hobart Parking Expansion	600
Fire Trail Upgrades	500
Lower Sandy Bay Playground Toilet Renewal	600
Fern Tree Footpath Upgrade	625
Crowded Space Response	500
Flood Recovery Annual Allocation	800
Building renewals	1,700
Road overlays	2,100
Footpath renewals	1,420
Sporting Facilities	1,902
Stormwater renewals	1,980

Further detail is provided in chapter 8 where individual projects are listed.

#### 4.6 Plant and Equipment

Council's plant and equipment budget comprises:

- Vehicle fleet, major and minor plant,
- Information technology items,
- Parking equipment, and
- General plant including office furniture and equipment.

Council's vehicle fleet, major plant items and PCs are subject to a rolling replacement program. In each case, forward estimates are compiled to aid replacement decision-making. Funding requests for plant are rigorously reviewed.

Capital expenditure on plant and equipment will total \$4.74 million in 2019-20, comprised as follows: -

**Table 8: Plant and Equipment**

	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
Vehicle fleet, major and minor plant	(3,037)	(2,495)	542
Information technology	(1,033)	(996)	37
Parking	(369)	(100)	269
General plant including office equipment	(816)	(1,149)	(333)
<b>Total</b>	<b>(5,255)</b>	<b>(4,740)</b>	<b>515</b>

The vehicle fleet and major plant budget for 2019-20 will be \$2.195 million and the budget for minor plant purchases will be \$300 000.

The information technology budget includes desk-top computers, laptops, server replacements and communication equipment.

The parking budget includes \$100 000 for the purchase of additional colour screens for parking meters.

The General plant budget includes: -

- Divisional allocations for minor equipment purchases; and
- Allocations for Salamanca Market, Christmas Decorations, Public Art and Taste of Tasmania.

## 5. Financing

---

Council's debt levels, actual and forecast are: -

30 June 2018	\$20.21M
30 June 2019	\$38.13M
30 June 2020	\$54.94M

Council's expanded capital works program will require significant borrowings, which commenced in 2017-18. However, debt levels will remain within reasonable benchmarks. Council's strong financial position, current low level of debt, and forecast operating surpluses provide Council with the ability to take on, and comfortably service, increased levels of debt. Chapter 7 (Forecasts) provides more detail on Council's indebtedness and servicing ability.

Council will undertake new borrowings of up to \$20 million in 2019-20, and retire \$3.19 million of existing debt.

The above are forecasts. Council's annual borrowing need will be determined by the delivery of the capital works program and the consequent cash position of Council.

## 6. Commercial-Like Undertakings

## 6.1 Off-Street Parking

Table 9: Off-Street Parking

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
<b>Expenses</b>				
Labour	6.1.1	(1,226)	(1,235)	(9)
Energy costs		(152)	(156)	(4)
Materials and services	6.1.2	(2,711)	(2,731)	(20)
Rates and Charges		(447)	(452)	(5)
Land Tax		(332)	(374)	(42)
Overheads		(813)	(813)	-
Depreciation		(715)	(736)	(21)
		<b>(6,396)</b>	<b>(6,497)</b>	<b>(101)</b>
<b>Revenues</b>				
Fees and Charges	6.1.3	10,257	11,219	962
Rents		401	459	58
		<b>10,658</b>	<b>11,678</b>	<b>1,020</b>
<b>Surplus</b>		<b>4,262</b>	<b>5,181</b>	<b>919</b>

## 6.1.1 Labour

Labour will increase by \$9 000 (0.7%) over the revised 2018-19 forecast due to increased wages cost due to extended opening hours at the Hobart Central Car park.

## 6.1.2 Materials and Services

Materials and Services are expected to increase by \$20 000 (0.7%) due to increases in credit card fees, body corporate legal fees and electronic equipment maintenance contractors.

## 6.1.3 Fees and Charges

Fees and charges revenue will increase by \$962 000 (9.4%) as a result of:-

- A \$1 per hour increase for the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> hours and all-day parking in the Argyle Street, Hobart Central and Centrepont car parks.
- The monthly rental for spaces in Trafalgar, Elizabeth Street, Liverpool-Barrack, Lefroy Street, Argyle Street and Hunter Street will increase by an average of \$5.00 - \$10.00 per month.
- The operational hours of four off-street car parks including Dunn Place, Salamanca Square, Condell and Lefroy Street Car Parks to be extended.
- Increases in Condell Place and Lefroy Street Car Parks of \$1.00 per hour, Dunn Place of \$0.30c per hour and Salamanca Square Car Park of \$0.60c per hour.

## 6.2 On-Street Parking

**Table 10: On-Street Parking**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
<b>Expenses</b>				
Labour	6.2.1	(3,550)	(3,802)	(252)
Materials and services	6.2.2	(1,517)	(2,339)	(822)
Bad Debts		(350)	(350)	-
Overheads		(703)	(703)	-
Depreciation		(189)	(195)	(6)
		<b>(6,309)</b>	<b>(7,389)</b>	<b>(1,080)</b>
<b>Revenues</b>				
Fees and Charges	6.2.3	5,929	7,389	1,460
Fines	6.2.4	7,059	8,463	1,404
		<b>12,988</b>	<b>15,852</b>	<b>2,864</b>
<b>Surplus</b>		<b>6,679</b>	<b>8,463</b>	<b>1,784</b>

### 6.2.1 Labour

Labour will increase by \$252 000 (7.1%) over the revised 2018-19 forecast due to expected Enterprise Bargaining increases and an anticipated return to a full contingent in city parking staffing levels. The labour budgets have been revised down during 2018-19 due to decreased staffing and increases in 2019-20 contribute to the increase in fees and charges.

### 6.2.2 Materials and Services

Materials and Services will increase by \$822 000 (54.2%) due to increases in credit card fees as a result of the removal of the \$3.00 minimum payment for credit and debit card payments. There is also an increase in ICT licence fees for meters, sensors, PDA's and monitoring software.

### 6.2.3 Fees and Charges

Parking fees and charges, predominantly meter collections, will increase by \$1.46 million (24.6%). Using data from Council's parking systems, an extensive review of commuter usage patterns across the city has been undertaken. As a result, the fees on 1728 out of 2088 parking spaces will increase in 2019-20. Meter fees will increase on average, by \$0.30 per hour. There are also some fee increases for the use of parking meter hood permits, annual parking meter exemption permits and for the towing and storage of illegally parked and/or abandoned vehicles.

### 6.2.4 Fines

Fines income is expected to increase by \$1.40 million (19.9%) as a result of an increase in the penalty unit fees set by the State Government (an average of \$1.25 for lower value fines such as expired meters and \$3.00-\$5.00 for more serious offenses such as illegally parking in a disabled zone, no stopping zone or on yellow lines). The number of infringements issued is expected to increase in accordance with corresponding higher usage rates of the city's on-street parking assets.

### 6.3 The Doone Kennedy Hobart Aquatic Centre

**Table 11: The Doone Kennedy Hobart Aquatic Centre**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
<b>Expenses</b>				
Labour	6.3.1	(3,390)	(3,946)	(556)
Energy costs		(510)	(470)	40
Materials and services		(1,641)	(1,650)	(9)
Depreciation		(861)	(887)	(26)
		<b>(6,402)</b>	<b>(6,953)</b>	<b>(551)</b>
<b>Revenues</b>				
Fees and Charges	6.3.2	5,609	6,074	465
Other		14	2	(12)
		<b>5,623</b>	<b>6,076</b>	<b>453</b>
<b>Surplus/(Deficit)</b>		<b>(779)</b>	<b>(877)</b>	<b>(98)</b>

#### 6.3.1 Labour Costs

Labour costs will increase by \$556 000 (16.4%) however this is offset by increases in revenue. The key reason for the increase in labour costs is a staff restructure which will provide for higher quality customer experience and management of the facility. This increase is offset by increases in revenue.

#### 6.3.2 Fees and Charges

Fees and charges revenue will increase by \$465 000 (8.3%) in 2019-20. This is a result of membership revenue continuing to increase due to targeted work in attracting new members; setting of clear targets for memberships and program revenue and a staff restructure with key performance indicators for achieving revenue growth and improving retention of members.

The 2019-20 budget forecasts a small surplus of \$10 000 (before depreciation) with expenditure set at \$6.07M and revenue at \$6.08 million.



#### 6.4 Tasmanian Travel and Information Centre

**Table 12: Tasmanian Travel and Information Centre (TTIC)**

	Ref.	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	Change (\$'000)
<b>Expenses</b>				
Labour	6.4.1	(1,086)	(1,024)	62
Materials and services		(348)	(320)	28
Depreciation		(8)	(9)	(1)
Other		(2)	(2)	
		<b>(1,444)</b>	<b>(1,355)</b>	<b>89</b>
<b>Revenues</b>				
Commission		462	442	(20)
Other fees and charges	6.4.2	539	588	49
Grants		150	150	-
Interest		20	20	-
		<b>1,171</b>	<b>1,200</b>	<b>29</b>
<b>Surplus / (Deficit)</b>		<b>(273)</b>	<b>(155)</b>	<b>118</b>

##### 6.4.1 Labour Costs

Labour costs will decrease by \$62 000 (5.7%) due to back pay of prior year salaries occurring in 2018-19. This is not expected to occur in 2019-20.

##### 6.4.2 Fees and Charges

Fees and charges revenue will increase by \$49 000 (9.1%) in 2019-20. This is a result of expected increased advertising and brochure display income.

## 7. Forecasts

### 7.1 Assumptions

Council maintains a 20-year financial model to enable both short term and long term financial planning. All of the elements that comprise the Estimates are variables within the model. The model is flexible, and allows for analysis and modelling of various scenarios. It also enables estimates of Council's annual operating results, as well as net assets and cash position (as at 30 June) to be forecast.

Council's Long-Term Financial Management Plan (LTFMP) has also been updated to reflect the most recent version of the Estimates and will be tabled for Council approval.

### 7.2 Operating Result

**Table 13: Operating Result Forecasts**

	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	2020-21 Budget (\$'000)	2021-22 Budget (\$'000)	2022-23 Budget (\$'000)	2023-24 Budget (\$'000)
<b>Expenses</b>						
Labour	(59,683)	(62,117)	(64,033)	(66,009)	(68,047)	(70,148)
Materials and services	(29,728)	(33,173)	(33,819)	(34,705)	(35,393)	(35,862)
Depreciation	(21,140)	(22,032)	(22,123)	(22,937)	(23,591)	(24,706)
Fire Levy	(10,741)	(11,388)	(12,072)	(12,796)	(13,564)	(14,378)
Energy costs	(2,367)	(2,318)	(2,376)	(2,435)	(2,496)	(2,559)
Bad Debts	(351)	(351)	(421)	(433)	(446)	(460)
Finance Costs	(1,265)	(2,334)	(2,635)	(3,280)	(3,616)	(3,670)
Asset write-offs	(2,100)	(2,202)	(2,432)	(2,386)	(2,362)	(2,444)
Other	(4,615)	(4,931)	(5,070)	(4,298)	(4,402)	(4,510)
	<b>(131,990)</b>	<b>(140,846)</b>	<b>(144,981)</b>	<b>(149,279)</b>	<b>(153,917)</b>	<b>(158,737)</b>
<b>Revenues</b>						
Rates and Charges	84,604	88,604	92,572	96,440	100,480	104,690
Parking Fines	7,059	8,463	8,717	8,978	9,248	9,525
Operating Grants	3,441	3,226	3,290	3,356	3,423	3,492
Distributions from TasWater	2,172	2,172	2,172	2,172	2,172	2,172
Rents	3,530	3,714	3,825	3,940	4,058	4,180
Interest	722	930	883	1,039	1,009	937
Fire Levy collection fee	429	455	482	511	543	575
Fees and Charges - car parks	10,257	11,219	11,555	11,902	12,259	12,627
Fees and Charges - on street parking	5,929	7,389	7,610	7,839	8,074	8,316
Fees and Charges - other	14,747	15,438	15,903	16,378	16,868	17,374
	<b>132,890</b>	<b>141,610</b>	<b>147,009</b>	<b>152,555</b>	<b>158,134</b>	<b>163,888</b>
<b>Underlying Surplus</b>	<b>900</b>	<b>764</b>	<b>2,028</b>	<b>3,276</b>	<b>4,217</b>	<b>5,151</b>
<b>Capital items</b>						
Capital Grants	2,318	550	550	550	550	550
Financial assistance grants in advance	(10)	(1,355)	-	-	-	-
2018 Storm Event	(724)	(85)	-	-	-	-
<b>Surplus</b>	<b>2,484</b>	<b>(126)</b>	<b>2,578</b>	<b>3,826</b>	<b>4,767</b>	<b>5,701</b>

Modest underlying surpluses (averaging less than 2% of revenue) are forecast for the ensuing 5 year period.

### 7.3 Cash Flow

**Table 14: Cash Flow Forecasts**

	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	2020-21 Budget (\$'000)	2021-22 Budget (\$'000)	2022-23 Budget (\$'000)	2023-24 Budget (\$'000)
<b>Operating Activities</b>						
<b>Payments</b>						
Employee Costs	(56,969)	(59,875)	(61,684)	(63,548)	(65,470)	(67,450)
Fire Levy	(10,741)	(11,388)	(12,072)	(12,796)	(13,564)	(14,378)
Interest	(1,262)	(2,247)	(2,552)	(3,198)	(3,537)	(3,593)
Other	(39,830)	(41,323)	(42,235)	(42,430)	(43,305)	(43,971)
	<b>(108,802)</b>	<b>(114,833)</b>	<b>(118,543)</b>	<b>(121,972)</b>	<b>(125,876)</b>	<b>(129,392)</b>
<b>Receipts</b>						
Rates and Charges	84,490	88,464	92,432	96,303	100,337	104,541
Grants	3,429	1,878	3,288	3,354	3,421	3,489
Fees and Charges	38,532	42,803	43,869	45,139	46,508	47,921
Rents	3,528	3,707	3,821	3,936	4,054	4,176
Interest	722	930	883	1,039	1,009	937
Other						
	<b>130,701</b>	<b>137,782</b>	<b>144,293</b>	<b>149,771</b>	<b>155,329</b>	<b>161,064</b>
<b>Net Cash Flows from Operating Activities</b>	<b>21,899</b>	<b>22,949</b>	<b>25,750</b>	<b>27,799</b>	<b>29,453</b>	<b>31,672</b>
<b>Investing Activities</b>						
<b>Payments</b>						
<b>New Assets / Upgrades</b>						
- Brooker Bridge Pedestrian and Cycle Crossing	(5,857)	-	-	-	-	-
- Core Business Systems	(2,961)	(420)	(250)	(330)	-	-
- DKHAC - Major Refurbishment	(2,932)	(5,600)	-	-	-	-
- Infrastructure	(13,018)	(8,883)	(9,816)	(9,632)	(7,022)	(5,421)
- Property	(143)	-	-	-	-	-
- Plant and Equipment	(581)	(520)	(589)	(692)	(781)	(640)
<b>Asset Renewal</b>						
- Infrastructure	(25,232)	(17,794)	(20,246)	(21,762)	(21,953)	(22,565)
- Plant and Equipment	(4,674)	(4,220)	(4,461)	(5,196)	(5,823)	(4,939)
	<b>(55,398)</b>	<b>(37,437)</b>	<b>(35,362)</b>	<b>(37,612)</b>	<b>(35,579)</b>	<b>(33,565)</b>
<b>Receipts</b>						
Grants	2,318	550	550	550	550	550
Distributions from TasWater	2,172	2,172	2,172	2,172	2,172	2,172
Plant and equipment sales	499	900	699	779	834	855
Property sales	-	-	-	-	-	-
	<b>4,989</b>	<b>3,622</b>	<b>3,421</b>	<b>3,501</b>	<b>3,556</b>	<b>3,577</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(50,409)</b>	<b>(33,815)</b>	<b>(31,941)</b>	<b>(34,111)</b>	<b>(32,023)</b>	<b>(29,988)</b>
<b>Financing Activities</b>						
<b>Payments</b>						
Debt Repayment	(2,060)	(3,194)	(3,986)	(4,586)	(4,604)	(4,722)
<b>Receipts</b>						
Proceeds from Borrowings	20,000	20,000	15,000	10,000	5,000	5,000
<b>Net Cash Flows from Financing Activities</b>	<b>17,940</b>	<b>16,806</b>	<b>11,014</b>	<b>5,414</b>	<b>396</b>	<b>278</b>
<b>Net Cash Surplus / (Deficit)</b>	<b>(10,570)</b>	<b>5,940</b>	<b>4,823</b>	<b>(898)</b>	<b>(2,174)</b>	<b>1,962</b>
<b>Opening Cash On Hand</b>	<b>31,844</b>	<b>21,274</b>	<b>27,214</b>	<b>32,037</b>	<b>31,139</b>	<b>28,965</b>
<b>Closing Cash On Hand</b>	<b>21,274</b>	<b>27,214</b>	<b>32,037</b>	<b>31,139</b>	<b>28,965</b>	<b>30,927</b>

Cash balances will be maintained at between \$27 million and \$32 million (estimated required balances to ensure adequate liquidity) over the next 5 years by undertaking borrowings (to assist in funding Council's expanded capital works program).

**Table 15: Reserved Funds**

	2018-19 (\$'000)	2019-20 (\$'000)	2020-21 (\$'000)	2021-22 (\$'000)	2022-23 (\$'000)	2023-24 (\$'000)
Closing Cash Balance ear-marked for (a): -						
Contributions in Lieu of Public Open Space	48	48	48	48	48	48
Contributions in Lieu of Parking	135	135	135	135	135	135
Heritage Account	1,553	1,507	1,507	1,507	1,508	1,508
Plant and equipment carry-forwards (b)	1,000	1,000	1,000	1,000	1,000	1,000
Bushland Fund	115	165	215	265	315	365
McRobies Gully Tip Site Rehabilitation	3,175	3,153	3,217	3,276	3,329	3,376
Other project carry-forwards (b)	18,144	18,144	18,144	18,144	18,144	18,144
Refundable Deposits	2,162	2,162	2,162	2,162	2,162	2,162
Future Asset Renewal Reserve (c)	(5,058)	900	5,609	4,602	2,324	4,189

- (a) Some of Council's cash reserves are restricted. In some cases, this restriction is imposed by legislation (e.g. The Heritage Account). Others have been earmarked for certain purposes by Council decision and may therefore be used for other purposes at Council's discretion.
- (b) Carry-Forwards take account of annual allocations included in the capital expenditure budget but which may not be expended during the year, and are therefore on hand at the end of the year i.e. capital works in progress or not yet commenced.
- (c) The above table also shows that the Future Asset Renewal Reserve (total cash less reserved amounts) is negative during 2018-19. This situation results from Council's expanded capital works program which will necessitate borrowings. This means that the aggregate of reserved amounts exceeds the available cash balance in 2018-19. Of itself, this is not a concern because the majority of reserved amounts can be utilised for other purposes by Council decision, and not all amounts are required at the same point in time. However, balances and cash flow requirements will need to be closely monitored and further refined to ensure adequate liquidity.

#### **Contributions in Lieu of Public Open Space**

A reserve has been established to separately account for funds provided to Council for the express purpose of providing areas of Public Open Space throughout the city.

#### **Contributions in Lieu of Parking**

A reserve has been established to separately account for funds provided to Council for the express purpose of providing parking facilities in areas near developments with inadequate parking.

#### **Heritage Account**

Council has established a Heritage Account as required by the *National Trust Preservation Fund (Winding-up) Act 1999*. Amounts transferred to the account include the initial distribution from the National Trust Preservation Fund, together with interest accruing on the balance of the account.

The Act requires that funds transferred into the Heritage Account be applied for the provision of financial or other assistance in relation to an entry in either the National Trust Register kept by the National Trust of Australia (Tasmania), or the Tasmanian Heritage Register.

### Bushland Fund

Council established a Bushland Fund for the purpose of purchasing strategic areas of bushland and open space. Up until 2003-04, an annual allocation of \$0.15 million was being provided from revenue for this purpose.

During 2003-04, Council resolved to utilise the accumulated balance of the Bushland Fund to provide funding for Mt. Nelson land purchases, and to use \$0.1 million of the annual allocation of \$0.15 million to assist with servicing of the associated debt.

### McRobies Gully Landfill Site Rehabilitation

Commencing in 2011-12, service charges to provide funding for rehabilitation of the McRobies Gully Landfill Site were introduced. Up until 2017-18, the annual rates income raised from this charge was \$1.25 million. This reduced to approximately \$0.25 million per annum from 2018-19.

### Other Project Carry-Forwards

This item represents an estimate of the value of unspent projects at the end of each financial year which are carried-forward into the following financial year, with capital works representing the majority of the balance.

## 7.4 Balance Sheet

**Table 16: Balance Sheet Forecasts**

	2018-19 Forecast (\$'000)	2019-20 Budget (\$'000)	2020-21 Budget (\$'000)	2021-22 Budget (\$'000)	2022-23 Budget (\$'000)	2023-24 Budget (\$'000)
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	21,274	27,181	31,971	31,041	28,833	30,763
Inventories	331	331	331	331	331	331
Receivables	4,598	4,548	4,671	4,849	5,035	5,227
Other	22	22	22	22	22	22
	<b>26,225</b>	<b>32,082</b>	<b>36,995</b>	<b>36,243</b>	<b>34,221</b>	<b>36,343</b>
<b>Non-Current Assets</b>						
Receivables	226	226	226	226	226	226
Investment in TasWater	166,823	166,823	166,823	166,823	166,823	166,823
Property, plant and equipment	1,653,057	1,642,042	1,663,438	1,679,148	1,660,702	1,677,316
	<b>1,820,106</b>	<b>1,809,091</b>	<b>1,830,487</b>	<b>1,846,197</b>	<b>1,827,751</b>	<b>1,844,365</b>
<b>Total Assets</b>	<b>1,846,331</b>	<b>1,841,173</b>	<b>1,867,482</b>	<b>1,882,440</b>	<b>1,861,972</b>	<b>1,880,708</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables	(4,711)	(5,099)	(5,266)	(5,440)	(5,622)	(5,811)
Trust, Deposits, Retention	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)
Employee benefits	(12,505)	(13,196)	(13,915)	(14,663)	(15,440)	(16,248)
Unearned Revenue	(446)	(446)	(446)	(446)	(446)	(446)
Loans	(3,194)	(3,986)	(4,586)	(4,604)	(4,722)	(4,872)
	<b>(23,746)</b>	<b>(25,617)</b>	<b>(27,103)</b>	<b>(28,043)</b>	<b>(29,120)</b>	<b>(30,267)</b>
<b>Non-Current Liabilities</b>						
Employee benefits	(3,527)	(3,722)	(3,925)	(4,136)	(4,355)	(4,583)
DB Superannuation Scheme	3,762	3,379	2,947	2,464	1,928	1,337
Loans	(34,937)	(50,950)	(61,364)	(66,760)	(67,038)	(67,167)
Other Provisions	(4,046)	(3,871)	(3,779)	(3,681)	(3,575)	(3,461)
	<b>(38,748)</b>	<b>(55,164)</b>	<b>(66,121)</b>	<b>(72,113)</b>	<b>(73,040)</b>	<b>(73,874)</b>
<b>Total Liabilities</b>	<b>(62,494)</b>	<b>(80,781)</b>	<b>(93,224)</b>	<b>(100,156)</b>	<b>(102,160)</b>	<b>(104,141)</b>
<b>Net Assets</b>	<b>1,783,837</b>	<b>1,760,392</b>	<b>1,774,258</b>	<b>1,782,284</b>	<b>1,759,812</b>	<b>1,776,567</b>

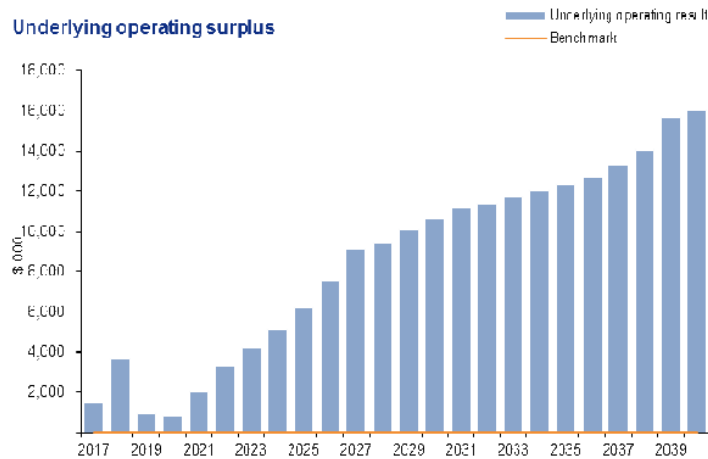
Council's balance sheet is expected to remain strong. Net assets (and equity) vary over the period reflecting expected asset revaluations.

## 7.5 Sustainability Indicators

For the purposes of measuring the financial sustainability of Council, eight financial sustainability indicators have been adopted.

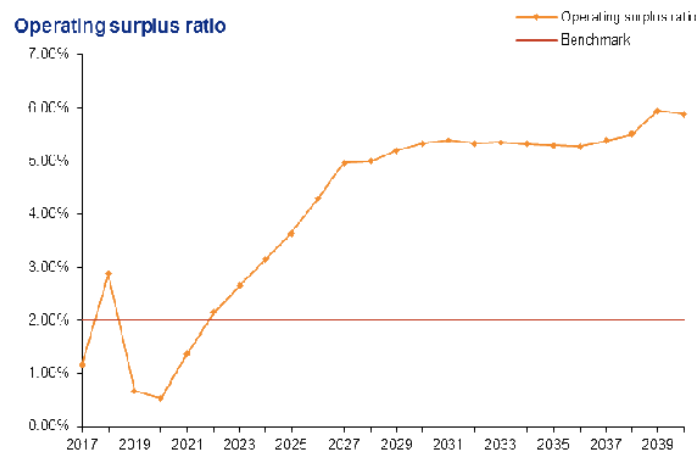
### Indicator 1 – Underlying Operating Surplus

The difference between day-to-day income and expenses for the period (excluding contributed assets, asset revaluations and capital grants). This indicator is seen as a better indicator of sustainable or recurring operations as it excludes capital grants which can be project-specific and thus non-recurring, and other amounts which are recorded as income due to accounting standard requirements.



### Indicator 2 – Operating Surplus Ratio

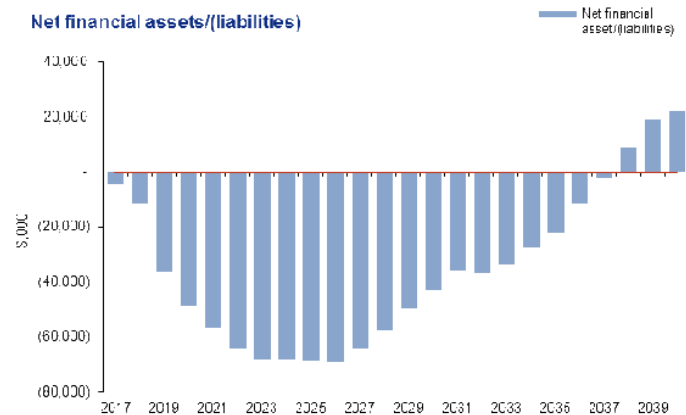
The operating surplus ratio is the operating surplus expressed as a percentage of underlying revenue (total revenue minus capital grants, contributed PP&E and asset revaluation increments/decrements).



Indicator 2 shows Council forecasting modest, but sustainable operating surpluses. The surpluses rise in the later years due to net interest costs reducing, and revenue growth assumptions being slightly higher than expenditure growth assumptions, to generate cash surpluses needed for asset renewal. These forecasts will continue to be reviewed.

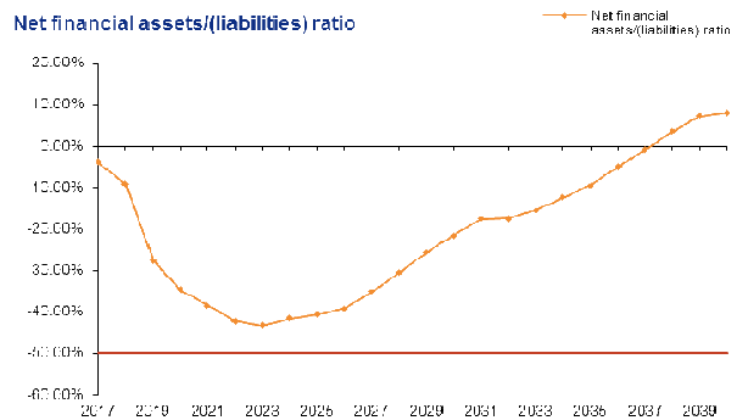
### Indicator 3 – Net Financial Assets/ (Liabilities)

What is owed to others less cash held/invested and receivables and is thus a measure of net indebtedness. It is broader than just loan debt, as it includes amounts owed to creditors, employee provisions, amounts held in trust and all other liabilities.



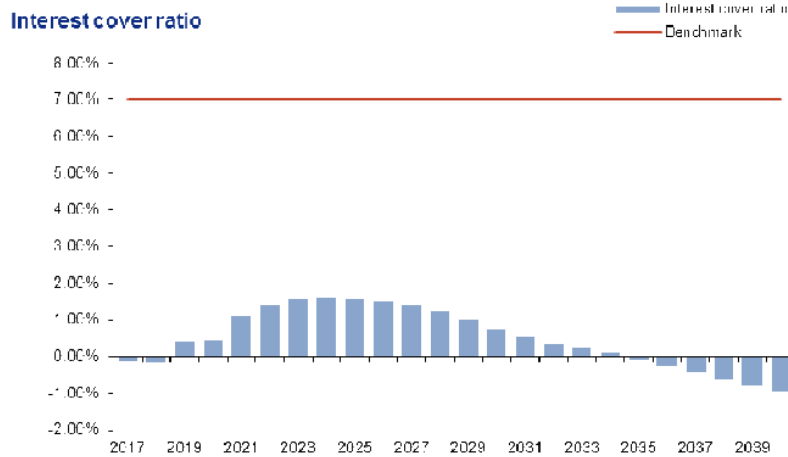
### Indicator 4 – Net Financial Assets / (Liabilities) Ratio

This ratio is net financial assets / (liabilities) expressed as a percentage of income. It indicates the extent to which net financial liabilities can be met by Council's income. An increasing ratio indicates that the Council's capacity to meet its financial obligations from income is strengthening. The graph below indicates that net financial assets / (liabilities) will remain in the low risk range (less than 50% of revenue).



### Indicator 5 – Interest Cover Ratio

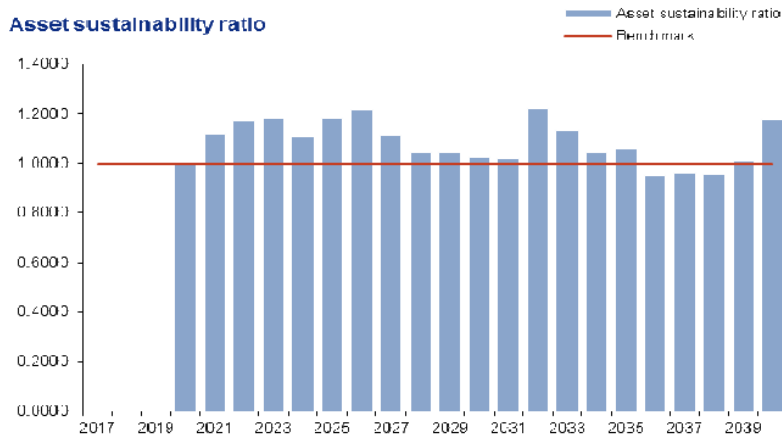
This ratio is interest expense less interest earned on investments, expressed as a percentage of income. It measures the proportion of income required to service interest costs.



Indicators 3, 4, and 5 show Council's level of indebtedness increasing over the next five years. This is due to borrowings required to fund Council's expanded capital works program.

### Indicator 6 – Asset Sustainability Ratio

This ratio is asset renewal capital expenditure expressed as a percentage of depreciation expense. It measures whether assets are being renewed at the rate at which they are wearing out. With a young asset portfolio, the target may be quite low. If old, it may be greater than 100%. Over time, if it averages at or near 100% the service of the asset portfolio is being maintained.

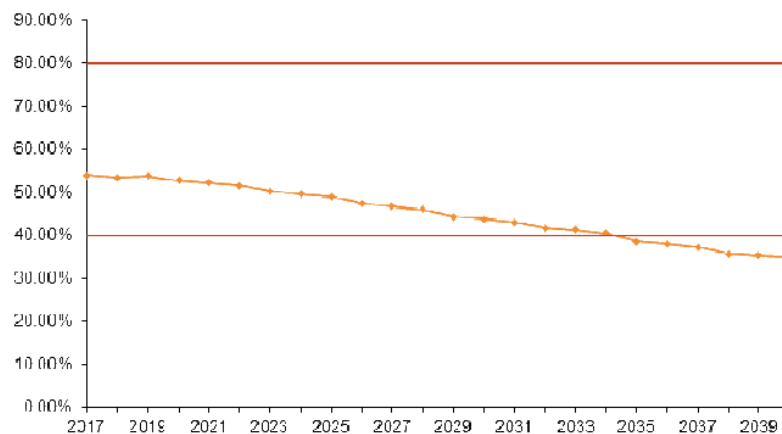




**Indicator 7 – Asset Consumption Ratio**

This indicator expresses asset written down value as a percentage of replacement cost and thus seeks to measure the proportion of life remaining in assets. A lower measure indicates an older (on average) portfolio of assets and could indicate the potential for large renewal expenditure.

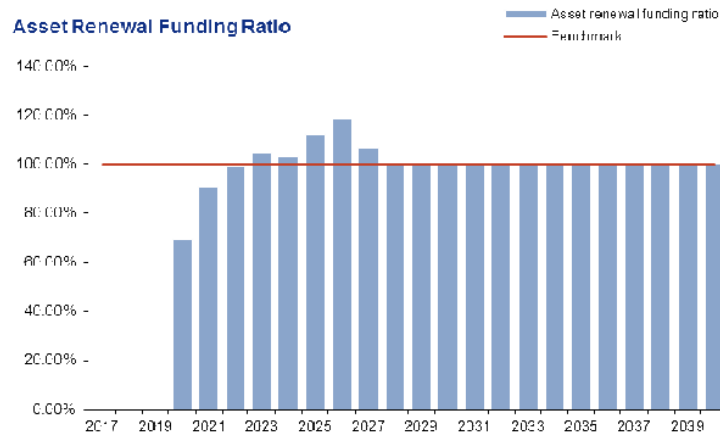
However, a low or declining ratio is not a concern provided assets are being maintained/replaced in accordance with well-prepared asset management plans and the organisation is operating sustainably i.e.: recording a breakeven or better underlying operating result. The cash generated by operating sustainably funds the renewal of assets.

**Asset consumption ratio- Total Assets**

This indicator is declining over the financial plan period but the ratio will increase when, beyond the 20 year plan period, asset renewal expenditure is expected to be greater than depreciation.

### Indicator 8 – Asset Renewal Funding Ratio

This ratio is planned asset renewal capital expenditure expressed as a percentage of the future asset renewal capital expenditure required by asset management plans. It therefore measures the capacity to fund asset renewal requirements. An inability to fund future requirements will result in revenue or expense or debt consequences, or a reduction in service levels.



The above graph shows that during the next three years, asset renewal funding will be less than the asset renewal requirements identified for those years. The opposite is true for the following five year period. This situation arises because a number of “Transforming Hobart” projects will take precedence during the next three years, resulting in some asset renewal works being deferred to following years.

Across the entire period, known asset renewal requirements will be fully-funded. That is, 100% of known asset renewal needs, as identified in Council's asset management plans, will be funded.

### Conclusions

Benchmarks are expected to be achieved for all financial sustainability indicators within the next four years.

Further detail is provided in Council's Long-Term Financial Management Plan 2020 – 2040.

## 8. Appendix - Capital Expenditure Program 2019-20

<u>Project</u>	<u>Amount</u>
<b>Buildings</b>	
Argyle St Carpark - traffic lights	\$60,000
DKHAC - Major Refurbishment & Upgrade Works	\$5,600,000
Energy Savings Action Plan Implementation - Buildings	\$100,000
South Hobart Community Centre	\$100,000
<b>Bushland Infrastructure</b>	
Bushland Fund - Yearly Amount	\$50,000
Fire Trail Upgrades	\$500,000
<b>Corporate Governance</b>	
Phoenix - General Project - Non-OO Contracted Software / Development	\$420,000
Records and Information Management System	\$630,000
<b>Enterprise Technology</b>	
Automated Vehicle Trial	\$100,000
Connected Precincts Infrastructure	\$200,000
<b>Inner City Action Plan</b>	
No 3 - Elizabeth Street Bus Mall - Construction	\$1,000,000
Collins Street / Hobart Rivulet Linear Park Connection	\$500,000
Campbell Street Upgrade (City Campus Project)	\$100,000
Castray Esplanade Upgrade	\$300,000
Salamanca Pedestrian Works Stage 3 - Morrison Castray Salamanca rationalisation	\$1,000,000
Bridges Connection	\$250,000
<b>Local Retail Precinct Plan</b>	
Elizabeth Street Retail Precinct Upgrade	\$100,000
New Town Retail Precinct Upgrade and Renewal Works	\$1,250,000
<b>Miscellaneous Items</b>	
North Hobart Parking Expansion	\$600,000
<b>Parks Infrastructure</b>	
Hobart Rivulet Linear Park - Vicinity of Anglesea Street	\$125,000
Parks Park & Street Trees - Yearly Amount	\$50,000
Swan Street Reserve Refurbishment	\$200,000
<b>Public Toilet Strategy 2015-2025</b>	
Domain Summit Public Convenience	\$100,000
Fern Tree Park	\$50,000
Hobart Central Car Park Public Convenience Internal Refurbishment	\$200,000
Lower Sandy Bay Playground Toilet Renewal	\$600,000
Swan St Public Convenience Building Renewal	\$100,000
Tolmans Hill New Public Convenience	\$50,000
<b>Queens Domain Program</b>	
Domain Summit Facilities	\$250,000

<u>Project</u>	<u>Amount</u>
<b>Road Infrastructure</b>	
Caroline St to Woodcutters Rd - Pathway Upgrade	\$75,000
City Laneways - Access and Lighting Upgrades	\$100,000
Fern Tree Footpath Upgrade	\$625,000
Huon Road Uphill Widening for Cyclists	\$475,000
Implementation Of Transport Strategy	\$250,000
<b>Roads and Environmental Infrastructure</b>	
Crowded Spaces Response	\$500,000
<b>Stormwater Reticulation &amp; Rivulets</b>	
Flood recovery Annual Allocation	\$800,000
Implementation of Stormwater Strategy	\$200,000
<b>Traffic Engineering Projects</b>	
Lenah Valley Rd - Creek Rd - Left Slip Lane	\$140,000
Traffic Project Annual Allocation - Cycling Infrastructure	\$100,000
<b>Wellington Park - One Mountain</b>	
Pipeline Trail - Fern Tree Park Master Plan	\$250,000
Buildings Renewal	\$1,700,000
Bushland Infrastructure Renewal	\$509,000
Parks Infrastructure Renewal	\$812,137
Road Infrastructure - ASU Civil Works	\$4,382,857
Road Infrastructure - ASU Footpaths	\$1,420,000
Road Infrastructure - ASU Minor Works	\$510,000
Road Infrastructure - ASU Overlay	\$2,100,000
Road Infrastructure - ASU Pavements	\$150,000
Road Infrastructure - ASU Reseal Preparation / Heavy Patching	\$70,000
Road Infrastructure - Traffic Projects	\$200,000
Solid Waste Management Renewal	\$408,000
Sporting Facilities Renewal	\$1,902,379
Stormwater Reticulation & Rivulets Renewal	\$1,980,000
Plant & Equipment	\$3,999,627
	<u>\$38,244,000</u>
<b>add back proceeds from sale of plant and equipment</b>	<u>\$900,000</u>
	<u>\$39,144,000</u>
<b>less estimated amount not to be capitalised</b>	<u>-\$1,706,901</u>
	<u><u>\$37,437,099</u></u>

# CITY OF HOBART

---

# Annual Plan 2019–20

JUNE 2019



City of **HOBART**

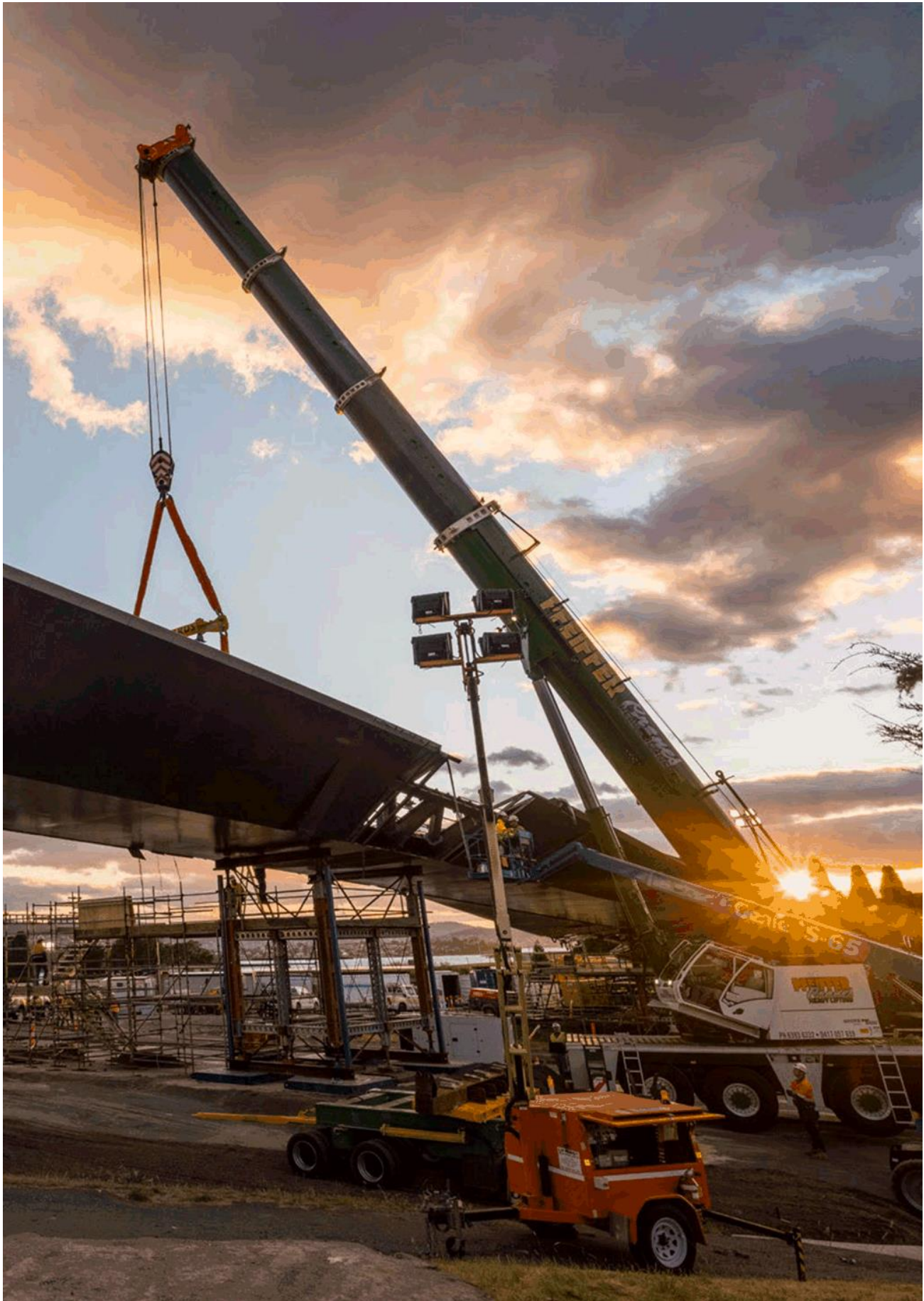




## TABLE OF CONTENTS

INTRODUCTION	5
GOAL 1 ECONOMIC DEVELOPMENT, VIBRANCY AND CULTURE	11
GOAL 2 URBAN MANAGEMENT	15
GOAL 3 ENVIRONMENT AND NATURAL RESOURCES	19
GOAL 4 STRONG, SAFE AND HEALTHY COMMUNITIES	23
GOAL 5 GOVERNANCE	27
SUMMARY OF BUDGET ESTIMATES	31
DELEGATIONS	37
PUBLIC HEALTH GOALS AND OBJECTIVES	39
APPENDIX 1 SUMMARY BY BUDGET FUNCTION	41







# INTRODUCTION

The Annual Plan sets out the major actions and initiatives for the 2019–20 financial year.

In 2015 the Hobart City Council endorsed a ten-year *Capital City Strategic Plan 2015–25*, which set out the priority areas of activity to achieve the future directions within the *Hobart 2025* community vision plan. Annual plans and annual reports are based on the ten-year strategic plan.

Following the endorsement of the ten-year *Capital City Strategic Plan 2015–25*, the City embarked on a review of the Hobart 2025 community vision. Between September 2017 and July 2018, the City engaged with community members and stakeholders to frame a community vision to guide the City’s work in the future. Over 1100 people contributed to the process. The new vision, *Hobart: A community vision for our island capital*, was endorsed by the Council in July 2018. It supersedes the Hobart 2025 community vision.

A statutory review of the ten-year *Capital City Strategic Plan 2015–25*, was carried out in the 2018–19 financial year. The review also provided the opportunity to ensure the new community vision was integrated into the plan and put into action the future aspirations expressed by the community.

The revised strategic plan was not completed in time for the commencement of annual planning for the 2019–20 financial year. Therefore, this Annual Plan is based on the *Capital City Strategic Plan 2015–25*.

The revised Capital City Strategic Plan will be submitted to the Council for endorsement in the first quarter of the 2019-20 financial year.

## GOALS

**The Capital City Strategic Plan 2015–25 focuses on the goals of:**

- GOAL 1    Economic development, vibrancy and culture
- GOAL 2    Urban management
- GOAL 3    Environment and natural resources
- GOAL 4    Strong, safe and healthy communities
- GOAL 5    Governance.



**OUR MISSION – WORKING TOGETHER TO MAKE HOBART A BETTER PLACE FOR THE COMMUNITY.**

**We value:**

**People**

We care about people – our community, customers and colleagues.

**Teamwork**

We collaborate both within the organisation and with external stakeholders drawing on skills and expertise for the benefit of our community.

**Focus and Direction**

We have clear goals and plans to achieve sustainable social, environmental and economic outcomes for the Hobart community.

**Creativity and Innovation**

We embrace new approaches and continuously improve to achieve better outcomes for our community.

**Accountability**

We are transparent, work to high ethical and professional standards and are accountable for delivering outcomes for our community.



## PLANNING AND REPORTING FRAMEWORK

The Planning and Reporting Framework shows the relationship between the ten-year strategic plan, the annual plan and unit and divisional plans.

Priorities identified in the ten-year strategic plan are put into action through the annual divisional and unit plans and the City of Hobart annual plan.

The effectiveness of these actions is monitored through four progress reports to the Council each year.

## 2019–20 ANNUAL PLAN

The Annual Plan contains the major actions and initiatives and is complemented by the Budget Estimates 2019–20, a summary of which can be found at appendix 1.

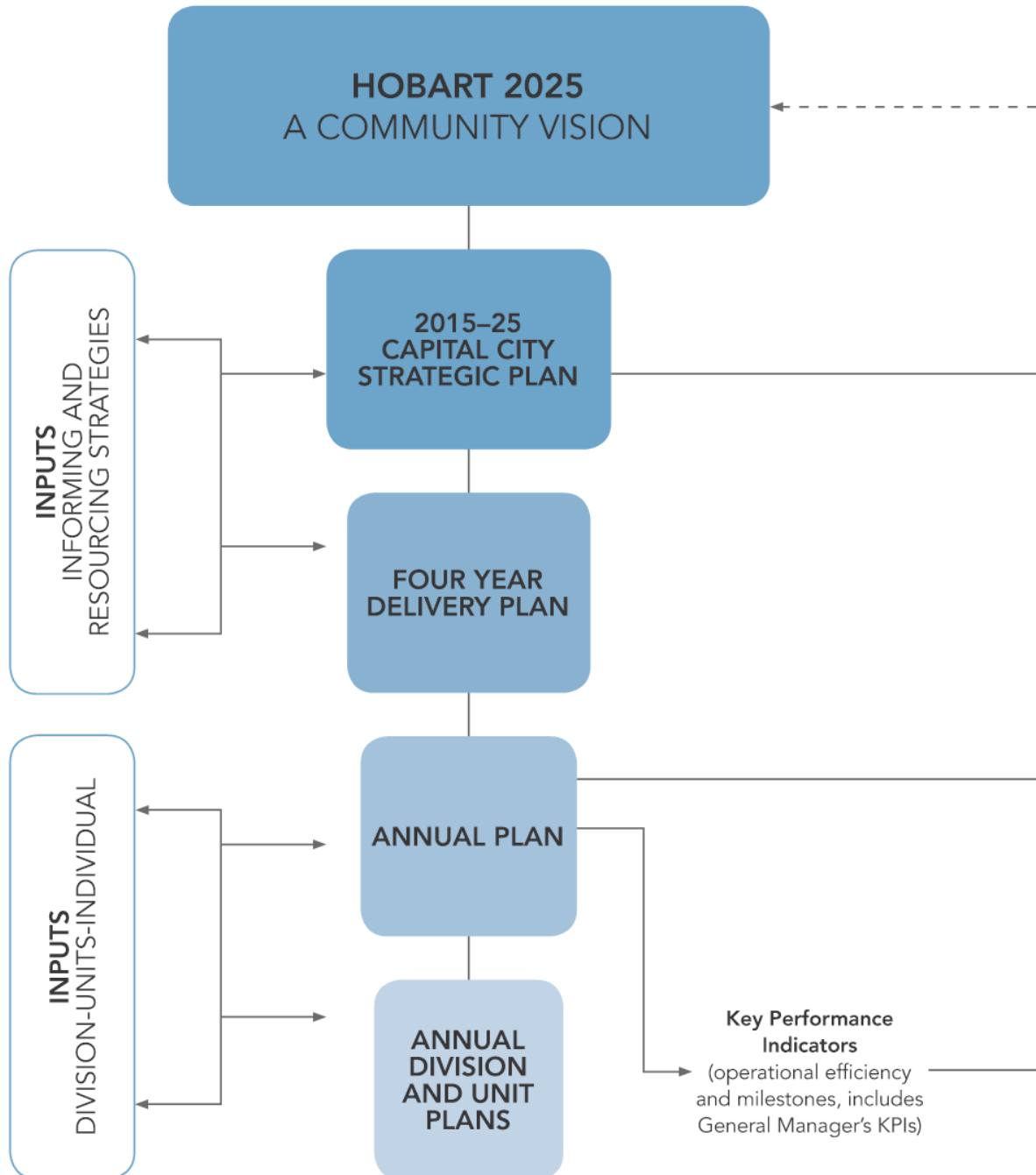
Development of the 2019–20 Annual Plan coincides with the development of divisional and unit plans, which identified the operational priorities and annual budget estimates for each function area.

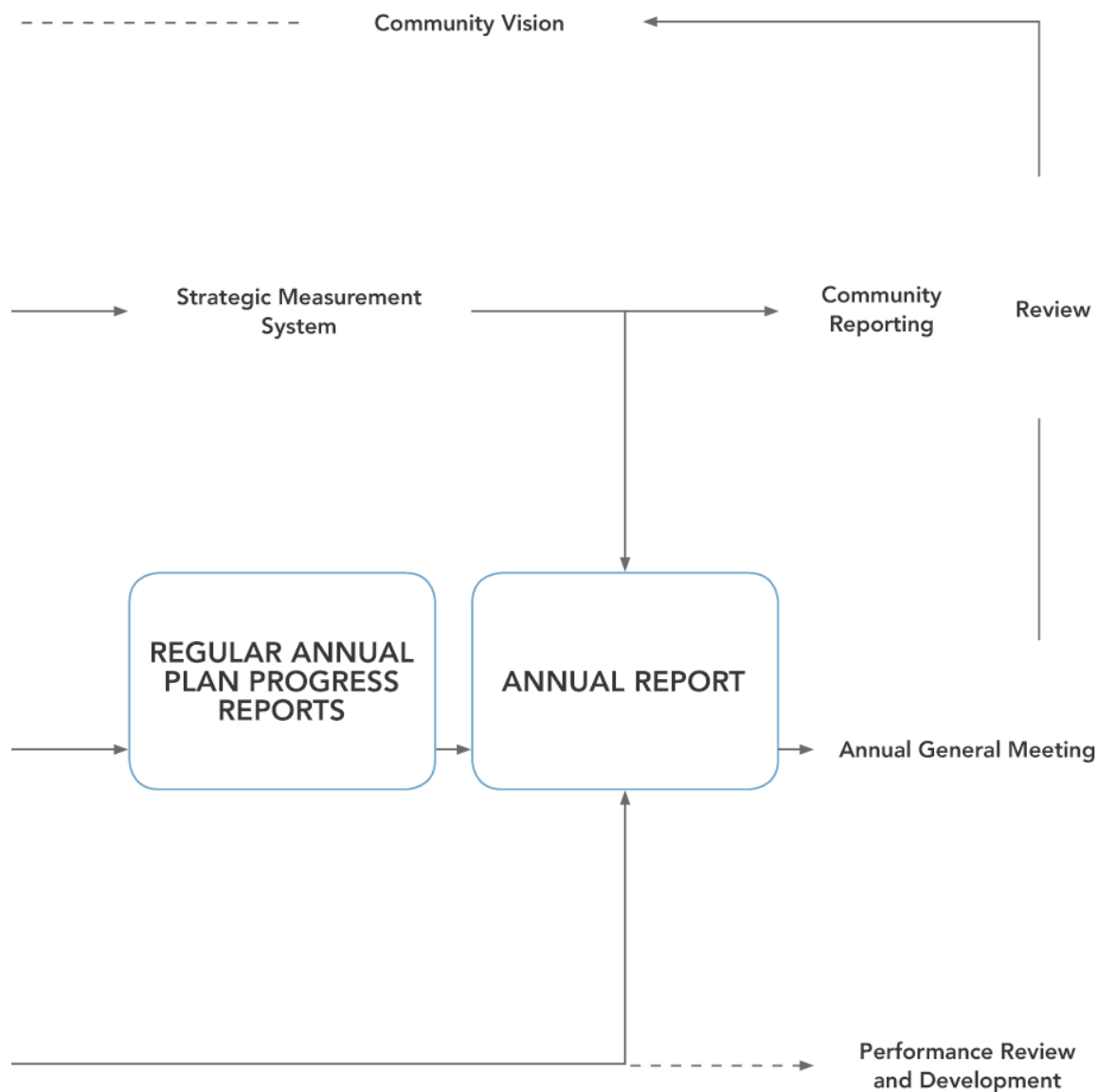
Copies of the *Capital City Strategic Plan 2015–25* are available on the City of Hobart website at [hobartcity.com.au](http://hobartcity.com.au).



City of Hobart Annual Plan 2019–20

## PLANNING AND REPORTING FRAMEWORK









# GOAL 1

## ECONOMIC DEVELOPMENT, VIBRANCY AND CULTURE

*City growth, vibrancy and culture comes when everyone participates in city life*

### STRATEGIC OBJECTIVES

- 1.1 Partnerships with government, the education sector and business create city growth.
- 1.2 Strong national and international relationships.
- 1.3 Vibrant city centre and suburban precincts.
- 1.4 An enriched visitor experience.
- 1.5 Cultural and creative activities build community wellbeing and economic viability.

### KEY FUNCTION AREAS

- Inclusive, Resilient and Creative Communities
- Planning Policy and Heritage
- Road and Environmental Engineering
- Community Activation and Grants
- Marketing
- The Taste of Tasmania
- Economic Development
- City Design
- Salamanca Market
- Cleansing and Solid Waste
- Project Portfolio Management
- Civil Works
- City Information
- City Parking



**2019–20 MAJOR ACTIONS AND INITIATIVES**

<b>STRATEGY REFERENCE</b>	<b>MAJOR ACTIONS AND INITIATIVES</b>
1.1.1	Deliver Economic Development activities in line with the Guiding Principles.
1.1.1	Continue to engage with the Hobart business community through City programs such as Hello Hobart and Connected Hobart.
1.1.2	Respond to and support the consolidation of the University of Tasmania's campus in central Hobart as part of the development of a Hobart Precinct Plan.
1.1.6	Deliver the actions associated with the Welcoming Cities Program.
1.2.4	Continue to review and deliver actions from the International Relations Action Plan 2016.
1.3.1	Develop a strategic plan for Salamanca Market.
1.3.1	Deliver the 2019–20 Taste of Tasmania festival.
1.3.1	Deliver a range of community events including the Christmas Program, annual floral shows and other activities as required.
1.3.1	Continue to work in partnership with key event organisers to deliver major events and festivals through sponsorship agreements and the City Partnership Program.
1.3.1	Develop Terms and Conditions of Use for Salamanca Square, Mathers Place, Collins Court, Wellington Court and Elizabeth Mall.
1.3.1 1.3.3 1.4.1	Adopt and implement initiatives within the Connected Hobart Action Plan smart city program.
1.3.1 1.3.4	Continue to deliver and further develop the City of Hobart Food Truck Program.
1.3.1 1.3.5	Provide support of events, festivals and activities that activate the Hobart local government area through the City of Hobart Grant Programs.
1.4.1	Provide cleansing services to support events, festivals and markets and ensure that city streets, public toilets and other streetscape infrastructure are cleaned and maintained to a high standard.
1.3.2	Investigate opportunities for improved pedestrian connections between Elizabeth Mall and Wellington Court.



**2019–20 MAJOR ACTIONS AND INITIATIVES**

<b>STRATEGY REFERENCE</b>	<b>MAJOR ACTIONS AND INITIATIVES</b>
1.3.3	<p>Progress the Local Retail Precincts Plan:</p> <ul style="list-style-type: none"> <li>• Complete detailed designs for the New Town Retail Precinct.</li> <li>• Complete the construction of the New Town Retail Precinct.</li> <li>• Complete the New Town Retail Precinct Interpretation Project.</li> <li>• Develop concept designs for the Elizabeth Street (Midtown) Retail Precinct.</li> </ul>
1.3.4	Develop an innovative activation framework for city facilities.
1.4.1	Implement the Hobart Waterfront Interpretation Project.
1.4.2	Undertake consultation with the State government and tourism stakeholder groups on the development of a Tourism Strategy for the City of Hobart.
1.4.3	Develop the information and booking service at the enhanced Elizabeth Mall information booth to provide services to locals, visitors and students.
1.4.3	Implement the Creative Hobart Strategy including hosting forums that engage the community and the cultural sector.
1.5.1	Implement the Public Art Framework.
1.5.1	Implement the biennial multi-disciplinary creative program in partnership with the Tasmanian Museum and Art Gallery.
1.5.1	Deliver a range of public art projects including the New Town Public Art Project.



## GOAL 2 URBAN MANAGEMENT

*City Planning promotes  
our city's uniqueness, is  
people focused and provides  
connectedness and accessibility*

### STRATEGIC OBJECTIVES

- 2.1 A fully accessible and connected city environment.
- 2.2 A people-focused city with well-designed and managed urban and recreation spaces.
- 2.3 City and regional planning ensures quality design, meets community needs, and maintains residential amenity.
- 2.4 Unique heritage assets are protected and celebrated.

### KEY FUNCTION AREAS

- Traffic Engineering
- Parks and Recreation
- Design Services
- Cleansing and Solid Waste
- City Parking
- Road and Environmental Engineering
- City Design
- Planning Policy and Heritage
- Civil Works
- Project and Portfolio Management
- Development Appraisal
- City Information
- Smart and Sustainable City

**2019–20 MAJOR ACTIONS AND INITIATIVES**

STRATEGY REFERENCE	MAJOR ACTIONS AND INITIATIVES
2.1.1 2.1.2	Finalise the Transport Strategy and commence the implementation of the strategy actions.
2.1.2	Undertake construction of the Elizabeth Street Bus Mall improvements.
2.1.2 2.1.3 2.1.6	Design and commence construction of Huon Road widening between Hillborough Road and Pillinger Drive to provide improved uphill overtaking opportunities.
2.1.2 2.1.6 2.2.5	Develop concept designs for improved infrastructure for cyclists in the city centre and undertake temporary installations to connect the new Brooker Avenue bridge and the city.
2.1.2 2.1.3 2.1.6 2.3.3	Prepare the concept design for new traffic signals at the Collins and Molle Street intersection to improve safety for cyclists and pedestrians.
2.1.2 2.1.3	Undertake road shoulder improvements at Weld Street, South Hobart.
2.1.2 2.1.3	Undertake footpath and road surface improvements at New Town Road from Argyle Street to Risdon Road.
2.1.2 2.1.3	Undertake footpath renewal at Digney Street, Dynnyrne from Antill Street to Pillinger Street.
2.1.2 2.1.3	Undertake footpath and road surface improvements at Abermere Avenue to Elphinstone Road, Mount Stuart.
2.1.2 2.1.7	Understand the movement and access impacts of the future relocation of the University of Tasmania from Sandy Bay into the city.
2.1.2 2.2.2	Increase the availability of parking in North Hobart through expansion of existing car parks and identification of new parking areas.
2.1.2 2.2.5	Complete network and urban design planning for lower Campbell Street.
2.1.3	Commence installation of the guard rails on Pinnacle Road.
2.1.4	Review parking operations and develop and implement a new Parking Plan.

#### 2019–20 MAJOR ACTIONS AND INITIATIVES

2.1.6 2.2.5 2.3.3	Finalise the concept design for improved bicycle connections along Collins Street.
2.1.7 2.3.3	Partner with the State Government to undertake the development of a Central Hobart Precinct Plan.
2.1.7 2.3.2	Commence the development of a Road Network Plan to provide guidance and direction for the future development of the City's road and access network.
2.2.1	Undertake the redevelopment of the South Hobart Community Centre.
2.2.1 2.2.2	Undertake the construction of the Stage 2 upgrade of Collins Court, including the 'Playful City' element.
2.2.1 2.2.2	Develop a Hobart Design Manual to guide public placemaking initiatives.
2.2.1 4.2.2	Investigate the establishment of a Park-lets Program.
2.2.1	Investigate the development of guidelines for outdoor dining infrastructure in Hobart.
2.2.2	Continue the implementation of the Public Toilet Strategy 2015 – 2025 by completing the following projects; <ul style="list-style-type: none"> <li>• Annual Accessibility Upgrades</li> <li>• Swan Street , North Hobart</li> <li>• Long Beach , Sandy Bay</li> <li>• Hobart Central Car park</li> <li>• Undertake the concept design for the Tolmans Hill Public convenience.</li> </ul>
2.2.2	Undertake the redevelopment of Swan Street park.
2.2.5	Oversee the completion of the Brooker Avenue pedestrian and cycling bridge.
2.2.5 2.3.3	Complete Stage 2 of the Salamanca Place Precinct Upgrade Project.
2.2.5 2.3.3	Complete the design and commence construction of Stage 3 of the Salamanca Place Precinct Upgrade Project.
2.3.3	Review the status of Inner City Action Plan (ICAP) projects in the context of a Central Hobart Precinct Plan.
2.3.4	Exhibit the Hobart Local Provisions Schedule and implement through the Tasmanian Planning Scheme.





## GOAL 3 ENVIRONMENT AND NATURAL RESOURCES

*An ecologically sustainable city maintains its unique character and values our natural resources*

### STRATEGIC OBJECTIVES

- 3.1 Increased resilience to climate change.
- 3.2 Strong environmental stewardship.
- 3.3 A highly valued natural and cultural open space network.
- 3.4 Leadership in environmental performance with the efficient use of natural resources.

### KEY FUNCTION AREAS

- Road and Environmental Engineering
- Bushland
- Smart and Sustainable City
- Cleansing and Solid Waste
- Asset Services
- Environmental Planning
- Civil Works
- Environmental Health
- Parks and Recreation
- City Information

**2019–20 MAJOR ACTIONS AND INITIATIVES**

STRATEGY REFERENCE	MAJOR ACTIONS AND INITIATIVES
3.1.1	Finalise the Hobart Climate Change Strategy.
3.1.3	Finalise the Hobart Coastal Hazards Strategy.
3.2.1	Progress the City's Fire Trail Renewal Program.
3.2.1	Continue to plan and implement a multi-year works program to improve the City's fuel break network, including the enhancement and extension of existing breaks and new breaks, which are consistent with current Tasmania Fire Service Fuel Break Guidelines.
3.2.2	Complete stormwater system management plans for all of the City's catchments.
3.2.3	Progress the completion of design work for flood mitigation works for the lower reaches of the Maypole Rivulet and New Town Rivulet catchments.
3.2.3	Continue with the program to repair flood damage to stormwater systems and rivulets.
3.2.4	Implement the Single-use Plastics by-law in a staged manner, maximising stakeholder engagement and educational opportunities, and providing information and tools to enable affected businesses to transition to compliance.
3.2.4	Participate in the Local Government Association of Tasmania / Environment Protection Authority five-year Work Program including Environmental Health Officer Workforce Development Plan and the shared resources project.
3.2.4	Consider and scope a background noise survey for the waterfront night time entertainment precinct to establish baseline data on reasonable levels of noise for the area.
3.2.4 3.2.5 3.4.3 3.4.4	Implement actions and initiatives from the Connected Hobart Action Plan.
3.2.5	Implement year three of the Waste Management Strategy Action Plan 2016-2019.
3.2.5	Consider the implementation of kerbside collection of Food Organics and Garden Organics (FOGO).
3.2.5	Deliver the Waste Education Plan in accordance with the Waste Management Strategy 2015-2030.



**2019–20 MAJOR ACTIONS AND INITIATIVES**

3.2.5	Complete construction and upgrade works for Kemp Street, specifically the streetscape and waste compactor installation works.
3.2.6	Progress implementation of the Environmental Management Plan for the McRobies Gully landfill.
3.3.1	Continue support of the Bushcare Program to assist in maintaining and improving the bushland network.
3.3.2	Complete the works associated with the Fern Tree Visitor Node Master Plan (including the new toilet).
3.3.2	Progress the implementation of the Queens Domain Summit Redevelopment Plan.
3.3.5	Progress the implementation of actions from the Biodiversity Plan.
3.4.4	Install a further 70 kilowatts of solar power panels on the City's buildings.



## GOAL 4 STRONG, SAFE AND HEALTHY COMMUNITIES

*Our communities are resilient,  
safe and enjoy healthy lifestyles*

### STRATEGIC OBJECTIVES

- 4.1 Community connectedness and participation realises the cultural and social potential of the community.
- 4.2 City facilities, infrastructure and open spaces support healthy lifestyles.
- 4.3 Build community resilience, public health and safety.
- 4.4 Community diversity is encouraged and celebrated.

### KEY FUNCTION AREAS

- Doone Kennedy  
Hobart Aquatic Centre
- Bushland
- Inclusive, Resilient and  
Creative Communities
- Road and Environmental Engineering
- Environmental Health
- Planning Policy and Heritage
- Parks and Recreation
- Smart and Sustainable City
- Design Services
- Emergency Management
- City Technology
- City Information

**2019–20 MAJOR ACTIONS AND INITIATIVES**

STRATEGY REFERENCE	MAJOR ACTIONS AND INITIATIVES
4.1.1 4.2.2	Complete the redevelopment of the Youth ARC facility.
4.1.1 4.1.2	Review the Social Inclusion Strategy 2014 – 2019 and associated plans. (Children and Families; Youth; Positive Ageing; Equal Access; Multicultural; Resilience).
4.1.1 4.1.2	Complete the Reconciliation Action Plan.
4.1.2 4.4.1 4.4.3	Strengthen links with the Aboriginal community through involvement in City programs, community and cultural events and engagement activities.
4.1.2	Deliver the Still Gardening Program in accordance with the Department of Social Services funding agreement.
4.1.4 4.1.7 4.2.4 4.4.1	Deliver and support community events including Children and Families Week, National Youth Week, Harmony Day, Seniors Week, Adult Learners' Week, Homelessness Week, Anti-Poverty Week and Mental Health Week.
4.1.5	Deliver the City of Hobart Grants Program and explore opportunities to support applicants and recipients.
4.1.6	Strengthen and develop the Community and Culture volunteer programs.
4.2.1	Deliver a wide variety of health and wellbeing, aquatic and recreational programs and activities at the Doone Kennedy Hobart Aquatic Centre.
4.2.1	Progress the refurbishment of the Doone Kennedy Hobart Aquatic Centre in accordance with the master plan.
4.2.2	Complete the Intercity Cycleway extension from McVilly Drive to the boundary Macquarie Point.
4.2.2	Complete the connection of 'City to Gardens Way' from the Brooker Avenue Bridge to the Bridge of Remembrance.
4.2.2	Progress the connection of 'City of Gardens Way' from Davies Avenue to the Royal Tasmanian Botanical Gardens.
4.2.2	Undertake sporting grounds playing surface upgrades at Sandown Park and John Turnbull Park.
4.2.2	Work with sporting clubs to deliver major projects funded by external grants.

**2019–20 MAJOR ACTIONS AND INITIATIVES**

4.2.2	Implement actions from the Connected Hobart Action Plan.
4.3.3	
4.3.8	
4.3.1	Prepare Evacuation Centre Operating Procedures.
4.3.2	
4.3.1	Implement recommendations from the evaluations of the May 2018 storm event and the January 2019 Southern Tasmanian fires.
4.3.2	
4.3.3	
4.3.2	Implement resilience projects which have been funded jointly by the Australian and Tasmanian governments under the Natural Disaster Relief and Recovery Arrangements
4.3.6	
4.3.3	Commence implementation of actions arising from Hobart's Crowded Spaces public safety review.
4.3.5	Undertake regular outfall testing of stormwater systems.
4.3.5	Effectively implement the newly declared smoke-free areas and finalise an awareness and enforcement program for future management of these areas.
4.3.5	Provide Meningococcal ACWY vaccination extension programs for Grade 10 students.
4.3.5	Participate in the Department of Health pilot project for allergen management resources for food businesses.
4.3.5	Develop a local food policy/framework.
4.3.6	Review and update the Hobart Corporate Climate Adaptation Plan.
4.3.7	Complete the review of the Affordable Housing and Homelessness Strategy.
4.3.8	Implement actions from the Community Safety Commitment.





## GOAL 5 GOVERNANCE

*Leadership provides for  
informed decision making for  
our capital city*

### STRATEGIC OBJECTIVES

- 5.1 The organisation is relevant to the community, and provides good governance and transparent decision making.
- 5.2 Opportunities are embraced and risks are recognised and managed.
- 5.3 Quality services are delivered in the most safe, cost effective and efficient way.
- 5.4 An engaged civic culture where people feel part of decision-making.
- 5.5 Capital City leadership is provided.

### KEY FUNCTION AREAS

- Financial Services
- Customer Services
- The General Manager's office
- Communications
- Marketing
- The Executive Leadership Team
- Future Communities
- Rates
- City Information
- Smart and Sustainable City
- Asset Services
- Community Activation and Grants
- City Technology
- People and Capability
- Council Support
- Inclusive, Resilient and Creative Communities
- Engaged Communities
- Procurement
- Project and Portfolio Management
- Road and Environmental Engineering



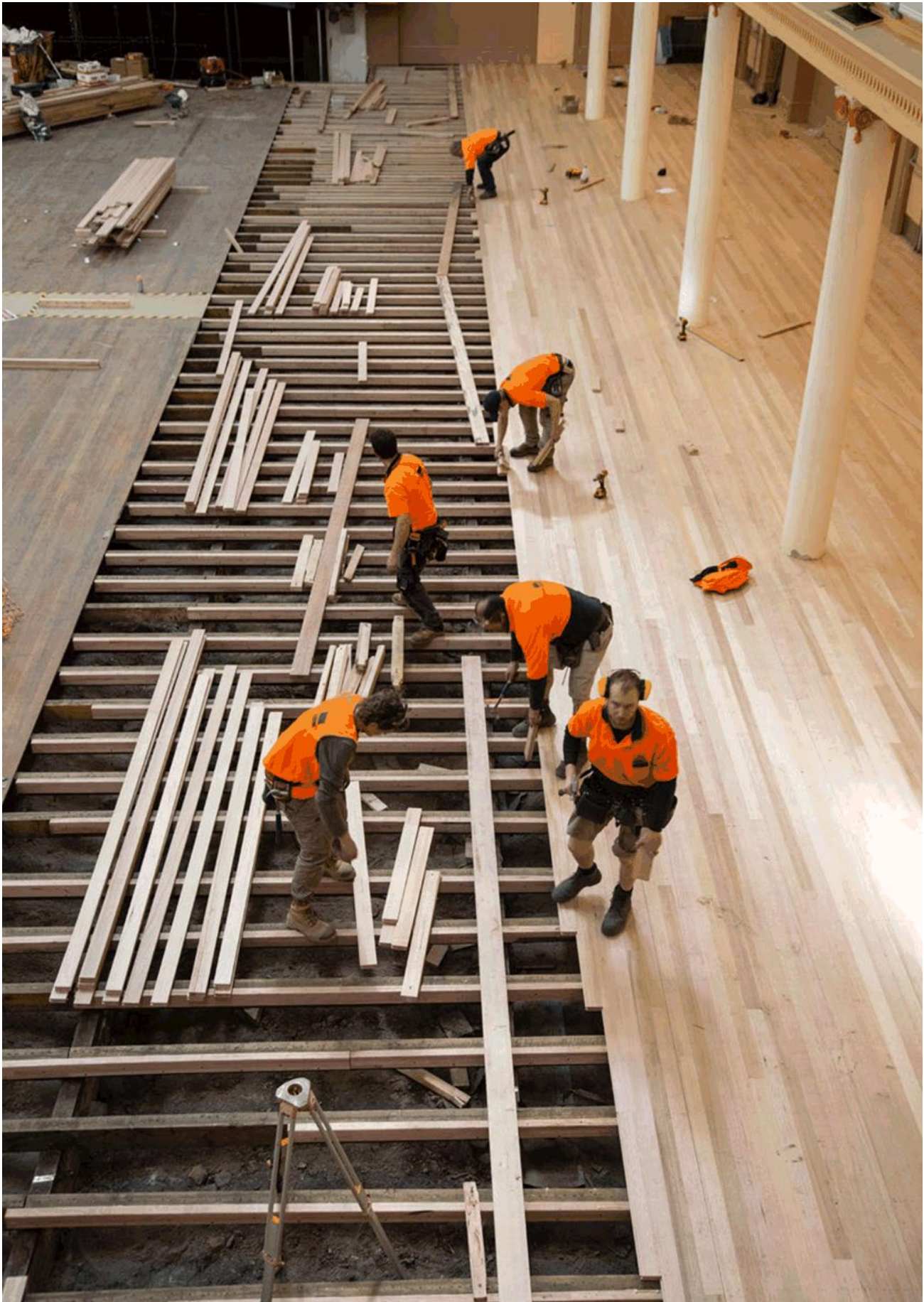
#### 2019–20 MAJOR ACTIONS AND INITIATIVES

STRATEGY REFERENCE	MAJOR ACTIONS AND INITIATIVES
5.1.1	Deliver the new Asset Management Information System (AMIS)
5.1.2	conversion from Conquest to AssetMaster.
5.1.2	Progress the ongoing implementation and development of new management frameworks, procedures and business systems including: <ul style="list-style-type: none"> <li>• Finance (Navision)</li> <li>• Customer Services</li> <li>• Property and Rating</li> <li>• Project and Portfolio Management</li> <li>• Fleet Management</li> <li>• Records Management.</li> </ul>
5.1.2	Progress the implementation of integrated business systems and processes throughout the organisation.
5.1.2	Continue the enhancement of capabilities to manage the integration of business systems.
5.1.3	Implement the enhancement of audio-visual systems in the Council Chambers and Lady Osborne Room.
5.1.3	Implement live minute taking for Council meetings.
5.1.4	Undertake effective qualitative assessment of all grant programs.
5.1.4	Develop and implement a Strategic Measurement System to provide systematic and useful measurement of community outcomes and the City's performance.
5.1.4	Undertake a review of the City's Planning and Reporting Framework.
5.1.7	Review and update the Long-term Financial Management Plan.
5.1.7	Prepare annual budgets in the context of the Long-term Financial Management Plan.
5.1.7	Develop and implement a new Budget Management Strategy.
5.1.8	Improve system and process capability for rates management.
5.1.9	Implement the 2019-20 actions from the City of Hobart Procurement Strategy, including: <ul style="list-style-type: none"> <li>• Increased procurement performance reporting through new business systems.</li> <li>• Increased contract management system and process capability and engagement with the market.</li> <li>• Develop a policy framework around procurement sustainability and ethical purchasing.</li> </ul>



#### 2019–20 MAJOR ACTIONS AND INITIATIVES

5.2.4	Commence with the development of a program to reduce flooding impacts through mitigation works in the stormwater drainage system.
5.3.1	Establish a Governance Framework to support contemporary data management functions required to perform the City's future information (reporting and analytics) needs.
5.3.1	Enhance spatial services delivery through technology augmentation and alignment with data management and integration initiatives.
5.3.1	Progress the establishment of an organisation-wide program to support a continuous improvement culture.
5.3.3	Highlight critical infrastructure assets in the City's asset register.
5.3.4	
5.3.5	Implement the new Values and Code of Conduct.
5.3.6	
5.3.5	Implement and promote new recruitment standards and processes.
5.3.5	Commence development of a Workforce Planning Framework.
5.3.6	Deliver an integrated social media business policy for the whole organisation.
5.3.6	Continue with the implementation of the Managers' Leadership Development Program with the rollout of the third cohort at Team Leader/Supervisor level.
5.3.6	Facilitate the development of a cohesive and supportive corporate culture across the newly formed City Governance Division.
5.3.6	Consolidate the new organisational structure.
5.3.6	Develop and deliver a mental health and well-being program.
5.3.7	Deliver the Customer Service Strategy.
5.4.1	Provide, through workshops and other methods, International Association of Public Participation (IAP2) training for elected members, the executive leadership team and staff.
5.4.3	
5.4.1	Develop a staff community engagement toolkit.
5.4.1	Design community engagement plans that are in line with the IAP2 best practice.
5.4.3	Provide regular opportunities through 'community conversations' for communities to interact with the City officers and elected members.
5.5.1	Support the implementation of the Hobart City Deal and the Greater Hobart Act.
5.5.1	Actively participate in the Council of Capital City Lord Mayors (CCCLM) activities and support projects that will benefit Hobart.



## SUMMARY OF BUDGET ESTIMATES

Pursuant to the *Local Government Act 1993*, the Council is required to prepare estimates of its revenue and expenditure for each financial year. These are required to be adopted by 31 August each year.

A summary by budget function is provided at Appendix 1.

**OPERATING RESULT FORECAST**

	2018-19 BUDGET (\$'000)	2019-20 BUDGET (\$'000)	2020-21 BUDGET (\$'000)	2021-22 BUDGET (\$'000)	2022-23 BUDGET (\$'000)	2023-24 BUDGET (\$'000)
<b>EXPENSES</b>						
Labour	(59,683)	(62,117)	(64,033)	(66,009)	(68,047)	(70,148)
Materials and services	(29,728)	(33,173)	(33,819)	(34,705)	(35,393)	(35,862)
Depreciation	(21,140)	(22,032)	(22,123)	(22,937)	(23,591)	(24,706)
Fire Levy	(10,741)	(11,388)	(12,072)	(12,796)	(13,564)	(14,378)
Energy costs	(2,367)	(2,318)	(2,376)	(2,435)	(2,496)	(2,559)
Bad Debts	(351)	(351)	(421)	(433)	(446)	(460)
Finance Costs	(1,265)	(2,334)	(2,635)	(3,280)	(3,616)	(3,670)
Asset write-offs	(2,100)	(2,202)	(2,432)	(2,386)	(2,362)	(2,444)
Other	(4,615)	(4,931)	(5,070)	(4,298)	(4,402)	(4,510)
	<b>(131,990)</b>	<b>(140,846)</b>	<b>(144,981)</b>	<b>(149,279)</b>	<b>(153,917)</b>	<b>(158,737)</b>
<b>REVENUES</b>						
Rates and Charges	84,604	88,604	92,572	96,440	100,480	104,690
Parking Fines	7,059	8,463	8,717	8,978	9,248	9,525
Operating Grants	3,441	3,226	3,290	3,356	3,423	3,492
Distributions from TasWater	2,172	2,172	2,172	2,172	2,172	2,172
Rents	3,530	3,714	3,825	3,940	4,058	4,180
Interest	722	930	883	1,039	1,009	937
Fire Levy collection fee	429	455	482	511	543	575
Fees and Charges - car parks	10,257	11,219	11,555	11,902	12,259	12,627
Fees and Charges - on street parking	5,929	7,389	7,610	7,839	8,074	8,316
Fees and Charges - other	14,747	15,438	15,903	16,378	16,868	17,374
	<b>132,890</b>	<b>141,610</b>	<b>147,009</b>	<b>152,555</b>	<b>158,134</b>	<b>163,888</b>
<b>Underlying Surplus</b>	<b>900</b>	<b>764</b>	<b>2,028</b>	<b>3,276</b>	<b>4,217</b>	<b>5,151</b>
<b>CAPITAL ITEMS</b>						
Capital Grants	2,318	550	550	550	550	550
Financial assistance grants in advance	(10)	(1,355)	-	-	-	-
2018 Storm Event	(724)	(85)	-	-	-	-
<b>Surplus</b>	<b>2,484</b>	<b>(126)</b>	<b>2,578</b>	<b>3,826</b>	<b>4,767</b>	<b>5,701</b>



**CASH FLOW FORECAST**

	2018-19 BUDGET (\$'000)	2019-20 BUDGET (\$'000)	2020-21 BUDGET (\$'000)	2021-22 BUDGET (\$'000)	2022-23 BUDGET (\$'000)	2023-24 BUDGET (\$'000)
<b>OPERATING ACTIVITIES</b>						
<b>PAYMENTS</b>						
Employee Costs	(56,969)	(59,875)	(61,684)	(63,548)	(65,470)	(67,450)
Fire Levy	(10,741)	(11,388)	(12,072)	(12,796)	(13,564)	(14,378)
Interest	(1,262)	(2,247)	(2,552)	(3,198)	(3,537)	(3,593)
Other	(39,830)	(41,323)	(42,235)	(42,430)	(43,305)	(43,971)
	<b>(108,802)</b>	<b>(114,833)</b>	<b>(118,543)</b>	<b>(121,972)</b>	<b>(125,876)</b>	<b>(129,392)</b>
<b>RECEIPTS</b>						
Rates and Charges	84,490	88,464	92,432	96,303	100,337	104,541
Grants	3,429	1,878	3,288	3,354	3,421	3,489
Fees and Charges	38,532	42,803	43,869	45,139	46,508	47,921
Rents	3,528	3,707	3,821	3,936	4,054	4,176
Interest	722	930	883	1,039	1,009	937
	130,701	137,782	144,293	149,771	155,329	161,064
Net Cash Flows from Operating Activities	21,899	22,949	25,750	27,799	29,453	31,672
<b>INVESTING ACTIVITIES</b>						
<b>PAYMENTS</b>						
<b>New Assets / Upgrades</b>						
• Brooker Bridge Pedestrian and Cycle Crossing	(5,857)	-	-	-	-	-
• Core Business Systems	(2,961)	(420)	(250)	(330)	-	-
• DKHAC - Major Refurbishment	(2,932)	(5,600)	-	-	-	-
• Infrastructure	(13,018)	(8,883)	(9,816)	(9,632)	(7,022)	(5,421)
• Property	(143)	-	-	-	-	-
• Plant and Equipment	(581)	(520)	(589)	(692)	(781)	(640)
<b>Asset Renewal</b>						
• Infrastructure	(25,232)	(17,794)	(20,246)	(21,762)	(21,953)	(22,565)
• Plant and Equipment	(4,674)	(4,220)	(4,461)	(5,196)	(5,823)	(4,939)
	<b>(55,398)</b>	<b>(37,437)</b>	<b>(35,362)</b>	<b>(37,612)</b>	<b>(35,579)</b>	<b>(33,565)</b>
<b>Receipts</b>						
Grants	2,318	550	550	550	550	550
Distributions from TasWater	2,172	2,172	2,172	2,172	2,172	2,172
Plant and equipment sales	499	900	699	779	834	855
	4,989	3,622	3,421	3,501	3,556	3,577
Net Cash Flows from Investing Activities	<b>(50,409)</b>	<b>(33,815)</b>	<b>(31,941)</b>	<b>(34,111)</b>	<b>(32,023)</b>	<b>(29,988)</b>

**CASH FLOW FORECAST**

	2018-19 BUDGET (\$'000)	2019-20 BUDGET (\$'000)	2020-21 BUDGET (\$'000)	2021-22 BUDGET (\$'000)	2022-23 BUDGET (\$'000)	2023-24 BUDGET (\$'000)
<b>FINANCING ACTIVITIES</b>						
<b>PAYMENTS</b>						
Debt Repayment	(2,060)	(3,194)	(3,986)	(4,586)	(4,604)	(4,722)
<b>RECEIPTS</b>						
Proceeds from Borrowings	20,000	20,000	15,000	10,000	5,000	5,000
<b>Net Cash Flows from Financing Activities</b>	<b>17,940</b>	<b>16,806</b>	<b>11,014</b>	<b>5,414</b>	<b>396</b>	<b>278</b>
<b>Net Cash Surplus / (Deficit)</b>	<b>(10,570)</b>	<b>5,940</b>	<b>4,823</b>	<b>(898)</b>	<b>(2,174)</b>	<b>1,962</b>
<b>Opening Cash On Hand</b>	<b>31,844</b>	<b>21,274</b>	<b>27,214</b>	<b>32,037</b>	<b>31,139</b>	<b>28,965</b>
<b>Closing Cash On Hand</b>	<b>21,274</b>	<b>27,214</b>	<b>32,037</b>	<b>31,139</b>	<b>28,965</b>	<b>30,927</b>

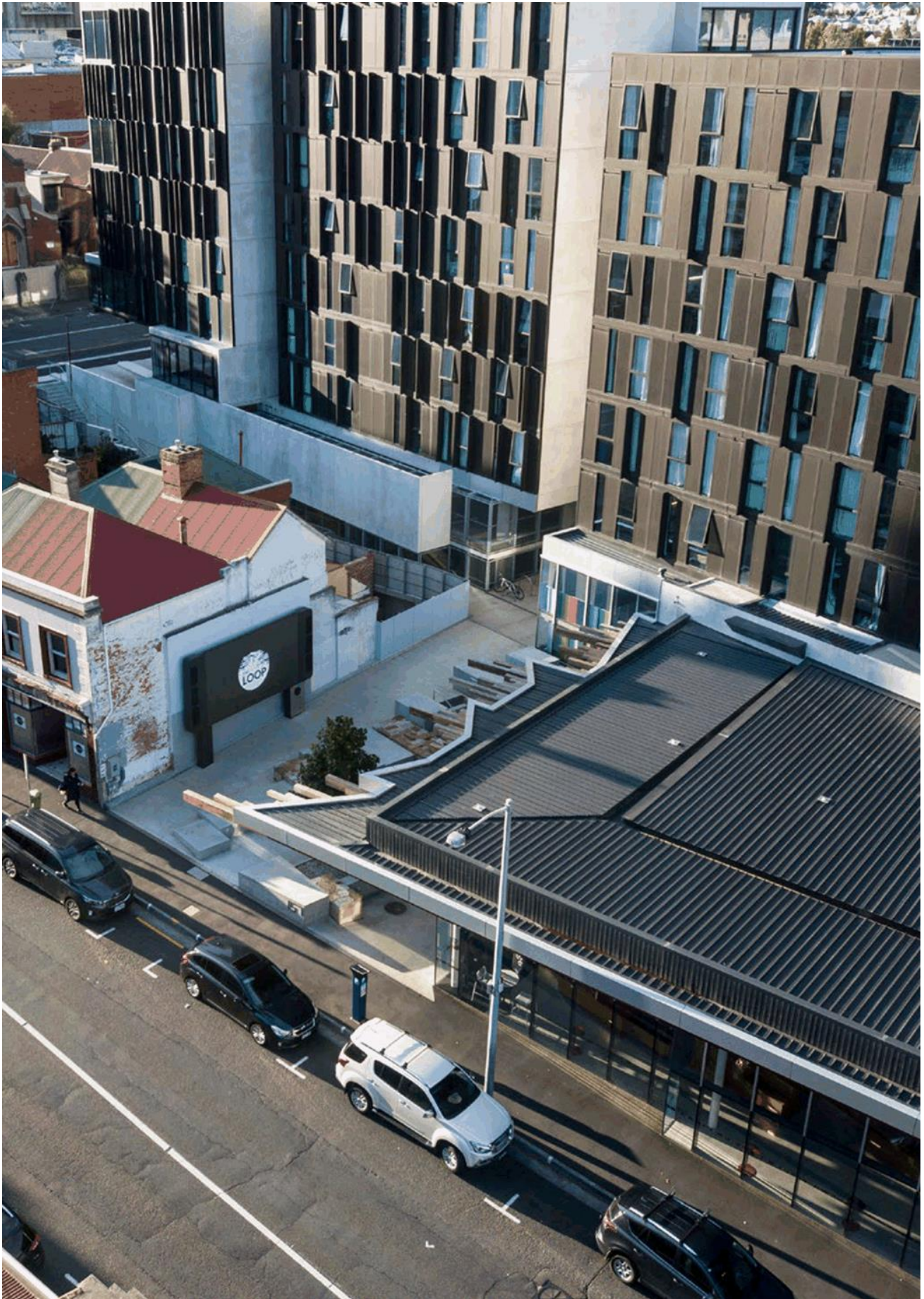
	2018-19 BUDGET (\$'000)	2019-20 BUDGET (\$'000)	2020-21 BUDGET (\$'000)	2021-22 BUDGET (\$'000)	2022-23 BUDGET (\$'000)	2023-24 BUDGET (\$'000)
<b>CLOSING CASH BALANCE EAR-MARKED FOR (A):</b>						
Contributions in Lieu of Public Open Space	48	48	48	48	48	48
Contributions in Lieu of Parking	135	135	135	135	135	135
Heritage Account	1,553	1,507	1,507	1,507	1,508	1,508
Plant and equipment carry-forwards (b)	1,000	1,000	1,000	1,000	1,000	1,000
Bushland Fund	115	165	215	265	315	365
McRobies Gully Tip Site Rehabilitation	3,175	3,153	3,217	3,276	3,329	3,376
Other project carry-forwards (b)	18,144	18,144	18,144	18,144	18,144	18,144
Refundable Deposits	2,162	2,162	2,162	2,162	2,162	2,162
Future Asset Renewal Reserve (c)	(5,058)	900	5,609	4,602	2,324	4,189

- (a) Some of Council's cash reserves are restricted. In some cases, this restriction is imposed by legislation (e.g. The Heritage Account). Others have been earmarked for certain purposes by Council decision and may therefore be used for other purposes at Council's discretion.
- (b) Carry-Forwards take account of annual allocations included in the capital expenditure budget but which may not be expended during the year, and are therefore on hand at the end of the year i.e. capital works in progress or not yet commenced.
- (c) The above table also shows that the Future Asset Renewal Reserve (total cash less reserved amounts) is negative during 2018-19. This situation results from Council's expanded capital works program which will necessitate borrowings. This means that the aggregate of reserved amounts exceeds the available cash balance in 2018-19. Of itself, this is not a concern because the majority of reserved amounts can be utilised for other purposes by Council decision, and not all amounts are required at the same point in time. However, balances and cash flow requirements will need to be closely monitored and further refined to ensure adequate liquidity.

**BALANCE SHEET FORECAST**

	2018-19 BUDGET (\$'000)	2019-20 BUDGET (\$'000)	2020-21 BUDGET (\$'000)	2021-22 BUDGET (\$'000)	2022-23 BUDGET (\$'000)	2023-24 BUDGET (\$'000)
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	21,274	27,181	31,971	31,041	28,833	30,763
Inventories	331	331	331	331	331	331
Receivables	4,598	4,548	4,671	4,849	5,035	5,227
Other	22	22	22	22	22	22
	<b>26,225</b>	<b>32,082</b>	<b>36,995</b>	<b>36,243</b>	<b>34,221</b>	<b>36,343</b>
<b>NON-CURRENT ASSETS</b>						
Receivables	226	226	226	226	226	226
Investment in TasWater	166,823	166,823	166,823	166,823	166,823	166,823
Property, plant and equipment	1,653,057	1,642,042	1,663,438	1,679,148	1,660,702	1,677,316
	<b>1,820,106</b>	<b>1,809,091</b>	<b>1,830,487</b>	<b>1,846,197</b>	<b>1,827,751</b>	<b>1,844,365</b>
<b>Total Assets</b>	<b>1,846,331</b>	<b>1,841,173</b>	<b>1,867,482</b>	<b>1,882,440</b>	<b>1,861,972</b>	<b>1,880,708</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Payables	(4,711)	(5,099)	(5,266)	(5,440)	(5,622)	(5,811)
Trust, Deposits, Retention	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)
Employee benefits	(12,505)	(13,196)	(13,915)	(14,663)	(15,440)	(16,248)
Unearned Revenue	(446)	(446)	(446)	(446)	(446)	(446)
Loans	(3,194)	(3,986)	(4,586)	(4,604)	(4,722)	(4,872)
	<b>(23,746)</b>	<b>(25,617)</b>	<b>(27,103)</b>	<b>(28,043)</b>	<b>(29,120)</b>	<b>(30,267)</b>
<b>NON-CURRENT LIABILITIES</b>						
Employee benefits	(3,527)	(3,722)	(3,925)	(4,136)	(4,355)	(4,583)
DB Superannuation Scheme	3,762	3,379	2,947	2,464	1,928	1,337
Loans	(34,937)	(50,950)	(61,364)	(66,760)	(67,038)	(67,167)
Other Provisions	(4,046)	(3,871)	(3,779)	(3,681)	(3,575)	(3,461)
	<b>(38,748)</b>	<b>(55,164)</b>	<b>(66,121)</b>	<b>(72,113)</b>	<b>(73,040)</b>	<b>(73,874)</b>
<b>Total Liabilities</b>	<b>(62,494)</b>	<b>(80,781)</b>	<b>(93,224)</b>	<b>(100,156)</b>	<b>(102,160)</b>	<b>(104,141)</b>
<b>Net Assets</b>	<b>1,783,837</b>	<b>1,760,392</b>	<b>1,774,258</b>	<b>1,782,284</b>	<b>1,759,812</b>	<b>1,776,567</b>





## DELEGATIONS

At its meeting to approve the Annual Estimates, the Council approved the delegation of power to expend monies to all the Council committees and the General Manager. The power to expend monies was linked to the delegation categories shown in this Annual Plan.

The delegation categories are defined as follows:

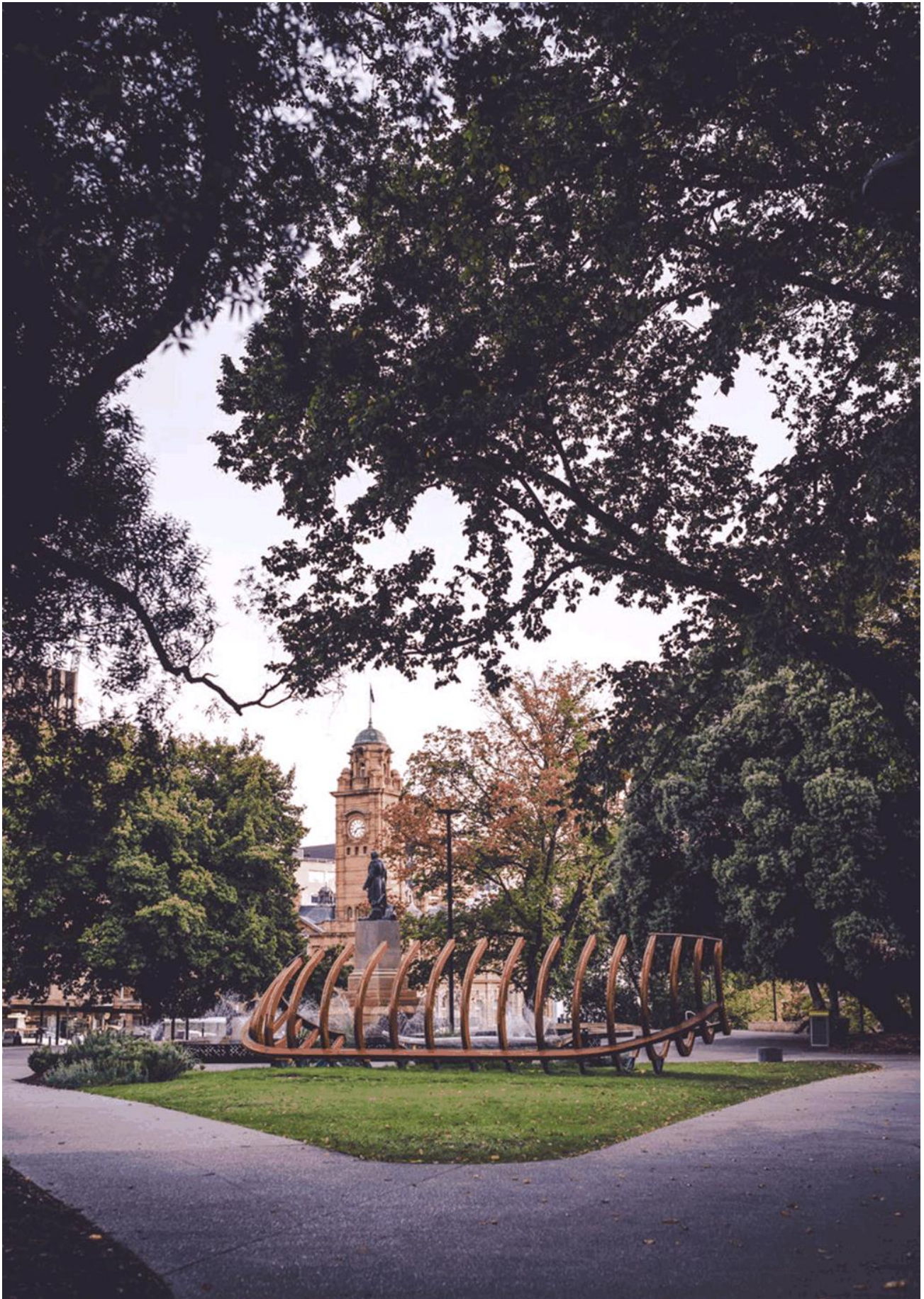
**Delegation 1:** power to expend monies delegated to the General Manager. Pursuant to the Council resolution and further pursuant to section 64 of the *Local Government Act 1993*, the General Manager is authorised by the Council to delegate this power to Council employees.

**Delegation 2:** power to expend monies delegated to the Council committees established pursuant to section 23 of the *Local Government Act 1993*.

**Delegation 3:** power to expend monies reserved to the Council.

The expenditure of money within all budget functions listed in the Annual Plan are Delegation 1.







# PUBLIC HEALTH GOALS AND OBJECTIVES

Section 71(2)(d) of the *Local Government Act 1993* requires the City of Hobart's Annual Plan to include a summary of the major strategies to be used to achieve the City's public health goals and objectives. The City of Hobart's commitment to maintaining high levels of public health protection is identified under Goals 3 and 4 of the *Capital City Strategic Plan 2015-2025*;

## STRATEGY – 3.2.4

Regulate and manage potentially polluting activities and protect and improve the environment

## STRATEGY – 4.3.5

Protect and improve public and environmental health outcomes

## MAJOR ACTIONS FOR 2019-20 ARE TO:

- Consider and scope a background noise survey for the waterfront night time entertainment precinct to establish baseline data on reasonable levels of noise for the area.
- Implement the newly declared smoke-free areas and finalise an awareness and enforcement program for future management of these areas.
- Provide Meningococcal ACWY vaccination extension programs for Grade 10 students.
- Participate in the Department of Health pilot project for allergen management resources for food businesses
- Implement the new National Adult and Child Immunisation Schedule, inclusive of flu vaccination for children 5 and under and adults over 65, in response to an increased number of disease notifications nationwide.
- Implement the Single-use Plastics by-law in a staged manner, maximising stakeholder engagement and educational opportunities, and providing information and tools to enable affected businesses to transition to compliance.
- Participate in the Local Government Association of Tasmania / Environment Protection Authority 5-year Work Program including; Environmental Health Officer workforce development plan and the shared resources project.

These actions are undertaken by the Environmental Health Unit of the City Planning Division. The purpose of the Environmental Health Unit is to enhance and improve the quality and standard of public and environmental health throughout the community and the City.



# **APPENDIX 1 SUMMARY BY BUDGET FUNCTION**



DIVISION: GENERAL MANAGER					
	2019-20	2019-20	2019-20	2019-20	2019-20
	OPERATING EXPENDITURE \$	OPERATING REVENUE \$	NET OPERATING \$	NET PROPERTY, PLANT & EQUIPMENT \$	NET PROJECTS \$
110 - Civic Support	427,265	0	427,265	0	0
125 - General Manager's Office	803,773	0	803,773	509,347	0
451 - City Marketing	965,835	(10,000)	955,835	0	0
<b>Total General Manager</b>	<b>2,196,873</b>	<b>(10,000)</b>	<b>2,186,873</b>	<b>509,347</b>	<b>0</b>

DIVISION: CITY GOVERNANCE					
	2019-20	2019-20	2019-20	2019-20	2019-20
	OPERATING EXPENDITURE \$	OPERATING REVENUE \$	NET OPERATING \$	NET PROPERTY, PLANT & EQUIPMENT \$	NET PROJECTS \$
050 - Administration - City Planning	618,710	0	618,710	0	0
080 - Administration - Community Development	304,889	0	304,889	0	0
101 - People and Capability	2,190,118	(160,000)	2,030,118	0	0
104 - Legal and Property Services	476,036	(635,000)	(158,964)	0	0
106 - City Government	871,723	0	871,723	0	0
107 - Aldermanic Allowances and Expenses	679,650	0	679,650	0	0
130 - Administration - City Governance	525,339	0	525,339	0	0
135 - City Governance Division	449,814	0	449,814	0	420,000
155 - Customer Services	911,969	(300,000)	611,969	0	0
330 - Halls	896,083	(160,000)	736,083	0	0
350 - Administration - City Amenity	547,524	0	547,524	0	0
825 - Risk and Governance	1,035,165	0	1,035,165	0	0
850 - Administration - City Infrastructure	558,243	0	558,243	0	0
151 - Commercial Services and Rates	1,073,065	(87,899,800)	(86,826,735)	0	0
153 - Accounting Operations	3,536,901	(4,014,421)	(477,520)	0	0
154 - Budgets and Financial Reporting	939,114	(5,000)	934,114	0	0
851 - Central Procurement	994,672	0	994,672	0	0
899 - Unallocated	(910,339)	(2,100,000)	(3,010,339)	0	0
<b>Total City Governance</b>	<b>15,698,676</b>	<b>(95,274,221)</b>	<b>(79,575,545)</b>	<b>0</b>	<b>420,000</b>

DIVISION: CITY AMENITY					
	2019-20	2019-20	2019-20	2019-20	2019-20
	OPERATING EXPENDITURE \$	OPERATING REVENUE \$	NET OPERATING \$	NET PROPERTY, PLANT & EQUIPMENT \$	NET PROJECTS \$
020 - Corporate Property	1,626,603	0	1,626,603	0	0
160 - City Amenity Divisional	453,738	(65,000)	388,738	0	0
170 - Infrastructure Services Divisional	246,415	0	246,415	0	0
175 - After Hours Service	175,311	0	175,311	0	0
201 - City Cleansing	3,553,368	(245,378)	3,307,990	0	0
240 - Solid Waste Strategy & Projects	826,899	(234,000)	592,899	0	0
243 - Solid Waste Operations & Maintenance	4,329,387	(736,615)	3,592,772	0	263,000
245 - McRobies Gully Waste Management Centre Operations and Maintenance	1,993,525	(2,913,160)	(919,635)	0	145,000
300 - Parks Strategy and Project	1,447,816	(264,200)	1,183,616	0	1,887,137
301 - Parks Infrastructure	2,489,664	(37,264)	2,452,400	0	0
320 - Bushland Recreation and Engagement	683,497	(250,150)	433,347	0	445,000
323 - Bushland and Reserves Management	419,570	(30,433)	389,137	0	0
340 - Sporting Facility Strategy & Projects	1,194,821	(431,244)	763,577	0	1,902,379
343 - Arboricultural and Nursery Management	195,957	0	195,957	0	50,000
348 - Hobart Regional Nursery	462,266	(78,739)	383,527	0	0
351 - Open Space Planning	358,989	0	358,989	0	0
360 - Emergency Management	11,450,887	0	11,450,887	0	0
365 - Parks & Recreation Management	301,162	0	301,162	0	0
372 - Parks Building Maintenance and Environmental Services Operations	228,410	0	228,410	0	0
373 - Project and Asset Management	629,724	(42,747)	586,977	0	0
374 - Parks Arboricultural Services Operations	1,597,637	(123,059)	1,474,578	0	0
383 - Asset Maintenance	2,033,740	(22,870)	2,010,870	0	1,534,000
386 - Fire and Biodiversity	1,618,362	(5,000)	1,613,362	0	0
392 - Sporting Facilities. Building Maintenance & Environmental Services Operations	247,980	0	247,980	0	0
395 - Turf Operations	2,197,114	(224,216)	1,972,898	0	0
510 - Civil Construction	639,582	(18,025)	621,557	0	0
515 - Civil Operations	3,123,898	(85,000)	3,038,898	0	0
516 - Civil Internal Operations	700,000	(700,000)	0	0	0
517 - Civil Internal Projects	339,961	(110,520)	229,441	0	0
525 - Civil Works Support	387,721	(17,912)	369,809	0	0
540 - Road Strategy and Projects	1,899,768	(982,000)	917,768	0	1,345,000
591 - Asphalt Plant	24,500	0	24,500	0	0
620 - Stormwater Strategy and Projects	1,340,418	(250,000)	1,090,418	0	2,980,000
817 - Fleet and Fabrication Management	500,806	(120,000)	380,806	0	0
819 - Major Plant	974,277	(1,252,000)	(277,723)	681,500	0
820 - Heavy Vehicles	1,524,813	(1,668,760)	(143,947)	922,000	0
821 - Light Vehicles	654,170	(813,249)	(159,079)	591,000	0
822 - Minor Plant	211,190	(211,190)	0	300,000	0
824 - Fabrication Services	521,071	(271,079)	249,992	0	0
855 - Cleary's Gates Support Services	610,059	0	610,059	0	0
<b>Total City Amenity</b>	<b>54,215,076</b>	<b>(12,203,810)</b>	<b>42,011,266</b>	<b>2,494,500</b>	<b>10,551,516</b>

DIVISION: COMMUNITY LIFE					
	2019-20	2019-20	2019-20	2019-20	2019-20
	OPERATING EXPENDITURE \$	OPERATING REVENUE \$	NET OPERATING \$	NET PROPERTY, PLANT & EQUIPMENT \$	NET PROJECTS \$
035 - Economic Development	2,162,249	0	2,162,249	0	0
053 - Youth Programs	426,734	(37,128)	389,606	0	0
060 - Community and Cultural Programs	2,192,393	(92,374)	2,100,019	0	0
062 - Equal Access Co-ordination	69,060	0	69,060	0	0
065 - Creative Communities	681,986	0	681,986	0	100,000
070 - Positive Ageing	670,226	(305,098)	365,128	0	0
075 - Community Life Divisional	610,973	0	610,973	0	0
120 - Future and Engaged Communities	747,931	0	747,931	0	0
311 - DKHAC - Cafe, Retail and Customer Service	1,522,356	(3,330,500)	(1,808,144)	0	0
312 - DKHAC - Pool Operations and Swim School	2,380,752	(1,348,726)	1,032,026	0	500,000
313 - DKHAC - Health & Fitness Gymnasium	804,784	(1,396,363)	(591,579)	0	0
314 - DKHAC - Administration, Management & Marketing	1,356,852	0	1,356,852	0	5,600,000
140 - Tasmanian Travel and Information Centre	1,346,317	(1,199,826)	146,491	0	0
335 - Salamanca Market	1,233,413	(1,347,322)	(113,909)	0	0
339 - Tourism	290,452	0	290,452	0	0
344 - Community Events	799,385	(87,692)	711,693	0	0
345 - Taste of Tasmania	2,970,000	(1,870,000)	1,100,000	0	0
<b>Total Community Life</b>	<b>20,265,863</b>	<b>(11,015,029)</b>	<b>9,250,834</b>	<b>0</b>	<b>6,200,000</b>

DIVISION: CITY PLANNING					
	2019-20	2019-20	2019-20	2019-20	2019-20
	OPERATING EXPENDITURE \$	OPERATING REVENUE \$	NET OPERATING \$	NET PROPERTY, PLANT & EQUIPMENT \$	NET PROJECTS \$
001 - Development Appraisal	2,143,586	(1,040,000)	1,103,586	0	0
005 - Planning Policy	412,784	(7,250)	405,534	0	0
010 - Heritage and Conservation	579,318	(74,300)	505,018	0	0
015 - Environmental Planning	500,185	0	500,185	0	0
025 - Development Compliance	1,384,940	(1,176,725)	208,215	0	0
040 - Public Infrastructure Fund	0	0	0	0	4,150,000
165 - City Planning Divisional	1,128,916	(10,000)	1,118,916	0	0
220 - Legal and Animal Management	790,725	(372,450)	418,275	0	0
251 - Public Health Services	1,126,109	(377,005)	749,104	0	0
420 - On-Street Unmetered Parking	157,985	0	157,985	0	0
550 - Traffic Strategy and Projects	994,263	(234,000)	760,263	0	1,825,000
831 - Design Services	1,561,547	0	1,561,547	0	100,000
860 - Surveying Services	1,100,082	(20,100)	1,079,982	0	0
<b>Total City Planning</b>	<b>11,880,440</b>	<b>(3,311,830)</b>	<b>8,568,610</b>	<b>0</b>	<b>6,075,000</b>

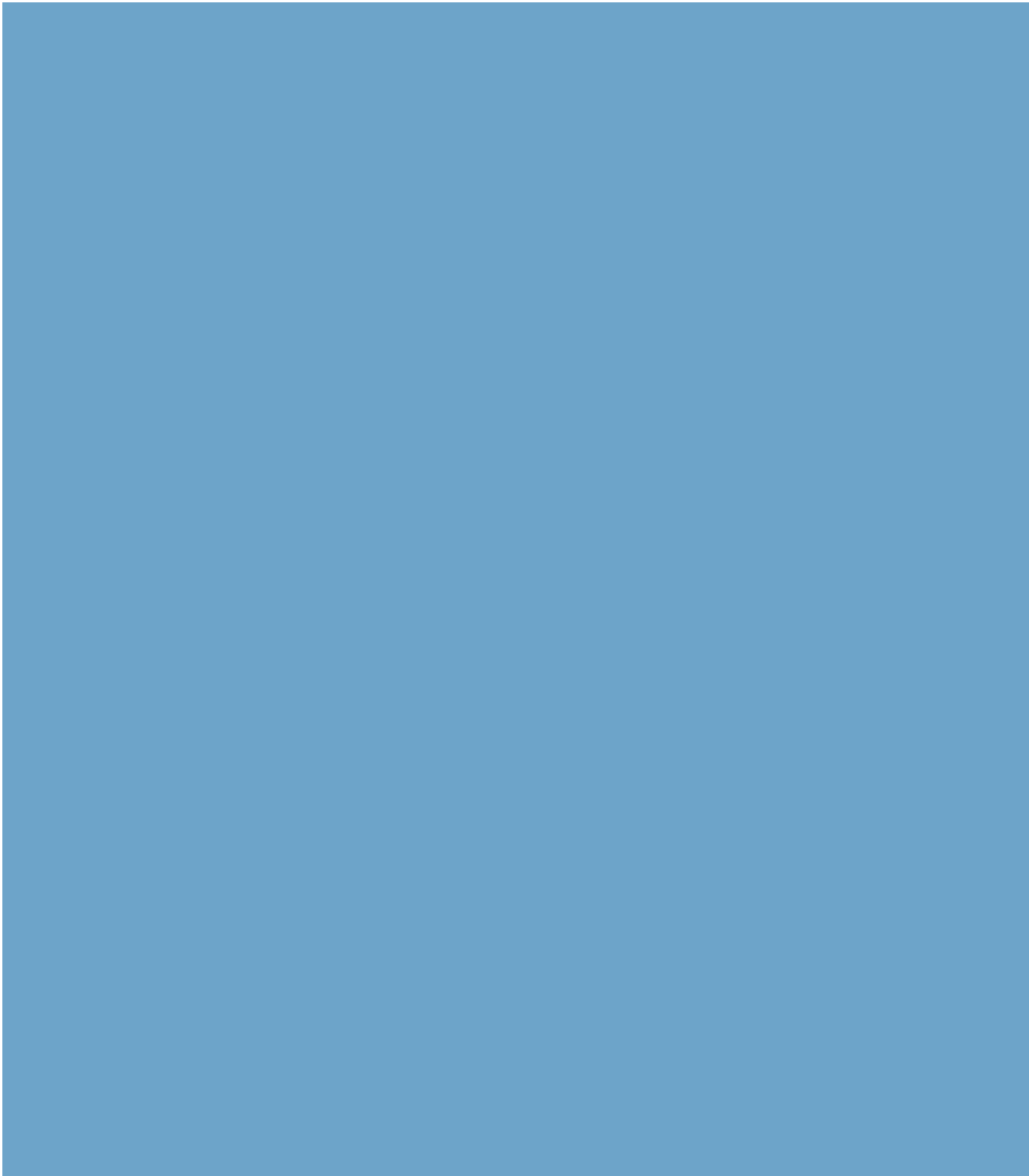
DIVISION: INNOVATION AND TECHNOLOGY					
	2019-20	2019-20	2019-20	2019-20	2019-20
	OPERATING EXPENDITURE \$	OPERATING REVENUE \$	NET OPERATING \$	NET PROPERTY, PLANT & EQUIPMENT \$	NET PROJECTS \$
152 - Enterprise Technology	3,885,743	0	3,885,743	995,780	630,000
192 - Enterprise Information	1,835,415	0	1,835,415	0	0
195 - City Innovation Divisional	659,976	0	659,976	0	0
196 - Enterprise Centre of Excellence	928,288	0	928,288	0	0
830 - Project Delivery Services	1,458,278	0	1,458,278	0	0
840 - Asset Management	1,780,610	0	1,780,610	0	10,067,857
401 - Off-Street Parking	4,494,743	(11,543,041)	(7,048,298)	0	300,000
421 - Parking Enforcement	6,333,693	(15,992,073)	(9,658,380)	0	0
<b>Total City Innovation</b>	<b>21,376,746</b>	<b>(27,535,114)</b>	<b>(6,158,368)</b>	<b>995,780</b>	<b>10,997,857</b>
<b>Total of all Functions * / **</b>	<b>125,633,674</b>	<b>(149,350,004)</b>	<b>(23,716,330)</b>	<b>3,999,627</b>	<b>34,244,373</b>

\*Please note that Function Totals do not include:

- Depreciation (other than major plant and light vehicles)
- Asset write-offs
- Adjustments to Defined Benefits Superannuation Scheme

\*\*Function Totals **do** include:

- Rehabilitation costs for the landfill site
- Both "internal charges" (in operating expenditure) and "cost recoveries" (in operating revenue)



Hobart Town Hall,  
Macquarie Street,  
Hobart, TAS 7000  
**T** 03 6238 2711  
**F** 03 6238 2186  
**E** [coh@hobartcity.com.au](mailto:coh@hobartcity.com.au)  
**W** [hobartcity.com.au](http://hobartcity.com.au)





---

# 2020-2040

## LONG TERM FINANCIAL MANAGEMENT PLAN

## Table of Contents

---

<b>1. Executive Summary .....</b>	<b>1</b>
<b>2. Background .....</b>	<b>3</b>
City of Hobart .....	3
What is Financial Sustainability? .....	3
Importance for Local Government .....	3
<b>3. Council's Planning and Reporting Framework.....</b>	<b>5</b>
Strategic Framework.....	5
Future Directions Statements .....	5
Linkages with the Strategic Framework .....	6
Council's Planning & Reporting Framework.....	7
<b>4. Introduction to Long-Term Financial Management Plan .....</b>	<b>8</b>
Measuring Financial Sustainability .....	8
<b>5. Assumptions and Methodology.....</b>	<b>9</b>
<b>6. Key Financial Strategies.....</b>	<b>12</b>
Operating Items - Expenses .....	12
Operating Items - Revenue .....	15
Non-Operating Items.....	17
Capital Items.....	17
New Initiatives .....	18
<b>7. Long Term Risk, Contingency and Reserves .....</b>	<b>19</b>
<b>8. Forecast Position and Analysis .....</b>	<b>21</b>
<b>9. Financial Sustainability Outcomes.....</b>	<b>23</b>
<b>10. Sensitivity Analysis .....</b>	<b>29</b>
<b>11. Conclusions.....</b>	<b>32</b>
<b>12. Appendices.....</b>	<b>34</b>
Appendix 1 – Financial Sustainability Indicators.....	34
Appendix 2 – Forecast Financial Statements .....	36

---

## 1. Executive Summary

---

Council is currently in a strong financial position. It has strongly improved its operating result over recent years toward achieving underlying surpluses, has satisfactory liquidity and cash flow, low debt, a low reliance on external funding, and asset renewal requirements are being satisfactorily funded.

Previous versions of this plan have flagged the need for restraint in cost growth in order for forecast rate increases to be moderated. Recent budgets have contained an active program of cost reduction. As a result of this, cost growth assumptions for the future have been able to be reduced, thus allowing forecast rate increases to be reduced. Council is confident it now has an embedded cost management ethic.

Council recently considered an expanded ten year capital works program and approved, in principle, for the program to be funded substantially by debt. However, both the program and funding strategy are to be reviewed annually. The program includes a number of projects under the banner of 'Transforming Hobart' and includes projects which were previously part of the Inner City Action Plan. That program and funding strategy have been incorporated into this document.

The forecasts contained within this LTFMP and which are necessarily based upon certain assumptions, produce the following outcomes over the 20-year horizon of this plan: -

- The achievement of modest underlying operating surpluses. Over the next 10 year period, Council is forecast to achieve underlying surpluses in the range 0.5% - 5.2% of revenue, and averaging 3.3%. Surpluses then increase beyond this 10 year period. It is important that Council generates sufficient revenue to cover all of its cash and non-cash costs, with a small buffer.
- An increased level of debt, but remaining within reasonable benchmarks. As mentioned above, the expanded capital works program over the next ten years will be funded substantially by debt. Council's strong position, current low level of debt, and ongoing surpluses provide Council with the ability to take on, and comfortably service, increased debt.
- Minimal cash balances. As a result of the expanded capital works program, cash balances will be minimal for a large part of the plan period. Balances and cash flow requirements will need to be closely monitored and further refined to ensure adequate liquidity.
- 100% funding of forecast asset renewal requirements, which is a key financial sustainability indicator. An appropriate benchmark is considered to be 90-100%. Renewal forecasts are continually being refined and the funding level continually monitored.

These outcomes, together with the underpinning assumptions of revenue and cost growth indicate annual rate increases in the order of 3% in the short term, and then reducing to 2%. This is exclusive of the state government fire levy, any redistributive effects of revaluations, Assessed Annual Value (AAV) indexation or changes to council rating policy.

These outcomes ensure the financial sustainability of Council, thus ensuring the ability to deliver services, at their current levels, into the future. It will ensure an equitable distribution of costs between current and future generations.

The LTFMP is based upon Council maintaining existing services at their existing service levels, except for the inclusion of Council's major development assistance policy commitments (including the Myer site redevelopment), the expanded capital works program (incorporating Inner City Action Plan projects) and the financial effects of the change to Council's waste disposal strategic plan (i.e. deferring closure of the McRobies Gully tip site until 2030).

## 2. Background

---

### ***City of Hobart***

The City of Hobart (Council) is a Capital City council situated in Australia's second oldest city. The Council services an immediate population of 50,439 residents and 1,079,071 tourists to the city annually. Council offers more than 300 services to the community and the infrastructure required of a Capital City location.

Council has over \$2 billion in gross assets (replacement cost) and will generate revenues of \$142 million in 2019-20, comprising \$88 million of rates and charges and \$54 million of fees, charges and other income. Council has a workforce of 595 full time equivalent employees.

One of Council's corporate priorities is planning for its financial sustainability. Strategies to achieve this priority include the development of this 20-year Financial Management Plan.

### ***What is Financial Sustainability?***

There is not a universally accepted definition of financial sustainability, however, many organisations have defined what financial sustainability means to them.

In order for a situation to be sustainable both present and future needs are required to be met. Extending this definition to financial sustainability requires Council to manage its resources so that its financial commitments can be met both now and in the future. It is designed to ensure equality between generations of ratepayers in that each generation is responsible for the cost of resources they consume.

Financial sustainability can then be taken to mean whether Council can sustain its current practices in financial terms and whether community needs are currently met and will be met in the future. The SA Local Government Financial Sustainability Inquiry of 2005 defined financial sustainability as follows:

"A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

This definition was endorsed nationally at the National General Assembly of Local Government in Canberra in November 2006. Other financial sustainability reviews have used similar definitions.

### ***Importance for Local Government***

Financial sustainability is particularly important for Local Government because councils hold assets worth in the billions of dollars (large relative to revenue base), that have lives of in some cases well over 100 years.

Council has over \$2 billion in physical assets, including buildings, parks infrastructure, plant, vehicles and equipment, playground equipment, road infrastructure, sporting facilities, stormwater infrastructure and The Doone Kennedy Hobart Aquatic Centre. The expected life of physical assets varies from 3 years for plant and vehicles to 160 years for buildings.



It is important for Council to adequately fund asset management to ensure its assets achieve their full expected service life but can also be renewed without incurring large rate increases in the future.

In addition, councils face continuing expectations and pressures to maintain and increase service levels while at the same time keep rate rises to a minimum and have sound long-term financial management.

In 2007 Local Government Association of Tasmania (LGAT) commissioned an independent review into the financial sustainability in relation to Tasmanian councils. The independent review suggested that most of the challenges facing Councils result from short-term thinking which fails to address the long-term nature of infrastructure.

The Local Government and Planning Ministers' Council at their meeting on 26 March 2007 endorsed three nationally consistent frameworks for assessing financial sustainability, asset planning and management and financial planning and reporting and agreed that each State and Territory governments apply the frameworks by 31 December 2010. The three frameworks are: -

- Assessing local government financial sustainability.
- Asset planning and management.
- Financial planning and reporting.

In June 2009 the Prime Minister announced that the Australian Government would provide \$25 million to establish a Local Government Reform Fund to: -

- Assist councils implement financial and asset planning and management in accordance with the frameworks, and
- Support reforms to council operations through greater regional cooperation and collaboration.

The LGAT commissioned a project to assess the benefits of and barriers to implementing the common specified framework for long-term financial planning and strategic asset management planning in all Tasmanian councils.

Findings from the project were released in a report *The Framework for Long-term Financial and Asset Management Planning for all Tasmanian Councils (2009)*. Key recommendations relating to financial sustainability include: -

- Agreed sustainability indicators for reporting by all Tasmanian councils.
- An agreed long-term financial plan template.
- Long-term financial plans in place in all councils.

Council has been proactive in both its asset management and financial sustainability pursuits outlined in Council's Asset Management Strategies and plans, and this 20-year Financial Management Plan respectively.

### 3. Council's Planning and Reporting Framework

---

#### ***Strategic Framework***

Council has worked with the community to establish a 20 year vision for the city and a set of statements that describe what the city will be like if that vision is achieved.

The *Future Direction Statements* have been used as the basis for developing a strategic framework outlining the key strategies that will need to be undertaken by the Council to achieve the community vision.

In late 2015 the Council endorsed a new 10 year Capital City Strategic Plan, 2015-2025, for the City of Hobart. This is a significant change from previous five year strategic planning cycles. Due to changes in the *Local Government Act 1993*, all Councils are required to make the transition to 10 year plans. The Strategic Plan sets out the priority areas of activity which will be the focus for the next 10 years to progress the Council in achieving the Community's 2025 Vision and the Future Directions which describe the Vision.

Performance in achieving the major actions and initiatives outlined in the Annual Plan are reported to the community through Council's Annual Report.

#### ***Future Directions Statements***

##### ***FD1 -Offers opportunities for all ages and a city for life***

In 2025 Hobart will be a city that provides opportunities for education, employment and fulfilling careers. A city that is able to retain its young people and provide a lifestyle that will encourage all ages to see the city as a desirable location and lifelong home.

##### ***FD2 -Is recognised for its natural beauty and quality of environment***

In 2025 Hobart will be a city that respects the natural beauty of kunanyi/Mount Wellington, the Derwent River, the bushland surrounds and waterfront locations. It has worked to enhance the community connection through the protection of views, vistas, access and linkages and the physical environment has been conserved in a manner that will ensure a healthy and attractive city.

##### ***FD3 -Is well governed at a regional and community level***

In 2025 Hobart will be a city that works effectively to lead an integrated approach to the planning and development of the metropolitan region. It will create partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals.

##### ***FD4 -Achieves good quality development and urban management***

In 2025 Hobart will be a city that remains unique in its own right, protecting its built heritage and history while pursuing quality development, the principles of sustainable cities and the reduction of ecological impacts. It will value access to the waterfront, foreshores, public and open spaces and continues to enjoy the benefits of scale and proximity.

##### ***FD5-Is highly accessible through efficient transport options***

In 2025 Hobart will be a city that maintains its convenience and accessibility through the greater use of transport alternatives and an effective road and travel network.

An integrated approach to transport planning within the city and across the wider metropolitan region will be the result of improved public transport options, cycle ways and walking tracks linking open spaces for transport and recreation, the availability of adequate parking for commuters and shoppers, the take up of sustainable transport options, the reduction of through traffic and the management of an efficient road.

***FD6 -Builds strong and healthy communities through diversity, participation and empathy***

In 2025 Hobart will be a city that reflects a spirit of community and tolerance. By valuing diversity and encouraging participation by all ages in the life of their community, a friendly and compassionate society will underpin a safe and healthy city.

***FD7-Is dynamic, vibrant and culturally expressive***

In 2025 Hobart will be a city that is a destination of choice and a place for business. Clever thinking and support for creativity will help build a strong economic foundation, and entertainment, arts and cultural activities promote the distinctive character of the city. Lifestyle opportunities and strong communities will ensure a vibrancy and way of life that is Hobart.

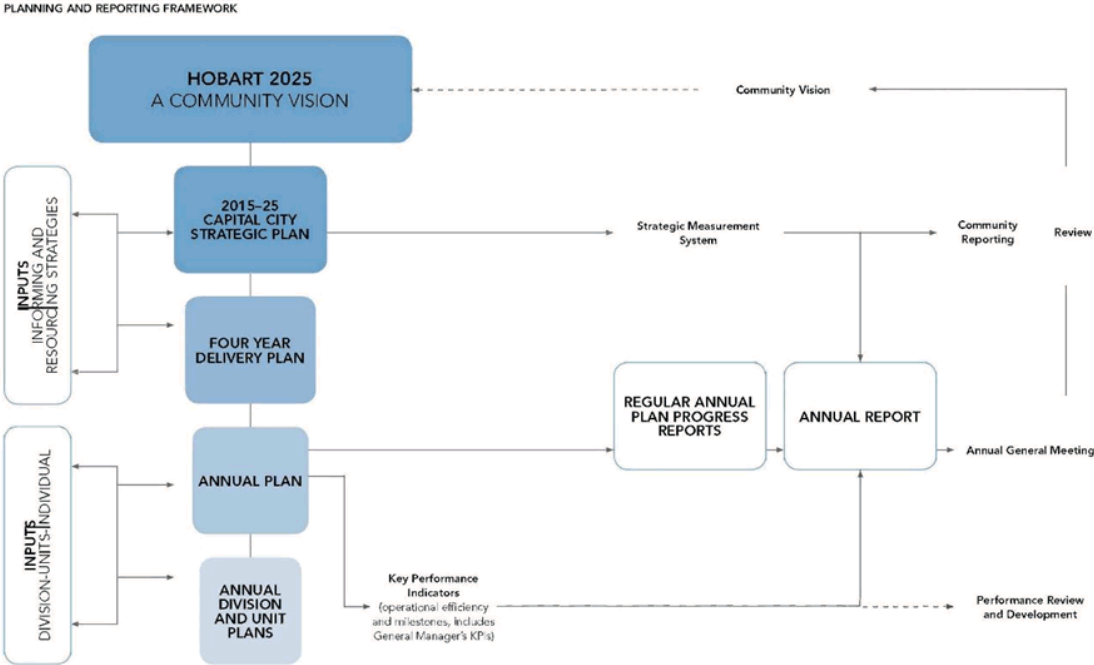
***Linkages with the Strategic Framework***

The relationship between long-term financial planning and Council's strategic framework is represented in the diagram overleaf. Long-term financial planning provides for the optimum allocation of available resources to deliver Council's strategic and corporate objectives. Long-term financial planning supports the delivery of Council's community vision.

Long term financial sustainability can only be said to have been achieved when Council is providing expected services at defined levels to its community that is adequately funded, not only on an annual basis, but over the long term. This includes infrastructure asset renewal funding requirements.

Council's 20-year Financial Management Plan and 20-year Asset Management Plan are integral documents. Council's Asset Management Strategy sets out the most appropriate long term course of action for implementing the asset management policy which aims to forecast long-term asset renewal requirements.

Council’s Planning & Reporting Framework



#### 4. Introduction to Long-Term Financial Management Plan

---

The Long-Term Financial Management Plan (LTFMP) sets out Council's objectives, goals and desired outcomes in financial terms. The purpose of the LTFMP is to express in financial terms the activities that Council proposes to undertake over the medium and longer term to achieve its strategic objectives and community expectations. The key objective of the LTFMP is the achievement of financial sustainability in the medium to long term whilst achieving Council's strategic objectives.

The LTFMP provides a tool for Council to consider the financial impact of its decisions on Council's future financial sustainability. It includes consideration of cost increases: salaries and wages, fire levy, energy costs and other operating costs; and revenue increases: rates, parking fees and charges, rental income, operating grants and other fees and charges.

The LTFMP is aimed at: -

- Developing systems to ensure the financial impacts of new initiatives are included in long-term financial planning;
- Achieving modest operating surpluses;
- Maintaining stable and predictable rate increases; and
- Maintaining and enhancing community service levels.

The LTFMP has been prepared over a rolling 20 year period with the first planning year being 2019-20 and concluding in 2039-40. The LTFMP is a 'living' document and is updated annually as part of Council's annual planning and budget process and on an ongoing basis to reflect changing internal and external circumstances.

#### ***Measuring Financial Sustainability***

There is not universal agreement on which measures should be used to measure financial sustainability. However, the Report *The Framework for Long-term Financial and Asset Management Planning for all Tasmanian Councils* recommends a suite of financial sustainability measures identified as key to securing long-term financial sustainability.

The 8 measures have been adopted for the purposes of the LTFMP and are as follows:

- Underlying operating result
- Operating surplus ratio
- Net financial liabilities
- Net financial liabilities ratio
- Interest cover ratio
- Asset sustainability ratio
- Asset consumption ratio
- Asset renewal funding ratio

Appendix 1 provides a full explanation of these indicators. The first two are measures of profitability, the next three are measures of indebtedness, and the last three are measures of asset management.



## 5. Assumptions and Methodology

---

The preparation of the LTFMP is underpinned by a 20-year financial model. The financial model allows for analysis and modelling of various financial scenarios. For the purpose of financial modelling the following key assumptions for years beyond 2019-20 have been made:

### General

- Service delivery will be maintained at existing levels. The LTFMP provides for maintenance of existing services at their existing service levels.
- Council parking operations are self-funding in that parking income (fines, on and off-street parking income) exceeds the cost of parking operations. The net surplus contributes to Council's other services and programs.
- Annual asset renewal requirements are based on Council's Asset Management Plans, which set out the forecast capital renewal requirements for the next 100 years. These plans are expressed in today's dollars, but for the financial model have been indexed at 2.5% per annum.
- All maturing debt will be repaid as it falls due.

### Specific

- The percentage of revenue uncollected on average at year-end is 3.54%.
- The percentage of creditors' payable on average at year-end is 10.22%.
- The percentage of commission received for collecting the Tasmanian fire service levy is 4%.
- The percentage of parking fines that result in bad debts is 4.97%.
- The employee on-cost percentage to be applied is 17.32% being payroll tax, contribution scheme superannuation, and workers compensation insurance with employee leave entitlements expense and defined benefit superannuation expense separately shown in the model.
- Costs and capital expenditure arising from Council's expanded ten year capital works program have been included.
- Costs arising from Council's major development assistance policy commitments (including the Myer site redevelopment) have been included.
- The financial effects of the change to Council's waste disposal strategic plan (i.e. deferring closure of the McRobies Gully tip site until 2030) have been included (see New Initiatives in Chapter 6).

The specific assumptions have been based on an analysis of recent experience. The variables used to underpin Council's long-term financial strategy are based on a historical analysis of cost and revenue increases over the last five years. These variables are summarised on the following page: -

Y/E 30 June			2020	2021-23	2024-27	2028-31	2032-35	2036-40
Operating Items								
INFLOWS	Rate increase (Council operations)	% change	3.50	3.0	3.0	2.0	2.0	2.0
	Rate increase (fire levy)	% change	0.53	0.7	0.7	0.7	0.7	0.7
	Rate base growth	% change	0.71	0.6	0.5	0.5	0.5	0.5
	Parking - car parks	% change	9.38	3.0	3.0	3.0	3.0	3.0
	Parking - on street	% change	24.60	3.0	3.0	3.0	3.0	3.0
	Parking - fines	% change	19.90	3.0	3.0	3.0	3.0	3.0
	Operating grants	% change	-6.25	2.0	2.0	2.0	2.0	2.0
	Other fees and charges	% change	4.68	3.0	3.0	3.0	3.0	3.0
	Rent	% change	5.20	3.0	3.0	3.0	3.0	3.0
	Interest revenue rate	%	4.37	3.25	3.25	3.25	3.25	3.25
OUTFLOWS	Operating costs	% change	9.68	2.5	2.5	2.5	2.5	2.5
	Employee salary & wages	% change	4.77	3.0	3.0	3.0	3.0	3.0
	Fire levy	% change	6.00	6.0	6.0	6.0	6.0	6.0
	Energy costs	% change	-2.0	2.5	2.5	2.5	2.5	2.5
	Interest expense rate	%	5.55	5.55	5.55	5.55	5.55	5.55

Whilst the LTFMP is updated annually, the underpinning financial model is regularly updated. Revisions have included: -

- The inclusion of 2017-18 actual results;
- The inclusion of the 2018-19 budget;
- Revisions to the 2018-19 budget as approved by Council quarterly;
- Updated assumptions;
- Revisions to depreciation forecasts; and
- Revisions to the 20 year capital expenditure forecasts sourced from the updated asset management plans.

Council's 2019-20 Budget Estimates document provides further detail, but in relation to the 2019-20 budget: -

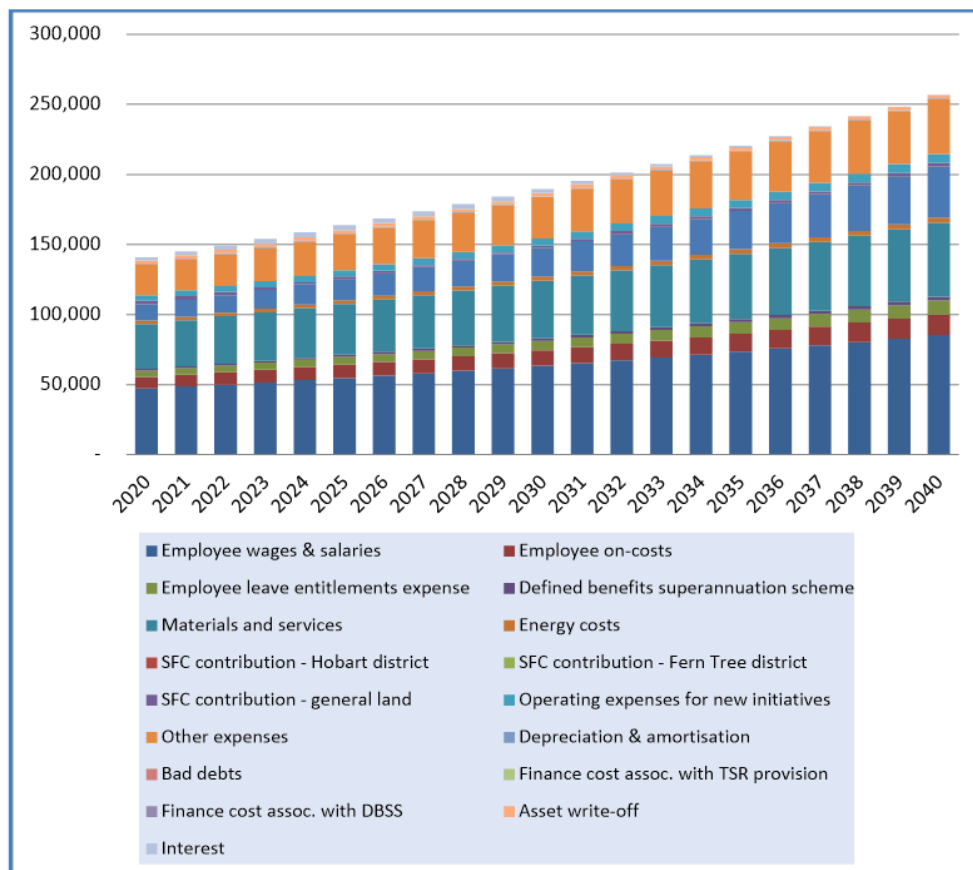
- Rate base growth (0.7%) due to development activity in the City.
- Parking revenue increases will be higher than normal mainly due to the implementation of Council's integrated parking system during 2018-19, together with some small tariff increases for meters and car parks.
- Operating cost increases (9.68%) are higher than normal due to progressive downward revisions of the 2018-19 forecast and increased costs in 2018-19 for licences mainly due to the introduction of the new core business system. The integrated parking system (see previous dot point) is also contributing to an increase in operating costs.
- Employee salary and wages increases (4.77%) are higher than normal because the 2018-19 forecast was progressively revised downwards due to a number of vacant positions. The increase includes an allocation for an enterprise bargaining increase.

- Energy costs will reduce by 2% due to savings resulting from the transfer of Davey and Macquarie Streets and Brooker Avenue to the Department of state Growth.

## 6. Key Financial Strategies

In order for Council to remain financially sustainable the following financial strategy has been adopted. The financial strategy reflects an appropriate mix of cost and revenue levels designed to maintain financial stability and, as far as possible, avoid unplanned cuts in services or increases in Council rates whilst ensuring sufficient resources are available to achieve Council's strategic objectives and community expectations.

### Forecast Operating Expenses 2019-20 to 2039-40 (\$'000s)



### Operating Items - Expenses

#### Salaries and Wages

Salaries and wages is gross salaries and wages, net of leave amounts paid and amounts capitalised, plus aldermanic allowances and redundancy payments (if any).

Costs have been assumed to increase by 3% per annum, inclusive of reclassifications and any new positions. It is inherent in the assumption that leave amounts paid and amounts capitalised will also increase by 3% per annum.

**Employee On-costs**

Employee on costs includes superannuation (but not including Defined Benefits Superannuation Scheme expense), payroll tax, and workers compensation less labour overheads capitalised. On costs are assumed at 17.32% of salaries and wages, based on the 2019-20 forecast rate.

**Employee Leave Entitlements Expense**

Leave entitlements expense is the annual accruals for employee leave. This has been assumed to increase by 4% per annum.

**Defined Benefit Superannuation Expense**

Defined benefit (DB) superannuation expense is the annual DB scheme expense, as actuarially determined. It is not annual employer contributions to the scheme. This item is difficult to forecast as it is based on discount rates and interest rates among other things. However, in overall terms it is not material to the long-term financial model. This has been assumed to increase at 4% per annum.

**Materials and Services**

Materials and services is all expenditure not included elsewhere. Major items includes subcontractors, communication costs, consultants, licences, external labour, insurance, fuel, advertising and marketing, equipment maintenance, water and sewer charges, printing and stationery costs, and legal costs. This has been assumed to increase at 2.5% per annum.

**Energy Costs**

Energy costs have been assumed to increase at 2.5% per annum. Council has a target of 30% reduction in electricity use by 2020 based on 2009-10 consumption. This is expected to be achieved by energy efficiency gains, such as with lighting, building services and possible retirement of some assets.

**Fire Levy**

Pursuant to the *Fire Services Act 1979*, local government acts as a collection agent for this levy, which is paid directly to the State Fire Commission. This item is difficult to forecast as given its method of calculation by the State Fire Commission, is prone to substantial fluctuations, year on year. The average of the last five years has been 5.3%. Annual increases of 6% have been assumed. A 4% commission is received for collecting the levy.

**Operating Expenses associated with New Initiatives**

This refers to additional or reduced expenses arising from new initiatives included in the model such as those related to the Myer site redevelopment and expensed projects.

**Other Expenses**

Other expenses include grants and specific purpose benefits, audit fees, fringe benefits tax and land tax. This has been assumed to increase at 2.5% per annum.



**Depreciation and Amortisation**

Depreciation is the financial representation of the annual decrease in the value of, or consumption of service potential inherent in, Council's assets. Depreciation thus approximates the funds that will need to be spent at some time in the future to renew assets. This expense increases, on average, at 3% per annum, due to rising asset valuations and capital expenditure.

**Bad Debts Expense**

This represents parking fines that result in bad debts. 4.97% of parking fines are assumed to result in bad debts.

**Finance Costs of Tip Site Rehabilitation Provision**

This is the annual unwinding of the discount associated with measuring the tip site rehabilitation liability at present value.

**Finance Costs of Defined Benefit Superannuation Scheme**

This is the annual unwinding of the discount associated with measuring the defined benefit superannuation scheme liability at present value.

**Tip Restoration Liability**

This is the increase (if any) in the current forecast cost of rehabilitating the McRobies Gully landfill site.

**Asset Write-offs**

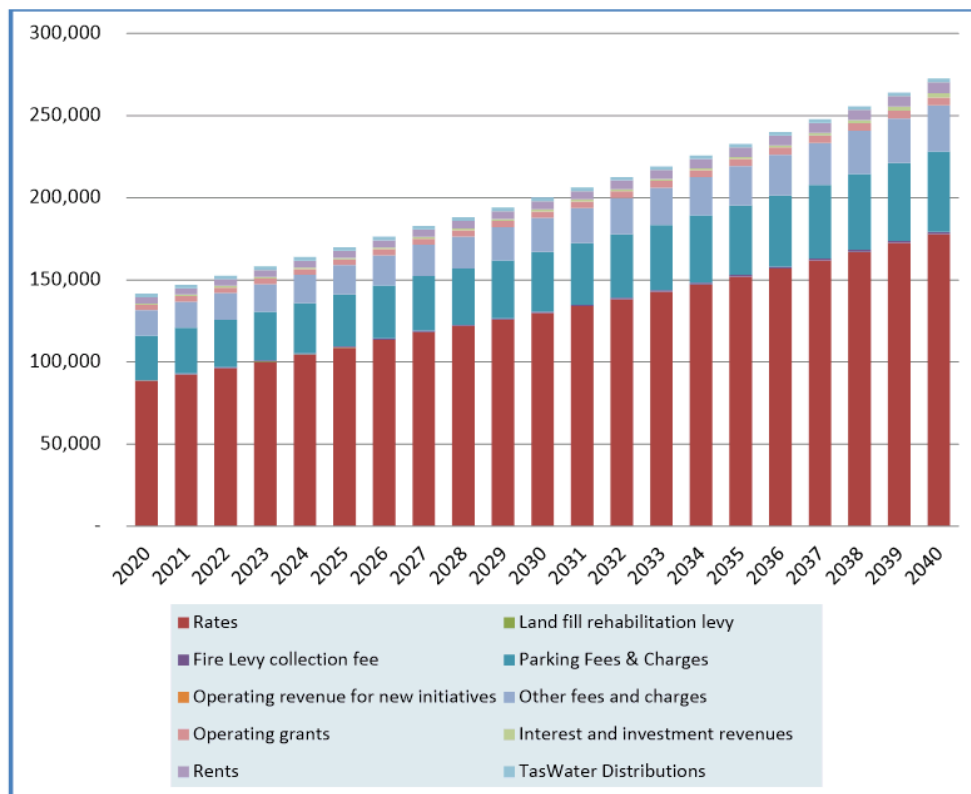
Asset write offs represents the residual value of infrastructure assets replaced. The forecast is difficult to predict.

**Interest Expense**

Interest expense is payable on debt. An interest rate of 5.55% has been assumed for new debt on the basis of external forecasts.

## Operating Items - Revenue

Forecast Operating Revenue 2019-20 to 2039-40 ('000s)



### Rates

Rates include revenue from general rates, service rates (stormwater removal and fire protection) and service charges (waste management, kerbside green waste collection and landfill rehabilitation) and late payment penalties and interest, and supplementaries. Rate increases are forecast to be 3% per annum in the short term (plus fire levy estimated at 0.7%) reducing over the forecast period to 2.0% (plus fire levy estimated at 0.7%). If development growth continues at historic levels, annual rate revenue increases will be approximately 0.5% more than the above figures.

This plan is not in any way affected by changes in rating strategy – it simply models total rate revenue required per annum irrespective of how that is apportioned to individual properties. For the same reason, the LTFMP is unaffected by periodic revaluations or the application of AAV indexing by the Valuer-General. However, the impact on individual ratepayers may be affected by these factors.

**Fire Levy Commission**

A commission of 4% is earned for collecting the State Government fire levy.

**Parking Fees & Charges**

Parking revenue from on-street operations, car park operations and fines are all forecast to increase by 3% per annum.

**Operating Revenues associated with New Initiatives**

This refers to additional or reduced revenues arising from new initiatives included in the model. None are currently forecast.

**Other Fees and Charges**

Other fees and charges income includes all other user fees and charges including aquatic centre, landfill, external works income, sportsground hire, building and development fees, travel centre income, animal licences, hall hire and Taste Festival sales. Annual increases of 3% have been assumed.

**Operating Grants**

Operating grants are predominantly the Commonwealth financial assistance grants and generally minor other operating grants. They are forecast to increase by 2% per annum.

**Interest and Investment Revenue**

Interest revenue is earned on cash investments. An interest rate of 3.25% has been assumed on the basis of external forecasts. Interest earnings show little variation until the later years of the plan period, reflecting only minor changes in cash balances during the first half of the plan period.

**Rental Income**

Rental income is earned from Council's property portfolio. It is forecast to increase by 3% per annum assuming occupancy levels of Council's commercial property portfolio remain consistent.

**Distributions from TasWater**

Distributions are received as a result of Council's ownership interest in TasWater. They comprise guarantee fees, tax equivalent payments, and dividends. Forecast amounts are based on advice from both TasWater and the State Government to provide distributions until 2024-25. A public announcement was recently made regarding the State Government becoming a shareholder of TasWater. At this point in time, an assumption has been made that distributions beyond 2024-25 will continue at the same levels.

## ***Non-Operating Items***

### **Contributed Assets**

Contributed assets are assets contributed to Council by developers. Council does not budget for these contributions as they cannot be reliably forecast.

### **Capital Grants**

Capital grants are grants received to upgrade existing assets or to create new assets. They include Roads to Recovery grants and other specific-purpose capital grants. These are also difficult to reliably forecast and are therefore not included unless specific advice has been received.

### **Asset Revaluations**

Asset revaluations are revaluation increments and decrements arising from periodic asset revaluations. Usually these amounts are credited or debited directly to equity but on occasions are accounted for through the income statement. No amounts are expected.

### **Movement in TasWater Investment**

This represents the annual adjustment to the value of Council's ownership interest in TasWater. This cannot be forecast reliably so no amounts have been included.

## ***Capital Items***

### **Asset Replacement**

An integral component of the LTFMP is Council's approach to asset management and in particular to the renewal of assets. Council controls assets worth over \$2 billion and it is important that each generation pays their way, rather than allowing assets to run down creating a financial impost (or lower service levels) on future generations.

Council discharges its asset management obligations responsibly. As set out in this plan, Council aims to achieve modest underlying operating surpluses. This will ensure that the current generation is fully paying for the current cost of service provision and asset consumption. In addition, over recent years practices have evolved significantly to the point where Council now has well-developed asset management plans in place for all asset classes. Council is able to demonstrate this through its involvement in the Municipal Association of Victoria Advanced STEP program where in benchmarking and other reviews, performs at the upper end of participating councils.

These asset management plans will continue to evolve and improve, particularly in the buildings and stormwater asset classes. Further, the plans are based on current service levels but the aim will be, over the medium term, to link the plans with service delivery plans.

The asset renewal requirements contained within the LTFMP are fully-sourced from the asset management plans meaning that, based on information currently available, the forecasts are the organisation's best estimate of both the quantum and timing of funds required to renew assets for the next 20 years.

**Capital works program**

Council has a ten year capital works program comprising both new assets and asset renewal. The program includes a number of projects under the banner of 'Transforming Hobart' and includes projects which were previously part of the Inner City Action Plan. That program and the associated funding strategy have been incorporated into this document.

**Borrowings**

Council predominantly funds its capital works program from operations. Borrowings are undertaken for specific purposes on a case by case basis. However, Council has recently considered an expanded ten year capital works program and approved, in principle, for the program to be funded substantially by debt. However, both the program and the funding strategy are to be reviewed annually. Debt levels will remain within accepted benchmarks. Council's strong position, current low level of debt, and ongoing operating surpluses provide Council with the ability to take on, and comfortably service, increased debt.

***New Initiatives***

The financial model and LTFMP are based on existing services at existing service levels. However, new initiatives included are: -

- The financial impacts of Council's major development assistance policy commitments (including the Myer site redevelopment).
- Council's expanded capital works program. Any additional associated asset write-offs in relation to these projects have not yet been quantified, and thus are not included.
- The financial effects of the change to Council's waste disposal strategic plan (i.e. deferring closure of the McRobies Gully landfill site until 2030).



## **7. Long Term Risk, Contingency and Reserves**

---

The LTFMP has included all known variables and has made certain assumptions about the future. However, the future is uncertain. There is an inherent risk that circumstances may change, some of which may be within Council's control (e.g. policy decisions, service delivery decisions) and some which will be outside of Council's control (e.g. legislative change, funding streams, demographics, and macro economic conditions).

Council's three largest expenses categories are employee salaries and wages, materials and services, and depreciation. As such the outcomes of the LTFMP are significantly affected if actual results in these three categories are different to forecast. Chapter 10 sets out a sensitivity analysis of these two largest categories – employee costs, and materials and services, as well as the LTFMP's sensitivity to rates increases being different to those currently assumed. In addition asset management outcomes have a significant impact on the LTFMP. Updates to asset management plans and cyclical revaluations may materially impact on asset valuations, depreciation expense, asset write-offs and forecast asset renewal requirements.

The LTFMP will be reviewed and updated regularly – on at least an annual basis to coincide with the adoption of the Council budget, and more frequently when new information is available which may have an impact on the LTFMP. The underpinning financial model is updated several times throughout the year.

In order to mitigate financial risk, the LTFMP has made provision for contingencies and reserves. These are outlined below. It should be noted these reserves may not necessarily be fully cash backed. Depending on the amount of cash reserves at any point in time, the total balance of reserves may in fact exceed the balance of cash holdings. With the expanded capital works program which will exhaust Council's cash balances necessitating borrowings, this will certainly be the case.

### **Contributions in Lieu of Public Open Space**

A reserve has been established to separately account for funds provided to Council for the express purpose of providing areas of Public Open Space throughout the city.

### **Contributions in Lieu of Parking**

A reserve has been established to separately account for funds provided to Council for the express purpose of providing parking facilities in the vicinity of developments that have been approved with inadequate on-site parking.

### **Heritage Account**

Council has established a Heritage Account as required by the *National Trust Preservation Fund (Winding-up) Act 1999*. Amounts transferred to the account include the initial distribution from the National Trust Preservation Fund, together with interest accruing on the balance of the account.

The Act requires that funds transferred into the Heritage Account be applied for the provision of financial or other assistance in relation to an entry in either the National Trust Register kept by the National Trust of Australia (Tasmania) or the Tasmanian Heritage Register.

**Bushland Fund**

Council established a Bushland Fund for the purpose of purchasing strategic areas of bushland and open space. Up until 2003-04, an annual allocation of \$0.15 million was being provided from revenue for this purpose.

During 2003-04, Council resolved to utilise the accumulated balance of the Bushland Fund to provide funding for Mt. Nelson land purchases, and to use \$0.1 million of the annual allocation of \$0.15 million to assist with servicing of the associated debt.

**McRobies Gully Tip Site Rehabilitation**

Since 2011-12, funds have been provided by a special service charge to meet the cost of rehabilitating the McRobies Gully Tip Site following completion of land filling. For the first seven years, an amount of \$1.25 million per annum was provided. From 2018-19, the amount reduced to \$0.25 million per annum.

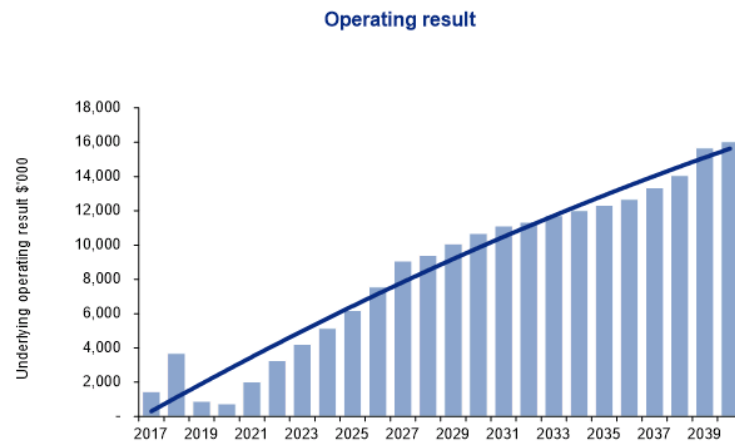
**Other Project Carry-forwards**

This item represents an estimate of the value of unspent projects at the end of each financial year which is carried-forward into the following financial year, with capital works representing the majority of the balance.

## 8. Forecast Position and Analysis

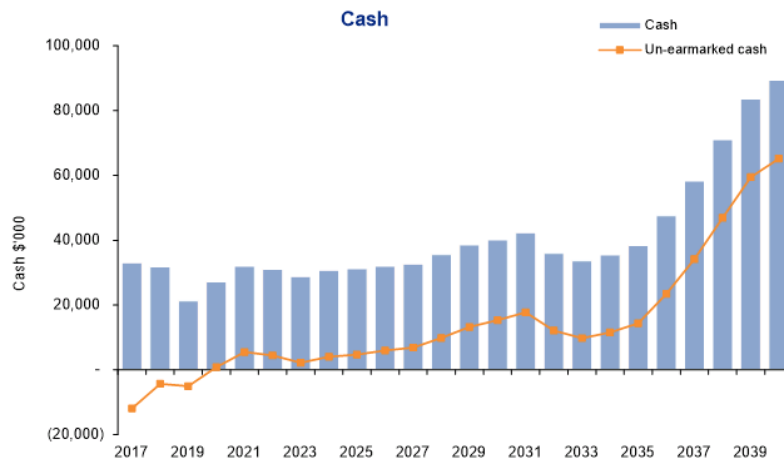
Based on the long-term financial strategy, the following outcomes will be achieved. More detail is provided in the forecast financial statements at Appendix 2.

### Operating Result

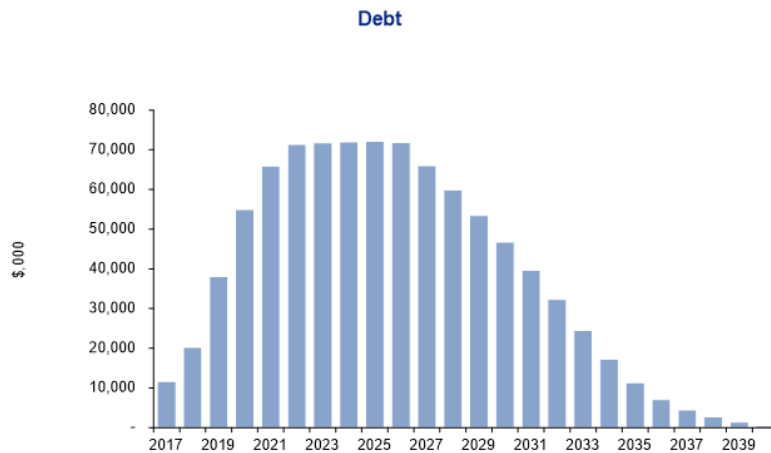


Based on the financial strategy Council will achieve ongoing modest underlying operating surpluses, which is reflective of good practice. This is discussed further in Chapter 9.

### Cash

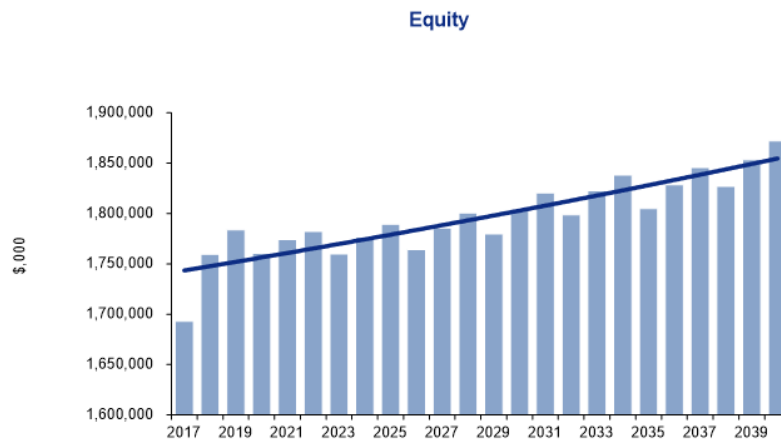


Borrowings will be required to ensure that cash balances remain around estimated minimum levels (being the equivalent of around two months cash flow) over the first half of the plan period. Balances then rise modestly during the latter part of the plan period to aid the funding of forecast asset replacement requirements. Balances and cash flow requirements will need to be closely monitored and refined as necessary.

**Debt**

An increased borrowing program will need to be undertaken to provide funding for the expanded capital works program. Current estimates indicate that approximately \$65 million of new borrowings will be required over the next 7 years.

However, the debt level will remain within accepted benchmarks. Council's strong financial position, current low level of debt, and ongoing operating surpluses provide Council with the ability to take on, and comfortably service, increased debt. See also Indicators 4 and 5 in Chapter 9.

**Equity**

Based on the financial strategy Council's equity is forecast to increase due to operating surpluses and asset revaluations.

## 9. Financial Sustainability Outcomes

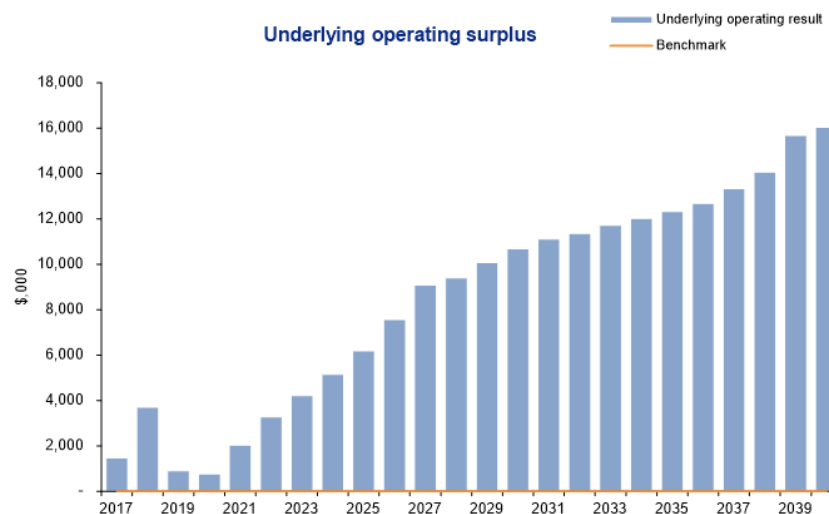
As outlined in Chapter 4, for the purpose of measuring Council's financial sustainability, eight financial sustainability measures have been adopted.

- Indicators 1 – 2 are measures of profit performance and the extent to which expenses are covered by revenues.
- Indicators 3 – 4 are measures of indebtedness and the amount council owes others (debt, employee provisions, creditors) net of financial assets (cash, investments) and amounts owed to Council.
- Indicator 5 measures the proportion of income required to meet net interest costs.
- Indicators 6 – 8 are measures of asset management.

### Indicator 1 – Underlying Operating Result

The difference between day-to-day income and expenses for the period, adjusted (excluding contributed assets, asset revaluations and capital grants). This indicator is recognised as a better indicator of sustainability than the all-inclusive operating result because it excludes capital grants which can be project specific and thus non-recurring, and other amounts which are required to be recognised as income by accounting standards.

An operating surplus arises when operating revenue exceeds operating expenses for the period. An operating deficit arises when the opposite is true. Council's long term financial sustainability is dependent upon ensuring that on average, over time, its expenses are less than associated revenues. This ensures equity between generations of ratepayers in that each generation is responsible for the cost of the resources they consume.

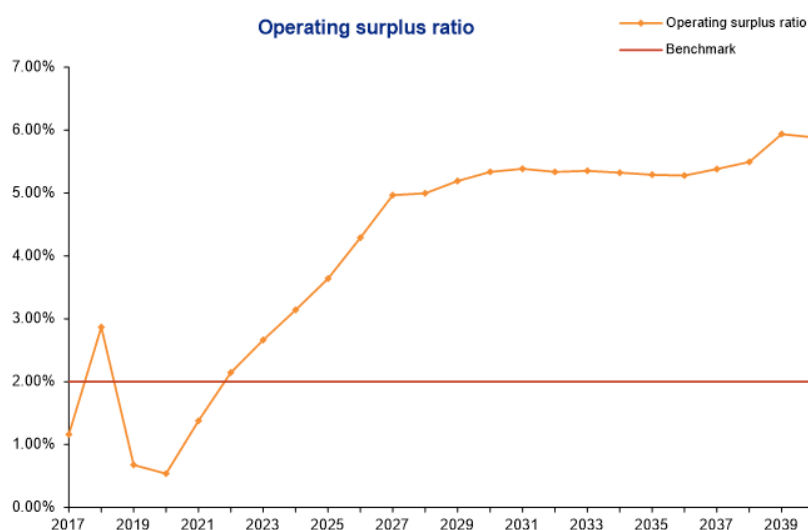


Council's LTFMP indicates through the graph above that modest surpluses will be recorded over the plan period. The surpluses rise in the later years due to net interest costs reducing, and revenue growth assumptions being slightly higher than expenditure growth assumptions, to generate cash surpluses needed for asset replacement. These forecasts will continue to be reviewed.

Research indicates that there is no clear agreement on what an appropriate target should be. For example, the Victorian Auditor-General recommends generating surpluses consistently, the Tasmanian report “Framework for Long Term Financial and Asset management Planning for all Tasmanian Councils” September 2009 recommends breakeven, or better, on average over medium term, and some state studies recommend sizeable surpluses.

### **Indicator 2 – Operating Surplus Ratio**

The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total revenue (adjusted by excluding capital grants, contributed PP&E and asset revaluation increments/decrements). It is a better indicator than the underlying operating result because it expresses that result relative to annual revenue.



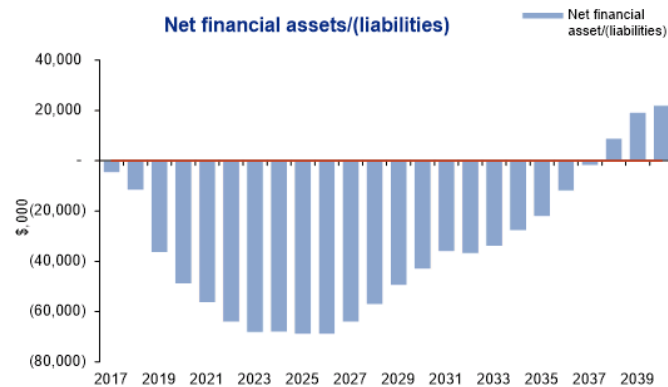
Over the next 10 year period, Council is forecast to achieve underlying surpluses in the range 0.5%-5.2% of revenue, and averaging 3.3%. Surpluses then increase beyond this 10 year period to generate cash surpluses needed for asset replacement. These forecasts will continue to be reviewed. It is important that Council generates sufficient revenue to cover all of its cash and non-cash costs, with a small buffer.

Research indicates a wide range of views on appropriate targets. Reviews indicate targets of 0% to 15%, 2.5% to 7.5%, 5% but within the range of 0% to 10% and greater than 0%. A target of 2.0% has been selected which is still modest, but that provides a small margin in the event of unexpected events, however, a higher target could be contemplated. Operating surpluses also generate cash surpluses required to retire debt (principal payments are not recorded in the operating result) and for the defined benefit superannuation scheme where accounting standard requirements can result in actual employer contributions being higher than the expense that appears in the operating result. Differences in the asset valuation rates used for financial reporting purposes and asset renewal purposes also require cash surpluses to be generated.



### **Indicator 3 – Net Financial Assets/ (Liabilities)**

What is owed to others less cash held/invested and receivables and is thus a measure of net indebtedness. It is broader than just loan debt, as it includes amounts owed to creditors, employee provisions, amounts held in trust and all other liabilities.

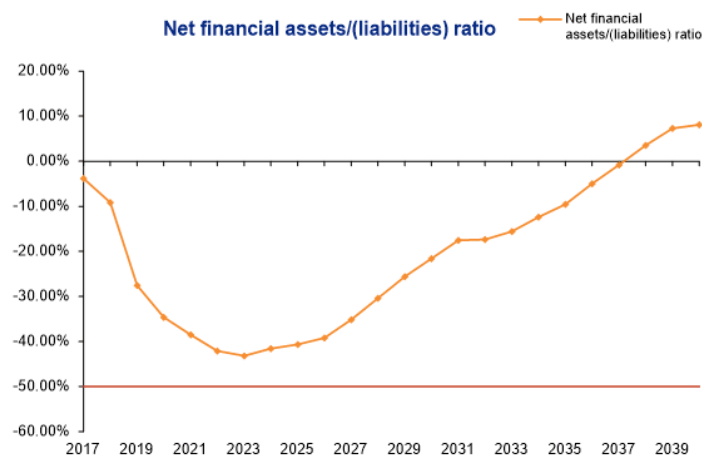


Council's LTFMP indicates through the graph above that it will continue to operate in a net financial liability position. As noted earlier, Council's expanded capital works program will exhaust cash balances and necessitate increased borrowings. The position will peak at around -\$69 million in 2025-26. A net financial asset position will be recorded by the end of the plan period due to liabilities decreasing as debt is paid off, and cash balances increase.

One sustainability report suggests a maximum level of net financial liabilities between nil and total operating income (approximately \$141 million in 2019-20).

### **Indicator 4 – Net financial liabilities ratio**

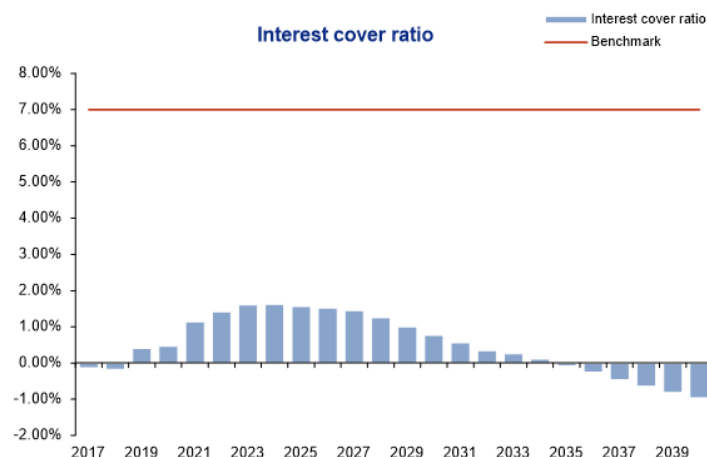
This ratio is net financial liabilities expressed as a percentage of income. It indicates the extent to which net financial liabilities can be met by the Council's income. Where the ratio is increasing it indicates the Council's capacity to meet its financial obligations from income is strengthening.



As set out above, Council will continue to operate in a net financial liability position. Council's net financial liability ratio will peak at -43% in 2022-23 then reduce across the remainder of the plan. One sustainability report suggests a maximum ratio of 0% to -100%. The Tasmanian Auditor-General suggests a ratio of 0% to -50% represents low risk, -50% to -100% moderate risk, and greater than -100% high risk.

#### **Indicator 5 – Net interest expense cover ratio**

This ratio is interest expense less interest earned on investments, expressed as a percentage of income. It measures the proportion of income required to service interest costs.

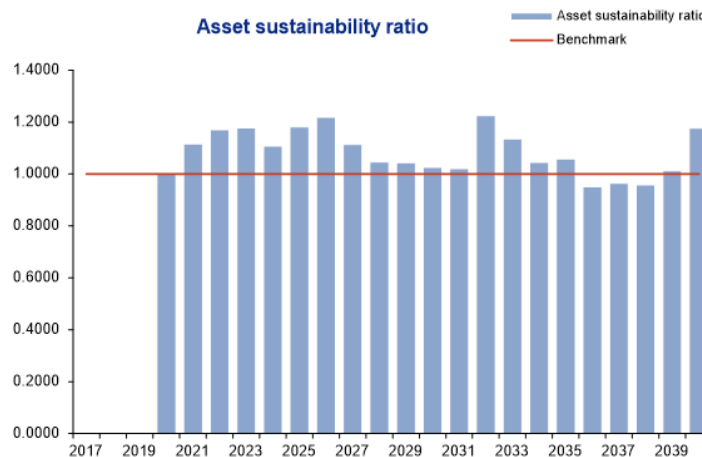


The above graph indicates that Council will operate in a net interest expense position (i.e. interest earned on investments is exceeded by interest payable on debt) until late in the plan period. A variety of targets for net interest expense have been suggested in sustainability reviews, including 0% to 10%, 2% to 5%, and 15% (with a range of 7% to 20%). Tasmanian Treasury adopts 7% when assessing local government loan requests.

Indicators 3, 4, and 5 show that Council's level of indebtedness will remain within benchmarks. Council's strong position, current low level of debt, and ongoing operating surpluses provide Council with the ability to take on, and comfortably service, increased debt.

#### **Indicator 6 – Asset sustainability ratio**

This ratio is asset replacement capital expenditure expressed as a percentage of depreciation expense. It measures whether assets are being replaced at the rate at which they are wearing out. With a young asset portfolio, the target may be quite low. If old, it may be greater than 100%. Over time, if it averages at or near 100% the service of the asset portfolio is being maintained.

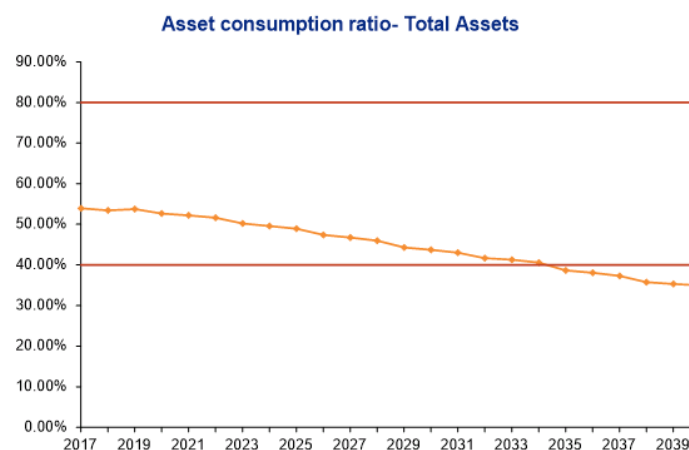


Council's LTFMP indicates through the graph above that it will operate at an average of more than 100% across the plan period. Local government proposed targets are typically set at 100%, however this does not allow for the sometime legitimate periods of less than 100% or more than 100%.

#### **Indicator 7 – Asset consumption ratio**

This indicator expresses asset written-down value as a percentage of replacement cost and thus seeks to measure the proportion of life remaining in assets. A lower measure indicates an older, on average, portfolio of assets and could indicate the potential for large renewal expenditure.

However, a low or declining ratio is not a concern provided assets are being maintained/replaced in accordance with well-prepared asset management plans and the organisation is operating sustainably i.e. recording a breakeven or better underlying operating result. The cash generated by operating sustainably funds the renewal of assets when required.



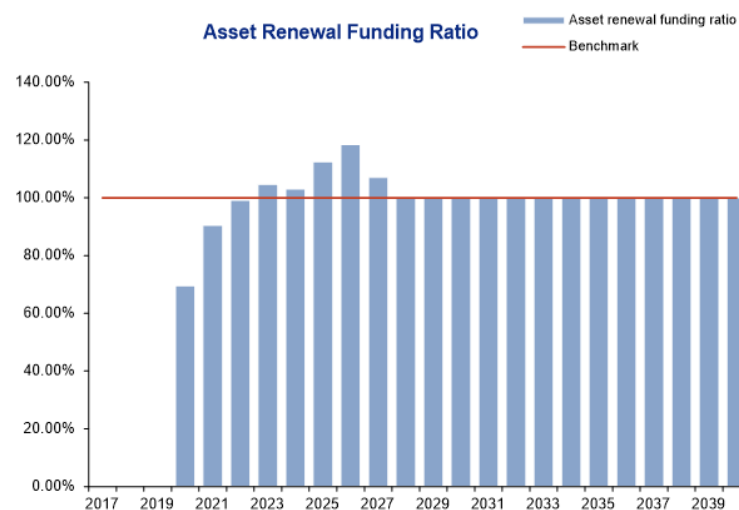
Council's LTFMP indicates through the graph above that the asset consumption ratio will decline over the plan period.

An appropriate target is difficult to define and one source suggests a ratio between 40% and 80%. The Tasmanian Auditor-General considers the road asset class in isolation and suggests a ratio of >60% to represent low risk, 40 to 60% moderate risk and less than 40% high risk. Council's road assets are currently at 44.8%.

The ratio will increase when, beyond the 20 year plan period, asset renewal expenditure will be greater than depreciation.

#### **Indicator 8 – Asset renewal funding ratio**

This indicator is the ratio of future asset renewal expenditure as per this plan relative to the future asset renewal expenditure requirement sourced from asset management plans. It therefore measures the capacity to fund asset renewal requirements. An inability to fund future requirements will result in revenue or expense or debt consequences, or a reduction in service levels.



The above graph shows that during the first three years of the plan period, asset renewal funding will be less than the asset renewal requirements identified for those years. The opposite is true for the following five year period. This situation arises because a number of "Transforming Hobart" projects will take precedence during the first three years, resulting in some asset renewal works being deferred to following years.

Across the entire plan period, known asset renewal requirements will be fully-funded. That is, 100% of known asset renewal needs, as identified in Council's asset management plans, will be funded.

#### **Changes from prior year plan**

The financial outcomes forecast above are very similar to last year's plan except that the asset renewal funding ratio has changed slightly. As with last year, the ratio indicates that 100% of forecast asset renewal requirements will be funded. However, lower funding levels are now forecast for the first three years of the plan as asset renewal projects are deferred to later years to accommodate Transforming Hobart projects.

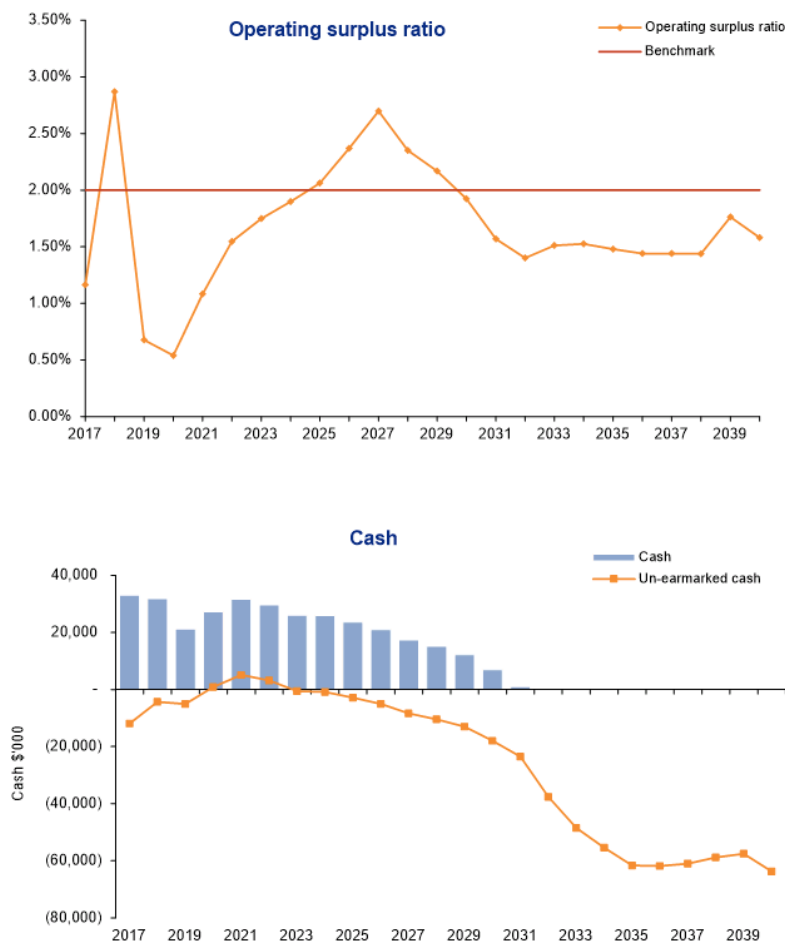
## 10. Sensitivity Analysis

As mentioned in chapter 7, Council's three largest expense items are employee salaries and wages, materials and services and depreciation. Council's largest revenue item is rate revenue. The outcomes of the LTFMP can be significantly affected if actual results for any of these items are different to forecast.

The analysis below demonstrates the sensitivity of the LTFMP to changes in assumptions for the above categories.

### Rates

The LTFMP assumes rate increases (for Council operations) of 3% per annum into the medium term (for seven years) then decreasing to 2.0% per annum. If these rate increases are 0.5% per annum lower over the next ten years the effect is as shown below.



With rate increases 0.5% per annum lower over the next ten years, surpluses would continue to be recorded, but these would be below benchmark for most of the plan period. Cash balances would be exhausted by 2030-31.

### Employee Salaries and Wages

The LTFMP assumes increases in employee salaries and wages of 3% per annum. If employee salaries and wages increases are 0.5% per annum higher over the next ten years the effect is as shown below.



With employee salary and wage increases 0.5% per annum higher over the next ten years, surpluses would continue to be recorded, but the benchmark level would be achieved one year later. Cash balances would reduce by \$82 million by the end of the plan period. To restore the status quo, rate increases would need to be approximately 0.3% per annum higher over the next ten years.



### Materials and Services

The LTFMP assumes increases in materials and services of 2.5% per annum over the life of the Plan. If these materials and services increases are 0.5% per annum higher over the next ten years the effect is as shown below.



With materials and services increases 0.5% per annum higher over the next ten years, surpluses would continue to be recorded, but the benchmark level would be achieved one year later. Cash balances would reduce by \$51 million by the end of the plan period. To restore the status quo, rate increases would need to be approximately 0.2% per annum higher over the next ten years.

## 11. Conclusions

---

The purpose of the LTFMP is to express, in financial terms, the activities that Council proposes to undertake over the medium to longer term to achieve its stated objectives. It is a guide for future action. Without a LTFMP Council would have insufficient data to determine sustainable service levels, affordable asset management strategies, appropriate revenue targets or appropriate treasury management.

Council has worked with the community to establish a 20-year vision for the city and a strategic framework outlining the key strategies that will need to be undertaken by the Council to achieve the community vision.

Long-term financial planning provides for the optimum allocation of available resources to deliver Council's strategic and corporate objectives. Long-term financial planning supports the delivery of Council's community vision.

Long-term financial sustainability can only be said to have been achieved when Council is providing expected services at defined levels to its community that is adequately funded, not only on an annual basis, but over the long-term. This includes infrastructure asset renewal funding requirements.

The achievement of the outcomes in this LTFMP will ensure Council's financial sustainability, thus ensuring the ability to deliver services, at their current levels, into the future while sharing the cost between current and future generations of ratepayers. It will ensure the delivery of Council's community vision.

In financial terms, it will result in: -

- Council achieving modest operating surpluses averaging 3.3% of revenue across the first half of the plan period (higher in the second half of the plan period) in line with good practice.
- An increased, but manageable and affordable level of debt.
- The continued funding of 100% of forecast asset renewal requirements over the Plan period demonstrating excellent asset management policies.
- Cash balances being maintained at estimated minimum levels (being the equivalent of two months cash flow) over the first half of the plan period. Balances then rise modestly during the latter part of the plan period. Balances and cash flow requirements will need to be closely monitored and further refined to ensure adequate liquidity.

Council will need to actively monitor revenue and cost growth in order to ensure the assumptions in the LTFMP are achieved.

These outcomes, together with the underpinning assumptions of revenue and cost growth indicate annual rate increases to the ratepayer in the order of 3% in the medium term, decreasing in later years to 2% (excluding fire levy increases, any redistributive effects of revaluations, AAV indexation or changes to council rating policy).

These outcomes ensure the financial sustainability of Council, thus ensuring the ability to deliver services, at their current levels, into the future. It will ensure that current and future generations pay their fair share.

The LTFMP is based upon Council maintaining existing services at their existing service levels, except for the inclusion of the financial effects of Council's major development assistance policy commitments, the expanded capital works program and the effects of the change to Council's waste disposal strategic plan (the deferral of the closure of the McRobies Gully landfill site until 2030).

## 12. Appendices

### ***Appendix 1 – Financial Sustainability Indicators***

Financial Indicator	Calculation	Description
Underlying Operating Result	(\$ ) Operating income (excluding amounts received specifically for new or upgraded assets, physical resources received free of charge and revaluation increments) less operating expenses for the reporting period.	The difference between day-to-day income and expenses for the period.
Operating Surplus Ratio	(%) Operating surplus (deficit) divided by total revenue – adjusted (excluding amounts received specifically for new or upgraded assets, physical resources received free of charge and revaluation increments).	The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total revenue (adjusted by excluding capital grants, contributed PP&E and asset revaluation increments/decrements).
Net Financial Liabilities	(\$ ) Total liabilities less financial assets (cash and cash equivalents + trade & other receivables + other financial assets).	What is owed to others less money held, or invested or owed to the entity. Net financial liabilities equals total liabilities less financial assets.
Net Financial Liabilities Ratio	(%) Net financial liabilities divided by operating income.	Indicates the extent to which net financial liabilities could be met by operating income.
Interest Cover Ratio	(%) Net annual interest expense divided by operating income.	The proportion of day to day income used to pay interest on loans net of interest income. Indicates the extent to which an entity's operating income is committed to meeting interest expense.
Asset Sustainability Ratio	(%) Capital expenditure on replacement/renewal of existing plant and equipment and infrastructure assets divided by their annual depreciation expense.	The ratio of asset replacement expenditure relative to depreciation for a period. It measures whether assets are being replaced at the rate they are wearing out.

Financial Indicator	Calculation	Description
Asset Consumption Ratio	(%) Depreciated replacement cost of plant and equipment and infrastructure assets divided by current replacement cost of depreciable assets.	Shows the depreciated replacement cost of an entity's depreciable assets relative to their 'as new' (replacement) value.
Asset Renewal Funding Ratio	(%) Future asset replacement expenditure as per long term financial plan divided by future asset replacement expenditure requirement as per asset management plans.	Measures the capacity to fund asset replacement requirements. An inability to fund future requirements will result in revenue or expense or debt consequences, or a reduction in service levels.

## Appendix 2 – Forecast Financial Statements

<b>Hobart City Council</b>																					
Income statement	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Expenses from ordinary activities</b>																					
Employee wages & salaries	(47,250)	(48,067)	(50,127)	(51,631)	(53,180)	(54,778)	(56,419)	(58,111)	(59,855)	(61,650)	(63,500)	(65,405)	(67,367)	(69,388)	(71,470)	(73,614)	(75,822)	(78,097)	(80,440)	(82,853)	(85,338)
Employee on-costs	(8,184)	(8,429)	(8,682)	(8,942)	(9,211)	(9,487)	(9,772)	(10,065)	(10,367)	(10,678)	(10,998)	(11,328)	(11,668)	(12,018)	(12,378)	(12,750)	(13,132)	(13,526)	(13,932)	(14,350)	(14,781)
Employee leave entitlements expense	(4,520)	(4,701)	(4,889)	(5,085)	(5,288)	(5,499)	(5,719)	(5,948)	(6,186)	(6,434)	(6,691)	(6,959)	(7,237)	(7,526)	(7,827)	(8,141)	(8,468)	(8,805)	(9,157)	(9,523)	(9,904)
Defined benefits superannuation scheme	(1,238)	(1,288)	(1,339)	(1,393)	(1,448)	(1,506)	(1,566)	(1,629)	(1,694)	(1,762)	(1,833)	(1,908)	(1,982)	(2,061)	(2,144)	(2,230)	(2,319)	(2,412)	(2,508)	(2,608)	(2,713)
Materials and services	(32,153)	(32,957)	(33,781)	(34,626)	(35,491)	(36,379)	(37,288)	(38,220)	(39,176)	(40,155)	(41,159)	(42,188)	(43,243)	(44,324)	(45,432)	(46,568)	(47,732)	(48,925)	(50,148)	(51,402)	(52,687)
Energy costs	(2,318)	(2,376)	(2,435)	(2,496)	(2,559)	(2,623)	(2,688)	(2,755)	(2,824)	(2,895)	(2,967)	(3,041)	(3,118)	(3,195)	(3,275)	(3,357)	(3,441)	(3,527)	(3,615)	(3,706)	(3,798)
SFC contribution - Hobart district	(11,353)	(12,034)	(12,756)	(13,522)	(14,333)	(15,183)	(16,055)	(16,971)	(17,931)	(18,935)	(19,981)	(20,332)	(21,552)	(22,845)	(24,215)	(25,668)	(27,208)	(28,841)	(30,571)	(32,408)	(34,350)
SFC contribution - Fern Tree district	(33)	(35)	(37)	(40)	(42)	(45)	(47)	(50)	(53)	(56)	(60)	(63)	(67)	(71)	(75)	(80)	(85)	(90)	(95)	(101)	(107)
SFC contribution - general land	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)
Operating expenses for new initiatives	(2,802)	(2,764)	(1,975)	(1,842)	(1,472)	(1,582)	(1,625)	(1,511)	(1,472)	(1,507)	(1,605)	(1,643)	(2,018)	(1,925)	(1,847)	(1,927)	(1,810)	(1,884)	(1,909)	(2,004)	(2,305)
Other expenses	(4,014)	(4,115)	(4,218)	(4,323)	(4,431)	(4,542)	(4,655)	(4,772)	(4,891)	(5,013)	(5,139)	(5,267)	(5,399)	(5,534)	(5,672)	(5,814)	(5,959)	(6,108)	(6,261)	(6,418)	(6,578)
Depreciation & amortisation	(22,032)	(22,123)	(22,637)	(23,591)	(24,706)	(25,981)	(28,231)	(28,981)	(27,859)	(28,812)	(29,383)	(30,411)	(31,337)	(32,358)	(33,577)	(34,758)	(36,072)	(36,984)	(37,880)	(37,762)	(38,628)
Bad debts	(351)	(421)	(433)	(446)	(460)	(474)	(488)	(502)	(518)	(533)	(549)	(566)	(582)	(600)	(618)	(637)	(656)	(675)	(696)	(716)	(738)
Finance cost assoc. with Landfill provision	(101)	(98)	(97)	(95)	(93)	(90)	(87)	(83)	(83)	(81)	(78)	(75)	(72)	(69)	(66)	(63)	(60)	(57)	(54)	(51)	(48)
Finance cost assoc. with DBSS	14	15	15	16	16	17	18	18	19	20	21	22	22	23	24	25	26	27	28	29	31
Asset write-off	(2,202)	(2,432)	(2,386)	(2,362)	(2,444)	(2,416)	(2,388)	(2,411)	(2,386)	(2,402)	(2,445)	(2,445)	(2,452)	(2,448)	(2,448)	(2,441)	(2,434)	(2,441)	(2,435)	(2,435)	(2,432)
Interest	(2,247)	(2,552)	(3,198)	(3,537)	(3,642)	(3,681)	(3,696)	(3,687)	(3,104)	(2,785)	(2,450)	(2,067)	(1,727)	(1,337)	(903)	(632)	(394)	(249)	(152)	(77)	(77)
<b>Total expenses</b>	<b>(140,846)</b>	<b>(144,681)</b>	<b>(149,279)</b>	<b>(155,917)</b>	<b>(158,737)</b>	<b>(163,812)</b>	<b>(168,739)</b>	<b>(173,772)</b>	<b>(178,822)</b>	<b>(184,017)</b>	<b>(189,469)</b>	<b>(195,234)</b>	<b>(201,413)</b>	<b>(207,370)</b>	<b>(213,750)</b>	<b>(220,466)</b>	<b>(227,380)</b>	<b>(234,419)</b>	<b>(241,689)</b>	<b>(248,358)</b>	<b>(255,535)</b>
<b>Revenues from ordinary activities</b>																					
Rates and charges - general	64,343	67,322	70,045	72,875	75,806	78,840	81,981	85,232	87,415	89,627	91,867	94,133	96,424	98,737	101,070	103,420	105,785	108,161	110,548	112,935	115,100
Rates and charges - stormwater	4,393	4,415	4,437	4,459	4,482	4,504	4,527	4,549	4,572	4,595	4,618	4,641	4,664	4,687	4,711	4,734	4,758	4,782	4,806	4,830	5,077
Rates and charges - garbage disposal	7,301	7,706	8,193	8,644	9,119	9,621	10,150	10,708	11,297	11,918	12,574	13,265	13,995	14,765	15,577	16,433	17,337	18,291	19,297	20,358	21,478
Rates and charges - green waste	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711	711
Rates and charges - fire	10,933	11,589	12,284	13,022	13,803	14,631	15,509	16,439	17,426	18,471	19,580	20,754	22,000	23,320	24,719	26,202	27,774	29,440	31,207	33,079	35,064
Rates and charges - penalty, interest, supps	610	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615	615
Land fill rehabilitation levy	254	254	254	254	254	254	254	254	254	-	-	-	-	-	-	-	-	-	-	-	-
Fire levy commission - Hobart district	454	481	510	541	573	608	644	683	724	767	813	862	914	969	1,027	1,088	1,154	1,223	1,296	1,374	1,456
Fire levy commission - Fern Tree district	1	1	1	2	2	2	2	2	2	2	2	3	3	3	3	3	3	4	4	4	4
Fees and charges - car parks	11,219	11,555	11,902	12,259	12,627	13,006	13,396	13,798	14,211	14,638	15,077	15,529	15,995	16,475	16,969	17,478	18,003	18,543	19,099	19,672	20,262
Fees and charges - on-street parking	7,389	7,610	7,839	8,074	8,316	8,565	8,822	9,087	9,360	9,640	9,930	10,228	10,534	10,850	11,176	11,511	11,857	12,212	12,579	12,956	13,345
Fees and charges - parking fines	8,463	8,717	8,978	9,246	9,525	9,811	10,105	10,408	10,720	11,042	11,373	11,715	12,068	12,428	12,801	13,185	13,580	13,988	14,407	14,840	15,285
Other fees and charges	15,437	15,900	16,377	16,869	17,375	17,896	18,433	18,986	19,555	20,142	20,746	21,369	22,010	22,670	23,350	24,051	24,772	25,515	26,281	27,069	27,881
Operating grants	3,226	3,290	3,356	3,423	3,492	3,562	3,633	3,705	3,780	3,855	3,932	4,011	4,091	4,173	4,256	4,342	4,428	4,517	4,607	4,699	4,793
Interest and investment revenues	930	883	1,039	1,009	937	1,000	1,015	1,041	1,061	1,155	1,254	1,305	1,376	1,468	1,564	1,664	1,768	1,874	1,984	2,099	2,218
Rents	3,714	3,825	3,940	4,058	4,180	4,305	4,435	4,568	4,705	4,846	4,991	5,141	5,295	5,454	5,618	5,786	5,960	6,138	6,323	6,512	6,708
TasWater Distributions	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172
<b>Total revenues</b>	<b>141,610</b>	<b>147,008</b>	<b>152,555</b>	<b>158,134</b>	<b>163,888</b>	<b>170,002</b>	<b>176,304</b>	<b>182,858</b>	<b>188,226</b>	<b>194,098</b>	<b>200,156</b>	<b>206,354</b>	<b>212,765</b>	<b>219,096</b>	<b>225,769</b>	<b>232,785</b>	<b>240,055</b>	<b>247,757</b>	<b>255,744</b>	<b>264,036</b>	<b>272,571</b>
<b>Underlying result</b>	<b>764</b>	<b>2,028</b>	<b>3,276</b>	<b>4,217</b>	<b>5,151</b>	<b>6,190</b>	<b>7,565</b>	<b>9,088</b>	<b>9,405</b>	<b>10,081</b>	<b>10,686</b>	<b>11,120</b>	<b>11,352</b>	<b>11,726</b>	<b>12,019</b>	<b>12,319</b>	<b>12,675</b>	<b>13,338</b>	<b>14,054</b>	<b>15,678</b>	<b>16,037</b>
<b>Non-operating items</b>																					
Capital grants	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550
Other non-operating items	(1,440)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-operating items</b>	<b>(890)</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>Net surplus / (deficit)</b>	<b>(126)</b>	<b>2,578</b>	<b>3,826</b>	<b>4,767</b>	<b>5,701</b>	<b>6,740</b>	<b>8,115</b>	<b>9,638</b>	<b>9,955</b>	<b>10,631</b>	<b>11,236</b>	<b>11,670</b>	<b>11,902</b>	<b>12,276</b>	<b>12,569</b>	<b>12,869</b>	<b>13,225</b>	<b>13,888</b>	<b>14,604</b>	<b>16,228</b>	<b>16,587</b>



<b>Hobart City Council</b>																					
<b>Cash flow</b>	<b>Forecast 2020</b>	<b>Forecast 2021</b>	<b>Forecast 2022</b>	<b>Forecast 2023</b>	<b>Forecast 2024</b>	<b>Forecast 2025</b>	<b>Forecast 2026</b>	<b>Forecast 2027</b>	<b>Forecast 2028</b>	<b>Forecast 2029</b>	<b>Forecast 2030</b>	<b>Forecast 2031</b>	<b>Forecast 2032</b>	<b>Forecast 2033</b>	<b>Forecast 2034</b>	<b>Forecast 2035</b>	<b>Forecast 2036</b>	<b>Forecast 2037</b>	<b>Forecast 2038</b>	<b>Forecast 2039</b>	<b>Forecast 2040</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>																					
<i>Receipts</i>																					
Rates and charges	88,464	92,432	96,303	100,337	104,541	108,921	113,485	118,240	121,811	125,700	129,722	133,873	138,157	142,578	147,141	151,849	156,708	161,723	166,888	172,239	177,750
Fees and charges - parking	26,935	27,503	28,268	29,116	29,990	30,890	31,816	32,771	33,754	34,766	35,809	36,884	37,990	39,130	40,304	41,513	42,758	44,041	45,362	46,723	48,125
Other fees and charges	15,413	15,884	16,360	16,851	17,357	17,877	18,414	18,966	19,535	20,121	20,725	21,347	21,987	22,647	23,326	24,026	24,747	25,489	26,254	27,041	27,853
Operating grants	3,233	3,288	3,354	3,421	3,489	3,559	3,630	3,703	3,777	3,852	3,930	4,008	4,088	4,170	4,253	4,339	4,425	4,514	4,604	4,696	4,790
Rents	3,707	3,821	3,936	4,054	4,176	4,301	4,430	4,563	4,700	4,841	4,986	5,136	5,290	5,448	5,612	5,780	5,954	6,132	6,316	6,506	6,701
Interest and investment income	930	883	1,039	1,009	937	1,000	1,015	1,041	1,081	1,155	1,254	1,305	1,378	1,468	1,564	1,653	1,746	1,844	1,944	2,046	2,150
Other	455	482	511	541	574	608	645	684	725	768	814	863	915	970	1,028	1,090	1,155	1,224	1,298	1,376	1,458
<i>Payments</i>																					
Less employee costs	(55,433)	(57,096)	(58,809)	(60,574)	(62,391)	(64,263)	(66,190)	(68,176)	(70,221)	(72,328)	(74,498)	(76,733)	(79,035)	(81,408)	(83,848)	(86,364)	(88,954)	(91,623)	(94,372)	(97,203)	(100,119)
Less leave entitlements paid	(3,634)	(3,780)	(3,931)	(4,088)	(4,251)	(4,422)	(4,598)	(4,782)	(4,974)	(5,173)	(5,379)	(5,595)	(5,818)	(6,051)	(6,293)	(6,545)	(6,807)	(7,079)	(7,362)	(7,657)	(7,963)
Less employer contributions DBS	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)
Less operating costs	(34,186)	(35,245)	(36,126)	(37,029)	(37,955)	(38,904)	(39,877)	(40,873)	(41,895)	(42,943)	(44,016)	(45,117)	(46,245)	(47,401)	(48,586)	(49,800)	(51,045)	(52,322)	(53,633)	(54,970)	(56,345)
Less interest paid	(2,247)	(2,552)	(3,198)	(3,537)	(3,593)	(3,642)	(3,681)	(3,696)	(3,407)	(3,104)	(2,785)	(2,450)	(2,097)	(1,727)	(1,337)	(963)	(632)	(394)	(249)	(152)	(77)
Less operating expenses for new initiatives	(2,862)	(2,784)	(1,975)	(1,842)	(1,472)	(1,562)	(1,625)	(1,511)	(1,472)	(1,507)	(1,805)	(1,643)	(1,625)	(1,847)	(1,927)	(1,810)	(1,884)	(1,900)	(2,004)	(2,064)	(2,165)
Less cash paid out of TSR	(276)	(190)	(195)	(201)	(207)	(528)	(755)	(415)	(146)	(420)	(527)	(255)	(843)	-	-	-	-	-	-	-	-
Other	(15,301)	(16,107)	(16,929)	(17,798)	(18,715)	(19,683)	(20,705)	(21,785)	(22,926)	(24,131)	(25,403)	(26,748)	(28,169)	(29,671)	(31,258)	(32,935)	(34,708)	(36,583)	(38,565)	(40,660)	(42,875)
Non-operating items	(1,440)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>22,949</b>	<b>25,751</b>	<b>27,800</b>	<b>29,453</b>	<b>31,671</b>	<b>33,315</b>	<b>35,195</b>	<b>37,920</b>	<b>39,512</b>	<b>40,791</b>	<b>42,218</b>	<b>44,067</b>	<b>44,772</b>	<b>47,122</b>	<b>48,782</b>	<b>50,407</b>	<b>52,228</b>	<b>53,975</b>	<b>55,731</b>	<b>57,438</b>	<b>58,843</b>
<b>Cash flows from investing activities</b>																					
<i>Receipts</i>																					
Capital grants	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550
TasWater Distribution	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172
Sale of assets	900	999	779	834	855	876	898	921	944	967	989	991	913	938	959	983	1,008	1,033	1,059	1,085	1,100
<i>Payments</i>																					
Infrastructure	(32,697)	(30,312)	(31,724)	(28,974)	(27,989)	(30,823)	(31,113)	(29,133)	(28,654)	(28,826)	(30,160)	(31,108)	(30,574)	(39,421)	(35,477)	(38,540)	(33,803)	(35,008)	(34,291)	(40,613)	(46,782)
New Assets	(6,731)	(3,831)	(3,641)	(1,691)	(1,049)	(967)	(463)	(271)	(324)	(332)	(1,039)	(1,071)	(1,042)	(1,208)	(1,163)	(1,239)	(1,190)	(1,211)	(1,199)	(1,384)	(1,375)
Asset Renewals	(17,794)	(20,246)	(21,762)	(21,653)	(22,565)	(25,144)	(26,180)	(24,766)	(24,270)	(24,405)	(24,281)	(25,044)	(29,820)	(31,994)	(28,661)	(31,178)	(27,169)	(28,174)	(27,575)	(32,721)	(38,069)
Asset Upgrades	(8,172)	(6,235)	(6,321)	(6,031)	(4,373)	(4,712)	(4,471)	(4,066)	(4,081)	(4,068)	(4,841)	(4,993)	(5,712)	(6,219)	(5,652)	(6,122)	(5,445)	(5,624)	(5,518)	(6,509)	(7,338)
Plant & Equipment	(4,740)	(5,050)	(5,888)	(6,805)	(5,579)	(5,702)	(6,561)	(5,951)	(5,493)	(6,175)	(7,311)	(7,294)	(10,768)	(5,787)	(7,885)	(6,769)	(8,716)	(9,311)	(10,675)	(6,650)	(9,173)
New Assets	-	-	-	-	-	-	-	-	-	-	(222)	(220)	(282)	(149)	(227)	(189)	(271)	(288)	(336)	(190)	(237)
Asset Renewals	(4,220)	(4,481)	(5,196)	(5,823)	(4,939)	(5,048)	(5,794)	(5,270)	(4,877)	(5,470)	(6,059)	(6,046)	(8,971)	(4,873)	(6,554)	(5,994)	(7,203)	(7,695)	(8,792)	(5,569)	(7,672)
Asset Upgrades	(520)	(589)	(692)	(781)	(640)	(653)	(787)	(681)	(618)	(705)	(1,034)	(1,028)	(1,544)	(765)	(1,103)	(919)	(1,242)	(1,330)	(1,547)	(892)	(1,264)
<b>Net cash flows from investing activities</b>	<b>(33,815)</b>	<b>(31,941)</b>	<b>(34,111)</b>	<b>(32,023)</b>	<b>(29,988)</b>	<b>(32,927)</b>	<b>(34,054)</b>	<b>(31,442)</b>	<b>(30,481)</b>	<b>(31,312)</b>	<b>(33,881)</b>	<b>(34,789)</b>	<b>(43,735)</b>	<b>(41,551)</b>	<b>(39,680)</b>	<b>(41,604)</b>	<b>(38,789)</b>	<b>(40,564)</b>	<b>(41,185)</b>	<b>(43,456)</b>	<b>(52,133)</b>
<b>Cash flows from financing activities</b>																					
<i>Receipts</i>																					
Proceeds from borrowings	20,000	15,000	10,000	5,000	5,000	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>																					
Less repayment of borrowings	(3,194)	(3,986)	(4,586)	(4,604)	(4,722)	(4,872)	(5,332)	(5,817)	(6,108)	(6,409)	(6,728)	(7,083)	(7,416)	(7,787)	(7,276)	(5,902)	(4,232)	(2,608)	(1,750)	(1,347)	(922)
<b>Net cash flows from financing activities</b>	<b>16,806</b>	<b>11,014</b>	<b>5,414</b>	<b>396</b>	<b>278</b>	<b>128</b>	<b>(332)</b>	<b>(5,817)</b>	<b>(6,108)</b>	<b>(6,409)</b>	<b>(6,728)</b>	<b>(7,083)</b>	<b>(7,416)</b>	<b>(7,787)</b>	<b>(7,276)</b>	<b>(5,902)</b>	<b>(4,232)</b>	<b>(2,608)</b>	<b>(1,750)</b>	<b>(1,347)</b>	<b>(922)</b>
<b>Net increase/(decrease) in cash held</b>	<b>5,940</b>	<b>4,823</b>	<b>(897)</b>	<b>(2,174)</b>	<b>1,961</b>	<b>517</b>	<b>809</b>	<b>661</b>	<b>2,925</b>	<b>3,070</b>	<b>1,809</b>	<b>2,214</b>	<b>(6,379)</b>	<b>(2,215)</b>	<b>1,825</b>	<b>2,901</b>	<b>9,206</b>	<b>10,805</b>	<b>12,796</b>	<b>12,633</b>	<b>5,788</b>
<b>Cash held at beginning of the year</b>	<b>21,274</b>	<b>27,214</b>	<b>32,037</b>	<b>31,139</b>	<b>28,965</b>	<b>30,927</b>	<b>31,443</b>	<b>32,252</b>	<b>32,913</b>	<b>35,838</b>	<b>38,908</b>	<b>40,517</b>	<b>42,732</b>	<b>36,353</b>	<b>34,138</b>	<b>35,964</b>	<b>38,864</b>	<b>48,071</b>	<b>58,876</b>	<b>71,672</b>	<b>84,305</b>
<b>Cash held at the end of the year</b>	<b>27,214</b>	<b>32,037</b>	<b>31,139</b>	<b>28,965</b>	<b>30,927</b>	<b>31,443</b>	<b>32,252</b>	<b>32,913</b>	<b>35,838</b>	<b>38,908</b>	<b>40,517</b>	<b>42,732</b>	<b>36,353</b>	<b>34,138</b>	<b>35,964</b>	<b>38,864</b>	<b>48,071</b>	<b>58,876</b>	<b>71,672</b>	<b>84,305</b>	<b>90,093</b>
<b>Closing cash balance earmarked for:</b>																					
Contributions in lieu of public open space	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
Contributions in lieu of parking	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135
Heritage account	1,507	1,507	1,507	1,508	1,508	1,508	1,509	1,509	1,509	1,510	1,510	1,510	1,511	1,511	1,511	1,512	1,512	1,513	1,513	1,514	1,514
Plant and equipment carry-forwards	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Bushland fund	165	215	265	315	365	415	465	515	565	615	665	715	765	815	865	915	965	1,015	1,065	1,115	1,165
McRobies Gully tip site rehabilitation	3,153	3,217	3,276	3,329	3,378	3,422	3,461	3,495	3,524	3,548	3,567	3,581	3,590	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594
Other project carry-forwards	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144
Refundable deposits	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162	2,162
<b>Future Asset Renewal Reserve</b>	<b>900</b>	<b>5,909</b>	<b>4,802</b>	<b>2,325</b>	<b>4,189</b>	<b>4,929</b>	<b>6,188</b>	<b>7,139</b>	<b>10,160</b>	<b>13,600</b>	<b>15,685</b>	<b>18,104</b>	<b>12,518</b>	<b>10,253</b>	<b>12,028</b>	<b>14,879</b>	<b>24,034</b>	<b>34,789</b>	<b>47,535</b>	<b>60,117</b>	<b>65,855</b>

Hobart City Council																						
Balance sheet		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Assets																						
Current assets																						
Cash & cash equivalents		27,181	31,971	31,040	28,833	30,762	31,245	32,021	32,649	35,541	38,578	40,154	42,336	35,924	33,676	35,469	38,336	47,510	58,282	71,045	83,645	89,400
Inventories		331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331	331
Receivables		4,548	4,671	4,849	5,035	5,227	5,428	5,636	5,852	6,026	6,215	6,410	6,611	6,818	7,032	7,253	7,480	7,715	7,957	8,207	8,465	8,731
Other		22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Total current assets		32,082	36,995	36,243	34,221	36,342	37,026	38,010	38,854	41,921	45,147	46,917	49,300	43,095	41,061	43,074	46,170	55,578	66,592	79,605	92,463	98,484
Non current assets																						
Receivables		226	226	226	226	226	226	226	226	226	226	226	226	226	226	226	226	226	226	226	226	226
Investment in TasWater		166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823	166,823
Property, plant & equipment		1,642,042	1,663,438	1,676,148	1,660,702	1,677,316	1,691,185	1,695,828	1,682,366	1,690,635	1,691,983	1,678,801	1,689,358	1,698,387	1,689,433	1,698,718	1,650,548	1,672,910	1,680,217	1,650,555	1,666,552	1,682,804
Total non current assets		1,809,091	1,830,487	1,846,197	1,827,751	1,844,365	1,858,234	1,832,877	1,849,445	1,857,884	1,829,012	1,845,850	1,856,407	1,835,436	1,850,482	1,865,767	1,826,597	1,839,959	1,847,266	1,817,604	1,833,601	1,849,853
Total assets		1,841,172	1,867,481	1,882,440	1,861,972	1,880,708	1,895,260	1,870,898	1,888,299	1,896,605	1,874,158	1,892,767	1,905,706	1,878,531	1,897,543	1,908,841	1,872,767	1,895,537	1,913,859	1,897,210	1,926,064	1,948,337
Liabilities																						
Current liabilities																						
Payables - Creditors		(5,098)	(5,266)	(5,441)	(5,622)	(5,812)	(6,008)	(6,213)	(6,426)	(6,648)	(6,879)	(7,120)	(7,371)	(7,633)	(7,905)	(8,190)	(8,487)	(8,798)	(9,120)	(9,458)	(9,810)	(10,179)
Trust deposits, retention		(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)	(2,890)
Employee benefits		(13,196)	(13,915)	(14,693)	(15,440)	(16,248)	(17,089)	(17,963)	(18,873)	(19,819)	(20,802)	(21,825)	(22,889)	(23,995)	(25,146)	(26,343)	(27,587)	(28,882)	(30,228)	(31,628)	(33,084)	(34,598)
Unearned revenue		(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)	(446)
Loans & other borrowings		(3,986)	(4,586)	(4,804)	(4,722)	(4,872)	(5,332)	(5,817)	(6,106)	(6,409)	(6,728)	(7,063)	(7,416)	(7,787)	(8,177)	(8,590)	(9,022)	(9,469)	(9,931)	(10,409)	(10,902)	(11,409)
Total current liabilities		(26,616)	(27,103)	(28,043)	(29,120)	(30,267)	(31,765)	(33,330)	(34,741)	(36,212)	(37,745)	(39,344)	(41,012)	(42,751)	(43,663)	(43,770)	(43,642)	(43,620)	(44,434)	(45,766)	(47,152)	(48,598)
Non current liabilities																						
Employee benefits		(3,722)	(3,925)	(4,136)	(4,355)	(4,583)	(4,820)	(5,067)	(5,323)	(5,590)	(5,867)	(6,156)	(6,456)	(6,768)	(7,092)	(7,430)	(7,781)	(8,146)	(8,526)	(8,921)	(9,331)	(9,758)
Defined benefits scheme		3,379	2,947	2,464	1,928	1,337	689	(19)	(788)	(1,822)	(2,523)	(3,464)	(4,538)	(5,656)	(6,853)	(8,132)	(9,495)	(10,947)	(12,460)	(14,129)	(15,866)	(17,707)
Loans & other borrowings		(50,950)	(61,364)	(66,780)	(67,038)	(67,167)	(66,834)	(66,017)	(59,911)	(53,502)	(46,774)	(39,711)	(32,295)	(24,508)	(17,233)	(11,331)	(7,068)	(4,463)	(2,743)	(1,396)	(474)	(0)
Provision for landfill restoration		(3,871)	(3,779)	(3,681)	(3,575)	(3,461)	(3,323)	(3,168)	(2,996)	(2,809)	(2,609)	(2,400)	(2,186)	(1,972)	(1,754)	(1,536)	(1,318)	(1,100)	(882)	(664)	(446)	(228)
Total non current liabilities		(55,164)	(66,121)	(72,113)	(73,040)	(73,873)	(73,968)	(73,450)	(66,019)	(58,617)	(50,699)	(40,409)	(29,109)	(16,931)	(4,117)	(2,891)	(24,374)	(23,585)	(23,757)	(24,444)	(25,670)	(27,465)
Total liabilities		(80,781)	(93,224)	(100,156)	(102,160)	(104,140)	(105,754)	(106,790)	(102,759)	(96,829)	(94,444)	(89,753)	(85,121)	(79,682)	(74,840)	(70,662)	(68,016)	(67,204)	(68,191)	(70,212)	(72,822)	(76,051)
Net assets		1,760,392	1,774,258	1,782,284	1,759,812	1,776,567	1,789,507	1,764,108	1,785,540	1,800,776	1,779,714	1,803,014	1,820,585	1,798,849	1,822,703	1,838,179	1,804,751	1,828,333	1,845,698	1,826,998	1,853,242	1,872,286
Equity																						
Asset revaluation reserve		(605,798)	(614,793)	(616,781)	(587,397)	(568,293)	(600,388)	(564,827)	(574,639)	(577,978)	(544,348)	(554,512)	(558,530)	(523,020)	(532,822)	(533,989)	(488,136)	(464,821)	(468,730)	(467,039)	(475,279)	(475,942)
Capital appropriation reserve		(18,785)	(21,078)	(23,291)	(25,435)	(27,594)	(29,700)	(31,744)	(33,730)	(35,674)	(37,609)	(39,508)	(41,393)	(43,264)	(45,041)	(46,781)	(48,471)	(50,099)	(51,546)	(53,084)	(54,667)	(55,897)
Other reserves		114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781	114,781
Accumulated (surplus)/deficit		(1,250,590)	(1,253,167)	(1,256,994)	(1,261,760)	(1,267,461)	(1,274,201)	(1,282,316)	(1,291,952)	(1,301,907)	(1,312,538)	(1,323,774)	(1,335,444)	(1,347,346)	(1,359,622)	(1,372,190)	(1,384,926)	(1,398,284)	(1,412,173)	(1,426,656)	(1,438,246)	(1,455,228)
Total equity		(1,760,392)	(1,774,258)	(1,782,284)	(1,759,812)	(1,776,567)	(1,789,507)	(1,764,108)	(1,785,539)	(1,800,778)	(1,779,714)	(1,803,014)	(1,820,585)	(1,798,849)	(1,822,703)	(1,838,179)	(1,804,751)	(1,828,333)	(1,845,698)	(1,826,998)	(1,853,242)	(1,872,286)

**2019-20 RATES**

That:-

1. Rates and Charges be made in accordance with the provisions of Part 9 of the Local Government Act 1993, to provide for the estimates of revenue and expenditure.
2. The Rates and Charges be for the period commencing on 1<sup>st</sup> July 2019 and ending on 30<sup>th</sup> June 2020.
3. Pursuant to Section 90 of the Local Government Act 1993, a General Rate of 6.87 cents in the dollar of Assessed Annual Value (AAV) be made.
4. Pursuant to Section 93 of the Local Government Act 1993, the following Service Rates be made: -
  - 4.1 a Stormwater Removal Service Rate of 0.38 cents in the dollar of AAV;
  - 4.2 a Fire Service Rate of 1.13 cents in the dollar of AAV.
- 5A. Pursuant to Section 94 of the Local Government Act 1993, a Waste Management Service Charge be made in the sum of \$500.00 for all rateable land within the municipal area.
- 5B. Pursuant to Section 94(3) of the Local Government Act 1993, the Council by absolute majority hereby varies the Waste Management Service Charge (as previously made) for all rateable land within the municipal area which is used or predominantly used for residential purposes to \$250.00.
6. Pursuant to Section 94 of the Local Government Act 1993, a Waste Management Service Charge for green waste collection be made in the sum of \$50.00 for all rateable land within the municipal area to which Council supplies or makes available a green waste collection service utilising a green waste collection bin.
- 7A. Pursuant to Section 94 of the Local Government Act 1993, a Landfill Rehabilitation Service Charge be made in the sum of \$20.00 for all rateable land within the municipal area.
- 7B. Pursuant to Section 94(3) of the Local Government Act 1993, the Council by absolute majority hereby varies the Landfill Rehabilitation Service Charge (as previously made) for land within the municipal area which is used or predominantly used for residential purposes to \$10.00.
8. Pursuant to Section 124 of the Local Government Act 1993, the Rates may be payable by four instalments.
9. The Rates shall be payable on the following dates:-

1 <sup>st</sup> Instalment	15 August 2019
2 <sup>nd</sup> Instalment	15 November 2019
3 <sup>rd</sup> Instalment	15 February 2020
4 <sup>th</sup> Instalment	15 April 2020

10. Pursuant to Section 129(4) of the Local Government Act 1993, the Council determines by absolute majority that the following rates remissions shall apply:-
  - (a) A remission of 0.83 cents in the dollar on the Assessed Annual Value of any land or building which is within the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.
  - (b) A remission of 0.85 cents in the dollar on the Assessed Annual Value of any land or building which are within areas other than Permanent Brigade Rating Districts or the Fern Tree Volunteer Brigade Rating District as defined by the State Fire Commission.
11. For lands otherwise exempt from General Rates pursuant to Section 87 of the Local Government Act 1993, Service Rates pursuant to Section 93 of the Local Government Act 1993 and Service Charges pursuant to Section 94 of the Local Government Act 1993 will apply.
12. Notwithstanding anything contained above in relation to the General Rate, Service Rates, Service Charges or Remissions, a minimum Tasmanian Fire Service contribution in the sum of \$41 shall apply in accordance with Section 81D(3) of the Fire Service Act 1979, as amended.
13. **Penalty and Interest**

Pursuant to Section 128 of the Local Government Act 1993:-

- (a) where any amount of rates or charges remains unpaid after the date on which it is to be paid, there shall be payable penalty and interest in accordance with Section 128(1)(c) of the Act, with penalty to be calculated at the rate of 3% of the amount and interest on that amount calculated at the rate of 8.1% per annum, charged monthly, in accordance with the prescribed percentage contained in Section 128(2) of the Act.
- (b) where any amount of rates or charges that was payable in a financial year beginning prior to 1<sup>st</sup> July 2019, remains unpaid in the financial year beginning 1<sup>st</sup> July 2019, and there is payable interest on that amount pursuant to a determination under Section 128(1)(c) in that first-mentioned financial year, there shall be payable interest on that amount on and after 1<sup>st</sup> July 2019, at a rate equal to the rate fixed for the purposes of Section 128(1)(c) and operative on and after 1<sup>st</sup> July 2019, being at a rate of 8.1% per annum, charged monthly.

Dated this                day of                2019

**GENERAL MANAGER**

Community Engagement Summary Report 2/04/19

## Engagement Summary Report

Project	Annual Budget – Your Priorities.
Engagement period	21 <sup>st</sup> March – April 2 <sup>nd</sup> (Engagement open until April 8 <sup>th</sup> )
Project Background	
<p>The background and purpose of the engagement was to invite feedback from the community to provide to Council to help develop budget priorities for 2019-20, within the context of the Community Vision, the Council's Capital City Strategic Plan 2015-2025 and Long-Term Financial Management Plan 2020-2040.</p> <p>The online survey was introduced with the text:</p> <p>“As our City grows, it is important for us to understand what our community’s priorities are when we consider the services and infrastructure we will provide.</p> <p>That's why we are inviting you all to make a written submission or complete the budget survey with thoughts and ideas for the 2019-20 City of Hobart operating and capital works budget. We want to know what is important to you, where we should spend your money and how we can better deliver services and meet your needs.</p> <p>The engagement process will encompass the core areas of responsibilities funded by the City’s operating and capital works budget.”</p> <p>(Your Say Project page introduction)</p> <p>Feedback was encouraged via an online survey or by a written submission (email or post) and focused around 4 questions.</p>	
Community Engagement Objectives	
<p>Engaging on the City’s annual budget will provide the opportunity to better understand the community’s priorities for how funds are spent as well a valuable opportunity for us to inform the community about the services that the City provides and how their rates are used. The objective of this engagement was to:</p> <ul style="list-style-type: none"> <li>• Inform the community on how the City’s annual budget is spent and how their rates are divided up across different services.</li> <li>• Better understand the community’s priorities in how the City allocates funding and delivers services.</li> <li>• Seek feedback from stakeholders and the community about their priorities now and into the future</li> </ul>	

## Community Engagement Summary Report 2/04/19

- Allocate the annual budget in a way that is understood by the community and reflects their current and future needs.

#### Communications and Engagement Approach Overview

Engagement was undertaken through the Your Say Hobart platform via an online survey that focussed on the four questions listed below:

- What programs and services do you believe are most important for the City of Hobart to deliver?
- How can the City deliver our current program and services in ways that better meet the needs of our community?
- Are there particular programs or services that you think the City should stop delivering or should deliver in a different way?
- What new ideas should the City consider to meet emerging or evolving community needs?

The opportunity was promoted via a Your Say e-newsletter that was sent to 2264 registered users. Written submissions were also invited.

	How we engaged	Who we engaged
Your Say	Online survey	126 aware visitors (visited project page) 62 informed visitors (clicked/downloaded an infographic or document) 13 engaged visitors ( completed survey)
Written Submissions	Offered via Your Say	None received



## Community Engagement Summary Report 2/04/19

Engagement Analysis		
Question 1. What programs/services are important?		
Themes	Key Issues	Response
Health & wellbeing	<ul style="list-style-type: none"> <li>• Safety at night</li> <li>• Facilities for youth and older persons</li> </ul>	
Environment	<ul style="list-style-type: none"> <li>• Clean green energy use</li> <li>• Bushland management</li> <li>• Clean water</li> <li>• Recycling</li> <li>• Sustainability in development</li> <li>• Feral cat eradication</li> <li>• Bushland management</li> <li>• Better preparation for flood, fire, winds</li> </ul>	
Infrastructure	<ul style="list-style-type: none"> <li>• Maintenance and activation of public assets and control of business interests.</li> <li>• Lighting, parking, planning approvals.</li> <li>• Appropriate urban density</li> <li>• Mixed land use</li> <li>• Improvement of city walkability &amp; cycle infrastructure to lessen private vehicle use and unhealthy emissions,</li> <li>• Continued work that facilitates urban greening</li> </ul>	
Waste management	<ul style="list-style-type: none"> <li>• Sewage</li> <li>• Recycling – “in need of major shakeup”</li> <li>• Refuse disposal</li> <li>• Development of improved organic waste disposal/recycling systems</li> </ul>	
Transport	<ul style="list-style-type: none"> <li>• Public transport</li> <li>• Paths/roads</li> <li>• Increased infrastructure specific to pedestrians/cyclists</li> </ul>	

## Community Engagement Summary Report 2/04/19

Sustainable communities	<ul style="list-style-type: none"> <li>• Liveability initiatives</li> <li>• Sensitive development</li> <li>• Increased renewal of public assets/spaces</li> <li>• Community building</li> <li>• Affordable housing</li> <li>• Environmental protection</li> </ul>	
Tourism	<ul style="list-style-type: none"> <li>• Controlled tourism/sustainable development.</li> <li>• No cable car</li> </ul>	
<b>Question 2. How can the City deliver our current program and services in ways that better meet the needs of our community?</b>		
Themes	Key Issues	Response
Planning	<ul style="list-style-type: none"> <li>• Importance of future proofing.</li> <li>• Prevention of foreseeable issues vs reactivity.</li> <li>• Setting performance targets and hiring staff to speed up planning and building approvals - the City should not be hindering housing development during a rental crisis.</li> </ul>	
Environment	<ul style="list-style-type: none"> <li>• Zero waste – clearer more accessible actions for e.g. Soft plastics, tooth brushes, electronic goods. Recycling centres and access points around the City. Organic waste.</li> <li>• Tree strategy – immediate and urgent roll out of street greening with mature trees to combat climate change, hotter city.</li> <li>• Greater focus on managing and conserving bushland &amp; removal of weeds and pests.</li> <li>• Greater investment in renewable energy generation on City of Hobart buildings (solar, wind – like the MBB)</li> <li>• City as actively involved in environmental clean-up i.e. Derwent River &amp; air pollution from cruise ships.</li> <li>• Minimising noise pollution.</li> <li>• Extend green waste to food waste, organic waste collection.</li> </ul>	

## Community Engagement Summary Report 2/04/19

	<ul style="list-style-type: none"> <li>Hobart recycling services only collect very limited items compared to other cities whilst our limited landfill sites pay the penalty.</li> <li>Make sure we keep wharf area so we can see the harbour from North Hobart.</li> </ul>	
Quality of life	<ul style="list-style-type: none"> <li>Consideration of low-income rate payers i.e. Provide essential services before luxuries for the few such as sports grounds.</li> <li>Enhance mobility for the elderly, disabled and parents with prams.</li> </ul>	
Rates/taxes	<ul style="list-style-type: none"> <li>Rate rises – maybe broaden rate payer base. Introduce and Airbnb bed night tax as well as a shipping visitor charge.</li> </ul>	
Cultural/arts	<ul style="list-style-type: none"> <li>Give lower priority and funding to inner city parks, cultural programs and the arts and higher priority to infrastructure.</li> <li>Taste of Tasmania – sponsors and user pays with free people days.</li> <li>More and better public art, drawing on arts organisations in the city to recruit the best local, national, and international artists to that purpose.</li> <li>Dark Mofo, given its transformative success for the city, should be provided generous sponsorship secured over a multi-year agreement.</li> </ul>	
Connectivity	<ul style="list-style-type: none"> <li>Continue to work with State Growth, metro and other councils for integrated Hobart as a priority.</li> <li>Work with public transport to increase and improve their services in order to reduce traffic and the need for so much parking.</li> </ul>	
Community Engagement	<ul style="list-style-type: none"> <li>Ongoing communication and consultation with the community.</li> </ul>	
<b>Question 3. Are there particular programs or services that you think the City should stop delivering or should deliver in a different way?</b>		
<b>Themes</b>	<b>Key Issues</b>	<b>Response</b>
City planning	<ul style="list-style-type: none"> <li>Needs reforming – refuse all new city developments until all buildings are 100 % occupied.</li> <li>Less city space dedicated to cars.</li> <li>Remove all non-customer contact centres from CBD to encourage greater retail district.</li> <li>Myer subsidy - wound down at earliest available opportunity.</li> <li>Contract out new infrastructure and maintenance as current practices grossly inefficient.</li> </ul>	

## Community Engagement Summary Report 2/04/19

	<ul style="list-style-type: none"> <li>• Incentives to encourage renewables regeneration on rooftops.</li> </ul>	
Parks	<ul style="list-style-type: none"> <li>• Design and manage parks so they're low maintenance. More money needs to be spent on bushland and weed eradication.</li> </ul>	
Waste management	<ul style="list-style-type: none"> <li>• Needs to be improved</li> </ul>	
Tourism/arts/events	<ul style="list-style-type: none"> <li>• Stop investing in tourism and arts and clean up the things that tourists come to see and artists get inspired by.</li> <li>• Reduce investment in arts as they are quite capable of funding themselves.</li> <li>• Careful consideration of how we build tourism.</li> <li>• Reduce expenditure aimed at lining pockets of wealthy business people and tourists. Reduce festivals and food fairs and increase welfare services.</li> <li>• Sporting events – no sponsorship of football teams.</li> </ul>	
<b>Question 4. What new ideas should the City consider to meet emerging or evolving community needs?</b>		
<b>Themes</b>	<b>Key Issues</b>	<b>Response</b>
Transport	<ul style="list-style-type: none"> <li>• Traffic congestion – Park'n'Ride and enforce property owners to park off-streets and increase on-street parking.</li> <li>• Public transport vision and master plan of development medium density, along light rail corridor to north suburbs over clear fill suburban sprawl.</li> <li>• Dedicated bus ways.</li> <li>• Develop financial incentives for walking/bike riding and carpooling (and allocation of car parking revenue for this purpose) and disincentives for single occupant car use.</li> <li>• Ban further hotels from CBD to minimise tourists in rental cars adding to traffic woes.</li> <li>• Remove car parks on certain streets and install cycling infrastructure.</li> </ul>	
Waste treatment	<ul style="list-style-type: none"> <li>• Investment in waste management technology /infrastructure</li> <li>• Individual soft plastic recycling program</li> </ul>	
Planning	<ul style="list-style-type: none"> <li>• Remove the requirement for vehicle car parks as part of new developments.</li> <li>• Change the planning scheme to promote mixed uses in appropriate areas.</li> </ul>	
Elected members	<ul style="list-style-type: none"> <li>• Make representative of Wards vs sector interests.</li> </ul>	

## Community Engagement Summary Report 2/04/19

Community welfare and inclusion	<ul style="list-style-type: none"><li>• Give equal consideration to all.</li><li>• Ageing population considerations and increased older persons services/participation.</li><li>• Explore financing to allow delivery of new, central, medium density housing models.</li><li>• Make it a compassionate city where people are happy to live.</li></ul>	
Tourism/arts/culture	<ul style="list-style-type: none"><li>• Impact of tourist ships becoming too great with little economic return.</li><li>• Consider adaptive re-use for City Hall.</li><li>• Focus on supporting local community protecting the liveability of the city for locals over tourism.</li></ul>	

### Attachments

- Your Say survey report

**6.2 Financial Report as at 31 March 2019**  
**File Ref: F19/70419**

---

Memorandum of the Budget and Reporting Manager and the Acting  
Director City Governance of 5 June 2019 and attachment.

Delegation: Committee





City of **HOBART**

## MEMORANDUM: FINANCE AND GOVERNANCE COMMITTEE

### Financial Report as at 31 March 2019

The purpose of this memorandum is to present Council's Financial Report for the period ending 31 March 2019 and to seek approval for changes to the 2018-19 Estimates (budget). It should be noted that this report shows the City's financial position for the first 9 months of the year.

The Financial Report as at 31 March 2019 is attached, refer **Attachment A**. The Financial Report provides details of:

- The Council's financial position as at 31 March 2019;
- The result of operations for the first nine months of the 2018-2019 financial year;
- Forecasts for 30 June 2019; and
- Progress towards the achievement of the Council's financial sustainability outcomes.

Highlights from the 31 March 2019 financial report are provided as follows:

Item	Commentary
Operating result	<ul style="list-style-type: none"> <li>• The YTD Underlying Surplus of \$823K, is favourable against budget by \$147K.</li> <li>• The revised forecast 30 June 2019 underlying result is currently a surplus of \$0.9M being \$1.03M greater than the December forecast, \$0.03M less than the September forecast and \$0.55M less than the original budget.</li> <li>• The main reasons for the decline are: <ul style="list-style-type: none"> <li>○ increases to Taste of Tasmania costs \$0.4M approved by Council at its 18 June 2018 meeting,</li> <li>○ the inclusion of the 2017-18 operating carry forwards of \$0.3M approved by Council as part of the financial report for the period 30 September 2018,</li> <li>○ Council approved further changes to the Estimates as part of the financial report for the period 30 September 2018 which resulted in the forecast underlying surplus for 2018-19 increasing by \$0.19M, from \$0.74M to \$0.93M.</li> </ul> </li> </ul>

Item	Commentary
	<ul style="list-style-type: none"> <li>○ Council approved further changes to the Estimates as part of the financial report for the period 31 December 2018 which resulted in the forecast underlying result for 2018-19 decreasing by \$1.06M, from a surplus of \$0.93M to a deficit of \$0.13M.</li> <li>○ reduction in rates revenue \$0.4M (Southern Cross refund),</li> <li>○ increases to interest expense \$0.3M (borrowed earlier than anticipated),</li> <li>○ increases to depreciation/asset write-offs \$0.2M, and</li> <li>○ decreases in expected parking revenue \$1.4M.</li> </ul> <ul style="list-style-type: none"> <li>• Year to date Expenses overall are \$1.3M (1.3%) favourable to budget.</li> <li>• In more detail: <ul style="list-style-type: none"> <li>○ Labour costs are slightly favourable due to lower than expected wages and salaries and external labour.</li> <li>○ Materials and Services are favourable due to expensed project delays, Civil Maintenance construction delays and reduced costs for the Taste of Tasmania and City Cleansing. The favourable variances are partially offset with unbudgeted costs for contractors in Design Services and higher than expected recruitment, legal and training costs for Corporate Services.</li> </ul> </li> <li>• Revenues overall are \$1.2M (1.2%) unfavourable to budget. This includes offsetting favourable and unfavourable variances: <ul style="list-style-type: none"> <li>○ Favourable variances include rates, car parks, fees and charges and operating grants.</li> <li>○ Unfavourable variances include fines, on-street parking, interest and rents.</li> </ul> </li> <li>• The final operating result may differ from the current forecast for the following reasons: <ul style="list-style-type: none"> <li>○ Current budget variances which are assumed to be timing variances (and therefore forecasts have not been amended) may prove to be permanent variances; and</li> <li>○ Further variances could arise during the remainder of the year.</li> </ul> </li> </ul>
Capital	<ul style="list-style-type: none"> <li>• With 75% of the year elapsed, capital expenditure is under</li> </ul>

Item	Commentary
expenditure	spent for Plant and Equipment (36% of budget spent) and for Projects (57.4% of budget spent), but on track for a record spend nonetheless.
Budget changes	<ul style="list-style-type: none"> <li>As noted above, requested budget changes will result in a net decrease of \$1.03M in the forecast operating result (from a deficit of \$0.13M to a surplus of \$0.9M).</li> <li>Operating changes include increases for depreciation \$617K, rates \$76K, car park revenue \$135K, operating grants \$221K, and rent revenue \$60K and decreases for labour \$63K, materials and services \$2.2M, energy \$46K, financial costs \$31K, asset write offs \$430K, other expenses \$107K, fees and charges revenue \$93K, on street parking revenue \$563K, fines revenue \$1.2M and interest revenue \$129K.</li> <li>Operating changes not impacting the underlying result include increases for 2019-20 Finance Assistance grants \$1.3M and net costs relating to the 2018 storm event.</li> <li>Changes in projects total \$1.6M are numerous and most are either reallocations or offset capital grant income/contributions. Increases include \$1.5M for the Council Business System Replacement and \$200K for the reinstatement of the unspent ICAP consultancies budget allocation from 2017-18. \$189K of increases offset decreases in operating costs and \$75K offset decreases in PPE costs.</li> <li>Changes in PPE net to an increase of \$180K and include a decrease of \$75K for fleet purchases (transferred to projects) and increases for equipment for DKHAC \$120K, a generator for emergency events \$49K and Civil Maintenance equipment \$69K. \$206K of the increases offset net operating budget decreases.</li> </ul>
Cash position	<ul style="list-style-type: none"> <li>The cash position is sound given the drawdown of the \$20M loan. The cash balance at 30 June 2019 is expected to be \$12M, although this will depend on final capital expenditure.</li> <li>The proposed changes to the Estimates will result in net expenditure increasing and the forecast cash balance decreasing by \$0.5M, primarily due to increased capital expenditure.</li> <li>The final cash balance may differ from the current forecast for the following reasons:</li> </ul>

Item	Commentary
	<ul style="list-style-type: none"> <li>○ Current budget variances which are assumed to be timing variances (and therefore forecasts have not been amended) may prove to be permanent variances,</li> <li>○ Further variances could arise during the remainder of the year, and</li> <li>○ Capital expenditure could be higher or lower than forecast.</li> </ul>
KPIs	<ul style="list-style-type: none"> <li>• Budget targets for six of Council's eight financial sustainability indicators are not forecast to be met.               <ul style="list-style-type: none"> <li>○ Indicator 1 – Underlying Surplus and indicator 2 – Underlying Surplus ratio are not expected to be met due to the reduced forecast. If an underlying deficit is recorded, this will be outside of accepted benchmarks.</li> <li>○ Indicator 3 - Net Financial Liabilities and Indicator 4 – Net Financial Liabilities ratio are not expected to be met due to a reduction in cash forecasts mainly from increased capital expenditure and increased operating costs.</li> <li>○ Indicator 5 – Net Interest Expense Cover ratio is not expected to be met due to interest expense increasing as a result of the timing of borrowings being bought forward.</li> <li>○ Indicator 6 – Asset Sustainability ratio is not expected to be met due to the impacts from asset revaluations.</li> <li>○ Indicator 7 – Asset Consumption ratio and Indicator 8 – Asset Renewal Funding ratio are expected to be met.</li> </ul> </li> <li>• Despite not meeting targets, indicators 1, 2, 3, 4, 5, &amp; 6 will still be <u>well</u> within accepted benchmarks.</li> </ul>
Other Matters	<ul style="list-style-type: none"> <li>• Flood costs and recoveries have been excluded from the underlying result. To date, \$783K of net operating costs and \$507K of asset replacement costs have been incurred in the 2018-19 year.</li> <li>• The first claim for recovery of the storm costs incurred in 2017-18 and costs up to November 2018 has been lodged and will improve the cash position.</li> </ul>


**RECOMMENDATION*****That:***

- 1. That the information be received and noted.***
- 2. The Council approve the changes to the 2018-19 Estimates listed in tables 4, 5, 7 and 9 of Attachment A, the financial impacts of which are to increase the underlying surplus by \$1.03M, and to decrease the cash balance by \$0.5M.***
- 3. That Council note that the Council remains in a strong, sustainable financial position.***

*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.*



Karelyn Stephens  
**BUDGET AND REPORTING MANAGER**



Lara MacDonell  
**ACTING DIRECTOR CITY  
GOVERNANCE**

Date: 5 June 2019  
File Reference: F19/70419

Attachment A: Financial Report as at 31 March 2019 ↓



# Financial Report

## Period Ending March 2019

Financial Year 2018-19





**Table of Contents**

**1. Introduction ..... 4**

**2. Operating ..... 5**

**3. Property, Plant and Equipment..... 13**

**4. Projects ..... 15**

**5. Cash and Investments ..... 20**

**6. Receivables ..... 22**

**7. Loans..... 23**

**8. Loan Guarantees..... 24**

**9. Financial Sustainability Indicators ..... 25**

**10. Conclusions..... 26**

## **1. Introduction**

---

The purpose of this report is to provide a high level summary of: -

- Council's financial position as at 31 March 2019,
- the results of operations for the first nine months of the 2018-19 financial year,
- the forecast end of year results, and
- progress towards the achievement of Council's financial sustainability outcomes.

The report also seeks to have the 2018-19 estimates (budget) amended to take account of expected differences from budget at 30 June 2019 (permanent variances).

Council's financial direction is enunciated in its Long-Term Financial Management Plan (LTFMP) first adopted by Council in October 2010. At this time, it was also resolved that annual Council budgets would be prepared within the context of the LTFMP.

The primary objective of the LTFMP is to achieve financial sustainability. The eight measures adopted in the LTFMP for the purpose of measuring financial sustainability are set out in this report (refer section 9) along with an indication as to whether targets for each are expected to be achieved in 2018-19.

## 2. Operating

---

The forecast end of year result is an **underlying surplus** of \$0.90M, an increase of \$1.03M due to the factors listed in tables 4 and 5 below. The history for the year has been: -

• Original budget forecast	\$1.45M surplus
• Inclusion of Taste of Tasmania adjustment	\$1.05M surplus
• Inclusion of carry-forwards from 2017-18	\$0.74M surplus
• September revised forecast	\$0.93M surplus
• December revised forecast	\$0.13M deficit
• March revised forecast (this report)	\$0.90M surplus

The main reasons for the changes have been:

September quarter: The decline in the underlying surplus from the original forecast are the inclusion of the 2017-18 operating carry forwards and the inclusion of additional expenditure for the Taste of Tasmania, partially offset by a net decrease in anticipated interest and other operating costs.

December quarter: The decline in December is due to expected decreases in rates revenue as a consequence of the Southern Cross Care reimbursement, an increase in interest expense due the timing of borrowing being brought forward and increases in other operating costs.

March quarter: The surplus in March is due to cost savings partially offset by increases to depreciation costs and decreases in expected parking revenue and asset write offs.

It is noted that costs and recoveries relating to the May 2018 storm event have been excluded from the underlying result. To date, \$783K of operating costs and \$507 asset replacement costs have been incurred in the 2018-19 year. The first claim for recovery of costs incurred in 2017-18 and costs up to November 2018 was lodged in February 2019 and is currently being audited by the Tasmanian Audit Office.

The Income Statement as outlined in Table 1 shows the financial impact of providing Council's general services to the community. It compares actual expenses (by expense type) and actual revenues (by revenue type) to the end of March (YTD Actual) with what was expected at the same stage (YTD Budget). The difference between the two is the variance, and this is also expressed as a percentage of the YTD budget.

Table 1 also shows the **original** 2018-19 budget, the **revised** 2018-19 budget, and the projected year-end result.

**Table 1: Income Statement as at 31 March 2019**

	Ref.	YTD Actual (\$,000)	YTD Budget (\$,000)	Variance Fav/(Unfav) (\$,000)	Variance %	2018-19 Original Budget (\$,000)	2018-19 Revised Budget (\$,000)	Forecast Year-End Result (\$,000)
<b>Expenses</b>								
Labour	2.1	(44,245)	(44,357)	112	0.3%	(60,217)	(59,746)	(59,683)
Materials and Services	2.2	(23,253)	(24,749)	1,496	6.0%	(30,525)	(32,001)	(29,718)
Energy Costs	2.3	(1,467)	(1,548)	81	5.2%	(2,238)	(2,413)	(2,367)
Finance Costs	2.4	(963)	(971)	8	0.8%	(1,323)	(1,296)	(1,265)
Fire Levy		(8,056)	(8,056)	0	0.0%	(10,740)	(10,740)	(10,740)
Depreciation	2.5	(15,855)	(15,392)	(463)	-3.0%	(20,523)	(20,523)	(21,140)
Asset Write-offs	2.6	(1,575)	(1,898)	323	17.0%	(2,530)	(2,530)	(2,100)
Bad Debts		0	0	0	0.0%	(351)	(351)	(351)
Other Expenses	2.7	(3,486)	(3,247)	(239)	-7.4%	(4,708)	(4,519)	(4,626)
		<b>(98,900)</b>	<b>(100,218)</b>	<b>1,318</b>	<b>1.3%</b>	<b>(133,155)</b>	<b>(134,119)</b>	<b>(131,990)</b>
<b>Revenues</b>								
Rates and Charges	2.8	62,907	62,815	92	0.1%	84,918	84,528	84,604
Fire Levy Commission		325	323	2	0.6%	430	430	430
Fines	2.9	4,869	6,202	(1,333)	-21.5%	8,571	8,254	7,123
Fees and Charges - Car Parks	2.10	7,676	7,618	58	0.8%	10,180	10,122	10,257
Fees and Charges - On Street Parking	2.11	4,386	4,869	(483)	-9.9%	6,469	6,492	5,929
Other Fees and Charges	2.12	11,685	11,253	432	3.8%	14,261	14,447	14,682
Operating Grants	2.13	1,601	1,430	171	12.0%	3,220	3,220	3,441
Interest	2.14	566	665	(99)	-14.9%	981	851	722
Rents	2.15	2,976	2,987	(11)	-0.4%	3,400	3,470	3,530
Tas Water Distributions		1,086	1,086	0	0.0%	2,172	2,172	2,172
		<b>98,077</b>	<b>99,248</b>	<b>(1,171)</b>	<b>-1.2%</b>	<b>134,602</b>	<b>133,986</b>	<b>132,890</b>
<b>Underlying Result</b>		<b>(823)</b>	<b>(970)</b>	<b>147</b>		<b>1,447</b>	<b>(133)</b>	<b>900</b>

**Results**

For the first nine months of the year:

- Expenses       \$     1,318,000 (1.3%)   favourable to budget
- Revenues       \$     1,171,000 (1.2%)   unfavourable to budget
- Total           \$     147,000               favourable to budget

Table 2 provides an explanation of the main variances in expenses for the first nine months of the year.

**Table 2: Significant Expense Variances Explained**

Ref.	Expenses Category	Variance	Explanation
2.1	Labour	\$112K (0.3%) Favourable	Includes a \$0.92M favourable variance for wages and salaries offset by a \$0.81M unfavourable variance for external labour costs.  Budget adjustment decreases of \$63K are proposed in this report (See Table 4) and are pending Council approval.
2.2	Materials & Services	\$1496K (6%) Favourable	Includes favourable variances for: - <ul style="list-style-type: none"> <li>• Expensed projects \$740K due to timing in expending projects,</li> <li>• Civil Maintenance \$700K due to timing issues relating to construction primarily for contractor works, materials quarry, other allocations and equipment wet hire,</li> </ul>

			<ul style="list-style-type: none"> <li>• Taste of Tasmania \$312K mainly due to underspends for equipment dry hire, contractors, and building hire, and</li> <li>• City Cleansing \$191K mainly due to reduced expenditure for cleaning contractors, security and equipment – wet hire.</li> </ul> <p>Includes unfavourable variances for: -</p> <ul style="list-style-type: none"> <li>• People and Capability \$164K for higher than expected recruitment and training costs,</li> <li>• Legal services \$102K due to higher legal costs than anticipated, due in part to the Southern Cross Care court case; and</li> <li>• Engineering Contractors for Design Services \$75K.</li> </ul> <p>The remaining variances are attributed to estimated expense accruals and timing variances.</p> <p>Budget adjustment decreases of \$2,193K are proposed in this report (See Table 4) and are pending Council approval.</p>
2.3	Energy Costs	\$81K (5.2%) Favourable	<p>Due to the timing of receipt of invoices mainly for sport grounds and facilities and street lighting.</p> <p>Budget adjustment decreases of \$46K are proposed in this report (See Table 4) and are pending Council approval.</p>
2.5	Depreciation	\$463K (3.0%) Unfavourable	<p>Due to depreciation charges being greater than budgeted mainly due to the revaluation of Infrastructure Plant and Other Structures.</p> <p>Budget adjustment increases of \$617K are proposed in this report (See Table 4) and are pending Council approval.</p>
2.6	Asset Write-Offs	\$323K (17.0%) Favourable	<p>Due to forecasted asset write offs being less than originally forecast.</p> <p>Budget adjustment decreases of \$430K are proposed in this report (See Table 4) and are pending Council approval.</p>
2.7	Other Expenses	\$239K (7.4%) Unfavourable	<p>Includes an \$88K favourable variance for grant payments mainly in Community &amp; Culture programs and Heritage &amp; Conservation programs.</p> <p>Includes unfavourable variances for:-</p> <ul style="list-style-type: none"> <li>• Land tax \$114K due to the impact of additional properties and revaluations,</li> <li>• Pensioner rebates \$155K due to the impact of Southern Cross Care court decision, and</li> <li>• Reduced fees and charges \$49K.</li> </ul> <p>Budget adjustment decreases of \$107K are proposed in this report (See Table 4) and are pending Council approval.</p>



Table 3 provides an explanation of the key variances in revenue for the first nine months of the year.

**Table 3: Significant Revenue Variances Explained**

Ref.	Revenue Category	Variance	Explanation
2.8	Rates	\$92K (0.1%) Favourable	<p>Mainly due to an increase in supplementary rate revenue resulting from development activity in the City.</p> <p>Budget adjustment increases of \$76K are proposed in this report (see Table 5) and are pending Council approval.</p>
2.9	Fines	\$1333K (21.5%) Unfavourable	<p>Due to the suspension of full enforcement activities from October 2018 to March 2019 as a result of implementation performance delays relating to the city's parking system.</p> <p>Budget adjustment decreases of \$1,131K are proposed in this report (see Table 5) and are pending Council approval.</p>
2.11	Fees and Charges – On Street Parking	\$483K (9.9%) Unfavourable	<p>Parking meter collections under budget as a result of implementation performance delays relating to the city's parking system upgrade.</p> <p>Budget adjustment decreases of \$563K are proposed in this report (see Table 5) and are pending Council approval.</p>
2.12	Other Fees and Charges	\$432K (3.8%) Favourable	<p>Includes favourable variances for: -</p> <ul style="list-style-type: none"> <li>• DKHAC pool and gym \$236K,</li> <li>• Development Compliance and Appraisal \$250K for licence and fees,</li> <li>• McRobies Waste Management Centre \$234K, and</li> <li>• Legal and Animal Management \$85K mainly for fines received in relation to 55 Mt Stuart Rd.</li> </ul> <p>Includes unfavourable variances for:-</p> <ul style="list-style-type: none"> <li>• Taste of Tasmania \$215K for ticket sales and sale of goods,</li> <li>• TTIC \$81K for commission income, and</li> <li>• Customer Services \$71K mainly relating to 337 and 132 certificate income.</li> </ul> <p>Budget adjustment decreases of \$93K are proposed in this report (see Table 5) and are pending Council approval.</p>
2.13	Operating Grants	\$171K (12%) Favourable	<p>Includes favourable variances for: -</p> <ul style="list-style-type: none"> <li>• Fleet and Fabrication \$77K due to an additional Fuel Tax Credit claim relating to prior years following a review by KPMG,</li> <li>• Fire and Biodiversity \$27K due to the receipt of an unbudgeted grant for Bush Fire Mitigation,</li> <li>• Emergency Management \$30K for a grant received from the Natural Disaster</li> </ul>

			<p>Resilience Grants Program for electrical supply assurance, and</p> <ul style="list-style-type: none"> <li>Financial Services \$24K for the Financial Assistance grants.</li> </ul> <p>Budget adjustment increases of \$1,577K are proposed in this report (see Table 5) and are pending Council approval.</p>
2.14	Interest	\$99K (14.9%) Unfavourable	<p>Due to lower than expected average cash balances through the year.</p> <p>Budget adjustment decreases of \$129K are proposed in this report (see Table 5) and are pending Council approval.</p>

In many cases, variances represent “timing differences” only, which are **not** expected to result in a variance from budget at year-end. A final underlying surplus of around \$0.90M is currently forecast.

However, some variances represent “permanent differences”, which **are** expected to result in a variance from budget at year-end. Changes to the budget are requested for these known permanent differences in tables 4 and 5 below. These are reflected in the annual forecasts shown in the Income Statement (table 1). These changes result in the forecast underlying result increasing by \$1.03M (from a deficit of \$0.13M to a surplus of \$0.90M).

Please note that the annual forecast includes some items which are difficult to reliably estimate during the year. These may result in the end of year actual result being different to forecast. Examples include ‘asset write-offs’, ‘expensed projects’, ‘expensed plant and equipment’ and ‘movements in employee leave provisions’.

#### **Operating Budget Changes Requested – Requiring Council Approval**

Tables 4 and 5 list budget items which are expected to differ from budget at year-end. Changes to budget are therefore requested.

**Table 4: Expenses - Budget Changes Requested – Requiring Council Approval**

Ref.	Expenses Category	Increase/ (Decrease)	Explanation
2.1	Labour	\$63K decrease	<p>Includes a net decrease for wages and salaries across all business units offset in part by increased revenue for Development Compliance of \$73K.</p> <p>Also, includes a decrease for workers compensation insurance \$186K due to the receipt of a prior year burning adjustment credit.</p>
2.2	Materials & Services	\$2283K decrease	<p>Includes net decreases for:</p> <ul style="list-style-type: none"> <li>Civil Maintenance \$330K due to reduced expenditure for contractor works \$300K and equipment dry hire \$30K</li> <li>Overhead recovery \$300K due to increased internal recoveries as a consequence of increased capital works,</li> </ul>

			<ul style="list-style-type: none"> <li>• Expensed Projects \$443K due to reduced expenditure for the expensed costs associated with projects,</li> <li>• Taste of Tasmania \$163K due to reduced expenditure for equipment, material and stock purchases, contractors and building hire. Savings offset with increased labour and decreased revenue shown in Table 5 below,</li> <li>• City Infrastructure \$126K due to reduced expenditure for conferences, travel and vehicle costs,</li> <li>• Enterprise information and technology \$112K due to reduced expenditure for licenses – ICT and related contractor services.</li> <li>• City Cleansing \$84K due to reduced expenditure for cleaning contractors, security and materials.</li> <li>• Aldermanic Allowances \$78K due to unspent allocations for travel, conferences and aldermanic professional development.</li> <li>• Solid Waste Strategy and Projects \$70K due to reduced operating expenditure requirements for contractor works and memberships.</li> <li>• Other combined budget change requests under \$50K totalling \$577K and include reductions for contractors, ICT licences, and materials.</li> </ul>
2.3	Energy Costs	\$46K decrease	Includes decreases due to reduced expenditure as a result of the Davey and Macquarie Street ownership transfer, energy efficiencies and new solar panel savings.
2.4	Finance Costs	\$31K decrease	Due to the timing of borrowings and variances on forecasted interest rates.
2.5	Depreciation	\$617K increase	Based on latest forecasts provided from Asset Services.
2.6	Asset Write Off	\$430K decrease	Based on latest forecasts provided from Asset Services.
2.7	Other Expenses	\$107K increase	<p>Includes increases for:</p> <ul style="list-style-type: none"> <li>• Grants and sponsorship \$61K including additional sponsorship of \$131K for Dark Mofo and decreases of \$99K for the Vodafone grant,</li> <li>• Land Tax \$49K due to increased properties and property revaluations, and</li> <li>• Pensioner rates reimbursements \$52K due to the impacts of the Southern Cross Care claim,</li> </ul> <p>Includes a decrease of \$55K for expected reduction of Fringe Benefits Tax expense.</p>
	Storm Event	\$650K increase	<p>Includes increases for operating costs incurred that relate to the May 2018 Storm event for:</p> <ul style="list-style-type: none"> <li>• Essential Assets \$565K, and</li> <li>• Non-essential assets \$85K.</li> </ul> <p>These costs are not included in the underlying result.</p>

**Table 5: Revenues - Budget Changes Requested – Requiring Council Approval**

Ref.	Revenue Category	Increase/ (Decrease)	Explanation
2.8	Rates	\$76K increase	Includes increases for: <ul style="list-style-type: none"> <li>• Rates rehabilitation \$6K,</li> <li>• Rates interest and penalties \$20K, and</li> <li>• Supplementary Rates \$50K.</li> </ul>
2.9	Fines	\$1,131K decrease	Arising from the implementation of a program of infringement leniency measures between October 2018 and March 2019 as a result of technical difficulties relating to the city's parking system upgrade.
2.10	Fees and Charges – Car Parks	\$135K increase	Due to higher than expected carpark usage.
2.11	Fees and Charges – On Street Parking	\$563K decrease	Deterioration in on-street meter collections against budgeted performance arising from operational delays during upgrade of the city's on-street parking systems.
2.12	Other Fees and Charges	\$235K increase	Includes increases for: <ul style="list-style-type: none"> <li>• McRobies Waste Management Centre \$223K due to higher than expected usage,</li> <li>• Development Appraisal \$45K and Development Compliance \$207K due to higher than expected revenue for permits and infringements,</li> <li>• Legal and Animal Management \$84K for infringement income for 55 Mt Stuart Rd, and</li> <li>• DKHAC \$95K due to higher than expected Gym revenue and commissions. This partially offsets the \$120K PPE expense increase shown in Table 7.</li> </ul> Includes decreases for: <ul style="list-style-type: none"> <li>• Taste of Tasmania \$174K primarily for the sale of goods and ticket sales. Revenue adjustments partially offset with the materials and services decrease shown in Table 4 above,</li> <li>• TTIC \$109K mainly due to lower than expected commissions,</li> <li>• Other budget changes totalling \$136K. Individually each request is less than \$20K and includes sale of goods, advertising and refunds.</li> </ul>
2.13	Grants	\$1,577K increase	Includes increases to operating grants for : <ul style="list-style-type: none"> <li>• Fleet and Fabrication \$80K due to higher than expected revenue resulting from a fuel tax credit audit,</li> <li>• Taste of Tasmania \$56K due to the receipt of an in-kind state government grant, and</li> <li>• Other operating grants \$54K individually less than \$30K.</li> </ul> Includes increases to capital grants for the 2019-20 Financial Assistance Grants \$1,387K received in advance. Capital grants are excluded from the operating result.

2.14	Interest	\$129K decrease	Decrease due to lower than expected average cash balances through the year.
2.15	Rents	\$60K increase	Includes increases for: <ul style="list-style-type: none"> <li>• Taste of Tasmania \$35K for higher than expected stallholder rent,</li> <li>• Development Compliance \$25K due to higher than expected occupation licences.</li> </ul>
	Storm Event	\$159K increase	Includes increases for: <ul style="list-style-type: none"> <li>• Community recovery grants \$150K, and</li> <li>• Insurance recoveries \$9K</li> </ul> <p>These costs are not included in the underlying result.</p>

### 3. Property, Plant and Equipment

Council owns a significant amount of plant and equipment. Each year, items of plant and equipment are replaced in accordance with relevant asset management plans. From time to time, Council also purchases parcels of property necessary to meet its strategic objectives.

The tables below show a summary of property, plant and equipment expenditure (net of proceeds obtained from the sale of assets) compared to budget. This includes carry-forward budgets of \$1.61M from 2017-18 approved by Council on Agenda Item 6.1 of its meeting on 18 June 2018.

**Table 6.1: Plant and Equipment Expenditure (Net of Sale Proceeds) as at 31 March 2019**

Division	Net amount spent (\$,000)	2018-19 Budget (including carry-forwards) (\$,000)	% Spent	Amount unspent (\$,000)
General Manager	1	18	5.6%	17
Corporate Services	57	93	61.3%	36
Parks and City Amenity	1,240	3,162	39.2%	1,922
Community Development	28	75	37.3%	47
City Planning	27	70	38.6%	43
City Infrastructure	79	95	83.2%	16
Financial Services	1	22	4.5%	21
Innovation and Technology	542	1,182	45.9%	640
Doone Kennedy Hobart Aquatic Centre	7	30	23.3%	23
Parking Operations	(20)	369	-5.4%	389
City Economy, Tourism and Events	34	377	9.0%	343
Communications and Marketing	32	140	22.9%	108
	<b>2,028</b>	<b>5,633</b>	<b>36.0%</b>	<b>3,605</b>

The Innovation and Technology Division budget is mainly comprised of information technology equipment. The Parks and City Amenity Division budget is mainly comprised of trucks, heavy plant, light vehicles and minor equipment items. The City Economy, Tourism and Events Division budget is mainly comprised of requirements for the Christmas decorations and Salamanca Market.

**Table 6.2: Property (Net of Sale Proceeds) as at 31 March 2019**

Property	Net amount spent (\$,000)	2018-19 Budget (including carry-forwards) (\$,000)	% Spent	Amount unspent (\$,000)
Lot 2 - Collins St, Wapping	(10)	0	0.0%	10
	<b>(10)</b>	<b>0</b>	<b>0.0%</b>	<b>10</b>



### Property, Plant and Equipment Budget Changes Requested – Requiring Council Approval

Table 7 lists budget items which are expected to differ from budget at year-end. Changes to budget are therefore requested.

**Table 7: Budget Changes requested – requiring Council approval**

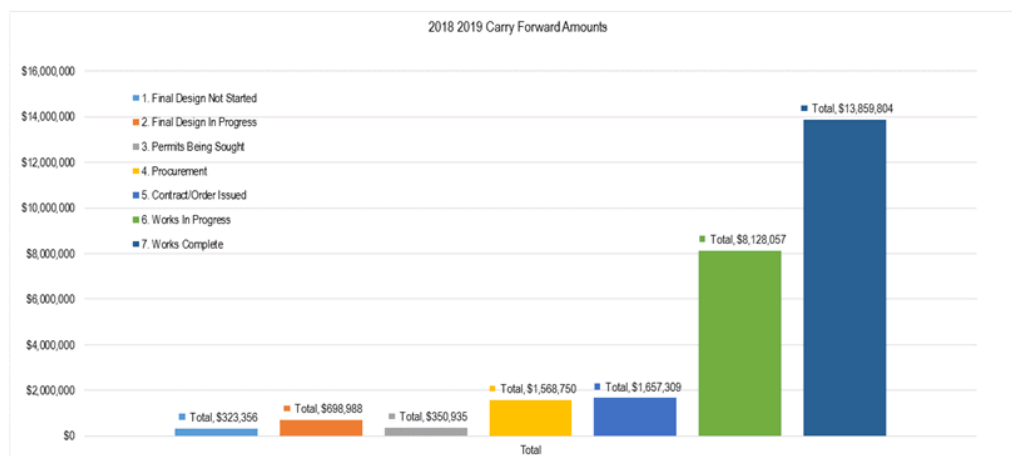
Description	Adjustment Increase / (Decrease) \$'000	Reason for adjustment
Spin Bikes for DKHAC Gym	100	Transfer of additional revenue received to fund purchase of Spin Bikes.
Parks and City Amenities	16	Transfer from operating for additional Divisional PPE requirements
Open Space Planning	1	Transfer from operating budget for Stand up desk
Fleet transfers	(75)	Transfer of unneeded fleet budget to projects budget
Emergency Management	49	New Generator
Civil Maintenance	69	Transfer from operating budget to fund carpentry shop equipment and gas detectors
Acid Dosing System for DKHAC	20	Transfer of additional revenue received to fund purchase of Acid Dosing System
<b>Net Increase / (Decrease) in PPE</b>	<b>180</b>	

## 4. Projects

Projects include capital expenditure on Council's infrastructure assets in accordance with relevant asset management plans, and include both 'asset renewal' and 'new assets'.

The tables below show a summary of expenditure against budget for projects. Budgets have been increased to reflect the 2017-18 carry forward budgets approved by Council on Agenda Item 6.1 of its meeting on 18 June 2018. This includes \$5.34M for externally funded capital projects and \$21.29M for internally funded capital projects. The current status of projects carried forward from 2017-18 by stage is shown below in Table 8.1.

**Table 8.1: Carry Forward Project Status**



**Table 8.2: Externally Funded Projects**

Project	Amount spent (\$,000)	2018-19 Budget (including carry-forwards) (\$,000)	% Spent %	Amount unspent (\$,000)
Roads to Recovery	7	1,000	0.7%	993
Accident Blackspot Projects	133	137	97.1%	3
Vulnerable Road User	49	207	23.7%	158
Tasman Highway Shared Bridge	7,653	7,966	96.1%	312
	<b>7,842</b>	<b>9,310</b>	<b>84.2%</b>	<b>1,466</b>

**Table 8.3: Deferred Projects**

Project	(\$,000)
No projects currently deferred	0
	<b>0</b>

**Table 8.4: Internally Funded Projects**

Project	Amount spent (\$,000)	2018-19 Budget (including carry-forwards) (\$,000)	% Spent %	Amount unspent (\$,000)
Corporate Services	1,453	1,461	99.5%	8
Parks and City Amenity	6,424	10,211	62.9%	3,787
Community and Culture	229	600	38.2%	371
City Infrastructure	14,299	22,755	62.8%	8,457
Innovation and Technology	162	500	32.4%	338
Doone Kennedy Hobart Aquatic Centre	436	4,669	9.3%	4,233
Public Infrastructure Fund	6,054	13,225	45.8%	7,172
Parking	946	3,034	31.2%	2,088
Bushland Fund	79	193	40.9%	114
City Economy, Tourism and Events	215	435	49.4%	220
	<b>30,297</b>	<b>57,083</b>	<b>53.1%</b>	<b>26,788</b>

Some particular projects/programs which have significant amounts unspent are listed in Table 8.5 below:

**Table 8.5: Project Examples – Significant Budgets Remaining**

Project	Amount spent (\$,000)	2018-19 Budget (including carry-forwards) (\$,000)	% Spent %	Amount unspent (\$,000)
DKHAC - Asset Management	436	4,669	9.3%	4,233
Civil Works Program	2,602	5,432	47.9%	2,830
Building Projects	2,576	5,276	48.8%	2,700
Brooker Highway Pedestrian and Cycle Crossing	3,353	5,791	57.9%	2,438
Kemp Street Project	870	2,230	39.0%	1,360
Roads Infrastructure	293	1,364	21.5%	1,071
Pavement Program	2,305	3,280	70.3%	975
Elizabeth St Bus Mall	79	1,031	7.7%	952
Stormwater Program	1,300	2,123	61.2%	823
Other - Unspent less than \$700K	24,325	35,197	69.1%	10,872
	<b>38,139</b>	<b>66,393</b>	<b>57.4%</b>	<b>28,254</b>

**Table 8.6: Project Expenditure as at 31 March 2019 – Summary**

Division	Amount spent (\$,000)	2018-19 Budget (including carry-forwards) (\$,000)	% Spent %	Amount unspent (\$,000)	Deferred to 2019-20 (\$,000)	Total unspent (\$,000)
Corporate Services	1,453	1,461	99.5%	8	0	8
Parks and City Amenity	6,424	10,211	62.9%	3,787	0	3,787
Community and Culture	229	600	38.2%	371	0	371
City Infrastructure	14,488	24,099	60.1%	9,611	0	9,611
Innovation and Technology	162	500	32.4%	338	0	338
Doone Kennedy Hobart Aquatic Centre	436	4,669	9.3%	4,233	0	4,233
Public Infrastructure Fund	13,707	21,191	64.7%	7,484	0	7,484
Parking	946	3,034	31.2%	2,088	0	2,088
Bushland Fund	79	193	40.9%	114	0	114
City Economy, Tourism and Events	215	435	49.4%	220	0	220
	<b>38,139</b>	<b>66,393</b>	<b>57.4%</b>	<b>28,254</b>	<b>0</b>	<b>28,254</b>

Table 8.6 represents the total of Tables 8.2, 8.3 and 8.4.

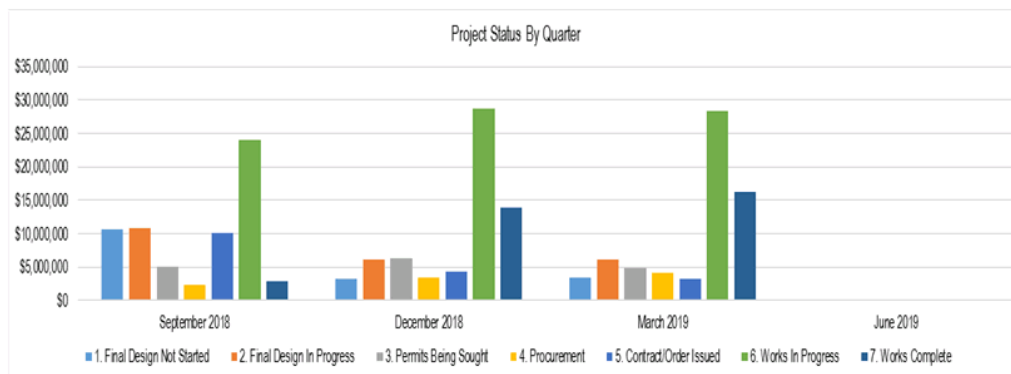
**Table 8.7: Project Status as at 31 March 2019**

Table 8.7 shows data extracted from the Finance and Asset Management systems for the Project Delivery Committee which monitors and reports on organisational progress of projects and reports to Executive Leadership Team monthly. It shows that at the end of the third quarter the implementation of the City's Capital Works Program is progressing well as individual projects move between phases. As at 31 March the current status of projects by stage is as follows:

Stage	\$ Budget	% Budget
1. Final Design not started	\$3,426,041	5.17%
2. Final design in progress	\$6,162,675	9.30%
3. Permits being sort	\$4,885,368	7.37%
4. Procurement	\$4,092,522	6.16%
5. Contract/Order Issued	\$3,270,876	4.93%
6. Works in progress	\$28,317,058	42.65%
7. Works complete	\$16,240,342	24.46%
<b>Total</b>	<b>\$66,293,491</b>	<b>100%</b>

Please note that Table 8.7 includes Property, Plant and Equipment and committed expenditure. For these reasons, values will differ from other tables in this chapter.

### Project Budget Changes Requested – Requiring Council Approval

Table 9 lists budget items which are expected to differ from budget at year-end. Changes to budget are therefore requested.

**Table 9: Budget Changes Requested – Requiring Council Approval**

Description	Increase / (Decrease) \$'000	
<b>Expensed Projects</b>		
Council Business System Replacement	10	
89 Doyle Ave Lenah Valley - Demolition	(2)	
2 Carriage Drive - New Roof Down Pipe and Connection	(2)	
2017-18 ICAP Consultancies	200	
<b>Revenue</b>		
Hobart Cultural Skate Park Redevelopment (Grant)	(100)	
North Hobart Change Rooms Refurbishments (Grant)	(325)	
Solar Panel Projects 2018-2019	7	
Collins Street Painted Uphill Bike Lane (Wilkie Funding)	(100)	
Bicycle Parking Stations in CBD (Wilkie Funding)	(100)	
Huon Road Uphill Widening for Cyclists (Wilkie Funding)	(500)	
South Hobart Community Centre Redevelopment - 42 Darcy St (Grant)	(200)	
Pedestrian & Cyclist High Level Crossing over Brooker Avenue	(136)	
Beaumont Rd SW improvements	(107)	
<b>Reallocations</b>		
Road Strategy Project Annual Allocation - Disability Access	(30)	
Lansdowne Cres - Allison to Warwick - Drainage Improvements	30	
Tasmanian Tourist & Information Centre - Connect Fire	(20)	
Argyle St Car Park Passenger Lifts Renewal	20	
Energy Savings Action Plan Implementation - Buildings	1	
Town Hall Central System Air-Recycling Upgrade	(1)	
Kemp St Commercial Waste & Recycling Receiving Facility	116	
Wheelie Bin Renewal 18/19	(50)	
Litter Bin Renewals 18/19	(66)	
Lower John Turnbull Fenced Dog Area	2	
Parks Signage	(2)	
Council Centre - 2nd Floor - Events area refurbishment	2	
Town Hall – Acoustic Glazing and Sash Sealing	(2)	
Traffic Project Annual Allocation - Accessible Parking	(50)	
Murray St ( near Bathurst St ) - Accessible Parking	50	
South Hobart Pedestrian Crossing	180	
Action 19 - Kemp Street Project	(180)	
South Hobart Pedestrian Crossing	170	
Traffic Project Annual Allocation - Cycling Infrastructure	(42)	
West Hobart Pedestrian Amenity Improvements	33	

Description	Increase / (Decrease) \$'000
Implementation Of Transport Strategy	(226)
Hill Street, Wombart Crossing (Trial) near Pine Street	65
Tas Water Trade Waste Compliance Works	5
Tasmanian Tourist & Information Centre - Connect Fire	(5)
DKHAC - Installation of VSDs	(9)
DKHAC Major Refurb & Upgrade Works	9
ICAP	(66)
Pedestrian & Cyclist High Level Crossing over Brooker Avenue	66
<b>Other - Capital</b>	
Council Business System Replacement	1,490
Council Centre - 2nd Floor - Events area refurbishment	2
Collins Street Painted Uphill Bike Lane	100
Bicycle Parking Stations in CBD	100
Huon Road Uphill Widening for Cyclists	500
Kemp St Commercial Waste & Recycling Receiving Facility	80
Aberdeen & Liverpool Sts Raised Pedestrian Crossing	(5)
UTas Carpark Access Equipment	(33)
Regatta Ground Tram Depot & Public Toilet Concept Design	20
Hobart Cultural Skate Park Redevelopment	100
Truck Wash	73
Clearys Gates Plant Workshop Bulk Storage Upgrade	2
Clearys Gates Depot - Supply and Installation of back-up Power	22
Domain Quarry Security Cameras	15
Clearys Gates Fire Service	4
Council Centre - Chiller No.1 Refurbishment & Supply Pump	8
Elizabeth St Mall LED Lighting Renewal	25
Town Hall Auditorium - Uplighting Upgrade to LEDs	23
Bushlands Operations Depot - Electronic Security Matters	45
DKHAC 50m and Dive Pool Retrofit Double Glazing	50
Clearys Gates Plant & Carpenters Workshop Heating Upgrade	6
Community Centre Darcy St 42 - Heating Renewal With Air-Con	(6)
Community Hall Darcy Street - Sanitary Plumbing and Fittings	(10)
Late Night Economy Toilets	(46)
Washington St Community Hall -Roof & Structure Brick Walls	(4)
Community Hall Darcy Street - Minor Roof Renewal	(20)
Council Centre - Chiller No.1 Refurbishment & Supply Pump	2
North Hobart Change Rooms Refurbishments	325
Pedestrian & Cyclist High Level Crossing over Brooker Avenue	136
<b>Net Increase / (Decrease) in Projects</b>	<b>1,648</b>



## 5. Cash and Investments

Table 10 shows how Council's cash balances are invested at 31 March 2019.

**Table 10: Cash Balances as at 31 March 2019**

	Amount (\$,000)	Weighted Average Interest Rate	Fossil Fuel Friendly (Y/N)
<b>Term Deposit Accounts</b>			
Auswide	3,000	2.65%	Y
Australian Unity Bank	3,000	2.65%	Y
BankVic	3,000	2.53%	Y
Bendigo & Adelaide	3,000	2.65%	Y
Members Equity Bank	3,000	2.70%	Y
MyState	3,000	2.70%	Y
Rural Bank	3,000	2.61%	Y
Suncorp	2,000	2.53%	Y
	<b>23,000</b>		
<b>Cheque Accounts</b>			
Commonwealth Bank - HCC	731		
Commonwealth Bank - TTIC	852		
	<b>1,583</b>		
<b>High Interest At-Call Cash Accounts</b>			
ANZ Bank (Corporate Investment) - HCC	8		
National Australia Bank Business Cash Maximiser	12		
AMP Business Saver	6		
Bankwest	4,345		
Tascorp	441		
	<b>4,812</b>		
<b>Heritage Account</b>			
Tasmanian Perpetual Trustees - cash fund	1,341		
Tasmanian Perpetual Trustees - equity fund	253		
	<b>1,594</b>		
<b>Summary</b>			
Term Deposit Accounts	23,000		
Cheque Accounts	1,583		
High Interest At-Call Cash Accounts	4,812		
Heritage Account	1,594		
	<b>30,989</b>		
<p>* Tascorp funds are guaranteed by the State of Tasmania. Other guaranteed funds are guaranteed by the Australian Government, under the Financial Claims Scheme. The guarantee is limited to \$250,000 per financial institution. Funds with Tasmanian Perpetual Trustees are not guaranteed.</p>			
<p>* Heritage account funds have been placed in accordance with a resolution of the Heritage Account Special Committee at a meeting held on 24 May 2001.</p>			

**Results**

Table 10 shows that Council's cash balance at 31 March 2019 is around \$31M. This balance is expected to decrease to around \$12M at 30 June 2019, although this will depend on the final capital expenditure outcome. This amount will be allocated to the various purposes listed in Table 11 below.

**Table 11: Composition of Cash Balance**

	As at 30 June 2018 (\$,000)	Expected 30 June 2019 (\$,000)
Contributions in Lieu of Public Open Space *	48	48
Contributions in Lieu of Parking *	135	135
Heritage account	1,553	1,553
Unspent grants	5,388	0
Plant and equipment carry-forwards	1,726	1,000
Bushland fund	208	115
McRobies Gully tip site rehabilitation	3,637	3,168
Queens Domain Facility Upgrades	912	912
Other project carry-forwards	17,634	5,790
Public Infrastructure Fund	2,791	2,791
Refundable deposits *	2,162	2,162
Future asset renewal reserve	(4,350)	(5,278)
	<b>31,844</b>	<b>12,396</b>

\* no change has been assumed

Table 11 demonstrates that the cash balance is not "un-utilised funds". Rather, all of the cash balance is either externally restricted, or allocated by Council to particular purposes.

The above table also shows that the future asset renewal reserve (total cash less reserved amounts) continues to be negative in 2018-19. This situation results from Council's expanded capital works program which will exhaust cash balances, and necessitate borrowings. This means that the aggregate of reserved amounts exceeds the available cash balance. Of itself, this is not a concern because the majority of reserved amounts can be utilised for other purposes by Council decision, and not all amounts are required at the same point in time. However, balances and cash flow requirements will need to be closely monitored and further refined to ensure adequate liquidity.

## 6. Receivables

Table 12 below shows a summary of amounts owed to Council, including projections for the position at 30 June 2019.

**Table 12: Receivables**

	As at 30 June 2017 (\$,000)	As at 30 June 2018 (\$,000)	As at 31 March 2019 (\$,000)	Expected 30 June 2019 (\$,000)
Rates	1,101	1,245	1,801	1,200
Parking Fines	7,776	8,128	8,311	7,900
Trade Receivables	737	1,159	1,299	1,100
Accrued Interest on investments	73	76	98	75
Other Receivables	1,220	1,422	663	1,400
	<b>10,907</b>	<b>12,030</b>	<b>12,172</b>	<b>11,675</b>

### Results

Table 12 shows that parking fines owing to Council account for around 68% of the receivables balance, and the balance of fines owing is forecast to remain consistent. A detailed report of outstanding fines is provided to Finance and Governance Committee twice per year.

Trade receivables are high due to grants for TTIC \$165K, South Hobart Community Centre \$200K and Community Recovery Fund Grants 235K remaining unpaid as at 31 March 2019.

The level of other receivables is satisfactory.

A detailed report of outstanding rates is provided to the Finance and Governance Committee in August each year, and detailed reports of trade receivables are provided quarterly.

## 7. Loans

Table 13 below shows the composition of Council's loan portfolio at 31 March 2019.

**Table 13: Loan Balances as at 31 March 2019**

Lender	Loan Amount (\$,000)	Principal & Interest (P&I) or Interest	Drawdown Date	Term (years)	Maturity Date	Interest Rate (fixed)	Balance (\$,000)
C'wealth Bank	4,800	P&I	30/06/2006	30	30/06/2036	6.41%	3,779
Tascorp	1,750	P&I	30/06/2010	10	30/06/2020	6.48%	339
Tascorp	1,850	P&I	30/06/2011	10	30/06/2021	6.24%	574
Tascorp	5,000	P&I	29/06/2012	10	29/06/2022	4.89%	2,030
Tascorp	2,500	P&I	28/06/2013	10	30/06/2023	5.13%	1,282
Tascorp	2,375	P&I	30/06/2014	10	30/06/2024	4.56%	1,437
National	10,000	P&I	29/06/2018	15	30/02/2033	4.02%	9,745
Tascorp	20,000	P&I	18/01/2019	15	18/01/2034	3.59%	20,000
							<b>39,186</b>

### Results

Table 13 shows that Council currently has eight loans totalling \$39.18M, with annual servicing costs totalling \$3.353M (2.5% of revenues). The Commonwealth Bank loan taken out in 2006 was used to purchase land at Porter Hill, and has a thirty year term. The National Australia Bank loan taken out in 2018 and the Tascorp loan taken out in 2019 have been used to fund capital works and both have a fifteen year term. All other loans have terms of ten years.

In all cases, principal and interest is paid half-yearly, and the interest rate is fixed for the term of the loan. The weighted average interest rate of the above loans is 4.19%.

The only security Council has offered for the above loans is future revenues - no Council assets have been pledged as security for loans.

**8. Loan Guarantees**

Council has provided the following loan guarantees for which the principal borrowing amount is shown in table 14 below: -

**Table 14: Loan Guarantees Principal Borrowing Amounts**

Association	Principal Borrowing Amount (\$'000)
Southern Tasmanian Netball Association	631
Hockey Tasmania	1,500
Buckingham Bowls Club	50
Derwent Sailing Squadron	4,100
<b>TOTAL</b>	<b>6,281</b>

Council's maximum liability is \$6.28M based upon the original commitments provided.

A summary of the loan guarantor repayment arrangements is shown in Table 15 below:

**Table 15: Loan Guarantor Repayment Arrangements**

Borrower	Lender	Guarantee Amount (\$'000)	Balance at 31 March 2019 (\$'000)	Repayment Arrangements (Per Month)
Southern Tasmanian Netball Association	Westpac	631	283	Re-draw facility on loan being utilised.
Hockey Tasmania	Tasmanian Perpetual Trustees	1,500	1,000	Interest only paid in arrears per quarter.
Buckingham Bowls Club	Bendigo	50	0	Re-draw facility on loan.
Derwent Sailing Squadron	CBA	4,100	4,000	Interest only for 2.5 years
<b>TOTAL</b>		<b>6,281</b>	<b>5,283</b>	

**Results**

All loans are being serviced within required arrangements. The limit of Council's potential exposure is currently is \$5.28M.

## 9. Financial Sustainability Indicators

As outlined in Council's LTFMP, eight financial sustainability measures have been adopted for the purpose of measuring Council's financial sustainability.

- Indicators 1-2 are measures of profit performance and the extent to which expenses are covered by revenues.
- Indicators 3-4 are measures of indebtedness and the amount council owes others (loans, employee provisions, creditors) net of financial assets (cash investments and amounts owed to council).
- Indicator 5 measures the proportion of income required to meet net interest costs.
- Indicators 6-8 are measures of asset management.

Council's performance against the eight financial sustainability indicators is shown in Table 16 below.

**Table 16: Performance against Financial Sustainability Indicators**

Indicator No:	Description	Target (original budget) 2018-19	Sep Qtr Forecast for 2018-19	Dec Qtr Forecast for 2018-19	March Qtr Forecast for 2018-19	Target Met
1	Underlying Surplus	1,447,000	926,000	(131,000)	900,000	X
2	Underlying Surplus ratio	1.1%	0.7%	-0.1%	0.7%	X
3	Net Financial Liabilities	28,265,537	24,676,000	29,057,000	43,670,000	X
4	Net Financial Liabilities ratio	21.0%	18.3%	21.7%	32.9%	X
5	Net Interest Expense Cover ratio	0.23%	0.09%	0.09%	0.43%	X
6	Asset Sustainability ratio *	126.7%	126.7%	126.7%	123.0%	X
7	Asset Consumption ratio	53.5%	56.3%	53.1%	54.0%	✓
8	Asset Renewal Funding ratio	110.6%	110.6%	110.6%	110.6%	✓

\* assumes that the asset renewal budget will be fully expended.

### Results

Table 16 shows that budget targets for most of Council's financial sustainability indicators are not expected to be achieved in 2018-19. However, benchmarks are expected to be achieved (or exceeded) in all cases.

At this stage indicator 1 and 2 are not expected to be met due to higher than expected operating costs, increased interest expense, reduced rates revenue and carry forwards from 2017-18. Indicator 3 and 4 are not expected to be met due to a reduction in cash forecasts mainly from increased capital expenditure and increased operating costs. Indicator 5 is not expected to be met due to an increased interest expense due to the timing of borrowing being brought forward. Indicators 6 is not expected to be met due to the impacts from asset revaluations.



## 10. Conclusions

---

This financial report shows that Council remains in a strong, sustainable financial position. Targets set for most of Council's eight financial sustainability indicators are not expected to be achieved in 2018-19. However, benchmarks are expected to be achieved or exceeded in all cases.

An underlying surplus of around \$0.90M is currently forecast. However, expenses are currently favourable when compared to budget and revenues are currently unfavourable. If this position continues, the final result may vary from the current forecast.

A significant proportion of the capital budget remains unspent at 31 March 2019.

Investments continue to be well-managed with a very competitive rate of return achieved.

Cash reserves are currently forecast to be around \$12M at year end (subject to capital expenditure outcomes), most of which is either externally restricted or allocated to various purposes.

Significant effort continues to be directed toward pursuing collection of amounts owed to Council. As a result, receivables balances are expected to remain constant at around \$12M.

With borrowings totalling \$39.18M, Council's level of indebtedness is low, and annual servicing costs (principal and interest) require only 2.5% of revenues.

Council currently acts as guarantor for several loans taken out by various local sporting organisations. All loans are being serviced within the required arrangements, so there are currently no financial implications arising from the existence of these guarantees.

The currently approved LTFMP (June 2018) projects modest underlying surpluses into the future. An updated LTFMP will be presented to Council for adoption in June 2019.

**6.3 Local Government Act 1993 - Petitions, Polls and Meetings**  
**File Ref: F19/71168; 16-1-2**

---

Report of the General Manager of 4 June 2019 and attachment.

Delegation: Council

**REPORT TITLE: LOCAL GOVERNMENT ACT 1993 - PETITIONS,  
POLLS AND MEETINGS****REPORT PROVIDED BY:** General Manager**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to respond to a Notice of Motion adopted by the Council at its meeting of 15 April 2019 in relation to Part 6 of the *Local Government Act 1993* ("the Act") which deals with petitions, polls and public meetings.

**2. Report Summary**

- 2.1. The Council resolved to review Part 6 of the *Local Government Act 1993* which deals with petitions, polls and public meetings.
- 2.2. Given the Council's recent experience going through the process for receiving a petition and conducting a public meeting and elector poll it has highlighted a number of issues with this part of the Act. These issues include:
  - 2.2.1. Receiving electronic petitions;
  - 2.2.2. Thresholds for public meetings and elector polls;
  - 2.2.3. Timeframes;
  - 2.2.4. Submissions process;
  - 2.2.5. Public meeting process; and
  - 2.2.6. Cost.
- 2.3. It is recommended that while these issues are important, they are best dealt with as part of the current review into the Tasmanian local government legislative framework.
- 2.4. As such it is proposed that the General Manager write to the Director of Local Government conveying these issues for inclusion as part of the review.

**3. Recommendation**

***That the General Manager write to the Director of Local Government highlighting the concerns with Part 6 of the Local Government Act 1993 raised in this report for consideration as part of the current review of the Tasmanian local government legislative framework.***

#### 4. Background

- 4.1. At its meeting of 15 April 2019, the Council considered a notice of motion in relation to reviewing Part 6 of the Act.
- 4.2. This arises as a result of the Council's recent experience in conducting two public meetings and currently being in the process of conducting an elector poll.
- 4.3. The Council resolved:

*That in order to enhance the democratic process a report be prepared to review Part 6 of the Local Government Act 1993 in relation to petitions, polls and meetings with a view to the Act being amended to place controls around the requirements for councils to hold elector meetings and conduct elector polls, including:*

- (i) the threshold for petitions requiring councils to hold an elector meeting or conduct an elector poll*
- (ii) the timing of an elector poll*
- (iii) the costs to communities for both and*
- (iv) the potential for electronic elector polls to be undertaken online,*

*while addressing anomalies and unintended consequences.*

- 4.4. Part 6 of the Act provides the process for submitting a petition to Council, deals with a petition seeking a public meeting, sets-out the requirements for conducting a public meeting and allows for electors to seek an elector poll as well as providing for the process of that. A copy of Part 6 of the Act is included as **Attachment A** to this report.
- 4.5. Given the Council's recent experience in operating within this part of the Act it is opportune to consider some of the issues experienced. These issues are explored below and incorporate those specifically raised in the Council's resolution of 15 April.

#### Electronic Petitions

- 4.6. Amendments were made to the Act as part of the recent Targeted Review to specifically provide for electronic petitions, however it is considered that there are still some 'grey areas' in dealing with petitions which are collated via electronic means given the various ways this can be done.
- 4.7. It is also important to ensure that any process is not overly bureaucratic so as to impose difficulties in submitting a complying petition.

Pre-conditions for valid petitions

- 4.8. In order for a petition to be validly tabled it needs to:
- 4.8.1. Comply with s57 of the Act (administrative type issues);
  - 4.8.2. Not be defamatory; and
  - 4.8.3. Not propose unlawful action.
- 4.9. The obligation to make this determination is placed on the General Manager. It is considered that this could be a significant challenge given that a petition would be presented to the General Manager moments before a Council meeting and the petition is to be tabled at the next ordinary Council meeting. In a practical sense this allows very little time to make such a determination, which adopting a practical approach, could result in it being delayed until the following Council meeting, however that does represent a risk to the General Manager.
- 4.10. Additionally, making an assessment on whether the petition is defamatory is an unreasonable and inappropriate position for the General Manager. Whilst the intent of this provision is clear, it is suggested that it ought to be refined so as to avoid doubt.

#### Public Meeting and Elector Poll Threshold

- 4.11. Currently, the threshold number of signatures of electors for a petition to require the Council to conduct a public meeting or an elector poll is 1,000 or 5%, whichever is the lesser.
- 4.12. Clearly the intent of these provisions is to allow members of the community the ability to participate and engage in the business of its council, however this does need to be balanced with the impact of that participation.
- 4.13. These thresholds have not changed since the Act was first enacted in 1993. It could be expected at that time, obtaining signatures on a petition was a far more labour intensive proposition than it is today. Given the use of the internet in creating and publicising petitions it is far easier to obtain a significant number of signatures in a relatively short period of time.
- 4.14. As such, it is considered appropriate that the number of signatures required ought to be increased to reflect the original intent of the Act.

#### Timeframes for Public Meeting & Elector Poll

- 4.15. Currently, the timeframes set-out in the Act are very tight when considering the practical logistics involved in conducting a public meeting and elector poll. It's clear that the intent of these provisions are to ensure that public meetings and elector polls are conducted in a timely fashion, however it would be appropriate to increase these timeframes so as to make the process more manageable at the operational level.

- 4.16. Additionally, if the Council was already dealing with a matter the subject of petition requesting an elector poll then the provision for a process for the Council to obtain a deferral of the elector poll until it had considered the issue would be appropriate. This could be a Ministerial power, for example.

#### Submission Process

- 4.17. It is a requirement of a public meeting that submissions are invited and a summary is available at a public meeting. In a practical sense this is quite challenging and resource intensive.
- 4.18. With the Council's recent experience, there were 213 submissions received in relation to the building heights public meeting and 524 submissions for the cable car public meeting.
- 4.19. These submissions were all required to be read and considered in order to form part of a summary which was available at the public meeting. Given the already tight timeframes, this was a challenge.
- 4.20. Again, with a lot of observations in this part of the Act, it is considered that this issue arises partially due to the passage of time and the increased use of technology making it far easier to provide submissions.
- 4.21. This is obviously a positive so far as engagement in the democratic process is concerned, however it does require review to ensure that it is manageable in a practical sense.

#### Public Meeting Process

- 4.22. The legislation is quite broad with respect to how a public meeting is to be conducted. This clearly provides broad discretion and freedom in the format for the meeting, however it is important that sufficient prescription is provided in order to ensure that all community members interested in an issue are afforded the opportunity to participate and be heard.

#### Cost

- 4.23. As Council would be aware, the cost of conducting an elector poll is significant. Undertaking an elector poll electronically is not precluded in the current drafting, however it would be subject to the process of the Tasmanian Electoral Commission (TEC) in conducting the poll.
- 4.24. It is therefore suggested that this is more an issue for discussion with the TEC rather than requiring a legislative amendment.

#### Legislative Review

- 4.25. The current review of the local government legislative framework is at a stage where a directions paper is due to be released in the next few months providing an overview of the major policy reforms that are proposed arising from the consultation undertaken to-date.



- 4.26. This part of the Act is clearly within the scope of the review and it is considered that an appropriate approach to the issues raised in this report would be to convey these to the Director of Local Government for inclusion and consideration as part of the review.
- 4.27. It is considered unlikely that a legislative amendment outside of the review process would be supported by the Government and that dealing with this as part of the review process is the appropriate course of action.

## **5. Proposal and Implementation**

- 5.1. It is proposed that the General Manager write to the Director of Local Government highlighting the concerns with Part 6 of the Local Government Act 1993 raised in this report for consideration as part of the current review of the Tasmanian local government legislative framework.

## **6. Strategic Planning and Policy Considerations**

- 6.1. Considering issues associated with the Act strongly align with the Council's Capital City Strategic Plan 2015-2025 in that it is a strategic objective to have an engaged civic culture where people feel part of decision-making.

## **7. Financial Implications**

- 7.1. None arise from this report.

## **8. Legal, Risk and Legislative Considerations**

- 8.1 These have been addressed in the body of this report.

## **9. Delegation**

- 9.1. This matter requires consideration 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.*



N D Heath  
**GENERAL MANAGER**

Date: 4 June 2019  
File Reference: F19/71168; 16-1-2

Attachment A: Part 6 Local Government Act 1993 ↴

## PART 6 - Petitions, polls and public meetings

### *Division 1 - Petitions*

#### 57. Petitions

- (1) A person may lodge a petition with a council by presenting it to a councillor or the general manager.
- (2) A person lodging a petition is to ensure that the petition contains –
  - (a) a clear and concise statement identifying the subject matter and the action requested; and
  - (b) in the case of a paper petition, a heading on each page indicating the subject matter; and
  - (c) in the case of a paper petition, a brief statement on each page of the subject matter and the action requested; and
  - (d) a statement specifying the number of signatories; and
  - (e) at the end of the petition –
    - (i) in the case of a paper petition, the full name, address and signature of the person lodging the petition; and
    - (ii) in the case of an electronic petition, the full name and address of the person lodging the petition and a statement by that person certifying that the statement of the subject matter and the action requested, as set out at the beginning of the petition, has not been changed.
- (3) In this section –
 

*electronic petition* means a petition where the petition is created and circulated electronically and the signatories have added their details by electronic means;

*paper petition* means a petition where the petition is created on paper which is then circulated and to which the signatories have added their details directly onto the paper;

*petition* means a paper petition or electronic petition;

*signatory* means –

  - (a) in the case of a paper petition, a person who has added his or her details to the paper petition and signed the petition; and
  - (b) in the case of an electronic petition, a person who has added his or her details to the electronic petition.

#### 58. Tabling petition

- (1) A councillor who has been presented with a petition is to –
  - (a) . . . . .
  - (b) forward it to the general manager within 7 days after receiving it.
- (2) A general manager who has been presented with a petition or receives a petition under subsection (1)(b) is to table the petition at the next ordinary meeting of the council.
- (3) A petition is not to be tabled if –
  - (a) it does not comply with section 57 ; or
  - (b) it is defamatory; or
  - (c) any action it proposes is unlawful.
- (4) The general manager is to advise the lodger of a petition that is not tabled the reason for not tabling it within 21 days after lodgment.

#### 59. Petitions seeking public meetings

- (1) A petition under section 57 may request that a council hold a public meeting regarding the subject matter of the petition.

(2) A council must hold a public meeting if the petition complies with section 57 and it is signed by whichever is the lesser of the following:

- (a) 5% of the electors in the municipal area;
- (b) 1 000 of those electors.

(3) A petition that requests a public meeting is not to be made in respect of any matter relating to rates and charges in Part 9 if those rates or charges have been made for the current financial year.

**60. Action on petition**

- (1) The general manager, by notice in writing to the person who lodged the petition, is to –
  - (a) advise whether the petition complies with section 59 , if it seeks a public meeting; and
  - (b) give reasonable notice of when the council is to consider the petition.
- (2) Within 42 days after the tabling of the petition –
  - (a) the general manager is to advise the council at a council meeting whether the petition complies with section 59 , if applicable; and
  - (b) the council, at that meeting, is to determine any action to be taken in respect of the petition.
- (3) If the petition complies with section 59 , or the council otherwise resolves to hold a public meeting regarding the subject matter of the petition, the council, within 30 days after the meeting referred to in subsection (2) , is to hold a public meeting to discuss the subject matter of the petition.
- (4) The council is to record in the minutes of the meeting referred to in subsection (2) –
  - (a) the subject matter of the petition; and
  - (b) the number of signatories to the petition.

**60A. Public meetings and submissions**

- (1) Before holding a public meeting under section 59 or section 60(3) , a council, in a notice publicly displayed, must –
  - (a) state the date on which, and the time and place at which, the public meeting is to be held; and
  - (b) state the details of the subject matter; and
  - (c) invite written submissions in relation to the subject matter to be lodged with the general manager.
- (2) A copy of the notice under subsection (1) is to be –
  - (a) published on at least 2 occasions in a daily newspaper circulating in the municipal area; and
  - (b) sent to the person who lodged the petition.
- (3) A submission must be lodged within 21 days after the first publication of the notice.
- (4) Any submission received is to be summarised by the general manager in a document, copies of which are to be made available to those attending the public meeting.
- (5) The minutes of the next ordinary meeting of the council following the public meeting are to record –
  - (a) a summary of any submission received under this section; and
  - (b) any decision made at a public meeting held under this section.

***Division 2 - Elector polls***

**60B. Council-initiated elector polls**

- (1) A council, on its own motion, may hold an elector poll on any issue the council determines.
- (2) An elector poll under subsection (1) may be conducted in any manner the council determines.

**60C. Petition requesting elector poll**

- (1) A council must hold an elector poll if –

(a) a petition requesting the elector poll is received within 30 days after a public meeting is held under section 59 in relation to the same subject matter as that contained in the petition requesting that public meeting; and

(b) the petition is signed by at least 5% of the electors in the municipal area or 1 000 of those electors, whichever is the lesser; and

(c) the petition complies with section 57(2) .

(2) If –

(a) the person who lodged the petition agrees to an elector poll being held in conjunction with the next ordinary election; or

(b) a petition requesting an elector poll is received within 60 days before the notice of election for the next ordinary election –

the elector poll may be held in conjunction with that next ordinary election.

**60D. Elector polls**

(1) An elector poll under section 60C is to be –

(a) held within 60 days after the receipt of the petition, except as provided under section 60C(2) ;  
and

(b) held for the whole municipal area; and

(c) conducted as determined by the Electoral Commissioner or any other person authorised by the council.

(2) An elector poll held in conjunction with an election is to be conducted as determined by the Electoral Commissioner.

(3) A matter which is the subject of an elector poll is to be decided by a simple majority of the formal votes cast.

(4) The general manager is to ensure that the result of an elector poll is published in a newspaper circulating in the municipal area.

(5) A further elector poll on the same issue is not to be held until after the next ordinary election.

**60E. Result of elector poll**

(1) A council is to discuss the result of an elector poll at its next ordinary meeting.

(2) The result of an elector poll is not binding on a council.

***Division 3 - General public meetings***

**60F. Public meetings**

A council, on its own motion, may hold a public meeting to discuss any issue the council determines.

**6.4 Delegation - Use of Common Seal**  
**File Ref: F19/70952**

---

Memorandum of the General Manager of 4 June 2019 and attachment.

Delegation: Council



City of **HOBART**

## MEMORANDUM: FINANCE AND GOVERNANCE COMMITTEE

### Delegation - Use of Common Seal

The purpose of this report is to review the delegation for the use of the Common Seal following the organisational restructure.

Section 19 of the *Local Government Act 1993* states that each council is to have a common seal and that this is to be used as authorised by Council and be attested by those persons authorised by Council.

Currently this delegation reads as follows:

Pursuant to Section 19(5) of the *Local Government Act 1993*, the General Manager and the Deputy General Manager be authorised to attest the execution of the following documents sealed by the Council, subject to the following persons as noted, being authorised to attest them:

- (a) *Contracts, leases, licences, agreements pursuant to Part 5 of the Land Use Planning and Approvals Act 1993, and other legal agreements:*

*The Deputy General Manager, the Director Corporate Services and the Manager Legal and Governance.*

- (b) *Adhesion Orders:*

*The Deputy General Manager, the Director Corporate Services and the Manager Surveying Services.*

- (c) *Sealed Plans and Schedules of Easements:*

*The Director City Planning and Manager Surveying Services.*

As a result of the organisational restructure it is necessary to update the delegation to reflect a change in position titles, but also address a potential gap due to staff absences. As such it is proposed that the common seal be attested by members of the Executive Leadership Team or the Manager Legal and Governance.

**Attachment A** to this report is a copy of the proposed delegation.



**RECOMMENDATION**

***That the Council endorse the delegation in respect to the affixation of the Common Seal in accordance with the instrument of delegation marked as Attachment A to this report.***

*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.*



N D Heath  
**GENERAL MANAGER**

Date: 4 June 2019  
File Reference: F19/70952

Attachment A: DELEGATION - Common Seal ↓

## DELEGATION

### AFFIXATION OF COMMON SEAL

Pursuant to Section 19(5) of the *Local Government Act 1993* the common seal of the Council is to be attested by any two of the following Council officers, or such persons who may be acting in those positions:

*General Manager*  
*Deputy General Manager;*  
*Director City Planning;*  
*Director City Amenity;*  
*Director City Innovation;*  
*Director Community Life;*  
*Manager Surveying Services;*  
*Manager Legal and Governance.*

**6.5 Town Hall - Provision of Additional Flagpoles**  
**File Ref: F19/53814**

---

Memorandum of the Group Manager City Government and Customer Relations of 7 June 2019.

Delegation: Council



City of **HOBART**

## **MEMORANDUM: FINANCE AND GOVERNANCE COMMITTEE**

### **Town Hall - Provision of Additional Flagpoles**

#### **Background/Proposal:**

The purpose of this report is to canvass the potential for the provision of additional flagpoles on the Town Hall site.

At its meeting of 21 August, 2017, the Council requested that a report be prepared canvassing the cost of purchasing and installing additional flagpoles on the Elizabeth Street frontage of the Town Hall.

The City of Hobart flag is flown on both the Town Hall and Council Centre buildings.

The Australian Aboriginal Flag is flown on permanent display from the Davey Street aspect of the Town Hall.

As the civic seat of the City of Hobart, flags flown from the Town Hall masthead are interchanged in accordance with notifications issued to government agencies through the State Government Protocol Office. This is also the case on the Council Centre building, except where a Council resolution may involve the display of an alternate flag, as was the case some time ago with the Rainbow Flag.

In terms of the location of the poles, there is no available space at the rear of the building and the existing trees on the Elizabeth Street frontage would prevent such an installation.

If the City wishes to have the capacity to fly a range of flags simultaneously, the ideal approach would be to provide a row of 4 to 6 poles which can accommodate multiple flags, whilst complying with the protocols issued through State Protocol.

The most appropriate location for the poles is at the front of the Town Hall where there is plenty of space to display the flags in a prominent setting.

There are currently 14 holes in place in front of the Town Hall, seven either side of the portico. They have been used sporadically in the past on civic occasions. There is no evidence that they have been in place on a permanent basis at any point and therefore their use is temporary.

The Council can continue to utilise the existing holes on a temporary basis, subject to removal on those occasions when the space on the Town Hall Forecourt may be required for civic or other activities.

The use of the existing infrastructure in this manner obviates any requirement for the lodgement of an application for planning and/or potential building approval; which would be the case if the flagpoles were to be in permanent use; or if the Council wanted to change the locations of the flagpoles, thereby creating the need for new infrastructure. In those circumstances, a planning permit would likely trigger heritage and archaeological considerations.

A concept drawing is attached showing a range of configurations for the use of the existing holes. It is proposed that a maximum of 6 flagpoles be used to accommodate the range of flags used by the City. The Australian Aboriginal flag could also be relocated from the rear of the building, subject to appropriate consultation.

Council's Senior Cultural Heritage Officer has been consulted and has raised no objection to the use of the flagpoles on the Town Hall forecourt. The preferred configuration is the one-sided location towards Argyle Street, as shown in the attached drawing.

### **Financial Considerations:**

The cost of an individual flagpole including installation is estimated at \$1,200 each. The price of flags varies according to the quality of manufacture. An order of cost would range between \$200 (for occasional use) and \$850 (for regular use). Flags are purchased as required from within the City's operational property budget.

If approved, funding of \$7,200 for up to six flagpoles would be allocated from the Corporate Property budget in the 2019/2020 Annual Plan.

### **RECOMMENDATION**

#### ***That:***

- 1. That Council utilise a row of up to six of the existing flagpole holes located towards the Argyle Street side of the Town Hall Forecourt, as shown in the attached plan, to enable the co-ordinated display of flags.***

2. ***A policy be developed to manage the flagpoles on both the Town Hall and Council Centre buildings, including the display of flags and those occasions when the Town Hall poles will be temporarily removed for civic purposes.***
3. ***The purchase and installation of the flagpoles estimated at \$7200 be funded from the Corporate Property function of the 2018/2019 Annual Plan.***

*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.*



Margaret Johns  
**GROUP MANAGER CITY  
GOVERNMENT AND CUSTOMER  
RELATIONS**

Date: 7 June 2019  
File Reference: F19/53814

**6.6 Revised City of Hobart Code for Tenders and Contracts**  
**File Ref: F19/70421**

---

Report of the Acting Director City Governance of 6 June 2019 and attachments.

Delegation: Council



**REPORT TITLE: REVISED CITY OF HOBART CODE FOR TENDERS AND CONTRACTS****REPORT PROVIDED BY:** Acting Director City Governance**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to seek Council's approval of a revised City of Hobart Code for Tenders and Contracts.
- 1.2. The community benefit is consistent with strategic objective 5.1 in the City of Hobart Capital City Strategic Plan 2015-25, being to *deliver best value for money through strategic procurement decision-making*.

**2. Report Summary**

- 2.1. Under the *Local Government Act 1993 (Tas)* (LG Act), Council is required to adopt a Code for tenders and contracts (Code), review it every 4 years and make it available to the public. The Code is to include specific matters as set out in the *Local Government General Regulations 2015 (Tas)* (the Regulations).
- 2.2. The City has had a Code since March 2012 and before that a Code of Public Tendering. It is regularly reviewed.
- 2.3. The Code has been recently reviewed and updated to reflect contemporary procurement best practice and to improve readability.
- 2.4. The Code was considered at the March Finance and Governance Committee where it was deferred to receive a further report on the implications of reducing the City's first procurement threshold where a minimum of one written quotation should be sought from \$10,000 to \$5,000.
- 2.5. The Code was further considered at the April Finance and Governance Committee, whereat Committee resolved that the first threshold where a minimum of one quotation is to be sought is reduced from \$10,000 to \$5,000.
- 2.6. The revised Code was thereafter considered by Council at its 15 April 2019 meeting where it was referred back to Committee for further consideration of how quotations are sought for consultancy services.
- 2.7. A revised version of the Code is presented to Council for approval. Details of how quotations are sought for consultancy services are including in this covering report.

### 3. **Recommendation**

***That:***

- 1. The Report 'Revised City of Hobart Code for Tenders and Contracts' be received and noted.***
- 2. Council adopt the revised City of Hobart Code for Tenders and Contracts marked as Attachment A to this report.***
- 3. The General Manager be authorised to finalise the City of Hobart Code for Tenders and Contracts and arrange for it to be made available to the public in paper format from the Council's Customer Service Centre and in electronic format from Council's website.***

### 4. **Background**

- 4.1. Section 333B of the LG Act requires Council to adopt a Code for tenders and contracts, review it every 4 years and make it available to the public.
- 4.2. The Code must include specific matters, set out in Regulation 28 of the *Local Government (General) Regulations 2015 (Tas)* – refer **Attachment A**.
- 4.3. The purpose of the Code is to provide a framework for best practice procurement. The Code sets out how the City will meet its legislative obligations in respect to procurement, tendering and contracting. The Code includes a statement of ethics which underlines best practices to be applied by the City's officers who organise or participate in procurement and service providers when they offer and are engaged to provide the City with goods, services or works.
- 4.4. The City has had a Code since March 2012 and before that a Code of Public Tendering.
- 4.5. The Code is regularly reviewed to ensure it remains reflective of best practice procurement, ensuring risks are managed to an appropriate level to achieve the City's procurement activities and achieve best value for money for the City.
- 4.6. The most recent review was conducted in March 2018 where Council approved a revised Code to reflect Council's decision to revise its tender and quotation exemption reporting processes.
- 4.7. At that time Council noted that the Code would be the subject of annual review and any further changes to the Code would be presented to Committee / Council in due course.
- 4.8. The Code has been recently reviewed and updated to reflect contemporary procurement best practice and to improve readability. The review included a legal review to ensure the Code complies with its legislative requirements.

- 4.9. The Code was considered at the March Finance and Governance Committee where it was deferred to receive a further report on the implications of reducing the City's first procurement threshold where a minimum of one written quotation should be sought from \$10,000 to \$5,000.

- 4.10. The Code, with a report on the implication of reducing the \$value of the first procurement threshold, was further considered at the April Finance and Governance Committee, whereat Committee resolved that:

*Council adopt the revised City of Hobart Code for Tenders and Contracts marked as Attachment B to this report, noting that the first threshold where a minimum of one quotation is to be sought is reduced from \$10,000 to \$5,000.*

*The General Manager be authorised to finalise the City of Hobart Code for Tenders and Contracts and arrange for it to be made available to the public in paper format from the Council's Customer Service Centre and in electronic format from Council's website.*

- 4.11. The revised Code with the amended first procurement threshold was thereafter considered by Council at its 15 April 2019 meeting where it was referred back to Committee for further consideration of how quotations are sought for consultancy services.
- 4.12. The revised Code is presented to the Council for approval – refer **Attachment B**. Further information on how quotations are sought for consultancy services is included in the sections below.

### **Consultancy Services**

- 4.13. At the 15 April 2019 Council meeting, a question was asked whether Council should tender for all consultancy services irrespective of value.
- 4.14. For the majority of its consultancy services the City has already public tendered and established a Standing Contract with a Panel of Providers.
- 4.15. There is very little of the Council's expenditure on consultancy services not already under Contract established as a result of a public tender process.
- 4.16. As outlined in section 2 of the Code, if the City already has a Contract in place with particular supplier(s) for goods, services or works and they are capable of meeting the City's requirements, the City's officers must procure goods, services or works from those suppliers.

- 4.17. Examples of the types of consultancy services Contracts already in place are for architecture, building surveying, civil and structural engineering, electrical engineering, environmental engineering, hydraulics engineering, landscaping design, geotechnical engineering, mechanical engineering, planning consultancy, quantity surveying, traffic engineering, marketing and design, smart city technology partners and project management.
- 4.18. As outlined in section 5.5 of the Code, when purchasing from a Panel established via a public tender process, the City will seek written quotations from panel members in line with its procurement thresholds.
- 4.19. The City also has an annual process whereby Council's expenditure is reviewed to determine any significant areas of spend not already under contract. If this is found, a process is undertaken to publicly tender for the goods, services or works identified.
- 4.20. Officers can also request that a Contract be created for a specific category of expenditure and this is always done through a public process.
- 4.21. It should be noted that the City's procurement thresholds are minimum thresholds and officers frequently obtain more than the minimum number of quotations to ensure that open competition is achieved in the market when goods, services or works are required. Equally a tender process is undertaken for amounts below the tendering threshold if it is determined appropriate to do so and to ensure that best value is obtained for the goods, services or works.

## **5. Proposal and Implementation**

- 5.1. It is proposed that the Council adopt the attached City of Hobart Code for Tenders and Contracts, as amended, and make copies available to the public in a paper format from the Customer Service Centre and in electronic format prominently from the Council's website as required under section 333(B)(4) of the LG Act, which states that:
  - 5.1.1. The general manager is to make a copy of the council's code and any amendments to the code available –
    - (a) *for public inspection at the public office during ordinary office hours; and*
    - (b) *for purchase at a reasonable charge; and*
    - (c) *on its internet site free of charge.*
- 5.2. The revised Code will also be made available from the City's e-tendering portal TenderLink.

- 5.3. It is also proposed that Council note that the City has already been out to tender for the majority of its consultancy services and quotations are sought by Officers under the City's procurement thresholds from the City's contracted Panel of Providers.

## **6. Strategic Planning and Policy Considerations**

- 6.1. This report proposes amendments to the City of Hobart Code for Tenders and Contracts.
- 6.2. This report is consistent with strategic objective 5.1 in the City of Hobart Capital City Strategic Plan 2015-25, being to *deliver best value for money through strategic procurement decision-making*.

## **7. Financial Implications**

- 7.1. Funding Source and Impact on Current Year Operating Result
- 7.1.1. There are no financial implications arising from this report.
- 7.2. Impact on Future Years' Financial Result
- 7.2.1. Not applicable.
- 7.3. Asset Related Implications
- 7.3.1. Not applicable.

## **8. Legal, Risk and Legislative Considerations**

- 8.1. These are considered elsewhere in this report.

## **9. Delegation**

- 9.1. This matter is delegated to 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.*



Lara MacDonell  
**ACTING DIRECTOR CITY  
GOVERNANCE**

Date: 6 June 2019  
File Reference: F19/70421

Attachment A: Regulation 28 - Code for Tenders and Contracts ↓  
Attachment B: Revised City of Hobart Code for Tenders and Contracts ↓

---

**Local Government (General) Regulations 2015**

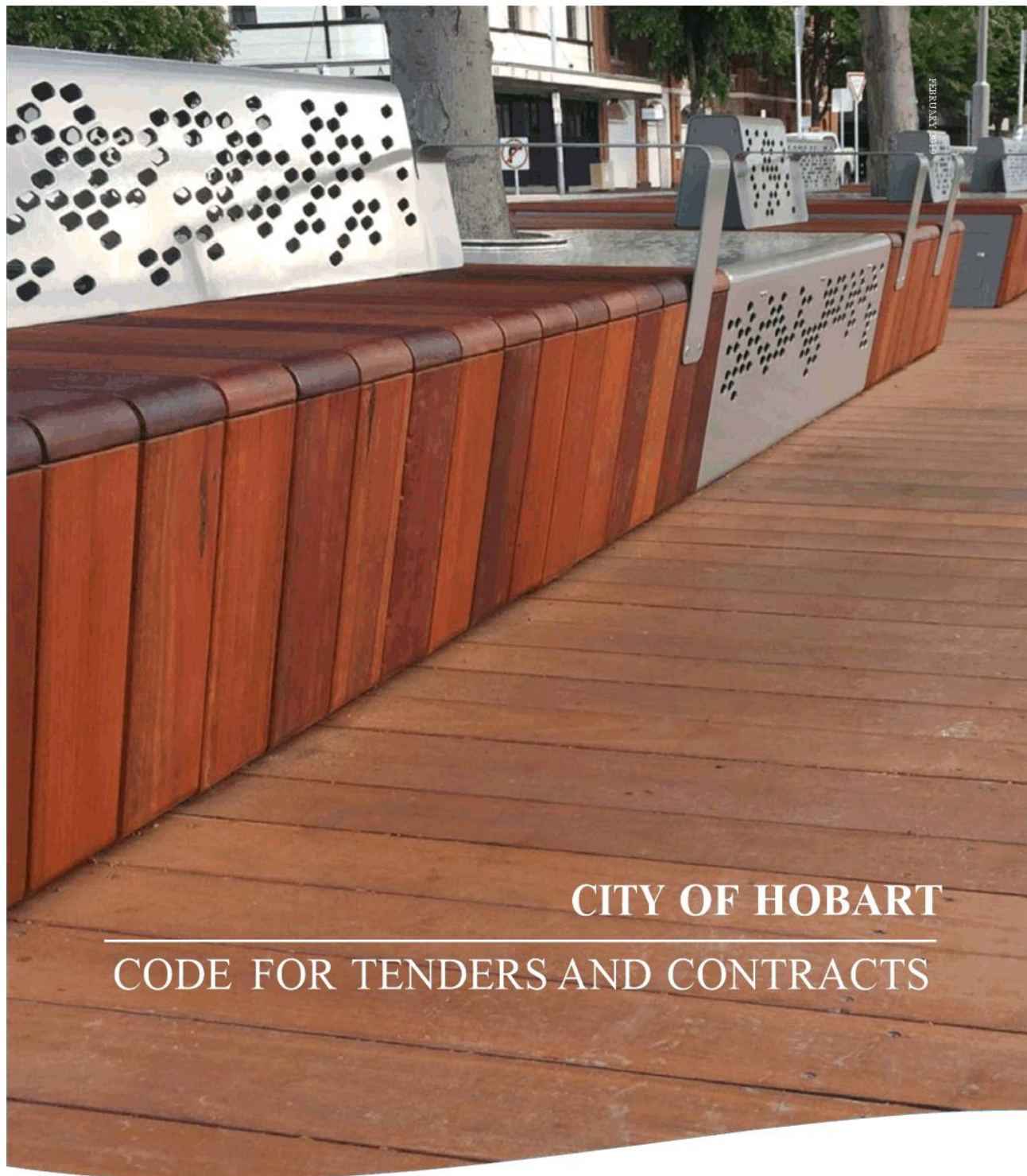
Version current from 14 November 2018 to date (accessed 1 March 2019 at 8.21)

---

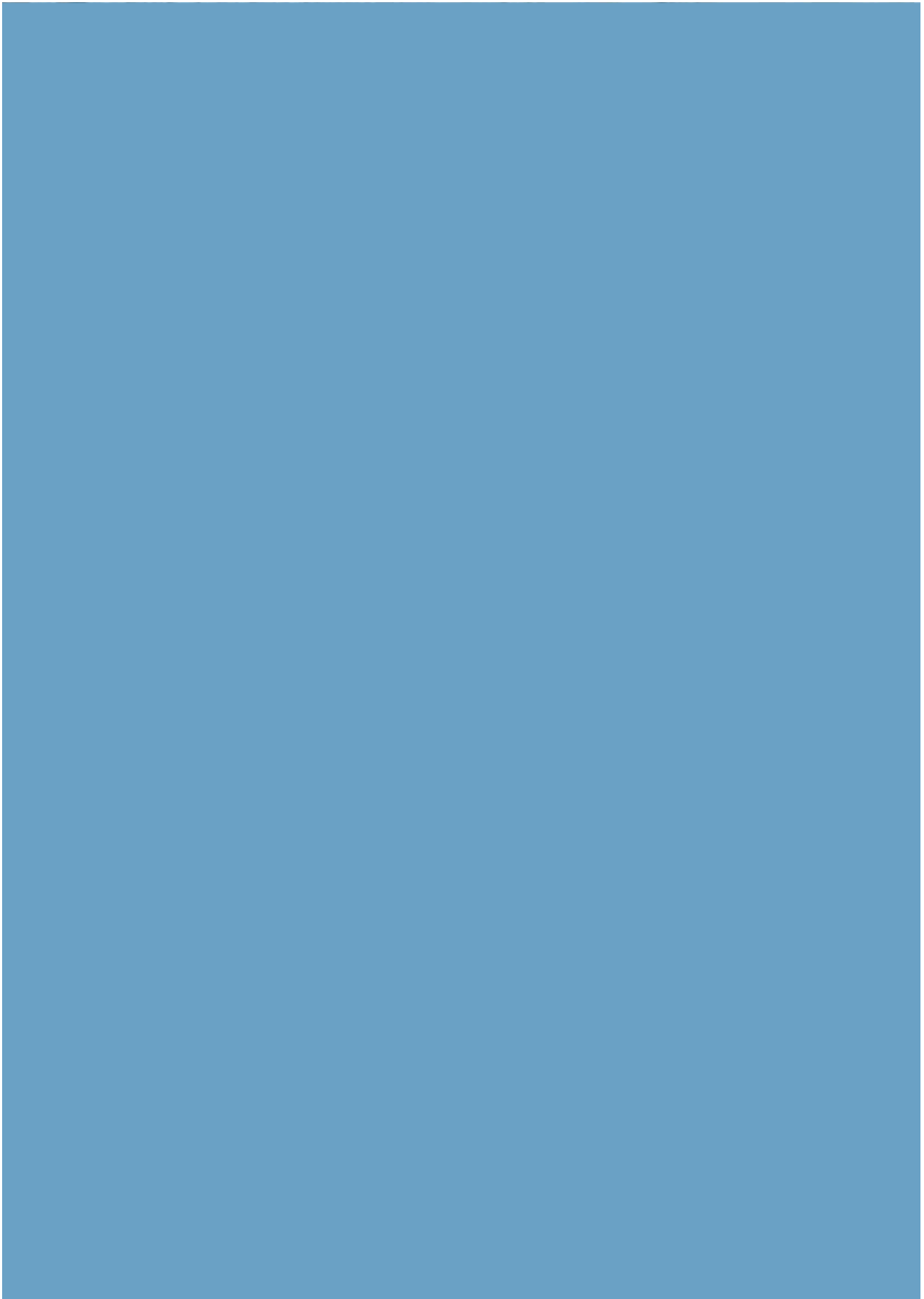
**28. Code for tenders and contracts**

The code adopted under section 333B of the Act is to –

- (a) promote the following principles:
  - (i) open and effective competition;
  - (ii) value for money;
  - (iii) enhancement of the capabilities of local business and industry;
  - (iv) ethical behaviour and fair dealing; and
- (b) establish and maintain procedures to ensure that all potential suppliers are provided with the same information relating to the requirements of a tender or contract and are given equal opportunity to meet the requirements; and
- (c) establish and maintain procedures to ensure that fair and equal consideration is given to all tenders or quotations received; and
- (d) establish and maintain procedures to deal honestly with, and be equitable in the treatment of, all potential or existing suppliers; and
- (e) establish and maintain procedures to ensure a prompt and courteous response to all reasonable requests for advice and information from potential or existing suppliers; and
- (f) seek to minimise the cost to suppliers of participating in the tendering process; and
- (g) protect commercial-in-confidence information; and
- (h) for contracts valued at under \$250 000 (excluding GST), specify when 3 written quotations are required; and
- (i) establish and maintain procedures for the use of multiple-use registers for contracts valued at under \$250 000 (excluding GST); and
- (j) establish and maintain procedures for reporting by the general manager to the council in relation to the purchase of goods or services in circumstances where a public tender or quotation process is not used; and
- (k) establish and maintain procedures for the review of each tender process to ensure that it is in accordance with these regulations and the code; and
- (l) establish and maintain procedures for the following:
  - (i) amending or extending a tender once it has been released;
  - (ii) opening tenders;
  - (iii) the consideration of tenders that do not fully conform with the tender requirements;
  - (iv) the debriefing of unsuccessful tenderers;
  - (v) handling complaints regarding processes related to the supply of goods or services.

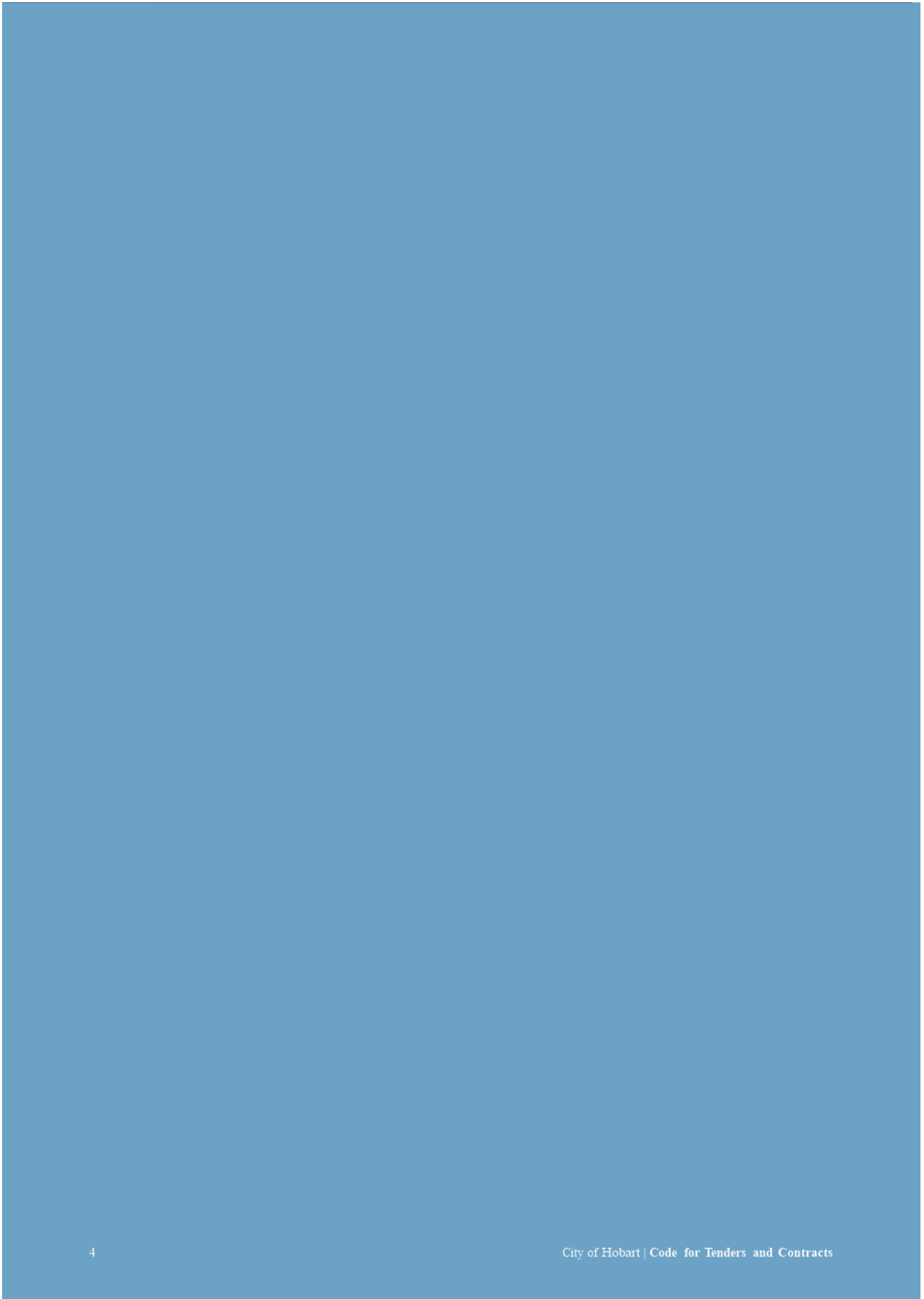






# TABLE OF CONTENTS

<b>1. INTRODUCTION</b>	<b>5</b>
1.1. PURPOSE	5
1.2. SCOPE OF THE CODE	5
1.3. AVAILABILITY OF THE CODE	5
<b>2. PROCUREMENT THRESHOLDS</b>	<b>6</b>
2.1. NON-APPLICATION OF THE QUOTATION PROCESS	8
2.2. NON-APPLICATION OF THE PUBLIC TENDER PROCESS	9
<b>3. PROCUREMENT PRINCIPLES</b>	<b>10</b>
3.1. VALUE FOR MONEY	10
3.2. ETHICAL BEHAVIOUR AND FAIR DEALING	10
3.3. ENCOURAGING OPEN AND EFFECTIVE COMPETITION	11
3.4. ENHANCEMENT OF THE CAPABILITIES OF LOCAL BUSINESS AND INDUSTRY	11
<b>4. CONDUCT</b>	<b>13</b>
4.1. ETHICS AND CONDUCT – COUNCIL OFFICERS	13
4.2. ETHICS AND CONDUCT – SERVICE PROVIDERS	14
<b>5. METHODS OF PROCUREMENT</b>	<b>16</b>
5.1. REQUEST FOR QUOTATION	16
5.2. OPEN TENDER	16
5.3. MULTI USE REGISTER	17
5.4. MULTIPLE STAGE TENDER	17
5.5. STANDING CONTRACT	18
5.6. USE OF OTHER CONTRACTS	19
<b>6. TENDERING PRACTICES</b>	<b>20</b>
6.1. ADMINISTRATION OF TENDERS	20
6.2. ADMINISTRATION OF QUOTATIONS	20
6.3. DUMPED GOODS	20
6.4. ETHICAL STANDARDS	21
<b>7. TENDER PROCESS</b>	<b>22</b>
7.1. STAGE 1 – PLANNING THE PROCUREMENT	22
7.2. STAGE 2 – PREPARE THE TENDER DOCUMENTS	24
7.3. STAGE 3 – INVITING AND RECEIVING TENDERS	25
7.4. STAGE 4 – TENDER EVALUATION	28
7.5. STAGE 5 – ESTABLISH A CONTRACT	30
7.6. STAGE 6 – ADVISING AND DEBRIEFING SUCCESSFUL AND UNSUCCESSFUL SERVICE PROVIDERS	31
<b>8. COMPLIANCE AND REVIEW</b>	<b>33</b>
8.1. REVIEW OF TENDER PROCESS	33
8.2. PROCUREMENT COMPLAINTS	33
8.3. BREACH OF THE CODE	33
<b>9. REPORTING</b>	<b>34</b>
9.1. ANNUAL REPORTING	34
9.2. REPORTING TO THE COUNCIL	35
9.3. REPORTING TO THE GENERAL MANAGER	35
<b>10. REVIEW OF THE CODE</b>	<b>36</b>
<b>11. DEFINITIONS</b>	<b>38</b>



# 1. INTRODUCTION

Pursuant to section 333B of the *Local Government Act 1993 (Tas)* (the Act), the City of Hobart (the City) is required to adopt and comply with a Code for Tenders and Contracts (the Code), which must:

- be consistent with the Act
- include any prescribed matter and promote any prescribed principles as set out in the *Local Government (General) Regulations 2015 (Tas)* (the Regulations)
- be reviewed at least every four years

The City's specific legislative and regulatory obligations with respect to procurement are set out under:

- Section 333A and Section 333B of the Act
- Regulations 23–29 of the Regulations.

## 1.1. PURPOSE

The purpose of the Code is to provide a framework for best practice procurement. The Code sets out how the City will meet its legislative obligations in respect to procurement, tendering and contracting.

The Code includes a statement of ethics which underlines best practices to be applied by the city's officers who organise or participate in procurement, and Service Providers when they offer to provide the City with goods, services or works and when they are engaged by the City to supply it with goods, services or works.

## 1.2. SCOPE OF THE CODE

This Code covers the procurement of all goods, services and works for the City of Hobart including building and construction, civil works, plant and equipment and consulting services. These Tender practices do not apply to the following activities:

- design and execution of works of art
- grants or assistance
- donations
- property transactions
- leasing.

The Code applies to the City of Hobart, its employees and agents and any Service Provider wishing to compete for City of Hobart business or provide goods, services or works to the City. This includes contractors, subcontractors, consultants and suppliers.

Insofar as is reasonably possible, Service Providers engaged by the City will apply the Code when seeking Tenders or Quotations from subcontractors and suppliers. The Code applies to all City of Hobart procurement processes including Tenders, requests for quotations, requests for proposals and expressions of interest for all of City's requirements.

This Code should be read in conjunction with the City of Hobart Purchasing Policy.

## 1.3. AVAILABILITY OF THE CODE

A copy of the Code is available free of charge:

- at the Hobart Council Centre,  
16 Elizabeth Street,  
Monday–Friday, 8.15 am – 5.15 pm
- on the City of Hobart website at  
[hobartcity.com.au/purchasingandtenders](http://hobartcity.com.au/purchasingandtenders)

## 2. PROCUREMENT THRESHOLDS

The City of Hobart purchasing thresholds describe when quotations and Tenders are to be sought. Purchases shall not be split into smaller purchases to avoid the requirements of purchasing thresholds.

- All procurement thresholds are GST exclusive. Tenders and quotations will be sought on a GST exclusive basis.
- The City has entered into a range of Contracts with suppliers for goods, services and works. Depending on the type of goods, services and works and the number of available suppliers required to supply them, either a sole supplier arrangement or a Panel arrangement can be in place.
- If the City already has a Contract in place with particular supplier(s) for goods, services or works and they are capable of meeting the City's requirements, the City's officers must procure goods, services or works from those suppliers.

### USING AN EXISTING PROVIDER

\$Value (GST exclusive)	Minimum Number of quotes to be sought
Any value (if the City has already been out to Tender and within scope of current Contract)	Source directly from the sole provider under Contract

### USING AN EXISTING PANEL

\$Value (GST exclusive)	Minimum number of quotes to be sought
Less than <del>\$10,000</del> <u>\$5,000</u>	1 written quote shall be sought from Panel members
<del>\$10,000</del> <u>\$5,000</u> to \$49,999	2 written quotes shall be sought from Panel members
\$50,000 and over	3 written quotes shall be sought from Panel members



#### IF A COUNCIL CONTRACT DOES NOT EXIST

SValue (GST exclusive)	Minimum number of written quotes to be sought
Less than <del>\$10,000</del> <u>\$5,000</u>	1 written quote must be sought
<del>\$10,000</del> <u>\$5,000</u> to \$49,999	2 written quotes must be sought
\$50,000 to \$249,999	3 written quotes must be sought
\$250,000 and over	Public Tender

**2.1. NON-APPLICATION OF THE QUOTATION PROCESS**

Exemptions from the requirement to seek written quotes under the quotation thresholds above can be sought from the Divisional Director but only if an acceptable reason exists as follows:

- a) where, in response to a prior notice, invitation to participate or invitation to Quote or Tender
  - (i) no Quotations / Tenders were submitted
  - (ii) no Quotations / Tenders were submitted that conform to the essential requirements in the documentation
- b) where the goods, services or works can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for the following reasons
  - (i) the requirement is for works of art
  - (ii) the protection of patents, copyrights or other exclusive rights or proprietary information

or

- (iii) due to an absence of market competition for technical reasons

- c) for additional deliveries of goods, services or works by the original supplier that are intended either as replacement parts, extensions or continuing services, where a change of supplier would result in the purchase of goods, services or works that do not meet requirements of interchangeability with existing goods, services or works
  - d) for goods purchased on a commodity market
  - e) where there is an emergency and insufficient time to seek quotes for goods, services or works required in that emergency
  - f) for purchases made under exceptionally advantageous conditions that only arise in the very short term, such as from unusual disposals, liquidation, bankruptcy or receivership and not for routine purchases from regular suppliers
- or
- g) for a joint purchase of goods or services purchased with funds contributed by multiple entities, where the City is one of those entities and does not have express control of the purchasing decision.

**Exemptions**

As outlined in section 9 of this Code all instances where an exemption from the requirement to seek three written quotes has been granted will be reported to the Council on a quarterly basis.

All instances where an exemption has been granted from the requirement to seek one or two written quotes for procurements from \$0 to under \$10,000 and from \$10,000 to under \$50,000 respectively, will be reported to the General Manager on a monthly basis.



## 2.2. NON-APPLICATION OF THE PUBLIC TENDER PROCESS

In accordance with section 27 of the Regulations, the requirement for public tendering does not apply for the followings situations:

- a) an emergency, if, in the opinion of the General Manager, there is insufficient time to invite Tenders for the goods or services required in that emergency
- b) a contract for goods or services supplied or provided by, or obtained through, an agency of a State or of the Commonwealth
- c) a contract for goods or services supplied or provided by another council, a single authority, a joint authority or the Local Government Association of Tasmania
- d) a contract for goods or services obtained as a result of a Tender process conducted by one of the following entities
  - (i) another council
  - (ii) a single authority or a joint authority
  - (iii) the Local Government Association of Tasmania
  - (iv) any other local government association in this State or in another State or a Territory
  - (v) any organisation, or entity, established by any other local government association in this State or in another State or a Territory

- e) a contract for goods or services in respect of which a council is exempted under another Act from the requirement to invite a Tender
- f) a contract for goods or services that is entered into at public auction
- g) a contract for insurance entered into through a broker
- h) a contract arising when a council is directed to acquire goods or services due to a claim made under a contract of insurance
- i) a contract for goods or services, if the Council resolves by absolute majority and states the reasons for the decision, being that a satisfactory result would not be achieved by inviting Tenders because of one of the following reasons
  - (i) extenuating circumstances
  - (ii) the remoteness of the locality
  - (iii) the unavailability of competitive or reliable Tenderers
- j) a contract of employment with a person as an employee of the council.

Instances of non-application of the Tender process under section a) and i) above will be included in the City's Annual Report.

### 3. PROCUREMENT PRINCIPLES

The City of Hobart's purchasing will be conducted in line with legislative requirements and in accordance with the following principles:

#### 3.1. VALUE FOR MONEY

Value for money is achieving the desired outcome at the best possible price. Factors which may be considered when determining value for money include:

- fitness for purpose
- whole-of-life costs over the lifetime of the product, good or service
- advantages of buying locally (e.g. shorter delivery lead-times, availability of local back-up and servicing and availability of spare parts)
- supplier's capacity and ability, including management and technical capability and physical and financial resources
- climate change and environmental considerations and energy conservation
- contribution to achieving the City's policy or strategic objectives
- social or community benefit
- risk assessment
- quality assurance
- disposal value.

#### 3.2. ETHICAL BEHAVIOUR AND FAIR DEALING

Ethical behaviour and fair dealing means acting ethically, being fair and unbiased and complying with the law in all dealings with Service Providers. The following standards of ethics and ethical behaviours will be applied when dealing with suppliers:

- ensuring Council monies are spent effectively and in accordance with relevant policies
- acting without favour or prejudice
- complying with legal requirements
- always seeking to maximise the value for money in all transactions
- maintaining confidentiality at all times in dealings with Service Providers
- declining gifts, gratuities or any other benefit which may, or could be deemed to, influence equity or impartiality
- not disclosing the bid of a Service Provider to any other provider in order to play Service Providers off against one another
- avoiding the purchase of Dumped Goods.

### 3.3. ENCOURAGING OPEN AND EFFECTIVE COMPETITION

Encouraging open and effective competition means ensuring that the procurement process is impartial, open and focussed on encouraging competitive offers. Open and effective competition will be encouraged through:

- putting transparent, open purchasing procedures in place
- ensuring the market is adequately tested by seeking an appropriate number of Quotations or calling for public Tenders
- avoiding use of biased or proprietary Specifications
- if requested, de-briefing unsuccessful providers
- treating all Service Providers consistently and equitably.

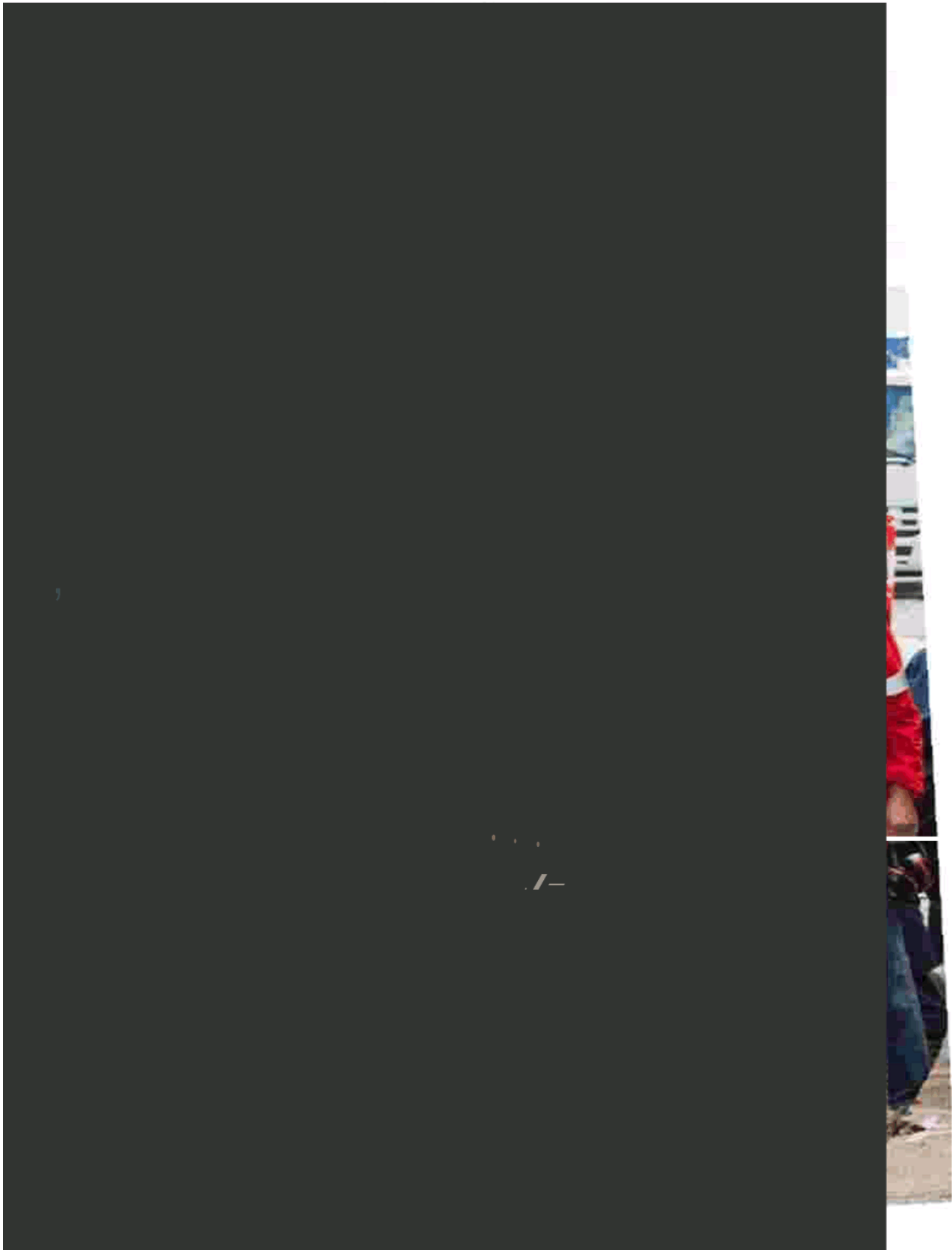
### 3.4. ENHANCEMENT OF THE CAPABILITIES OF LOCAL BUSINESS AND INDUSTRY

Enhancement of the capabilities of local business and industry means where local capacity exists, actively seeking to engage the local market and encourage their participation in Tender and Quotation processes, through:

- actively seeking quotes from local businesses and industry
- where local capability exists, ensuring that the discretionary elements of Specifications do not prevent local businesses and industry from competing.

Enhancing opportunities for local business and industry does not mean giving preferential treatment to local Service Providers.







## 4. CONDUCT

### 4.1. ETHICS AND CONDUCT – CITY OF HOBART OFFICERS

The City's officers, or any other person or entity making a purchase on the City's behalf, will comply with the following ethical standards of behaviour:

- the Procurement Process will be undertaken in accordance with City's Procurement Principles
  - actual or potential conflicts of interest will be declared before inviting offers and measures put in place to appropriately manage any actual or potential conflicts of interest, monetary or otherwise
  - accurate records of all dealings in respect to the purchase will be maintained during and after the process
  - declining to accept any payments, gifts, gratuities, entertainment/hospitality and other benefits offered by a Service Provider for the discharge of official duties
  - avoiding any situation which is, or which may become, or which may be perceived as being a conflict of interest with the person's official duties and declaring any conflicts of interest
  - avoiding any relationship with a Service Provider, financial or otherwise, which could be perceived as unfair or improper influence on their judgement, or which could expose the City to allegations or perceptions of impropriety or unwarranted preference or unfair dealings or which could represent a breach of legislation
  - for any person, not attempting to intervene or exert influence on the outcomes of the Procurement Process, in particular not communicating or implying any preference for the selection of a particular Service Provider.
- Whenever dealing with Service Providers, the City's officers will:
- clearly convey the City's requirements in an understandable manner and ensure that all Service Providers are provided with identical information upon which to base their Tender or Quotation
  - ensure that a Service Provider is not provided with any information or clarification of the Specification or other Tender or Quotation document, which is not equally provided to all other Service Providers
  - seek to minimise the cost to suppliers of participating in the Tender process
  - ensure that Service Providers are provided with a Specification or other statement of the City's requirements, which is sufficient to ensure that Service Providers are not required to undertake unreasonable unpaid design or other work in order to prepare a Tender or Quotation
  - ensure that the Conditions of Contract are not excessively onerous on Service Providers
  - as far as is practicable, ensure that the Specification does not restrict competition, prevent local businesses and industry from submitting a Tender or Quotation or reflect bias either towards or against any brand or proprietary system or method of work
  - in so far as possible, ensure that the Specification does not act as a barrier to innovation
  - if any particular Conditions of Participation, Conditions of Tender, or Conditions of Contract apply, advise Service Providers of these when inviting offers

- advise Service Providers of the evaluation criteria, and if applicable the weightings, which will be used to evaluate offers at the time of invitation and ensure that the same criteria are used to evaluate all of the offers received
- if offers are to be evaluated using weighted criteria, apply the procedure for Tender evaluation set out under the Tender Practices section of this Code
- not solicit or accept remuneration or other benefit from a Service Provider for the discharge of official duties.

#### **4.2. ETHICS AND CONDUCT – SERVICE PROVIDERS**

Whenever participating in a City of Hobart procurement process in any capacity, a Service Provider:

- will ensure they are acquainted with the City's Requirements and all matters relating to the Tender or the Quotation and the proposed contract
- will not submit a Tender or Quotation unless they have the financial, technical, physical, management, resource, ethical and other capabilities to fulfil the City's requirements
- will apply City's Procurement Principles and the standards and ethics required by this Code in its dealings with contractors, subcontractors, suppliers and agents
- must not engage in any uncompetitive behaviour or other collusive practices, which deny or reduce legitimate business opportunities to other potential suppliers or the City
- must at all times act in observance of all laws
- must not engage in acceptance or provision of secret commissions
- must not collude with other suppliers, potential or otherwise
- must not submit inflated prices to advantage another potential Service Provider
- must not enter into improper commercial arrangements with other contractors, subcontractors, suppliers or agents
- must not attempt to contact the city's officers not nominated as contact person to deal with enquiries
- must not seek to influence the procurement process by any improper means whatsoever
- must not accept incentives to provide contracts or services to other contractors, subcontractors or agents

- must declare any matter or issue which is, or which may lead to or which could be perceived as, a conflict of interest regarding their participation in a procurement process or a contract to fulfil the City's requirements immediately upon the Service Provider becoming aware of the matter or issue.

If engaged by the City to provide goods, services or works of any nature a Service Provider will:

- act in a polite and courteous manner towards the City's officers and agents and towards members of the general public
- refrain from the use of aggressive or inappropriate language and expressions and not act in an aggressive or threatening manner towards the city's officers, agents and members of the general public
- insofar as is reasonably possible apply the standards and ethics required by this Code in its dealings with any contractors, subcontractors, suppliers or agents
- put in place and maintain policies, systems and procedures for workplace health and safety management, environmental management, and quality assurance, appropriate to the applicable level of complexity and risk associated with performance of the City's requirements
- comply with the provisions of awards and workplace arrangements which have been certified, registered or approved under relevant industrial relations legislation
- comply with all applicable legislative, regulatory and statutory requirements, including Acts of the Commonwealth and State, regulations, by-laws and proclamations made or issued under such Acts and lawful requirements or directions of public and other authorities
- make payments to employees, subcontractors, suppliers, consultants and agents in a timely manner
- not offer gifts, gratuities, entertainment/hospitality and other benefits to a City of Hobart officer for the discharge of official duties.

Service Providers must not collude to influence the outcomes of a Procurement Process. Collusive behaviour includes but is not limited to:

- agreements between Service Providers as to who should be successful in winning City of Hobart's business
- any meeting of Service Providers prior to the submission of their Tender or Quotation that may disadvantage the City
- agreement between Service Providers for payment of money or securing of reward or benefit for unsuccessful Service Providers by the successful Service Provider
- agreement or collaboration between Service Providers to fix prices or Conditions of Contract
- submission of a cover Tender or Quotation or any assistance to another person to submit such a cover Tender or Quotation, that is intended to advantage another Service Provider or disadvantage the City
- any unlawful agreement between Service Providers before submission of Tenders or Quotations such as fixing a special rate of payment to a third party where the payment of such fees is conditional on that Service Provider being awarded a Contract
- any unlawful agreement providing for payment to any third party of money, incentives or other concessions contingent on the success of a Service Provider which do not relate to the provision of bona fide services relevant to that Tender or Quotation.



## 5. METHODS OF PROCUREMENT

### 5.1. REQUEST FOR QUOTATION

When the City procures goods, services or works under its tendering threshold of \$250 000 or seeks quotations from Panel arrangements established through a Standing Contract, the City will request quotations in line with its procurement thresholds outlined in section 2 of this Code.

There may be occasions where, for a number of reasons, quotation(s) cannot be obtained / sought or where doing so would have no additional benefit to the City or the market.

Therefore, exemptions from the requirement to seek written quotes under the thresholds can be sought from the Divisional Director if the reason for doing so satisfies one of the grounds outlined in section 2 of this Code – non-application of the quotation process.

### 5.2. OPEN TENDER

The City will invite Tenders by publishing a notice in the Mercury newspaper and its online Tendering portal.

The General Manager will ensure that applicants are provided with the following in order to make a Tender:

- details of the goods or services required
- details of the duration of the contract, including any extensions that are specified in the contract
- the conditions of participation to be met by applicants
- the criteria for evaluating Tenders
- the method of evaluating Tenders against the criteria
- any mandatory Tender specifications and contract conditions
- a reference to the City's Code for Tenders and Contracts
- applicants must lodge the tender in the manner specified in the conditions of tendering.

The period within which a Tender is to be lodged will be a period ending at least 14 days after the date on which the notice is published.

Applicants must make a Tender in writing, specify the goods or services Tendered for and lodge the Tender within the period specified in the notice.

**5.3. MULTIPLE-USE REGISTER**

The City may establish a Multiple-Use Register of suppliers that are determined by the City to satisfy the conditions of participation for that register for the supply of particular categories of goods or services.

If it is determined that the City will establish such a register, the General Manager will invite applications from prospective suppliers for inclusion on the register by publishing a notice in the Mercury newspaper and its online Tendering portal.

The General Manager will ensure that applicants are provided with the following in order to make an application:

- details of the categories of goods or services required
- the conditions of participation to be met by applicants
- the criteria for evaluating applications
- the method of evaluating applications against the criteria
- a reference to the City's Code for Tenders and Contracts.

The General Manager will advise all applicants of the results of their application including the categories for which they are registered and if applicable, the reasons for any rejection.

When the City wishes to use the register, the General Manager will invite all successful applicants that are registered for the relevant category to Tender for the provision of the required goods or services.

The Council will review any Multiple-Use Register at least once every two years.

The City will allow a prospective applicant to apply for inclusion on a multi-use register at any time, unless the applicant has applied within the previous 12 months and has not been accepted.

**5.4. MULTIPLE-STAGE TENDER**

The City may invite Tenders for a contract for the supply of goods or services using a multiple-stage Tender process, which is a process by which suppliers are evaluated through stages against criteria determined by the City.

At the first stage of the multiple-stage Tender process, the General Manager will invite expressions of interest by publishing a notice in the Mercury newspaper and its online Tendering portal.

The General Manager will ensure that applicants are provided with the following in order to make an expression of interest:

- details of the goods or services required
- the conditions of participation to be met by applicants
- the criteria for evaluating expressions of interest
- the method of evaluating expressions of interest against the criteria
- details of any further stages in the Tender process
- a reference to the City's Code for Tenders and Contracts.

At the final stage in the multiple-stage Tender process, the General Manager will invite all suppliers who met the criteria determined by the City to Tender for the supply of goods or services. The criteria used at each stage of the multiple-stage Tender process will be consistent.

If only one supplier meets the criteria determined by the City at the first stage, the City will contract with that supplier after a Tender by that supplier or a decision by absolute majority of the Council to do so.



### 5.5. STANDING CONTRACT

The City may establish a Standing Contract through an Open Tender process (refer to section 5.2 above) in which a single Tenderer or multiple Tenderers may be contracted for a specified period to provide specified goods or services during that period without the need for a further Tender process.

The City refers to a Standing Contract arrangement with a single Tenderer or multiple Tenderers as a Panel arrangement.

When purchasing from a Panel the City will seek written quotations in line with its procurement thresholds set out in section 2 of this Code.

There may be occasions where, for a number of reasons, quotation(s) cannot be obtained / sought from the Panel or where doing so would have no additional benefit to the City or the market.

Therefore, exemptions from the requirement to seek written quotes under the thresholds can be sought from the Divisional Director if the reason for doing so satisfies one of the grounds outlined in section 2 of this Code – non-application of the quotation process.

#### Panel Additions

The City will generally not permit the addition of providers to a Panel of providers during the term and any further terms of the Panel arrangement. However, additional Panel providers may be able to join a Panel during the term and any further terms of the Panel arrangement with approval by the General Manager if the request meets at least one of the criteria and all of the conditions for Panel additions outlined below.

#### Criteria for Panel Additions

At least one of the following criteria for adding Panel providers to an existing Panel must be satisfied:

- An increase in the volume of goods, services or works under the existing Panel arrangement has occurred that cannot be accommodated by existing Panel members.
- A court order or directive has been made after the original Tender process changing the circumstances of the original Panel.
- A change in legislation, Australian Standard or similar has occurred after the original Tender process changing the circumstances of the original Panel.
- The prospective additional Panel provider's legal entity was not in existence (i.e. registered, constituted, formed or incorporated) at the time the original Tender process was advertised.
- The prospective additional Panel provider's business did not have an operational presence in Tasmania at the time the original Tender process was advertised.
- A corporate reconfiguration or restructure has impacted a Panel provider on an existing City of Hobart Panel arrangement.
- To accommodate market innovation not contemplated or available at the time of the original Tender process.
- The Panel has insufficient providers to meet the City's needs under the Panel.





#### Conditions for Panel Additions

All of the following conditions for adding Panel providers to an existing Panel must be satisfied:

- A submission to join the Panel is made by the prospective additional Panel provider by completing the same Tender forms of the original Tender process for establishment of the Panel.
- The Tender submission to join the Panel is assessed against the same evaluation criteria and process as the original Request for Tender for establishment of the Panel.
- The prospective additional Panel provider meets the same requirements as the original Tenderers when the Panel was originally established.
- The submission of the prospective additional Panel provider is approved by the General Manager.
- The prospective additional Panel provider substantially agrees to the conditions of contract already executed by existing Panel providers.
- The additional Panel provider's contract expires on the same date as that of the original Panel providers.

Providers may be removed from a Panel if they fail to perform and meet key performance indicators or on the ground of insolvency.

A decision to add or remove a provider from a Panel will be at the sole discretion of the General Manager.

#### 5.6. USE OF OTHER CONTRACTS

Where it is determined that it is cost effective to do so the City may use a State or Commonwealth Government Contract, the National Procurement Network, Procurement Australia or another council contract for the provision of goods, services or works. The use of such Contracts exempts the City from the requirement to tender under Regulation 27 of the Regulations.

## 6. TENDERING PRACTICES

These Tender practices must be applied to all procurements where a public Tender is required. These Tender practices may, at the City's discretion, be applied to a Quotation process.

The purpose of these Tender practices is to ensure all City of Hobart Tenders are conducted in a fair and uniform manner.

### 6.1. ADMINISTRATION OF TENDERS

The City routinely seeks Tenders for a range of activities and requirements including consultancy work, construction and maintenance works, and the purchase of goods, equipment and general services.

Public Tender processes will be conducted on the City's behalf by the City's procurement staff.

Unless a situation exists for non-application of public Tender process, as outlined in section 2 of this Code, public Tenders must be called in accordance with the Act for all projects or purchases with an value equal to or greater than \$250,000 excluding GST (the Prescribed Amount)

Tenders may, at the Delegate's discretion, be called for any City of Hobart project or purchase with an estimated value less than the Prescribed Amount under the Act where the Delegate determines that:

- use of a formal Tender process is required or advisable due to the complexity, importance or organisational impact of the City's requirements
- it is likely or reasonably probable that the City would be exposed to a high level of risk due to the purchase
- use of formal Conditions of Contract are required or advisable.

### 6.2. ADMINISTRATION OF QUOTATIONS

All Quotations being sought for the supply of goods, services or works valued at or exceeding \$100,000.00 (excluding GST) but less than \$250,000.00 (excluding GST) must be issued with a unique identifier by the City's procurement staff, prior to the Quotation being sought.

### 6.3. DUMPED GOODS

Dumped goods are goods from overseas that are imported into Australia at less than their normal value that causes or may cause material injury to an Australian industry producing similar goods, or hinder the establishment of an Australian industry. Dumped goods and goods that are suspected of being dumped and are under investigation by the Australian Government's Anti-Dumping Commission, can be identified by referring to the Australian Government Anti-Dumping Commission website.

Where the City identifies that a Tender includes Dumped Goods, the Tender may be rejected on that ground.

#### 6.4. ETHICAL STANDARDS

The City has agreed to only support and / or contract companies, institutions and organisations that refuse to support or profit from practices which abuse the fundamental human rights of asylum seekers. A company that is not abusive is one which:

- has zero tolerance for child abuse, in policy and practice
- respect people's fundamental rights to freedom from arbitrary and indefinite detention
- does not treat people in a cruel, inhumane or degrading manner
- commits to transparency and independent monitoring to ensure these principles are upheld.

When submitting a Tender or Quotation Service Providers in relevant fields are required to complete a declaration that neither they or their company's holdings or subcontractors provide services to Off-Shore Detention Centres.



## 7. TENDER PROCESS

Stages 1–6 (inclusive) of the following diagram identify the steps in the City's Tender process:

STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5	STAGE 6	STAGE 7	STAGE 8
<b>TENDER PROCESS</b>				<b>CONTRACT MANAGEMENT</b>			
Identify the procurement method/Plan the purchase	Prepare the Tender documents	Invite and receive Tenders	Evaluate Tenders	Implement a contract	Advise and de-brief providers	Manage the contract	Review contractor performance

### 7.1. STAGE 1 – PLANNING THE PROCUREMENT

The following actions are required prior to preparing a request for tenders (RFT):

- verifying that the appropriate Delegate has approved undertaking the purchase by completion of a Quote and Tender Application form
- establishing the objectives of the purchase and preparing the Specification, which will clearly convey the City's requirements to Service Providers
- identifying the correct purchasing method, including
  - determining if the City's own workforce has the capability to fulfil the City's requirements
  - determining if there is an appropriate Contract already in place
  - determining if there is a need for a whole of organisation contract arrangement
- valuing the purchase and, at a minimum, complying with the purchasing thresholds set out under this Code
- confirming sufficient funds are available in the City's budget
- confirming the Tender has been approved by the appropriate Director
- establishing the evaluation committee, their roles and responsibilities
- consideration of conflict of interest for any person involved in the procurement process
- defining any mandatory Conditions of Participation or compliance criteria that a potential provider will be required to meet in order to have their Tender considered
- defining the evaluation criteria (and weightings if applicable) which will be used to evaluate Tenders and select the successful Service Providers(s).





#### **Calculating the Value of a Purchase**

The value of a contract must be estimated prior to seeking Tenders or Quotations and the contract value must not be underestimated in order to avoid the requirement to seek Tenders or Quotations.

The duration of a contract (including standing offers for the supply of goods, services and works, or any combination thereof) must be based on the contract period that best fits the City's business, operational and risk management requirements. A shorter contract period must not be selected in order to avoid the requirement to seek Tenders.

A purchase must not be split into multiple smaller purchases in order to avoid the requirement to seek Tenders or Quotations.

Where relevant, provisional sums, prime cost items, allowances for contingency sums and the like are to be included in the estimated value of a purchase over a two year period.

#### **Competitive Neutrality**

The City will only accept Tenders from other Local Government Authorities, Government bodies or public sector suppliers where, to the extent possible, the price reflects the full commercial cost.

Before considering a Tender submitted by or on behalf of another Local Government Authority or a Government body or a public sector supplier, written confirmation that the price has been calculated on a full commercial cost basis under competitive neutrality conditions will be obtained.

If competitive neutrality cannot be confirmed, or the Local Government Authority, Government body or public sector supplier fails to provide satisfactory written confirmation as to the competitive neutrality of their Tender, the Tender shall be declined.

#### **Use of Experts or Probity Advisors**

The City will engage the services of Probity Advisors and external experts where the nature of the Tender warrants it. For example, where the City is requesting Tenders with complex requirements or high cost or where the contractual arrangement is for extended periods.

## 7.2. STAGE 2 – PREPARE THE TENDER DOCUMENTS

A unique identifier will be allocated to all Tenders and Requests for Quotation \$100,000.00 and over. Once the contract is awarded the unique identifier will be provided for the contract. The unique identifier must be referred to on all correspondence and other documentation relating to the Tender/Quote and the contract.

Appropriate records are to be maintained throughout the duration of a Tender process.

### Conditions of Tendering

The RFT must include Conditions of Tendering, setting out the terms under which a Tender will be accepted for evaluation, including at a minimum:

- a unique identifier number
- the place for lodgement of Tenders
- lodgement instructions
- the Closing Time and place
- specific lodgement requirements, including the information to be submitted with a Tender
- a single nominated contact officer, to which all enquiries concerning the RFT must be submitted
- the procedure for responding to enquiries and amending or clarifying the RFT documents
- any other matters relating to the RFT process, including details of pre-Tender briefings and site inspections
- mandatory Conditions of Participation or compliance criteria applicable to the RFT
- evaluation criteria and weightings and the method of selecting the Preferred Tenderer
- reference to the Code for Tenders and Contracts.

### Specification

A complete Specification, which describes the extent of the requirements and particulars of the manner or method of the performance of the City's requirements, must be provided for each RFT.

The Specification must, at a minimum include:

- a description of the City's requirements, which is sufficient to ensure that a Service Provider is not required to undertake an unreasonable amount of design work or other effort in preparing and lodging a Tender
- legislative and mandatory requirements and minimum fitness for purpose and quality standards
- health and safety and environmental management requirements.

The Specification must allow participation by local Service Providers wherever local capacity exists and must not restrict competition to be biased towards a particular brand or Service Provider.

### Conditions of Contract

Service Providers must be provided with or advised of the terms and conditions of the contract that a successful Tenderer will be required to agree to.

The RFT will include either:

- the Conditions of Contract or other document setting out the contractual terms defining the obligations and rights of the parties to a contract
- reference to the Australian Standard conditions of contract, or other Conditions of Contract, applicable to the RFT.

Any Annexures, schedules or exhibits to the Conditions of Contract must also be issued with the RFT.

### Tender Forms

At a minimum, Service Providers must be provided with a properly structured Tender form, on which to make their Tender.

### **7.3. STAGE 3 - INVITING AND RECEIVING TENDERS**

#### **Inviting Tenders**

The Invitation to Tender must be in the form of a public advertisement, which at a minimum provides:

- a description of the City's requirements
- the Closing Time
- instructions on how to obtain the Tender documents
- details of Tender deposits or other payments  
Tenderers are required to make in order to obtain the Tender documents (if applicable)
- the times and dates for pre-tender meetings (if applicable).

At a minimum, the Invitation to Tender will be placed in the Tenders section of the Wednesday or Saturday edition of the Mercury newspaper and will be posted on the City's online Tendering portal.

#### **Tender Closing**

All Tenders will be allocated with a Closing Time, specifying the time and date by which Tenders must be submitted. The Closing Time must be included in the Conditions of Tendering and the Invitation to Tender.

Tenderers will be provided with sufficient time between issuing of the Invitation to Tender and the closing date in which to prepare their Tenders.

The period within which a Tender is to be lodged will be a period ending at least 14 days after the date on which the notice is published.

Unless the City's operational needs require otherwise, submission of Tenders will not be required:

- before 3 pm
  - on a Monday or any day immediately after a day which is a declared statutory public holiday in Tasmania
- or

- between the dates of 24 December to 2 January (inclusive).

The City may amend the Closing Time for Tenders by issuing a written notice to all parties in receipt of the RFT via its e-Tendering portal website.

#### **Requests for Advice and Information**

The City will establish an online forum at the City of Hobart e-Tendering portal website for each Tender.

All requests:

- for clarification of a document forming part of the RFT
- for additional information
- regarding other enquiries in connection to the RFT

must be made via the online forum provided for the RFT before it closes at the City of Hobart e-Tendering portal website prior to the Closing Time.

This is to allow sufficient time for a response and information to be provided to all parties that have downloaded the RFT documentation.

The City will respond to requests for clarification or information via the online forum. Any matter which requires amendment to a document forming part of the RFT will be dealt with by issuing a Notice of Addendum.

The City will nominate a City of Hobart officer or other representative (the "contact person") to deal with RFT enquiries. All enquiries about the RFT must be directed to the contact person.

Any requests or queries regarding the Tender process after the Closing Date must be referred to the Contact Officer via email to [procurement@hobartcity.com.au](mailto:procurement@hobartcity.com.au)

The City reserves the right not to respond to any requests for clarification or for additional information sent via email after the Closing Date.



Information not included in the RFT documents, which is provided to a potential Tenderer, will be equally provided to all other potential Tenderers.

#### **Amending or Extending a Tender**

The City reserves the right to amend any of the documents comprising the RFT or provide clarification of any matter relating to the RFT prior to the Closing Time.

If the RFT is amended or clarification of the RFT matter, other than clarification of the RFT process, is required, the City will issue a notice of addendum via its e-Tendering portal website.

Tenderers will be provided with sufficient time to allow for incorporation of the requirements of any addenda issued in their Tender submission.

The City may allow Tenderers, which have already submitted a Tender, to lodge an amendment to their Tender, provided that any such amendment is lodged in accordance with the Conditions of Tendering prior to the Closing Time.

#### **Receiving and Lodgement of Tenders**

Clear instructions on how to lodge a Tender will be provided in the Conditions of Tendering.

A Tenderer must comply with the lodgement instructions given in the Conditions of Tendering. The City may reject any Tender which is not lodged in accordance with the lodgement instructions, without consideration.

#### **Late Tenders**

Any Tender received after the Closing Time for Tenders will not be considered unless the City is of the opinion, and the City's decision shall be final, binding and not open to dispute, that:

- the cause of the lateness was beyond the Tenderer's reasonable control;
- consideration of the late Tender would not provide an unfair advantage to the Tenderer submitting the late Tender; and
- consideration of the late Tender would not compromise the Tender process.

#### **Opening of Tenders**

The City will provide the facility for lodgement of Tenders via the City of Hobart e-Tendering portal website.

Tender submissions will not be opened until the time set for the closing of Tenders has elapsed.

The opening of Tenders will not be public.

Tender submissions will be opened in the presence of at least three City of Hobart officers together with the external Probity Advisor if applicable, and the Tender submissions received will be clearly identified and recorded upon opening.

If a Tenderer is provided with the opportunity to correct unintentional errors of form between the opening of submissions and nomination of a Preferred Tenderer, the same opportunity to correct unintentional errors will be provided to all other Tenderers.

A Tenderer may withdraw its Tender at any time prior to acceptance of the Tender, by providing the City with written notification.

A Tender must remain valid for the period of time required by the Conditions of Tendering.

#### **Alternative Tenders**

The City may consider any Tender which meets the City's requirements in an alternative and practical manner provided that it meets the totality of those requirements (i.e. the City may consider an "Alternative Tender").

Alternative Tenders may relate to the functional, performance and technical aspects of the requirements or to opportunities for more advantageous commercial arrangements.

The City may either consider Alternative Tenders on their merits or reject Alternative Tenders without consideration at its discretion.

**Confidentiality and Commercial-in-confidence**

Any of the documents, information or other materials provided to Tenderers by, or on behalf of, the City in connection to an RFT, remains the property of the City and may only be used by the Tenderer to the extent required to prepare its Tender.

A Tenderer or other person receiving the Request for Tenders must not publish, disclose or copy any of its content, except as necessary to prepare its Tender. The Tenderer must keep confidential all information provided by or on behalf of the City as part of, or in connection to, the Request for Tenders.

The City may publish and publicly disclose (in annual and other reports, on the internet or otherwise) a description of the Contract arising out of awarding of the Tender, the successful Tenderer's name and the value of the successful Tender.

The City may reproduce and disclose or distribute and save or store all or part of a Tender as required to enable the Tender evaluation process and as necessary to meet its legal, governmental and other obligations.

The City will disclose the name of the successful Tenderer to unsuccessful Tenderers.

Further information regarding confidentiality in the Tender evaluation process is outlined in section 7.4 of this Code.

All Tenders become the property of the City immediately upon submission.



#### 7.4. STAGE 4 – TENDER EVALUATION

Unless the Conditions of Tendering expressly state an alternative method, Tender evaluation will be carried out in accordance with the principles and practices set out in this Code.

##### Conforming and Non-conforming Tenders

A Tender will initially be assessed for conformance. A conforming Tender will be taken to mean a Tender which:

- is lodged by the Closing Time and in compliance with the requirements of the Conditions of Tendering
- meets the mandatory Conditions of Participation.

The City will consider any conforming Tender on its merits. The City may reject, as a non-conforming Tender, any Tender which:

- is not submitted in conformance with the Conditions of Tendering
- is incomplete or which contains insufficient information to allow the City to carry out a valid evaluation in accordance with the procedure for evaluating Tenders set out in this Code.

The City reserves the right to exclude any Tender from evaluation which, in the City's judgement, is excessively low or high in price so as to have an effect on the relativity of other Tenders.

##### Tender Evaluation Committee

A Tender Evaluation Committee (TEC) will be established for each Tender process. The TEC will consist of at least three members plus one of the City's procurement staff to act as an advisor/observer and to administer and provide oversight of the Tender process. In order to ensure consistency a common structure for all TECs within the City is required. Therefore, the TEC will always include the following:

- chairperson
- at least two members additional to the chairperson
- an independent probity advisor, if required
- the City of Hobart procurement officer allocated responsibility for administering the Tender process.

The chairperson should be a City of Hobart officer with suitable seniority, normally the TEC would be chaired by a relevant Manager at a minimum and at least one member should be a technical/subject expert.

A non-City of Hobart employee may be appointed to a TEC as appropriate, subject to having no declared conflict of interest.

A probity advisor may be required for high value or complex Tenders where independent probity advice and an independent probity contact for Tenderers would benefit the procurement process and reduce procurement risk.



### **Confidentiality**

Tender evaluations should be strictly confidential. All contact with the suppliers must be confirmed in writing through the Procurement Officer advising the TEC. Members of the TEC will not discuss with any other person outside the TEC issues regarding the evaluation. The Chair of the TEC may obtain advice from specialists to assist in the Tender evaluation process.

### **Method**

Tenders will be evaluated with the aim of determining the Tender submission which offers the best value for money outcomes to the City.

When assessing value for money, the City may:

- in addition to price, take into account any non-price criteria that it considers relevant to the successful performance of the City's requirements and achievement of the City's desired commercial and other outcomes, including but not necessarily limited to the City's Procurement Principles
- apply a weighting to the price and non-price criteria.

The evaluation method and evaluation criteria and weightings must be determined before finalising the RFT and must be disclosed to Tenderers in the Conditions of Tendering.

Selection and manner of application of the evaluation criteria and weightings will be at the sole discretion of the City. The City will not be liable to any Tenderer for the application, or non-application, of any evaluation criterion or weighting. Evaluation criteria and weightings will apply equally to all Tenderers.

### **Clarifications**

During the evaluation process, the City may request additional information from any Tenderer in order to clarify matters in doubt or not made clear by the Tender submission. However, a Tenderer will not be provided with the opportunity to revise or amend its Tender price or submit additional material information in order to make a non-conforming Tender into a conforming Tender.

### **Tender Negotiations**

During the evaluation process, the City reserves the right to negotiate with a Tenderer or Tenderers in order to:

- assess a Tenderer's understanding of the City's requirements, test any assumptions made by a Tenderer in determining their Tender prices(s) and rectify any false assumptions
- obtain clarification of matters in relation to the Tenderer's capability to fulfil the City's requirements
- enhance the commercial benefit to the City by achieving cost reductions or service improvements with the preferred tenderer
- finalise the commercial terms required to form a contract.

The City will not enter into negotiations which result in substantial modification to the City's requirements or which would lead to a non-conforming Tender becoming a conforming Tender.

The outcomes of Tender negotiations will be reflected in the final contract documentation.

In the course of negotiations with a Tenderer, the City will not disclose the details of any other Tender submissions.

**7.5. STAGE 5 – ESTABLISH A CONTRACT**

The authority to award Tenders and Quotations, and enter into contracts, will be in accordance with the approved Delegate under the financial delegations set out in the City's Delegation Register.

**Tender Rejection and Acceptance**

The City is not obliged to accept the lowest priced Tender or any Tender.

The City may reject all Tenders.

The City may accept a conforming or Alternative Tender.

If the City rejects all Tenders, it will advise all Tenderers accordingly in writing.

The City will advise all Tenderers of the outcome of the Tender process in writing. Unsuccessful Tenderers will also be provided with the name of the successful Tenderer.

The requirements for acceptance of Tender and contract formation will be specified in the RFT.

**Contract Extension**

The City may extend a contract entered into by Tender under the following conditions:

- if the contract conditions provide for an extension of contract
- by a decision of the Council made by absolute majority.

The City will be mindful when such extension of contract is granted that the principle of open and effective competition is adhered to.

**Contract Variation**

A variation to a contract could include, but not be limited to, a change in scope and type of the City's requirements, quality standard, service level, delivery times, timeframes, personnel and price.

All contract variations must be approved by the appropriate delegate in line with their financial delegation and generally must:

- not exceed budget unless a budget variation request has been approved
- not materially alter the Specification for the goods, service or works initially tendered for
- Be less than 10% of the contract price and less than \$250,000 in value.

In the case of large projects, Council approval will be sought where the variation value is more than \$250,000 in value.

If a variation to a Contract has a value more than \$10,000, an exemption from the requirement to quote should be sought from the Divisional Director.

#### **7.6. STAGE 6 – ADVISING AND DEBRIEFING SUCCESSFUL AND UNSUCCESSFUL SERVICE PROVIDERS**

Both successful and unsuccessful Service Providers will be provided with an opportunity for a debriefing. The debriefing for unsuccessful Service Providers will be designed to assist them to improve their ability to successfully bid for future City of Hobart requirements.

Debriefings are offered in order to promote continual improvement of submissions provided to the City by prospective Service Providers. This is achieved by offering unsuccessful Service Providers with a learning opportunity as to their capabilities relative to the City's requirements and expectations and by identification of where opportunities for improvement exist.

The debriefing process is not to be used as a means of contesting the outcomes of a Procurement Process, and will not be used as a means of exploring the merits of other Service Providers' submissions with an unsuccessful Service Provider.







## 8. COMPLIANCE AND REVIEW

### 8.1. REVIEW OF TENDER PROCESS

Following completion of the tender evaluation process a report is prepared for the appropriate Delegate to review the tender process and accept or reject the recommendation from Procurement.

Periodic reviews of procurement and tender process controls will be conducted by the City's internal auditors.

Procurement will continually review and improve procurement, tendering and contract management procedures.

### 8.2. PROCUREMENT COMPLAINTS

A complaint about procurement can be communicated to the City via the process for making a complaint contained in the City's Customer Service Charter, which may be obtained via the City's website at [hobartcity.com.au](http://hobartcity.com.au)

The Procurement Officer should first attempt to find resolution to the procurement complaint in consultation with the Group Manager Rates and Procurement. The Chairperson of the TEC should be consulted in relation to the complaint. If the complaint can't be resolved the complaint should be referred to the General Manager.

### 8.3. BREACH OF THE CODE

The City will comply with its Code and its legislative obligations.

If any employee of the City, or a body controlled by the City, breaches this Code, the City may take disciplinary action if, in its absolute discretion, it considers it desirable to do so.

If a Service Provider commits a breach of this Code, the City may, in its absolute discretion, take action against that Service Provider. Action may include, but not be limited to:

- giving a warning to the Service Provider
- a reduction in future opportunities for that Service Provider to bid (i.e. submit Tenders or Quotations)
- the City refusing to consider any Tender or Quotation submitted by that Service Provider
- reporting of the breach to a statutory, professional or other relevant body
- termination or suspension of the Service Provider's engagement.

## 9. REPORTING

### 9.1. ANNUAL REPORTING

Where in a financial year, a contract, for the supply or provision of goods or services valued at or exceeding the Prescribed Amount is, entered into, or extended under regulation 23(5)(b) of the Regulations, the City's annual report for that financial year will include the following information:

- a description of the contract
- the period of the contract
- the periods of any options for extending the contract
- the value of any Tender awarded or, if a Tender was not required, the value of the contract (excluding GST)
- the business name of the successful contractor
- the business address of the successful contractor
- any other prescribed matter.

Where approval has been given for non-application of the Tender process in accordance with regulation 27(a) and (i) of the Regulations, the City's annual report will include the following information:

- a brief description of the reason for not inviting public Tenders
- a description of the goods or services acquired
- the value of the goods or services acquired
- the name of the contractor.

Where in a financial year, a contract, for the supply or provision of goods or services valued at or exceeding \$100,000.00 (excluding GST) but less than the \$250,000.00 (excluding GST) is, entered into, or extended, the City's annual report for that financial year will include the following information:

- a description of the contract
- the period of the contract
- the periods of any options for extending the contract
- the value of the contract (excluding GST)
- the business name of the successful contractor
- the business address of the successful contractor
- any other prescribed matter.



**9.2. REPORTING TO THE COUNCIL**

For purchases with a value equal to or exceeding the value where three written Quotations are required, the number of instances of non-application of the requirement to obtain three written Quotations according to reason must be reported to the Council on a quarterly basis.

**9.3. REPORTING TO THE GENERAL MANAGER**

For purchases with a value equal to or exceeding the value where two written Quotations are required, the number of instances of non-application of the requirement to obtain two written Quotations according to reason must be reported by the Group Manager Rates and Procurement to the General Manager.



## 10. REVIEW OF THE CODE

This Code for Tenders and Contracts will be reviewed at least every four years by 1 January unless a change occurs that requires the City to amend its Code for Tenders and Contracts.

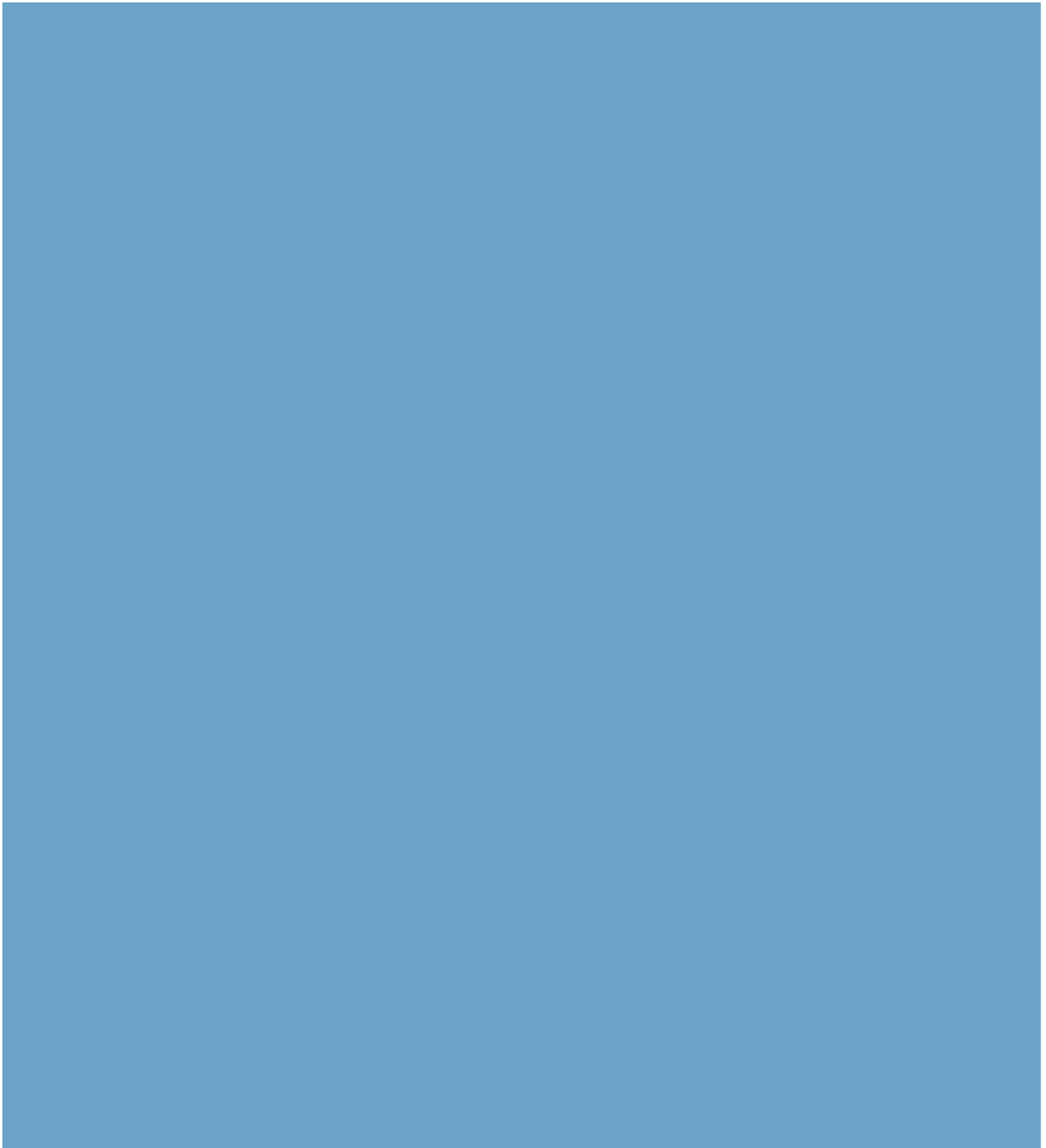


# 11. DEFINITIONS

TERM	DEFINITION
<b>Alternative Tender or Quotation</b>	A Tender or Quotation which meets all of the City's requirements but in a manner different to that specified.
<b>Central Procurement</b>	Located in the Financial Services Division responsible for providing centre-led guidance and compliance in relation to the City's procurement framework.
<b>Closing Time</b>	The closing time and date for Tenders or Quotations stated in the Conditions of Participation or Conditions of Tendering.
<b>Conditions of Contract</b>	The terms and conditions that a Service Provider will be required to substantially agree to if their Tender or Quotation is accepted.
<b>Contract</b>	A formal agreement entered into between the City and the successful Tenderer for performance of the City's requirements.
<b>Conditions of Participation / Conditions of Tendering</b>	The terms and conditions under which the City will seek receive and evaluate Tenders and Quotations.
<b>Council</b>	Hobart City Council (t/a City of Hobart) and where context permits, its employees and assigns.
<b>City's requirements</b>	The goods, equipment, services or works required by the City under an RFT or request for quotation.
<b>Delegate</b>	The Council Committee or officer authorised to expend funds to the value of the City's requirements under the current version of the City's Delegations Register.
<b>Dumped Goods</b>	Has the meaning given in section 6.3 of this Code.
<b>Invitation to Tender</b>	The advertisement or other written advice issued by the City in order to seek Tenders.
<b>Local Businesses and industry</b>	Includes suppliers with a permanent established business location in the Hobart municipal area, operating in the southern region of the state with a permanent office or presence in southern Tasmania or based in Tasmania with a permanent business presence in the state mainly employing Tasmanian workers.
<b>Multiple-Use Register</b>	A register of suppliers who meet criteria established by the City in respect of the supply of particular categories of goods and services.



<b>TERM</b>	<b>DEFINITION</b>
<b>Panel</b>	A panel of providers established as a result of an open tender, each of whom signs a Contract (on terms substantially similar to the Standing Contract) with the City.
<b>Preferred Tenderer</b>	The Tenderer adjudged by the City as best satisfying the City's requirements.
<b>Procurement Principles</b>	The procurement principles prescribed under Regulation 28(a) of the Regulations.
<b>Procurement Process</b>	The process whereby the City seeks to engage a Service Provider to provide the City with goods, equipment, services or construction or building works.
<b>Quotation</b>	An offer from a prospective Service Provider in response to an Invitation issued by the City to a selected number of prospective suppliers.
<b>Request for Tender (RFT)</b>	The documents inviting Tenderers to offer to deliver the City's requirements by submitting a Tender in accordance with these Conditions of Tendering.
<b>Service Provider</b>	Any contractors, subcontractors, consultants participating, or seeking to participate, in a Procurement Process, and where the context so permits includes a reference to the "Tenderer".
<b>Specification</b>	The documents prepared for the purpose of describing the extent and the manner of the performance of the City's requirements, including preliminary and general requirements, directions, schedules, programs and drawings and other documents included with or referenced in an RFT or Request for Quotation.
<b>Standing Contract</b>	A contract in which a single tenderer or multiple tenderer may be contracted for a specified period to provide specified goods or services during that period without the need for a further tender process.
<b>Tender</b>	An offer from a prospective Service Provider in response to an open and public Invitation to Tender by the City, whereby no limit is placed on the potential number of offers.



Hobart Town Hall,  
Macquarie Street,  
Hobart,  
Tasmania 7000 Australia  
T 03 6238 2711  
F 03 6238 2186  
E [coh@hobartcity.com.au](mailto:coh@hobartcity.com.au)  
E [hobartcity.com.au](http://hobartcity.com.au)



**6.7 City of Hobart and UTAS Governance Forum**  
**File Ref: F19/70655**

---

Memorandum of the General Manager of 7 June 2019 and attachment.

Delegation: Council



City of **HOBART**

## **MEMORANDUM: FINANCE AND GOVERNANCE COMMITTEE**

### **City of Hobart and UTAS Governance Forum**

#### **Introduction**

The purpose of this memorandum is to provide the Council with a copy of correspondence from UTAS' Vice Chancellor, Professor Rufus Black and to seek nominations from Elected Members to participate in a joint City of Hobart and UTAS governance forum.

#### **Discussion**

As Elected Members would be aware the University Council announced that it would be developing a campus in inner Hobart over the next 10 to 15 years.

In their correspondence (attached), UTAS has indicated that they are aware of the scale of the changes associated with such a significant proposal but they believe that along with related initiatives such as the City Precincts Plan there will be support for the delivery of better infrastructure and public transport. UTAS is supportive of developing a campus that works for both the University and the community.

Given the magnitude of the future inner Hobart campus, it is proposed that a governance forum be established in which related and shared issues can be managed in a co-ordinated way.

The correspondence from UTAS has suggested that the City of Hobart representatives on the governance forum would ideally have responsibility in key fields such as planning and finance and would join the Lord Mayor and General Manager as Councils' representatives. One of the first matters for the forum to consider will be to agree to the basis of an infrastructure compact ensuring UTAS makes a fair financial contribution to the way the City develops.

In addition, UTAS wishes to explore with the Council how best to work with the State Government to ensure issues such as planning, public transport and the provision of State services are dealt with in an integrated way.

#### **Proposal**

It is proposed that the Council call for nominations from interested Elected Members to participate on the City of Hobart and UTAS governance forum.

**RECOMMENDATION****That:**

1. ***The Council note the correspondence from the UTAS' Vice Chancellor, Professor Rufus Black.***
2. ***The Lord Mayor and General Manager be appointed to the City of Hobart and UTAS Governance Forum.***
3. ***The Council appoint two other Elected Members to the forum, noting the request of the Vice Chancellor that those Elected Members would ideally have "responsibility in key fields such as planning and finance."***

*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.*



N D Heath  
**GENERAL MANAGER**

Date: 7 June 2019  
File Reference: F19/70655

Attachment A: Correspondence from the Vice Chancellor, Professor Rufus Black ↓



UNIVERSITY of  
TASMANIA

**Office of the  
Vice-Chancellor**

Mr Nick Heath  
General Manager  
City of Hobart  
GPO Box 503  
HOBART TAS 7001

By email: [generalmanager@hobartcity.com.au](mailto:generalmanager@hobartcity.com.au)

Dear Mr Heath

As you would be aware, the University of Tasmania's Council recently took the historic decision to develop a campus in inner Hobart over the next 10 to 15 years. This decision paves the way for the careful and deliberative development of a campus precinct which runs from the original home of the University on the Domain, along Melville Street to the existing K&D Hardware site. At the same time, we intend to act as a steward for the current Sandy Bay campus land for many years, and this land is likely to be developed for a range of uses including residential, educational and community purposes.

We are deeply aware of the scale of these changes and how they may support the development of greater Hobart for many years to come. We also are aware of important related initiatives such as the City Precincts Plan and how an increased density of people in the city might support the delivery of better infrastructure and public transport. We need to develop a campus which works not only for the University, but for the community as well. We see great merit in the notion of building upon existing consultative frameworks such as "*Hobart: A community vision for our island capital*" and the RACT's "*Greater Hobart Mobility Vision*".

Achieving the very best outcomes for greater Hobart and its residents will require a co-ordinated approach between the University and the City of Hobart, and careful and considered engagement with our community. To navigate these changes well, we propose to establish a governance forum in which we can have these important conversations in a managed and co-ordinated way. Our view is that this forum would comprise:

- From the University of Tasmania:
  - The Vice-Chancellor, Chief Operating Officer, the Executive Director Corporate Affairs and Executive Director Southern Transformation.
- From the City of Hobart:
  - The Lord Mayor, General Manager and two elected representatives (ideally with responsibility in key fields such as planning and finance).

Office of the  
Vice-Chancellor

University of Tasmania T 61+ (03) 6226 2003  
Private Bag 51 E [Vice.Chancellor@utas.edu.au](mailto:Vice.Chancellor@utas.edu.au)  
Hobart Tasmania  
7001 Australia ABN 30 764 374 782 / CRICOS 00586B

[utas.edu.au](http://utas.edu.au)



UNIVERSITY of  
TASMANIA

We also are interested to explore with the City of Hobart how we co-ordinate with the State Government, to ensure that critical issues such as planning, public transport and the provision of State services are dealt with in an integrated way. We suggest that the first order of business for us would be to agree the basis of a 10-year infrastructure compact, into which the University would pay the equivalent of the general rate on its inner-city properties to provide infrastructure related to the delivery of this shared vision for our city.

We want to be a University which is not just in the city but is of and for the City. We are keen not to have a city vision and a University vision, but rather to create one vision about which we can all feel a sense of pride, inspiration and belonging. To honour these principles, we would propose that the Lord Mayor Chair this governance group and that the Secretariat be hosted within the City of Hobart.

Thank you for taking the time to consider these ideas. We look forward to many positive and constructive conversations in the years ahead.

Yours sincerely

Professor Rufus Black  
Vice-Chancellor

7 June 2019

**6.8 Lease - Christina Henri - Part of Level 4 Council Centre**  
**File Ref: F19/72063**

---

Report of the Manager Inclusive, Resilient and Creative Communities  
and the Director Community Life of 5 June 2019 and attachments.

Delegation: Committee



**REPORT TITLE: LEASE - CHRISTINA HENRI - PART OF LEVEL 4  
COUNCIL CENTRE****REPORT PROVIDED BY:** Manager Inclusive, Resilient and Creative Communities  
Director Community Life**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is for the Council to consider a proposal to continue the leasing of office space on level 4 of the Council Centre building for a further two years to Dr Christina Henri at no charge.
- 1.2. Dr Henri's projects relate to Australia's female convicts and their children, with specific interest focussing on the Tasmanian Aspect of this Colonial story. Her art has attracted national international attention.

**2. Report Summary**

- 2.1. Dr Henri has been occupying an office space on Level 4 of the Council Centre since late 2016 at no cost and been acknowledged as a Cultural Tourism Ambassador for the City of Hobart.
- 2.2. Dr Henri has written to the Council requesting that in light of her continued delivery of projects specifically relating to the history of the Hobart area that a new lease agreement be developed for a further two years at no cost. Dr Henri's proposal is shown at **Attachment A** to this report. The office space is shown at **Attachment B** to this report.
- 2.3. Dr Henri's "Roses from the Heart" memorial project is ongoing and is a major international project involving participants world-wide. Its cultural tourism potential has already attracted tourists from across the globe to visit Hobart and retrace the steps of women transported to Van Diemen's Land during the 1800s.

**3. Recommendation*****That:***

- 1. The Council grant a lease to Dr Christina Henri for an office space located on level 4 of the Council Centre building for a period of two years at no cost.***
- 2. The lease and associated grant value of \$3,200 be recorded in the City's Annual Report in accordance with its policy on 'Leases to Non-Profit Organisations'.***
- 3. The General Manager be authorised to negotiate the terms and conditions of the lease.***

#### 4. Background

- 4.1. The Council in 2016 approved the provision of an office space on level 4 of the Hobart Council Centre at no cost to Dr Christina Henri following the conclusion of her honorary artist-in-residence at the Cascade Female Factory.
- 4.2. Dr Henri was also acknowledged as a Cultural Tourism Ambassador for the City of Hobart.
- 4.3. Dr Henri's projects relate to Australia's female convicts and their children, with specific interest focussing on the Tasmanian aspect of this colonial story. Her art has attracted national and international attention. Dr Henri is regularly visited by overseas, interstate and intrastate participants of her memorials who bring their bonnet tributes to Dr Henri in Hobart. This provides the opportunity to connect with her and to visit the places relating to the lives of the women and children that their tribute recognises.
- 4.4. Dr Henri considers that her art memorials are of benefit to the City of Hobart. Since 2010, she has been travelling to the United Kingdom and to Ireland holding events, linking our State and country with these European countries through the mutually connecting history of female convicts and their children transported to Van Diemen's Land and the mainland.
- 4.5. Dr Henri has provided a proposal detailing her achievements over the past two years and her plans for the future. The proposal is shown at Attachment A.
- 4.6. The office space that Dr Henri is seeking to lease is 16/m2 and in accordance with the most recent market valuation for this space, the market value would be \$200/m2 per annum, equating to a grant of \$3,200.
- 4.7. The City's policy titled Leases to Non-Profit Organisations sets out a number of criteria against which lease proposals seeking reduced rental are to be assessed. The table below provides commentary regarding the proposal against the criteria in the policy.

Criteria	Comments
Use, or proposed use of the property	Proposing to use property as office, work, meeting and storage space for the "Roses from the heart" project.
Alignment with the Council Strategic Plan and other relevant Council strategic documents	Aligns well with Social Inclusion and Creative Hobart Strategies.

Criteria	Comments
<p>Level of community benefit – proposed or provided, which could include one or more of the following:</p> <ul style="list-style-type: none"> <li>• Health and wellbeing</li> <li>• Lifelong learning</li> <li>• Arts and culture</li> <li>• Social inclusion</li> <li>• Heritage and history</li> <li>• Economic</li> <li>• Environment / environment management</li> <li>• Welfare</li> </ul>	<p>Dr Henri is a well-respected local artist who is delivering an ongoing international project involving participants world-wide. Its cultural tourism potential has already attracted tourists from across the globe to visit Hobart and retrace the steps of women transported to Van Diemen's Land during the 1800s.</p>
Value of land and buildings	<p>The value of the office space according to the most recent market valuation is approximately \$200/m<sup>2</sup>. The value of the proposed lease space would be approximately \$3,200 pa.</p>
Potential for alternative use	<p>The space is currently occupied by Dr Henri.</p>
Viability and capability of the organisation	<p>There have been no concerns with Dr Henri utilising this office space over the past two years and she has included details of her upcoming plans in her proposal.</p>
Capacity to pay, after all income and expenditure is taken into account	<p>As Dr Henri is an individual artist with no income stream, there is no capacity to pay rental.</p>
Capacity to invest in and maintain the asset, or degree of capital investment undertaken	<p>This is not overly relevant given the proposed lease area is pre-existing office space and would be used as such.</p>
Type of facility	<p>Office space.</p>

Criteria	Comments
Capacity to invest in the community, or level of community investment provided, through disbursement of surplus funds to local community groups, organisations or activities	Not applicable.
Length of tenure sought	The length of tenure of two years is relative to other tenancies on Level 4 Council Centre.
For lease renewals only, the level of compliance with existing lease terms and conditions	There have been no issues identified.

4.7.1. The current proposal clearly satisfies the criteria in the policy.

## 5. Proposal and Implementation

- 5.1. It is proposed that the Council grant a lease to Dr Christina Henri for an office space located on level 4 of the Council Centre building for a period of two years at no cost.
- 5.2. The lease and associated grant value of \$3,200 be recorded in the Council's Annual Report in accordance with the City's Leases to Non-Profit Organisations Policy.
- 5.3. The General Manager be authorised to negotiate the terms and conditions of the lease.

## 6. Strategic Planning and Policy Considerations

- 6.1. This proposal aligns with the Hobart: A community vision for our island capital document, especially Pillar 2.2 We celebrate our diversity and include each other in city life and 3.2 We are a creative and cultural capital and 3.4 We support our artists.
- 6.2. This proposal also supports the Capital City Strategic Plan (2015-2025), Goal 1 - Economic Development, Vibrancy and Culture "City growth vibrancy and culture comes when everyone participates in city life" and Goal 4 - "Our communities are resilient, safe and enjoy health lifestyles". Strategic Objective 1.5 - Cultural and creative activities build community wellbeing and economic viability. "1.5.1 - Implement the Council's Creative Hobart Strategy." Strategic Objective 4.2 - City facilities, infrastructure and open spaces support healthy lifestyles. "4.2.2 - Support effective utilisation of city facilities, infrastructure and open space."

**7. Financial Implications****7.1. Funding Source and Impact on Current Year Operating Result**

7.1.1. There is no impact on the current year operating result.

**7.2. Impact on Future Years' Financial Result**

7.2.1. There will be no impact on future years financial result.

**7.3. Asset Related Implications**

7.3.1. There are no asset related implications.

**8. Legal, Risk and Legislative Considerations**

8.1. There are no legal, legislative or risk implications from this report.

**9. Community and Stakeholder Engagement**

9.1. The Manager Legal and Governance has been consulted in the preparation of this report.

**10. Delegation**

10.1. This report is delegated to Committee.

*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.*



Kimbra Parker  
**MANAGER INCLUSIVE, RESILIENT  
AND CREATIVE COMMUNITIES**



Tim Short  
**DIRECTOR COMMUNITY LIFE**

Date: 5 June 2019  
File Reference: F19/72063

Attachment A: Proposal ↴  
Attachment B: Office Space Plan ↴

Dear Nick,

15 May 2019.

I am writing in relation to my continuing association with the Hobart City Council, including an extension of the complimentary lease of a room.

(Refer my original application to the Hobart City Council - 7 January 2015 application to the HCC regarding an association with the Council & provision of a room).

I have greatly appreciated the use of the room that the Hobart City Council has provided me with to store, and to work in on my 'Roses from the Heart' memorial project.

The project is on-going. It is a major international project involving participants world-wide. It's cultural tourism potential has already attracted tourists from across the globe to visit Hobart and retrace the steps of women transported to Van Diemen's Land during the 1800s.

I have been in discussion with Lord Mayors of Hobart over a number of years and am involved in a continuing conversation with the Lord Mayor of Hobart, Cllr Anna Reynolds regarding suitable sites to have permanent bonnet displays in Hobart.

The Lord Mayor of Hobart, Councillor Anna Reynolds is very supportive of a bonnet installation to be displayed in the Hobart Town Hall. Work has begun to see this plan become a reality. Envisaged is a variety of bonnets, including some remembering women assigned to work within the colonial Government House, be displayed on a moveable stand.

[Built in 1817 the former Government House occupied the site that today houses the Hobart Town Hall. Our present Government House at the Queens Domain replaced the original premises in 1863. Some of the convict women assigned to work for various Governors have had bonnets created for them by descendants and so it is fitting to have them included in a display in the Hobart Town Hall].

It is hoped that this proposed bonnet display will be a catalyst, attracting other Hobart businesses and organisations to showcase this important part of our State's history incorporating the metaphor of the bonnet. The bonnet symbolism provides a significant visual impact increasing interest in the female convict story.

In 2007 there were 4,582,600 descendants of convicts in Australia and in 2007 in the UK/Ireland there were 19,698,000 relatives of convicts. This large market offers a very lucrative cultural tourism opportunity.

I have been holding *Roses from the Heart* ceremonies in Cobh, County Cork annually, since 2010. My 'Blessing of the Bonnets' event coincides with the *Sea Princess*, cruise ship that arrives from Sydney with 1500 Australians and 500 New Zealanders. The visitors learn that Cobh was the port from which convict women were transported to Australia. The 'Blessing event' is held at the Cobh Heritage Centre, right beside the quayside where the ships sailed (1700 -1800s). At the Cobh Heritage Centre there is a permanent display of *Roses from the Heart* bonnets uniting Cobh with the ports of Sydney Cove and Hobart Town.

The Lord Mayor of Hobart, Cllr Anna Reynolds and I have discussed the idea of holding a similar annual 'Blessing of the Bonnets' ceremony in Hobart. At our last meeting, 8<sup>th</sup> May, 2019 the Lord Mayor proposed that the suggestion be progressed via a follow-up meeting at the Town Hall with other prominent stake-holders.

Recent events: (Australia).

I have just returned from attending a play in Brisbane, 'A bonnet for Eliza'. This play concentrates on the life of an Irish convict women, Eliza Davis, transported to Van Diemen's Land in 1845. The play was initiated through my work with the *Roses from the Heart* Memorial. Whilst in Brisbane I spoke to a group of *Australian Sewing Guild* members who are currently sewing *Roses from the Heart* bonnets.



In July this year I will be attending an event in Newcastle, New South Wales organised by the Newcastle Family History Society. The event will include a launch of the book, 'They sent me North: Female Convicts in the Hunter' and will be complemented by a major exhibition of some of my *Roses from the Heart* bonnets in the Lovett Gallery, Newcastle Region Library.

Global events planned for 2019:

I plan to hold events in Ireland in September this year including a 'Wear a Bonnet – Living Art Installation' at the quayside in Dun Laoghaire – the port where thousands of Irish women boarded ships of transport to Hobart Town, VDL. This event will tie in with the similar art performance that I held at the Hobart wharf on Mothers Day in May 2016.

I am also presently organising a 'Blessing of the Bonnets' ceremony in Sussex, England to follow on from the events in Ireland in 2019.

Last year I met with Lesley Dunbar, Aberdeen Councillor, who came to Tasmania to visit me and learn more about Scottish convict women transported to Tasmania. I am collaborating with Lesley to hold a 'Blessing of the Bonnets' ceremony and a bonnet exhibition in Aberdeen, Scotland. I have been invited to take part in the Council's 'Year of Stories' project that will be showcased in Aberdeen in 2022. This project involves creating a bonnet installation to be exhibited in the Tolbooth Museum, a heritage site where convict women were held prior to being shipped off to London to be transported to Australia. Each bonnet, remembering a Scottish lass, will have an accompanying story relating to the women's lives, linking the Scottish and Australian connection. I will be involving students and community groups in this project.

Having been the honorary artist-in-residence at the Cascades Female Factory Historic Site for 12 years – an unpaid position – it was significant to be granted the rent-free lease of a room in the Council's Davey Street property, opposite Franklin Square.

This space has provided me with the means to deal with the enormity of the project/s I have undertaken. Thousands of bonnets to be collated require space which this room affords me. Also being in the heart of Hobart the room offers ease of access, privacy, safety and a perfect historical setting so close to where the female convict story unfolded at the quayside.

Since being given the use of the HCC room I have experienced the ups and downs of life. During 2017 my brother was hospitalised for eight months with an undiagnosed illness and devastatingly he died in March 2018. I visited him most days during his illness and consequently I achieved less work than I would have expected during that time.

This year I broke my shoulder on *Australia Day* returning to Hobart from being the Australia Day Ambassador for the West Tamar Council. I have since been under the care of Orthopaedic Surgeons and recovery is slow. Nevertheless I have remained committed to my *Roses from the Heart* project, albeit in a less productive capacity.

I would be extremely grateful for an extension in the lease of the HCC room to allow the continuation of my work.

As I mentioned in my original application, assets I contribute include my cultural heritage / art promotion of the City of Hobart via my work and my relationships developed globally.

- I have an on-going connection with participants who create bonnet tributes which often leads to their visiting Hobart.
- I am keenly interested to set up a similar annual event in Hobart as I have done in Cobh correlating with a Cruise ship - holding a 'Blessing of the Bonnets' in Hunter Street.

In providing further information I refer to the letter of January 7, 2015 addressed to the Lord Mayor of Hobart, Alderman Sue Hickey and General Manager of the Hobart City Council, Nick Heath.

I have added more recent updates to this edited correspondence.

.....

I was the honorary artist-in-residence at the Cascades Female Factory 2003-2015. I continue to maintain a relationship with the site through my bonnet projects and my position on the Cascades Community Advisory Committee.

Some of the highlights of my work at the CFFHS is included further on in this correspondence. My work still continues to remember the convict women who passed through the female factory however the reach of my art has expanded exponentially and it has relevant cultural tourism attraction to the whole of the State most importantly with Hobart, the port of arrival for the ships of transport arrival.

My projects relate to Australia's female convicts and their children, with specific interest focussing on the Tasmanian aspect of this colonial story. My art has attracted national and international attention. I am regularly visited by overseas, interstate and intrastate participants of my memorials who bring their bonnet tributes to me in Hobart in the two-fold attempt to connect with me and to visit the places relating to the lives of the woman/women and child/children their tribute remembers.

I consider that my art memorials are of benefit to the Hobart City Council. Since 2010 I have been travelling to the UK and to Ireland holding events, linking our State and country with these European countries through the mutually connecting history of female convicts and their children transported to Van Diemen's' Land and the mainland.

I have held a number of major exhibitions overseas including the 'Swept Under the Carpet' installation of 2000 bonnets at the Kilmainham Gaol, Dublin (where over 6000 convicts were held prior to transportation) viewed by over 100,000 visitors to the site. In Birmingham I was the guest exhibitor of the 'Festival of Quilts' (2nd largest quilt festival in the world) with 8000 bonnets being seen by 40,000 visitors over four days.

In 2013 (and 2017) RTE *Nationwide* TV followed me around Ireland and filmed a documentary on my 'Roses from the Heart' memorial that was aired to over a million households.

Research shows 3216 women and 506 of their children transported from Ireland to Van Diemen's Land spent time in the Grangegorman Female Depot, Dublin. This is a major number of the women considering approximately 12500 women is the presumed overall number from the British Isles exiled to VDL.

Recently the Grangegorman precinct was converted from a derelict area to an award-winning site and the Female Depot has been dramatically transformed. The site is now occupied by the Dublin Institute of Technology and I was invited to be a guest speaker there in October 2015.

I worked with the DIT to hold successful events at Grangegorman in 2016/2017. This attracted much media attention, both in print and TV through RTE *Nationwide*.

My art has generated enormous interest throughout Dublin and consequently has attracted interest in Hobart, the point of arrival for the majority of women transported to VDL.

The women who arrived in Hobart Town from Grangegorman were offloaded in the Hunter Street, Hobart wharf area and then most either spent time on the moored ex hulk, the *Anson* or were taken to Brickfields, (North Hobart) and dispersed across the island community as an 'assigned servant

workforce'. This is very much a Hobart story and as such is attracting overseas cultural consumption to our city.

( [hSp://www.smh.com.au/travel/historys-harbour-20110310-1bpeu.html#ixzz1U1x0hu6I](http://www.smh.com.au/travel/historys-harbour-20110310-1bpeu.html#ixzz1U1x0hu6I) 2011 Kelleher, O. *Cobh gets in party mood for Aus Day*, Irish [Times.com](http://www.irishtimes.com) Sat August 6, )

- My projects include community outreach and educational work with schools.
- Donation of substantial number of bonnet tributes to a suitable site for permanent exhibition and promotion of our female convict heritage.

Achievements to date: 2010 -

Since 2010 I have set up an annual 'Blessing of the Bonnets' in Cobh. This event coincides with the arrival of a cruise ship from Australia that docks at cob of a day assigned as 'Australia Day'. My 'Blessing of the Bonnets' event has become the star attraction of this special day. Tourists on board ship take part, some making bonnets that are blessed at the very wharf from where ships of transport departed. A special 'Roses from the Heart' bonnet installation is permanently in place at the Cobh Heritage Centre.

In 2013 I held a 'Roses from the Heart' event at the Mansion House in Dublin. I have enjoyed the support of the various Lord Mayors of Dublin since my association with the city in 2012.

I have worked with two prisons in Dublin where men, women and staff made and embellished bonnets. A 'Blessing of the Bonnets' was subsequently held in one of the gaols. I enjoy continued support from the Dublin Prison service, the DPS Director General and the Governors and staff at the two prisons involved. The DPS supported my exhibition at the heritage Kilmainham Gaol in 2013.

In 2017 I held a 'Wear a Bonnet – Living art installation' at Grangegorman, Dublin, attended by the Lord Mayor of Dublin, Cllr Brendan Carr and hundreds of participants. RTE *Nationwide* filmed this event.

I have been supported by the Australian Ambassadors to Ireland and most especially by Dr Ruth Adler and the current Ambassador, HE Richard Andrews, who I am in regular contact with.

In 2016/2017 and 2018 I was involved with events held in Waterford, including being the guest speaker for the *1848 Tricolour Celebrations* and conducting a series of bonnet installations in the county.

In Northern Ireland I have given talks and held events in a number of counties. A permanent *Roses from the Heart* bonnet installation has been installed in the County Down Museum (the old County Down Gaol) where hundreds of female convicts and their children were held, awaiting transportation to Australia.

In 2017 the Lord Mayor of Hobart, Alderman Sue Hickey held a Civic Reception at the Hobart Town Hall for me following my return from Ireland. I gave a talk on the events I had held and been involved in during that visit.

Highlights of my association with the Cascades Female Factory Historic Site:

'Departures and Arrivals' 2004

Curator – *Rajah Quilt* Exhibition 2006

Numerous 'Blessing of the Bonnets' events including at St David's Cathedral (over 600 attendees) 2007

'Awash with Bonnets' ABC Outside Broadcast and *Roses from the Heart* Event at the CFFHS 2007  
 Inclusion of my work in the successful application for the CFFHS admittance to the *Australian Convict Series World Heritage Site* Listing 2010

*Roses from the Heart* 'Wear a Bonnet - Living Art Installation' Hunter St. Hobart, ABC Outside Broadcast May 2015

**AWARDS:**

2013 -Tasmanian Honour Roll of Women, 2013

*AbaF Awards, SME (Tas) Award* 2013 Winner - prestigious award, finalists included Ten Days on the Island and The Hobart Theatre Royal.

Senior Tasmanian, *Australian of the Year*, 2014

*Australia Day Ambassador* 2017/2018/2019

Regular guest on the Tasmanian ABC Radio *Weekends* Program with Chris Wisbey.

Weekly columnist with the Hobart *Mercury* 2008- 2011 with my 'Convict women' articles.

Current member of the Cascades [Female Factory Historic Site] Community Advisory Committee (CCAC) 2014 -

.....

I am currently working with *Roses from the Heart* Stage 2. This phase involves the sourcing of a suitable site for 12,500 bonnets in memory of those women exiled to Van Diemen's Land.

I continue to work on securing a site, or a number of sites, to house my bonnet exhibitions in Hobart.

The remaining (approximately) 12,500 bonnets will be installed over a period of time within relevant heritage sites across Ireland and the UK, and the Australian mainland including Norfolk Island. Bonnets remembering specific women at the relevant sites will be permanently installed as a tribute to their existence and their contribution to the emerging Australian nation.

I continue to hold events and exhibitions throughout Australia and nationally.

Plans for 2019 and onwards - Overseas plans include:

- permanent bonnet installations and related workshops within the community in Derry, NI,

Continuing relationship with County Down, NI, Belfast, NI, Dublin and Cobh, Ireland.

Collaboration with Professor Lucy Frost - 'Cherish the Children' christening bonnets made from men's shirts with accompanying research/stories of 200 children born to convict women under sentence. To be launched in a heritage shirt factory in Derry, NI.

Continued community collaboration working with groups, guest speaker invitations, 'Blessing of the Bonnets' within Tasmania, and continued education within local schools and through major events such as the *Tasmanian Craft Fair*, as Heritage Artist working with local schools and the community.

Regular interviews during the year, most especially on ABC Radio.

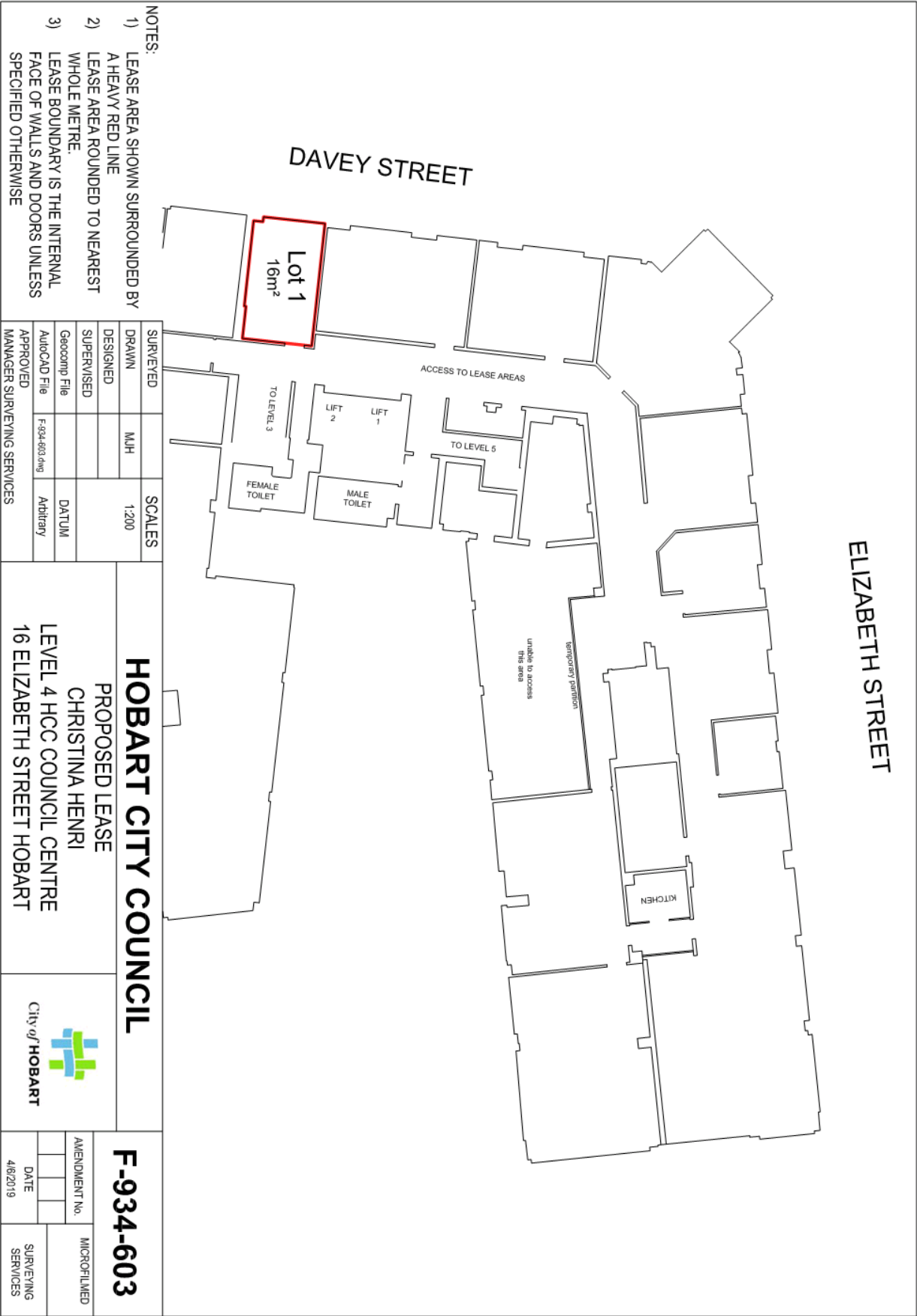
Yours sincerely,

Christina  
Dr Christina Henri [cjhenri@gmail.com](mailto:cjhenri@gmail.com)

Dr Christina Henri  
honorary Artist in Residence  
Cascades Female Factory Historic Site 2003-2015

Member: Cascades Committee Advisory Committee 2014 -  
<http://rosesfromtheheart.tumblr.com/> [www.christinahenri.com.au](http://www.christinahenri.com.au)  
[www.facebook.com/ChristinaHenriRosesFromTheHeart](http://www.facebook.com/ChristinaHenriRosesFromTheHeart)  
Twitter@cjhenri  
Mobile Phone: 0407575018  
<http://www.australianoftheyear.org.au>







**6.9 Lease - Tasmanian Writers' Centre - Part of Level 4 Council Centre**  
**File Ref: F19/72173**

---

Report of the Manager Inclusive, Resilient and Creative Communities  
and the Director Community Life of 5 June 2019 and attachments.

Delegation: Committee

**REPORT TITLE: LEASE - TASMANIAN WRITERS' CENTRE - PART OF LEVEL 4 COUNCIL CENTRE****REPORT PROVIDED BY:** Manager Inclusive, Resilient and Creative Communities  
Director Community Life**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is for the Council to consider a proposal to continue the leasing of office space on level 4 of the Council Centre building for a further year to the Tasmanian Writers' Centre (TWC) at nominal rent.
- 1.2. The TWC is a valuable creative sector organisation with more than 20 years of service to the Tasmanian writing and reading community. The TWC is still under significant financial pressure but is committed to returning the Centre to full operation.

**2. Report Summary**

- 2.1. The TWC has been occupying an office space on Level 4 of the Council Centre for the past 12 months at nominal rent as approved by the Council in May 2018. The area proposed for lease is shown as Lot One in **Attachment A** to this report.
- 2.2. The organisation has written to the Council seeking ongoing support through the continued provision of an office space for them to operate their organisation from. The letter of request is shown at **Attachment B** to this report.
- 2.3. The new Management Committee has worked hard over the last year to determine the cause of the previous funding crisis and to restore the governance of the Centre to stability however they still do not have the capacity to pay rental for the office space.
- 2.4. As an organisation with more than 20 years of service to the Tasmanian writing and reading community, the TWC is committed to returning the Centre to full operation so that they can continue to initiate and support local literature and literacy initiatives.
- 2.5. The TWC has a strong and committed Board that are working collaboratively to support the literately community.

**3. Recommendation*****That:***

1. ***The Tasmanian Writers' Centre be granted a new twelve (12) month lease at a nominal rent for office space on the fourth floor of the Hobart Council Centre that they currently occupy.***

- 2. *The General Manager be authorised to finalise the terms and conditions of the lease with the Tasmanian Writers' Centre and to execute the agreement on the Council's behalf.***
- 3. *The lease and grant of \$9,400 be recorded in the City's Annual Report in accordance with its policy on 'Leases to Non-Profit Organisations'.***

#### **4. Background**

- 4.1. The TWC was incorporated in 1997 and is a member-based not-for-profit organisation. Over its 21 year history the TWC has provided workshops and seminars, employment opportunities, manuscript assessment services, readings and events.
- 4.2. The TWC has hosted a variety of residency programs, and has an ongoing exchange program with Prince Edward Island, Canada with visiting writers staying at the Kelly Street Writers' Cottage in Battery Point.
- 4.3. In May 2018 TWC announced that it faced closure if sufficient interim funding could not be generated to maintain its operations over the next 18 months.
- 4.4. It is understood that this was largely due an unanticipated shortfall in government funding from Arts Tasmania. The TWC advised that the quantum of the loss of Arts Tasmania funding was in the order of \$100,000 to \$120,000. Arts Tasmania did however, provide interim funding, which allowed for the payment of staff and regular operational expenses.
- 4.5. One of the organisation's key operating costs is rental. The organisation was previously a tenant of the Salamanca Arts Centre. It is understood that the previous rental paid by TWC to the Salamanca Arts Centre was approximately \$11,000 per annum.
- 4.6. The proposed office space to be leased to the TWC is 47 square metres. The commercial rent for the office space based the most recent valuation is \$200 per metre. The grant would be recorded at a value of \$9,400 per annum.
- 4.7. The City's policy titled Leases to Non-Profit Organisations sets out a number of criteria against which lease proposals seeking reduced rental are to be assessed. The table below provides commentary regarding the proposal against the criteria in the policy.

Criteria	Comments
Use, or proposed use of the property	The proposed leased area will be used as a general office space and for meetings with members, including after-hours meetings and to set up the Centre's library of Tasmanian literature and writing resources.
Alignment with the Council Strategic Plan and other relevant Council strategic documents	Aligns well with the Hobart: A community vision for our island capital; the Capital City Strategic Plan; Social Inclusion Strategy and Creative Hobart Strategy.
<p>Level of community benefit – proposed or provided, which could include one or more of the following:</p> <ul style="list-style-type: none"> <li>• Health and wellbeing</li> <li>• Lifelong learning</li> <li>• Arts and culture</li> <li>• Social inclusion</li> <li>• Heritage and history</li> <li>• Economic</li> <li>• Environment / environment management</li> <li>• Welfare</li> </ul>	<p>The office space is to be leased to the TWC to provide accommodation for two to three employees, to hold meetings with members and to set up the Centre's library of Tasmanian literature and writing resources, including after-hours meetings.</p> <p>The TWC works as an advocacy, outreach and support service for Tasmania's many aspiring, emerging and established writers. Its programs concentrate on the promotion of Tasmanian writers by engaging with a range of audiences, agents, publishers and projects.</p> <p>The TWC presents high-profile events with a range of partners, supporting a culture of reading and writing in Tasmania.</p> <p>The TWC provides support for writers to tell their stories, connect with readers and build sustainable careers.</p>
Value of land and buildings	The value of the office space according to the most recent market valuation is approximately \$200/m <sup>2</sup> . The value of the proposed lease space at 47m <sup>2</sup> would be \$9,400 pa.

Criteria	Comments
Potential for alternative use	The space is currently occupied by TWC.
Viability and capability of the organisation	There have been no concerns with TWC utilising this office space over the past year and the committee has advised that they are committed to returning the Centre to full operation.
Capacity to pay, after all income and expenditure is taken into account	As the TWC do still have ongoing committed funding to the necessary level for sustainability, there is no capacity to pay rental.
Capacity to invest in and maintain the asset, or degree of capital investment undertaken	This is not overly relevant given the proposed lease area is pre-existing office space and would be used as such.
Type of facility	Office space.
Capacity to invest in the community, or level of community investment provided, through disbursement of surplus funds to local community groups, organisations or activities	Not applicable.
Length of tenure sought	The length of tenure of one year is relative to other tenancies on Level 4 Council Centre.
For lease renewals only, the level of compliance with existing lease terms and conditions	There have been no issues identified.

4.7.1. The current proposal clearly satisfies the criteria in the policy.

## 5. Proposal and Implementation

- 5.1. It is proposed that The Tasmanian Writers' Centre be granted a new twelve (12) month lease at a nominal rent for office space on the fourth floor of the Hobart Council Centre that they currently occupy.
- 5.2. The General Manager be authorised to finalise the terms and conditions of the lease with the Tasmanian Writers' Centre and to execute the agreement on the Council's behalf.

- 5.3. The lease and grant of \$9,400 be recorded in the City's Annual Report in accordance with its policy on 'Leases to Non-Profit Organisations'.

## **6. Strategic Planning and Policy Considerations**

- 6.1. This proposal aligns with the Hobart: A community vision for our island capital document, especially Pillar 2.2 We celebrate our diversity and include each other in city life and 3.2 We are a creative and cultural capital and 3.4 We support our artists.
- 6.2. This proposal all supports the Capital City Strategic Plan (2015-2025), Goal 1 - Economic Development, Vibrancy and Culture "City growth vibrancy and culture comes when everyone participates in city life" and Goal 4 - "Our communities are resilient, safe and enjoy health lifestyles". Strategic Objective 1.5 - Cultural and creative activities build community wellbeing and economic viability. "1.5.1 - Implement the Council's Creative Hobart Strategy." Strategic Objective 4.2 - City facilities, infrastructure and open spaces support healthy lifestyles. "4.2.2 - Support effective utilisation of city facilities, infrastructure and open space."

## **7. Financial Implications**

- 7.1. Funding Source and Impact on Current Year Operating Result
- 7.1.1. There is no impact on the current year operating result.
- 7.2. Impact on Future Years' Financial Result
- 7.2.1. There is no financial cost associated with this matter. Should the Council resolve to grant a lease at a nominal rent, it would represent income foregone.
- 7.3. Asset Related Implications
- 7.3.1. There are no asset related implications.

## **8. Legal, Risk and Legislative Considerations**

- 8.1. There are no legal, legislative or risk implications from this report.

## **9. Community and Stakeholder Engagement**

- 9.1. The Manager Legal and Governance has been consulted in the preparation of this report.



## 10. Delegation

10.1. This report is delegated to Committee.

*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.*



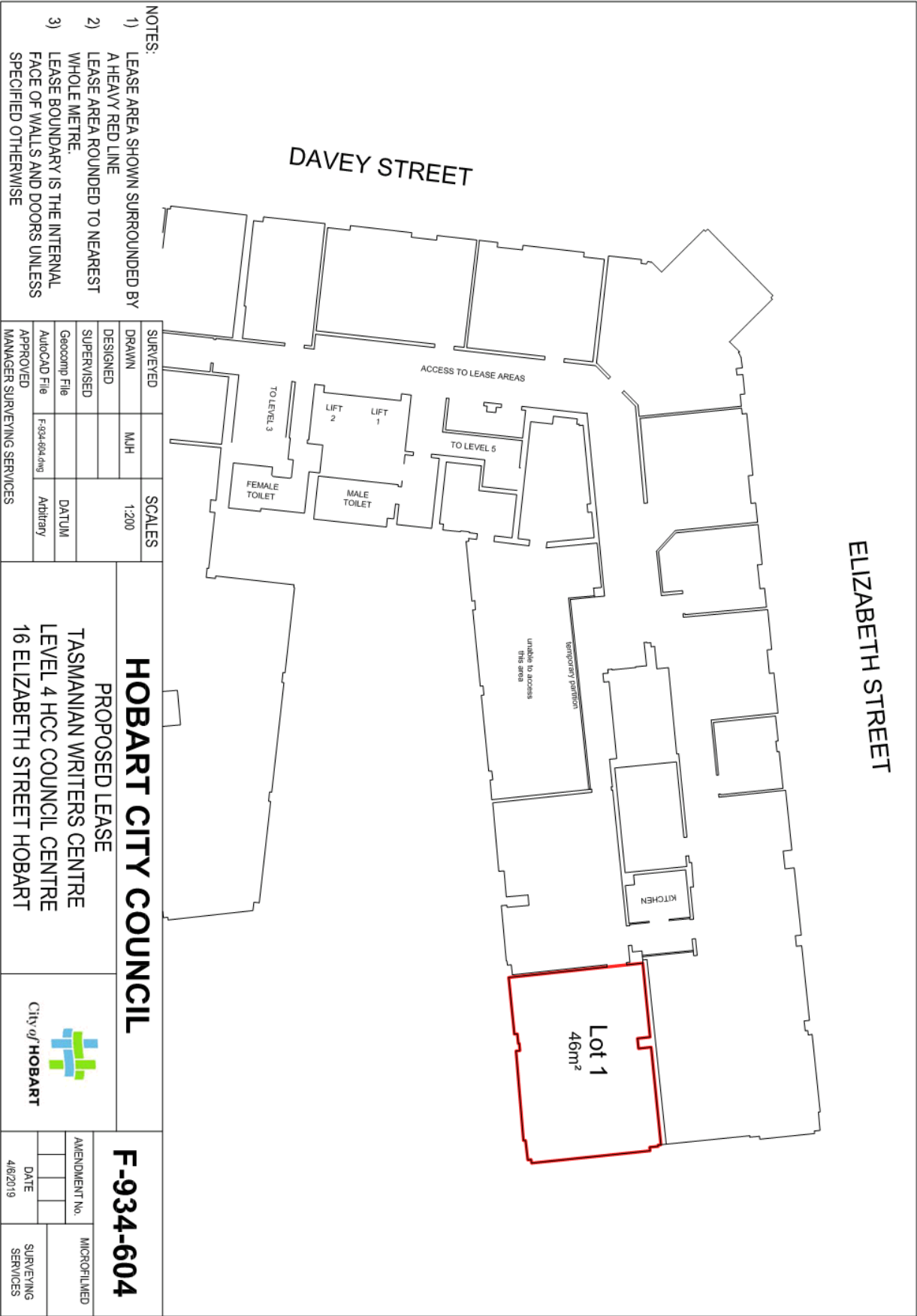
Kimbra Parker  
**MANAGER INCLUSIVE, RESILIENT  
AND CREATIVE COMMUNITIES**



Tim Short  
**DIRECTOR COMMUNITY LIFE**

Date: 5 June 2019  
File Reference: F19/72173

Attachment A: Office Space Plan ↓  
Attachment B: Letter of Request ↓



Tasmanian Writers Centre  
GPO Box 90  
Hobart 7001

27<sup>th</sup> May 2019

Nick Heath  
General Manager  
City of Hobart

**Request for assistance from the Tasmanian Writers Centre**

Dear Mr Heath,

I am writing to you on behalf of the Tasmanian Writers Centre to request that the City of Hobart allow us to continue our occupancy of the office space on Level 4 of 24 Davey Street, by way of a grant, as we received for 2018/19.

We are very grateful for this office space as it is light and airy and has room for not only the staff and office equipment but our small library of books. The HCC Building Manager and other staff have been wonderful and made a difficult move a pleasant experience.

The new Management Committee has worked hard over the last year to determine the cause of the previous funding crisis and to restore the governance of the Centre to stability. This required us to acquit several grants that we had been led to believe were already acquitted and so we were not able to apply for the operational grants that we required.

As an organisation with more than 20 years of service to the Tasmanian writing and reading community, we are committed to returning the Centre to full operation so that we can continue to initiate and support local literature and literacy initiatives.

I can let you have a copy of our latest annual report, detailing our activities over the last financial year if you wish.

You are welcome to visit our office, borrow books, or just enjoy a coffee and a quiet read. Thank you for considering our request.

Kind regards,

Sue Kennedy

Chair Tasmanian Writers Centre

Cc: Kimbra Parker

## 7. MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

---

### 7.1 Notices of Motion

File Ref: F19/64803; 13-1-10

---

Alderman Zucco

**Motion:**

“That section 13, “Notices of Motion” of the Council Policy, Meetings: Procedures and Guidelines be reviewed to consider the deletion of the urgency motion provisions.”

**Rationale:**

“Clause 13 of the Policy states:

**13. NOTICES OF MOTION**

*In accordance with the resolution of the Council dated 14 February 2012 and 8 October 2012, the following procedures apply in respect to the lodgement of Notices of Motions (NoMs), pursuant to Section 16 of the Local Government (Meeting Procedures) Regulations 2015:*

- 1. All NoMs be submitted on the agenda of the relevant Council committee, in accordance with the committees' Terms of Reference, unless the Alderman submitting the Motion deems the matter to be urgent and therefore requiring determination prior to the next scheduled ordinary meeting of the relevant committee, in which case the Motion may be submitted directly to the Council where the following process shall apply:*
  - (i) The Council, upon considering a NoM deemed urgent by the proponent is firstly to ratify by resolution that such a Motion is urgent, prior to considering the substance of the Motion.*
  - (ii) Should the Council determine that the Motion is not urgent, the Motion may not be further debated but be subsequently referred to the next ordinary meeting of the appropriate committee for consideration.*
- 2. Whether a Notice of Motion be won or lost at a committee meeting, the Motion will be referred to the Council for consideration where the normal rules of debate shall apply.*
  - (i) Where a Notice of Motion may not be supported at Committee and an alternative resolution is passed by the Committee, the items be listed separately on the Council agenda.*

3. *When a Notice of Motion is debated at Council, Aldermen may speak to a motion for no longer than three minutes with no extensions of time being granted.*
4. *Should an Alderman proposing a Notice of Motion not be a member of the committee considering the Notice of Motion, the Alderman is to become a supernumerary member of that committee, solely for the purposes of moving and resolving their Motion.*
5. *The General Manager is to provide qualification as to whether the substance of a NoM resides within the jurisdiction of the Hobart City Council.*

The urgency motion provision requires review as its purpose can be accommodated under the authority of the General Manager either by:

- The calling of an urgent Council meeting;
- The General Manager providing an urgent report to the Council.

The latter has been the case in the past.

In conjunction with the points mentioned above the current meeting cycle can adequately accommodate an orderly Notices of Motion process.”

**The General Manager reports:**

“In line with the Council’s policy in relation to Notices of Motion, I advise that the matter is considered to be within the jurisdiction of the Hobart City Council as it relates to a Council Policy.”

## **8. COMMITTEE ACTION STATUS REPORT**

---

### **8.1 Committee Actions - Status Report**

---

A report indicating the status of current decisions is attached for the information of Elected Members.

***RECOMMENDATION***

***That the information be received and noted.***

Delegation: Committee

Attachment A: Status Report - Open

## FINANCE AND GOVERNANCE COMMITTEE - STATUS REPORT

### OPEN PORTION OF THE MEETING

May 2019

Ref	Title	Report / Action	Action Officer	Comments
1.	<p><b>CITY HALL – DEVELOPMENT OPPORTUNITIES – VENUES</b> Council, 23/2/2015, Item 12</p> <p><b>CITY HALL RESTORATION</b> Council, 22/02/2016 Item 19</p>	<p>That: 1. 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.</p> <p>2. 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>	Executive Manager City Place Making	<p>1. A report presenting a summary of Draft Master Plan Options for the Hobart City Hall has been included as part of the closed section of the June Finance and Governance Committee agenda.</p> <p>2. Officers are currently scoping the preparation of a report detailing Council physical building assets and their current and potential use.</p>



Ref	Title	Report / Action	Action Officer	Comments
2.	<b>TOWN HALL UNDERGROUND REFURBISHMENT</b> Council, 24/8/2015, Item 21	That: 1. An appropriate fee structure for the hiring of the Town Hall Underground be determined and the Town Hall Underground be actively marketed as a venue for hire.  2. Council officers undertake further investigation with a view to providing further clarification in respect to appropriate nomenclature for the site.	Deputy General Manager	Complete.
3.	<b>NOTICE OF MOTION COUNCIL CAR PARKS - SECURE SHORT TERM BICYCLE FACILITIES</b> Council, 23/05/2016 Item 14	That a report be prepared on options for appropriate secure short-term cycling facilities with a focus on the 42 vacant spaces in the Argyle Street car park along with other Council car parks, for people who choose to cycle into the city.	Director City Innovation	<p>The City is currently undertaking a review of Parking Operations to inform its future strategy in relation to capacity and any required changes to underlying business, operational and technology services and functions. Until completion and adoption of that strategy in 2019 three secure public bicycle lockers have been installed in the Argyle Street Car Park, and there are plans to install a further three once the car park refurbishments have been completed. A number of new bicycle securing loops have also been installed in Hobart Central Car Park. The use of the lockers and loops will be monitored and a report will be provided once usage statistics have been ascertained.</p> <p>Additionally, an initiative has been included for public consideration in the <i>Connected Hobart Action Plan</i>.</p>

Ref	Title	Report / Action	Action Officer	Comments
4.	<b>SANDY BAY BATHING PAVILION, LONG BEACH</b>  Council, 24/7/2017 Item 15	That proposals associated with the development of a new second floor restaurant above the Sandy Bay Bathing Pavilion be proceeded with and the expenditure of \$16,800 be approved.	General Manager	<p>Upper floor: Architects Terroir have developed a new design in conjunction with the Pavilion's original architect, Mr Dirk Bolt who supports the design.</p> <p>Pre-application advice has been received from City of Hobart Planning and Heritage teams, as well as Heritage Tasmania.</p> <p>Endorsement for the design is sought from Council (17 June) to enable a DA to be lodged.</p> <p>Ground floor: A new lease has been offered to Surf Life Saving Tasmania for a reduced footprint (this is subject to community consultation).</p> <p>A new proposal for the use of the ground floor of the Pavilion has been submitted to Council for a café. Control over the leasable area for a café has been retained by the City of Hobart. It is proposed that Council select an operator of a café through an EOI process. On selection, the operator would need to apply for planning permission to operate the café.</p> <p>Endorsement to initiate an EOI process is sought from Council (17 June).</p> <p>Council endorsements (as above) will be sought via one report covering both floors. This</p>

Ref	Title	Report / Action	Action Officer	Comments
				will be presented to Parks and Recreation Committee on 6 June.
5.	<b>ELECTRIC VEHICLES AND CHARGING STATIONS</b>  Council, 25/7/2016 Item 20	That: 1. The Council identify suitable locations for the future installation of direct current fast charge stations, and actions be taken to preserve the locations until such time as it becomes viable to install the stations.  2. Council officers continue to monitor the types of electric and hybrid vehicles available on the market to determine whether any would be suitable for inclusion in the City's fleet.  3. City employees be canvassed to determine demand for electric bicycle charging stations at the City's corporate buildings. If there is sufficient demand, then power outlets be installed in suitable locations.  4. Appropriate street signage be installed to direct users of electric vehicles (EV) and bicycles to the charging stations located at the Hobart Central Car park.	Director City Innovation	1. This matter is being progressed. A grant application was submitted on 24 May 2019 to the State Government Charge Smart Fast Electric Vehicle Charging Grants Program to support the installation of a fast charging station at Dunn Place car park. There is funding in the capital works program for the 2020/21 financial year.  2. Officers are monitoring electric and hybrid vehicle models for potential inclusion in the fleet. The range of suitable vehicles available in Australia continues to be very limited, though is expected to improve over the next 12-24 months.  3. Options for canvassing employees are being considered. Charging stations have been installed in the Hobart Central Carpark on a trial basis.  4. Officers are progressing the signage installation.

Ref	Title	Report / Action	Action Officer	Comments
		5. That the Hobart Bicycle Advisory Committee be requested to consider initiatives to encourage the wider use of electric bicycles.		5. The Committee has provided input into the Connected Hobart development process and will be further consulted on the draft framework and action plan in 2019.
6.	<b>COUNCIL AND COMMITTEES - STRUCTURE AND GOVERNANCE MATTERS</b>  Council 4/12/2017 Item 21	That further consideration of the strategic realignment of its existing committee structure occur after the completion of the Council's visioning project.	Deputy General Manager	The committee structure will be reviewed following development of the Council's new strategic plan.
7.	<b>SHAPING THE CITIES OF HOBART AND GLENORCHY— DETERMINING THE BENEFITS OF ENHANCED LAND VALUE THROUGH INVESTMENT IN A PUBLIC TRANSIT SYSTEM</b>  Council 9/2/2016 Supp Item 16	That the Council initiate a Public Transit Corridor Urban Utilisation and Economic Benefit project for the current rail corridor, based on the proposal titled 'Shaping the Cities of Hobart and Glenorchy – Determine the Benefits of Enhanced Land Value through Investment in a Public Transit System', subject to the matched support of the Glenorchy City Council.	General Manager	At its 20 August 2018 meeting, the Council resolved that further activities by the Hobart Glenorchy Public Transit Corridor Committee be put on hold pending finalisation of the Hobart City Deal process.
8.	<b>UNIVERSITIES CONFERENCE AND STUDY TOUR</b>  Council 6/2/2017 Item 17.	That a further report be provided to investigate extending an invitation to Gehl Architects to visit the City for the purposes of reviewing the urban transformation work the City has done to date and to provide a public lecture.	General Manager	A suitable opportunity to invite Gehl Architects has not been identified at this time. Investigations on future opportunities is ongoing.
9.	<b>CITY OF HOBART - CUSTOMER SERVICE CHARTER</b>	That the Customer Service Charter be reviewed in the first quarter of 2019 following	Deputy General Manager	The Customer Service Charter will be reviewed after the first quarter of the systems' operation.

Ref	Title	Report / Action	Action Officer	Comments
	Council 21/5/2018 Item 31	the implementation of the Council's customer request management system.		Preparation for the roll-out of the CRMS by 30 June 2019 is continuing.
10.	<b>REVIEW OF PARKING - NORTH HOBART (UPDATE ON ACTIONS)</b> Council 19/2/2018 Item 15	<p>That</p> <ol style="list-style-type: none"> <li>1. The results of the recent North Hobart parking survey be released to the North Hobart Traders Association and other interested parties for their review and comment, for a period not exceeding 30 days.</li> <li>2. Following the finalisation of the consultation, a Council workshop open to the public be held to review all data collected and to consider all options, and potential costs, including;               <ol style="list-style-type: none"> <li>(a) additional on-street car parking spaces;</li> <li>(b) additional metered parking spaces;</li> <li>(c) development of the Condell Place car park.</li> </ol> </li> </ol>	Director City Innovation	<p>The results of the parking survey have been provided to the North Hobart Traders Association and other interested parties. An executive summary has now been prepared to provide more clarity around the information provided. This has also been distributed to the Traders Association.</p> <p>Extensions to the operating hours of the following car parks were approved by Council at its 20 May 2019 meeting:</p> <ol style="list-style-type: none"> <li>(i) Dunn Place hours to extend from 8am – 5pm daily to 8am – 8pm daily;</li> <li>(ii) Salamanca Square Car Park to extend its operational days to include Sundays; and</li> <li>(iii) Condell Place and Lefroy Street Car Parks to extend from 8.30am – 7pm daily to 8.30am – 10pm daily.</li> </ol> <p>Parking Officers have commenced patrolling the car parks and restaurant strip of an evening up until 9 pm, where allowable under the current EBA.</p> <p>The time limited parking spaces in Elizabeth Street and surrounding streets were reviewed in order to extend both the operating times and days to match the new enforcement regime.</p>

Ref	Title	Report / Action	Action Officer	Comments
				On-street signage updates were completed in February 2019.  In ground sensors were installed in time restricted spaces in Elizabeth Street, between Warwick and Federal Streets in April 2019.
		3. Prior to the conduct of the workshop, the matter be referred back to the Finance and Governance Committee to seek details of further issues it wishes to have pursued by Council Officers for presentation and discussion at the open workshop.		A proposal for the City to lease a property for car parking was approved by Council in December 2018.  A project has been initiated within Parking Operations to deliver the outcome. A lease agreement is being prepared with conditions contingent on an assessment by the Tasmanian Planning Commission.
11.	<b>CONDELL PLACE CAR PARK - DEVELOPMENT OPPORTUNITIES AND EOI REQUEST</b>  Council, 23/7/2018 Item 17	That: 1. A report be prepared consolidating information provided in previous reports and any related documents, in relation to the Condell Place site.  2. A parking plan be prepared for the North Hobart area.  3. The Council consider the future strategic direction and vision for the North Hobart area.	Director City Innovation	A memorandum was placed on the Hub detailing previous work undertaken on Condell Place and Lefroy Street.  The North Hobart Parking Working Group is continuing with the preparation of a parking plan.  A decision will be made following the tabling of the report. The City is also currently undertaking a review of Parking Operations to inform its future strategy in relation to capacity and any required changes to underlying business, operational and technology services and functions.

Ref	Title	Report / Action	Action Officer	Comments
12.	<p><b>OUTSTANDING PARKING DEBT DECEMBER 31, 2017</b></p> <p>Finance and Governance Committee 15/5/18 Item 6.1</p>	<p>That: 1. The General Manager investigate owners of vehicles who have at least 3 outstanding infringements of 90 days old having their vehicles clamped.</p> <p>2. Costs associated with the clamping of vehicles and subsequent recoveries be charged to the owner of the vehicle.</p> <p>3. A warning be included in the second infringement notice that the Council will clamp vehicles where 3 or more infringements exceeding 90 days are currently outstanding on a vehicle.</p>	Director City Innovation	Legal advice is being sought and a report will then be provided to the Finance and Governance Committee.
13.	<p><b>OCCUPANCY RATES - MULTI-STOREY CAR PARKS</b></p> <p>Finance and Governance Committee, 15/5/18 Item 6.2</p> <p>Finance and Governance Committee, 13/3/19 Item 6.5</p>	<p>That: 1. Additional incentives be investigated for early bird parking and multiple occupancy vehicles in Council's multi-story car parks namely utilisation outside of normal operating hours.</p> <p>2. The City Innovation Division prepare a spatial and digital dashboard that includes near-real-time updates on the occupancy</p>	Director City Innovation	<p>1. The City is currently undertaking a review of Parking Operations to inform its future strategy in relation to capacity and any required changes to underlying business, operational and technology services and functions.</p> <p>Investigations relating to early bird and carpooling are included in the review. Actions within the Smart City Action Plan may also relate to these services. An update was provided to the Finance and Governance Committee in March 2019.</p> <p>2. A Proof of Concept (POC) has been developed using contemporary Integration technologies connecting the Council Multi-storey car park Licence Plate Recognition</p>



Ref	Title	Report / Action	Action Officer	Comments
		rates of the Council's Multi-storey car parks, along with other key city parking data not addressed in the current report.		<p>(LPR) systems with a City of Hobart managed cloud database to provide near-real-time occupancy counts for each car park.</p> <p>The data being collected will allow for the provision of detailed occupancy and dwell time reporting with greatly improved accuracy.</p>
14.	<p><b>BATTERY POINT SLIPYARDS MASTER PLAN</b></p> <p>Council, 21/5/2018 Open Item 25</p>	<p>That:</p> <ol style="list-style-type: none"> <li>1. The Council endorse the draft master plan for the Battery Point Slipyards.</li> <li>2. The General Manager be authorised to hold discussions with the Battery Point Slipyards lease holders about the draft master plan and the possible impacts to their respective leases.</li> <li>3. Following those discussions the Council approve the public exhibition process being undertaken.</li> </ol>	Deputy General Manager	<p>Discussions with tenants have been held and feedback has been received.</p> <p>An update report was considered by Committee and the Council in January. Feedback is currently being sought from the wider community, which commenced on 20 May 2019. Consultation is open until 14 June 2019. Following completion of the public consultation a report will be provided which considers any feedback provided.</p> <p>Complete.</p>

Ref	Title	Report / Action	Action Officer	Comments
15.	<b>INFORMAL VOTE</b>  Council, 23/7/2018 Item 12  Council, 17/9/2018 Item 21	That the success of promotional activities be measured by an increase in the return rate of ballots and a decrease in the number of informal votes returned during the 2018 elections when compared to the 2014 elections and a report be provided at the appropriate time.	Deputy General Manager	A report will be provided once a final report on the 2018 local government elections is received from the Tasmanian Electoral Commission. This is not yet available.
16.	<b>SOCIAL FOOD SERVICE DELIVERY</b>  Council, 21/1/2019 Item 13  Council, 20/5/2019 Item 24	That: 1. The City of Hobart continue with the implementation of its own enforcement measures to create additional visitor parking spaces and control the use of social food delivery vehicles in the North Hobart, and other suburban restaurant precincts.  2. The General Manager provide a report on the capacity for the Council to provide a by-law to regulate the carriage of food in social food delivery vehicles  3. The Council write to the State Government highlighting concerns of the lack of regulation around social food delivery vehicles.	Director City Innovation	Enforcement of the North Hobart precinct using the newly installed sensor has commenced. Enforcement includes daytime and evening patrols both on weekdays and weekends. Council is actively communicating with social food delivery drivers and being asked to move to the dedicated zone as required.  The matter is under investigation.  A letter will be sent in June 2019.

Ref	Title	Report / Action	Action Officer	Comments
17.	<b>NOTICE OF MOTION LOCAL GOVERNMENT ACT – PETITIONS POLLS &amp; MEETINGS</b> Council, 15/04/2019 Item 13	<p>That in order to enhance the democratic process a report be prepared to review Part 6 of the <i>Local Government Act 1993</i> in relation to petitions, polls and meetings with a view to the Act being amended to place controls around the requirements for councils to hold elector meetings and conduct elector polls, including:</p> <ul style="list-style-type: none"> <li>(i) the threshold for petitions requiring councils to hold an elector meeting or conduct an elector poll</li> <li>(ii) the timing of an elector poll</li> <li>(iii) the costs to communities for both and</li> <li>(iv) the potential for electronic elector polls to be undertaken online,</li> </ul> <p>while addressing anomalies and unintended consequences.</p>	Deputy General Manager	A report appears on this agenda.
18.	<b>NOTICE OF MOTION LOCAL GOVERNMENT ASSOCIATION – MEMBERSHIP</b> Council, 20/05/2019 Item 21	<p>That:</p> <ol style="list-style-type: none"> <li>1. The Council remain a member of the Local Government Association of Tasmania.</li> <li>2. The Council pursue opportunities for the formation of a metropolitan councils association as soon as possible.</li> <li>3. The Council write to the Local Government Association of</li> </ol>	Deputy General Manager	Correspondence is being prepared and will be sent to the Local Government Association of Tasmania requesting an amendment to the Rules to provide eligibility for membership of the General Management Committee as a Southern Electoral District nominee.

Ref	Title	Report / Action	Action Officer	Comments
		Tasmania seeking an amendment to the Rules to provide for eligibility for the Hobart City Council for membership of the General Management Committee as a Southern Electoral District nominee.		
19.	<b>NOTICE OF MOTION JOINING THE ICAN NUCLEAR WEAPONS FREE CITIES APPEAL</b> Council, 15/04/2019 Item 15	<p>That given the lack of action by the federal government on signing the UN Treaty on the Prohibition of Nuclear Weapons (2017), and the ongoing concern of Hobart residents about the threat nuclear weapons pose to communities throughout the world, the City of Hobart:</p> <ol style="list-style-type: none"> <li>1) Endorse and join the <a href="#">ICAN Cities Appeal</a> for a nuclear weapons-free planet. The UN Prohibition of Nuclear Weapons Treaty is the first treaty to comprehensively outlaw nuclear weapons, setting out a pathway for their total elimination.</li> <li>2) Write to the federal government, leader of the Opposition Party and other parties endorsing the ICAN Cities Appeal.</li> </ol>	Director Community Life	<p>The City has now joined the ICAN Cities Appeal and written to the federal government and opposition.</p> <p>Complete.</p>

Ref	Title	Report / Action	Action Officer	Comments
		3) Ensure that funds administered by the City of Hobart are not invested in companies that produce nuclear weapons.  4) Issue a press release announcing that Hobart has joined other cities across the world to call on their governments to sign and ratify the UN Treaty on the Prohibition of Nuclear Weapons.		
20.	<b>NOTICE OF MOTION SAFE AND WELCOMING COMMUNITY</b>  Council, 15/04/2019 Item 16	That, in line with the <i>Hobart Community Vision</i> and <i>City of Hobart Social Inclusion Policy 2014-2019</i> ; the Council reaffirm its commitment to creating a safe and welcoming City, by supporting strong gun regulation and rejecting any attempt to weaken gun control laws, and in doing so, the Council implement the following actions: <ol style="list-style-type: none"> <li>1. Write to the leaders of all political parties (State and Federal) and local members urging them to stand firm against efforts to weaken gun control laws and to reject political donations from the gun lobby; and</li> <li>2. Write to the Prime Minister and the Tasmanian Premier affirming the Council's position for strong gun control laws.</li> </ol>	Director Community Life	Letters are being sent to all political parties.

Ref	Title	Report / Action	Action Officer	Comments
21.	<b>LOCAL GOVERNMENT ASSOCIATION OF TASMANIA GENERAL MEETING MOTIONS AND 2019 GENERAL MANAGEMENT COMMITTEE ELECTION</b> Council, 15/04/2019 Item 19	That: 1. The Council submit the following motion to the Local Government Association of Tasmania's (LGAT) July General Meeting: (i) That LGAT lobby the State Government to increase the legislated smoke-free areas from three metres to five metres away from an entrance or exit to a building.  2. The Deputy Lord Mayor be nominated for the position of President of LGAT.  3. Voting on the Council's behalf for the position of President of the Local Government Association of Tasmania be further considered by the Committee.	Deputy General Manager	Complete.  Complete.  Complete.
22.	<b>REVISED CITY OF HOBART CODE FOR TENDERS AND CONTRACTS</b> Council, 15/04/2019 Item 20	That the item be referred back to committee for further consideration.	Deputy General Manager	A report has been included on this agenda.

Ref	Title	Report / Action	Action Officer	Comments
23.	<b>SOUTHERN TASMANIAN COUNCILS AUTHORITY MEMBERSHIP</b> Council, 15/04/2019 Item 21	That the Council remain in the Southern Tasmanian Councils Association and a review of the membership be undertaken in 12 months' time.	Deputy General Manager	A review of the membership is scheduled for May 2020.
24.	<b>2019-20 FEES and CHARGES – CITY GOVERNANCE</b> Council, 20/05/2019 Item 26	That a fee structure be investigated which represents potential full cost recovery or a percentage thereof.	Deputy General Manager	A report will be provided once investigations have been completed.
25.	<b>2019-20 FEES and CHARGES – PARKING OPERATIONS</b> Council, 20/05/2019 Item 27	That: <ol style="list-style-type: none"> <li>The following parking initiatives be subject of a workshop in July:               <ol style="list-style-type: none"> <li>Early bird parking;</li> <li>First 90 minute parking in multi-story car parks;</li> <li>Pensioner parking scheme.</li> </ol> </li> <li>Investigations be undertaken with appropriate hotel and accommodation establishments for the use of the Council's off street parking facilities outside of normal business hours.</li> <li>An appropriate media release be prepared on the abolition of the \$3</li> </ol>	Director City Innovation	<p>A date for the Workshop is to be determined.</p> <p>A report will be provided once investigations have been completed.</p> <p>A press release will be prepared when the new fees and charges come into effect on 1 July 2019.</p>



Ref	Title	Report / Action	Action Officer	Comments
		minimum transaction fee for credit card payments.		
26.	<b>NATIONAL REDRESS SCHEME - LGAT</b> Council, 20/05/2019 Item 22	That the Council participate in the National Redress Scheme as part of the Local Government Association of Tasmania's whole-of-sector response.	General Manager	Correspondence has been forwarded to the Local Government Association of Tasmania (LGAT) advising that the Council will participate in the National Redress Scheme as part of the LGATs whole of sector response. Complete

**9. RESPONSES TO QUESTIONS WITHOUT NOTICE**

---

Regulation 29(3) *Local Government (Meeting Procedures) Regulations 2015*.  
File Ref: 13-1-10

**The General Manager reports:-**

"In accordance with the procedures approved in respect to Questions Without Notice, the following responses to questions taken on notice are provided to the Committee for information.

The Committee is reminded that in accordance with Regulation 29(3) of the *Local Government (Meeting Procedures) Regulations 2015*, the Chairman is not to allow discussion or debate on either the question or the response."

**9.1 Committees - Structure**  
**File Ref: F19/55920; 13-1-10**

---

Memorandum of the Acting Director City Governance of 5 June 2019.

**9.2 Parking Meters - Performance**  
**File Ref: F19/58665; 13-1-10**

---

Memorandum of the Director City Innovation of 5 June 2019.

**9.3 Parking Meters - Integration Enhancements**  
**File Ref: F19/58673**

---

Report of the Director City Innovation of 5 June 2019.

**9.4 Employment Policy**  
**File Ref: F19/67489; 13-1-10**

---

Report of the Acting Director City Governance of 5 June 2019.

Delegation: Committee

*That the information be received and noted.*



City of **HOBART**

**Memorandum:** Lord Mayor  
Deputy Lord Mayor  
Elected Members

## **Response to Question Without Notice**

### **COMMITTEES - STRUCTURE**

**Meeting:** Community, Culture and Events  
Committee

**Meeting date:** 8 May 2019

**Raised by:** Councillor Dutta

**Question:**

Has consideration been given to a review of the committee structure given the differing workloads between committees?

**Response:**

Council has previously resolved that further consideration of the strategic realignment of its existing committee structure occur after the completion of the Council's visioning project.

The committee structure will be reviewed following development of the Council's new strategic plan.

*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.*

Lara MacDonell  
**ACTING DIRECTOR CITY  
GOVERNANCE**

**Date:** 5 June 2019  
**File Reference:** F19/55920; 13-1-10



City of **HOBART**

**Memorandum:** Lord Mayor  
Deputy Lord Mayor  
Elected Members

## **Response to Question Without Notice**

### **PARKING METERS - PERFORMANCE**

**Meeting:** Finance and Governance Committee

**Meeting date:** 14 May 2019

**Raised by:** Alderman Behrakis

**Question:**

Could the General Manager please advise:

- (a) Have you or other Council staff been in communication with the prime contractors regarding the performance of the new parking meters?
- (b) If so, what were the outcomes of said conversations?

**Response:**

Council officers have been in regular contact with the prime contractor(s) in relation to the performance of the new parking meters since their implementation in late 2018.

Interactions have included:

- (i) regular operational performance service tickets, phone-calls and meetings;
- (ii) standard maintenance and operational performance management for the replacement of factory faulty hardware parts including sensors and meter components, and
- (iii) network performance.

Officers are satisfied with the outcomes of (i) and (ii) and are currently awaiting specification information in relation to (iii) before undertaking previously identified system-wide network performance enhancements.

*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.*

A handwritten signature in black ink, appearing to be 'Peter Carr', with a stylized flourish at the end.

Peter Carr  
**DIRECTOR CITY INNOVATION**

Date: 5 June 2019  
File Reference: F19/58665; 13-1-10



City of **HOBART**

**Memorandum:** Lord Mayor  
Deputy Lord Mayor  
Elected Members

## **Response to Question Without Notice**

### **PARKING METERS - INTEGRATION ENHANCEMENTS**

**Meeting:** Finance and Governance Committee

**Meeting date:** 14 May 2019

**Raised by:** Alderman Behrakis

**Question:**

Could the General Manager please advise:

- (a) Have you or other Council staff been in communication with the prime contractors regarding integration enhancements to allow further process automation that may restrict the possibility of, or support the reduction of unauthorised or unlawful on street parking?
- (b) If so, what, if any solutions have been identified?
- (c) What are the expected costs of such solutions?
- (d) What are the expected timeframes in relation to the implementation of any identified solutions?

**Response:**

Council officers have been in communication with the prime contractors regarding enhancements to allow further process automation between the occupancy, payments and infringement functions/services of the on-street parking system.

Specifically, officers have drafted a Request For Quote identifying additional system requirements and will be seeking responses that detail potential solutions, costs and delivery timeframes against these requirements.

Further advice will be provided to the Committee in relation to the progress of the procurement process in July 2019.

*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.*

A handwritten signature in black ink, appearing to read 'Peter Carr', with a stylized flourish at the end.

Peter Carr  
**DIRECTOR CITY INNOVATION**

Date: 5 June 2019  
File Reference: F19/58673





City of **HOBART**

**Memorandum:** Lord Mayor  
Deputy Lord Mayor  
Elected Members

## **Response to Question Without Notice**

### **EMPLOYMENT POLICY**

**Meeting:** Economic Development &  
Communications Committee

**Meeting date:** 23 May 2019

**Raised by:** Councillor Ewin

**Question:**

Does the Council have an affirmative action employment policy?

**Response:**

The Council does not have a stand-alone Affirmative Action Employment Policy.

However, the Council has in place a range of policies under pinned by relevant legislation that incorporate the principles of equal opportunity for women and disadvantaged groups. Relevant legislation includes:

- Fair Work Act 2009 (Cth)
- Anti-Discrimination Act (Tas) 1998
- Affirmative Action (Equal Opportunity for Women) Act 1986
- Australian Human Rights Commission Act 1986
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984
- Age Discrimination Act 2004
- Disability Discrimination Act 1992

The *Affirmative Action (Equal Opportunity for Women) Act 1986*, as an example, is designed to eliminate discrimination by the employer against women in relation to employment matters and measures are taken at Council to promote equal opportunity for women in relation to employment matters.

The Council is currently finalising an updated Recruitment Policy and Procedure and developing a Diversity Strategy and a Reconciliation Action Plan. An important aspect of this work is ensuring that there are linkages across these policies in respect to the above.

There are a range of initiatives that support affirmative action in the City of Hobart workplace. For example, flexible working arrangements, unpaid and paid parental leave provisions, training and development, promotion of women into management roles, traineeships in non-traditional roles for women and equal remuneration.

The Council also has in place Contact Officers for Equity and Discrimination issues and an Equal Opportunity complaints process.

*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.*



Lara MacDonell  
**ACTING DIRECTOR CITY  
GOVERNANCE**

Date: 5 June 2019  
File Reference: F19/67489; 13-1-10

## **10. QUESTIONS WITHOUT NOTICE**

---

Section 29 of the *Local Government (Meeting Procedures) Regulations 2015*.  
File Ref: 13-1-10

An Elected Member may ask a question without notice of the Chairman, another Elected Member, the General Manager or the General Manager's representative, in line with the following procedures:

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 Elected Member 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, Elected Member, General Manager or General Manager's representative who is asked a question may decline to answer the question, if in the opinion of the respondent it is considered inappropriate due to its being unclear, insulting or improper.
5. The Chairman may require a question to be put in writing.
6. Where a question without notice is asked and answered at a meeting, both the question and the response will be recorded in the minutes of that meeting.
7. Where a response is not able to be provided at the meeting, the question will be taken on notice and
  - (i) the minutes of the meeting at which the question is asked will record the question and the fact that it has been taken on notice.
  - (ii) a written response will be provided to all Elected Members, at the appropriate time.
  - (iii) upon the answer to the question being circulated to Elected Members, 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, where it will be listed for noting purposes only.

## 11. CLOSED PORTION OF THE MEETING

---

### RECOMMENDATION

That the Committee resolve by majority that the meeting be closed to the public pursuant to regulation 15(1) of the *Local Government (Meeting Procedures) Regulations 2015* because the items included on the closed agenda contain the following matters:

- The disposal of land;
- Legal action involving the Council;
- Tender for the supply of goods; and
- Information of a confidential nature.

The following items are listed for discussion:-

Item No. 1	Minutes of the last meeting of the Closed Portion of the Committee Meeting
Item No. 2	Consideration of supplementary items to the agenda
Item No. 3	Indications of pecuniary and conflicts of interest
Item No. 4	Reports
Item No. 4.1	Hobart City Hall Master Plan LG(MP)R 15(2)(c)(i)
Item No. 4.2	Lease - Equality Tasmania - Part of Level 4 Council Centre LG(MP)R 15(2)(f)
Item No. 4.3	Contract Variation - Degraes Street Rivulet Wall Reconstruction LG(MP)R 15(2)(d)
Item No. 4.4	Bad Debt Write-Off LG(MP)R 15(2)(g)
Item No. 4.5	Write-Off of Debts LG(MP)R 15(2)(g)
Item No. 5	Committee Action Status Report
Item No. 5.1	Committee Actions - Status Report LG(MP)R 15(2)(a), (c)(ii), (f) and e(i)
Item No. 6	Questions Without Notice