



CITY OF HOBART

MINUTES

Finance and Governance Committee Meeting

Open Portion

Tuesday, 20 October 2020 at 4:30 pm

ORDER OF BUSINESS

APOLOGIES AND LEAVE OF ABSENCE

1. CO-OPTION OF A COMMITTEE MEMBER IN THE EVENT OF A VACANCY	3
2. CONFIRMATION OF MINUTES.....	4
3. CONSIDERATION OF SUPPLEMENTARY ITEMS	4
4. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST	4
5. TRANSFER OF AGENDA ITEMS.....	5
6. REPORTS	6
6.1 2020 Meeting Schedule Proposed Changes	6
6.2 Proposed 2021 Council and Committee Meeting Schedule and Temporary City Planning Committee Delegation.....	6
6.3 City of Hobart Local Preference Procurement Policy	8
6.4 Annual Review of Investment Portfolio as at 30 September 2020	8
6.5 Lease Renewal - South Hobart Community Centre.....	9
7. MOTIONS OF WHICH NOTICE HAS BEEN GIVEN	10
7.1 Investigation of Asset Holdings.....	10
8. COMMITTEE ACTION STATUS REPORT	12
8.1 Committee Actions - Status Report.....	12
9. RESPONSES TO QUESTIONS WITHOUT NOTICE.....	12
10. QUESTIONS WITHOUT NOTICE	13
11. CLOSED PORTION OF THE MEETING.....	13

Finance and Governance Committee Meeting (Open Portion) held on Tuesday, 20 October 2020 at 4:30 pm.

This meeting of the Finance and Governance Committee is held in accordance with a Notice issued by the Premier on 3 April 2020 under section 18 of the COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020.

COMMITTEE MEMBERS

Zucco (Chairman)
Deputy Lord Mayor Burnet
Sexton
Thomas
Coats

NON-MEMBERS

Lord Mayor Reynolds
Briscoe
Harvey
Behrakis
Dutta
Sherlock
Ewin

PRESENT: Alderman M Zucco (Chairman), the Deputy Lord Mayor Councillor H Burnet, Alderman D C Thomas and Councillor W Coats and the Lord Mayor Councillor A M Reynolds.

The Lord Mayor was co-opted to the Committee.

APOLOGIES: Alderman Dr P T Sexton.

LEAVE OF ABSENCE: Nil.

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

DEPUTY LORD MAYOR BURNET

That the Lord Mayor be co-opted to the Committee.

MOTION CARRIED

VOTING RECORD

AYES

Zucco
Deputy Lord Mayor Burnet
Thomas
Coats

NOES

2. CONFIRMATION OF MINUTES

THOMAS

The minutes of the Open Portion of the Finance and Governance Committee meeting held on [Tuesday, 15 September 2020](#), be confirmed as an accurate record.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Thomas	
Coats	
Lord Mayor Reynolds	

The minutes were signed.

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.

No supplementary items were received.

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 conflicts 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.

No interest was indicated.

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?

No items were transferred.

6. REPORTS

6.1 2020 Meeting Schedule Proposed Changes File Ref: F20/109878

DEPUTY LORD MAYOR BURNET

That the recommendation contained in the memorandum of the General Manager of 15 October 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Thomas	
Coats	
Lord Mayor Reynolds	

COMMITTEE RESOLUTION:

That the following changes to the 2020 Council and Committee Meeting Schedule be adopted:

1. An additional ordinary Council meeting be scheduled on Monday 7 December 2020.
2. The City Planning Committee meeting scheduled to occur on Monday 7 December 2020 be moved to Monday 14 December 2020.
3. The ordinary Council meeting scheduled to occur on Monday 14 December 2020 be moved to Thursday 17 December 2020.

Delegation: Council

6.2 Proposed 2021 Council and Committee Meeting Schedule and Temporary City Planning Committee Delegation File Ref: F20/94971

DEPUTY LORD MAYOR BURNET

That the recommendation contained in the report of the General Manager of 15 October 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Thomas
Coats
Lord Mayor Reynolds

COMMITTEE RESOLUTION:

- That: 1. The Council adopt the 2021 Council and Council Committee meeting schedule, marked as Attachment A to item 6.2 of the Open Finance and Governance Committee agenda of 20 October 2020.
2. In the event that any urgent matters arise which cannot be accommodated within the 2021 meeting schedule, special meetings be convened as required.
3. The City Planning Committee be provided with the following delegation in order to facilitate the processing of planning permit applications during the Christmas period:
- (i) To determine all planning permit applications which would otherwise be determined by the Council, after the last ordinary scheduled Council meeting in December 2020 and the first ordinary scheduled Council meeting in January 2021, in circumstances where it would not otherwise be possible to determine the application within the statutory time period required under Sections 57(6), 57(6A), 58(2) or 58(2A) of the *Land Use Planning and Approvals Act 1993*, and an extension of time cannot be obtained, unless an Elected Member has requested the convening of a special meeting or meetings to determine the application and there is sufficient time to arrange a special meeting prior to the expiry of the statutory time period required under those sections.

Delegation: Council

6.3 City of Hobart Local Preference Procurement Policy
File Ref: F20/109161

LORD MAYOR REYNOLDS

That the recommendation contained in the report of the Manager Rates, Procurement and Finance Operations of 15 October 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Thomas	
Coats	
Lord Mayor Reynolds	

COMMITTEE RESOLUTION:

- That:
1. The report 'City of Hobart Local Preference Procurement Policy' be received and noted.
 2. The Council adopt the City of Hobart Local Preference Procurement Policy, marked as Attachment A to item 6.3 of the Open Finance and Governance Committee agenda of 20 October 2020.
 3. The General Manager be authorised to finalise the City of Hobart Local Preference Procurement Policy and arrange for it to be made available from the City's website.

Delegation: Council

6.4 Annual Review of Investment Portfolio as at 30 September 2020
File Ref: F20/108765

DEPUTY LORD MAYOR BURNET

That the recommendation contained in the report of the Manager Rates, Procurement and Finance Operations of 12 October 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Thomas	
Coats	
Lord Mayor Reynolds	

COMMITTEE RESOLUTION:

That the Finance and Governance Committee receive and note the information contained in the report titled "Annual Review of Investment Portfolio as at 30 September 2020".

Delegation: Committee

6.5 Lease Renewal - South Hobart Community Centre
File Ref: F20/108097; 17/80

THOMAS

That the recommendation contained in the report of the Manager Community and Culture and the Deputy General Manager of 15 October 2020, be adopted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Thomas	
Coats	
Lord Mayor Reynolds	

COMMITTEE RESOLUTION:

- That:
1. The Council approve a new three (3) year lease to the South Hobart Progress Association for the South Hobart Community Centre, located at 42 D'Arcy Street, South Hobart.
 2. The leased area be provided at a nominal annual rent of fifty dollars (\$50.00) per annum.

3. The General Manager be authorised to finalise the terms and conditions of the lease.
4. In accordance with the Council Policy 'Grants and Benefits Disclosure' the benefit recognised to the South Hobart Progress Association by way of reduced rental as part of the new lease be disclosed in the City of Hobart's Annual Report.

Delegation: Committee

7. MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

7.1 Investigation of Asset Holdings File Ref: F20/103360; 13-1-9

THOMAS

That the following Notice of Motion which was adopted by the Finance and Governance Committee at its meeting of 20 October 2020, be considered by the Council, as amended by the following:

1. That the words *be requested* be deleted and substituted with *provide a report with a proposal, including an estimation of costs to engage an external consultant to undertake and after the word Manager* in Clause 1.
2. That the words *of better strategic use of, or* be inserted after the word *analysis* in Clause 1.
3. The addition of Clause 2 to read as follows:
 2. *The following commercial attributes are to be addressed as part of the analysis:*
 - a. *Current and potential use to value;*
 - b. *Commercial value to commercial return;*
 - c. *Rent return to capital return."*

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Thomas	
Coats	
Lord Mayor Reynolds	

COMMITTEE RESOLUTION:

Motion:

- “That: 1. The General Manager provide a report with a proposal, including an estimation of costs to engage an external consultant to undertake and complete an analysis of better strategic use of or possible asset sales and/or the potential to allow council assets of all types to provide support as collateral security to reduce debt levels without having to sell the assets for consideration by the Council when developing a post COVID-19 recovery and resilience plan.
2. The following commercial attributes are to be addressed as part of the analysis:
- a. Current and potential use to value;
 - b. Commercial value to commercial return;
 - c. Rent return to capital return.”

Rationale:

During the COVID-19 pandemic, the Council experienced significant challenges to the financial sustainability of the Council. The forecast loss from all areas of operations in the financial year 2020 is estimated at a 12 million dollar loss.

It is important that as part of the ongoing strategies to recover from the pandemic that all realistic options are considered by the Council. One of these ought to include:

1. The consideration of disposing of the City’s underutilised assets.
2. Consideration of the market mechanisms which provide possible flexible funding options for council’s balance sheet through utilising council’s asset portfolio to generate funding without selling or relinquishing control of the assets.

It is appreciated that this can be an issue approached with some trepidation by elected members which requires balancing the retention of required assets and possible unknown future circumstances against the benefits that disposal might provide in the ‘here and now’.

As an alternative to the disposal of assets, there may be options around restructuring the ownership model or using the assets portfolio to provide a better return for ratepayers.

For some years now governments around Australia including government owned corporations have entered into debt funding models which all require appropriate probity and transparency.

The assets portfolio encompasses all council owned infrastructure, including real property holdings.

The General Manager advises:

“A recovery and resilience plan is being developed as part of the City’s response to the COVID-19 pandemic, which will include consideration of the strategies for the future of the City’s assets.”

Delegation: Council

8. COMMITTEE ACTION STATUS REPORT

8.1 Committee Actions - Status Report
File Ref: F20/110412

DEPUTY LORD MAYOR BURNET

That the information be received and noted.

MOTION CARRIED

VOTING RECORD

	AYES	NOES
Zucco		
Deputy Lord Mayor Burnet		
Thomas		
Coats		
Lord Mayor Reynolds		

Delegation: Committee

9. RESPONSES TO QUESTIONS WITHOUT NOTICE

Regulation 29(3) *Local Government (Meeting Procedures) Regulations 2015.*
File Ref: 13-1-10

9.1 Housing Affordability and Appropriate Policy
File Ref: F20/102998; 13-1-10

Memorandum of the Deputy General Manager of 13 October 2020 and attachment.

DEPUTY LORD MAYOR BURNET

That the information be received and noted.

MOTION CARRIED

VOTING RECORD

AYES	NOES
Zucco	
Deputy Lord Mayor Burnet	
Thomas	
Coats	
Lord Mayor Reynolds	

Delegation: Committee

10. QUESTIONS WITHOUT NOTICE

Section 29 of the *Local Government (Meeting Procedures) Regulations 2015*.
File Ref: 13-1-10

No questions were asked at the meeting.

11. CLOSED PORTION OF THE MEETING

LORD MAYOR REYNOLDS

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:

- Contract extension;
- Information of a personal and confidential nature; and
- Financial hardship.

The following items were discussed: -

Item No. 1	Minutes of the last meeting of the Closed Portion of the Council 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	Contract Extension - Provision of GIS Products LG(MP)R 15(2)(d)
Item No. 4.2	Remissions of Rates and Charges Granted LG(MP)R 15(2)(g)

- Item No. 4.3 Financial Hardship - Rates Remission Request
LG(MP)R 15(2)(j)
- Item No. 5 Committee Action Status Report
- Item No. 5.1 Committee Actions - Status Report
LG(MP)R 15(2)(b), (c)(i), (c)(ii), (d), (f), (g), (i) and (j)
- Item No. 6 Responses to Questions Without Notice
- Item No. 6.1 Air B&B - Rates Remission Requests
LG(MP)R 15(2)(j)
- Item No. 7 Questions Without Notice

MOTION CARRIED

VOTING RECORD

AYES

NOES

Zucco
Deputy Lord Mayor Burnet
Thomas
Coats
Lord Mayor Reynolds

Delegation: Committee

There being no further business the open portion of the meeting closed at 4:55 pm.

TAKEN AS READ AND SIGNED AS
A CORRECT RECORD THIS
17TH DAY OF NOVEMBER 2020.

CHAIRMAN