



CITY OF HOBART

# **AGENDA**

## **Finance Committee Meeting**

### **Open Portion**

**Tuesday, 11 April 2017**

**at 5.00 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.

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## ORDER OF BUSINESS

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**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**

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**Finance Committee Meeting (Open Portion) held Tuesday, 11 April 2017 at 5.00 pm in the Lady Osborne Room, Town Hall.**

**COMMITTEE MEMBERS**

Thomas (Chairman)  
Deputy Lord Mayor Christie  
Zucco  
Ruzicka  
Sexton

**Apologies:** Nil.

**Leave of Absence:**

Alderman E R Ruzicka.

**ALDERMEN**

Lord Mayor Hickey  
Briscoe  
Burnet  
Cocker  
Reynolds  
Denison  
Harvey

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

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**2. CONFIRMATION OF MINUTES**

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The minutes of the Open Portion of the Finance Committee meeting held on [Tuesday, 21 March 2017](#), are submitted for confirming as an accurate record.

**3. CONSIDERATION OF SUPPLEMENTARY ITEMS**

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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**

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

Aldermen 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**

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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**

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### **6.1   Related Party Disclosures** **File Ref: F17/32407**

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Report of the Manager Finance and the Director Financial Services of  
6 April 2017 and attachments.

Delegation:    Council

**REPORT TITLE: RELATED PARTY DISCLOSURES****REPORT PROVIDED BY:** Manager Finance  
Director Financial Services**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to inform the Council about the requirements of an Accounting Standard which will apply to the Council for the first time in 2016-2017, and will continue to apply in future years.
- 1.2. The title of the Accounting Standard is AASB 124 Related Party Disclosures.

**2. Report Summary**

- 2.1. Accounting Standard AASB 124 Related Party Disclosures will apply to the Council for the first time in 2016-2017, and will continue to apply in future years.
- 2.2. AASB 124 will require Council's annual financial statements to contain disclosures about Council's related parties and related party transactions. Council's related parties will include Aldermen and senior employees.
- 2.3. A Council policy is necessary to outline what is expected of Aldermen and Council staff in relation to AASB 124. Specifically, the policy outlines the disclosure requirements under AASB 124 of Key Management Personnel (KMP), which includes Aldermen. It also outlines the procedures Council will follow to collect, store, manage and report on related party relationships, transactions and commitments.
- 2.4. The draft policy has been forwarded to the Risk and Audit Panel out of session for comment and feedback. The Panel will formalise their response at its next meeting, however, feedback from the two Panel members who responded indicates their satisfaction with what is proposed. No changes were requested.

**3. Recommendation**

***That the Council adopt the draft policy titled 'Related Party Disclosures', marked as Attachment A to the report.***

#### 4. Background

- 4.1. AASB 124 has applied to private sector entities for many years. Until now, the not-for-profit sector (which includes Local Government) has been afforded an exemption from the requirements of the Standard. This exemption has been removed with effect from the 2016-2017 financial year.
- 4.2. Council's financial statements for 2016-2017 (and beyond) will therefore need to comply with AASB 124. This will require the Council's financial statements to contain certain disclosures about its related parties. Failure to comply would result in the Auditor-General issuing a qualified audit report in respect of the Council's financial statements.
- 4.3. The purpose of AASB 124 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and performance may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.
- 4.4. Council's related parties are likely to include Aldermen, the General Manager, Directors, their close family members and any entities that they control or jointly control.

#### 5. Proposal and Implementation

- 5.1. The following steps are necessary to comply with AASB 124: -
  - 5.1.1. Establish a system to identify and record related parties and related party relationships;
  - 5.1.2. Identify ordinary citizen transactions (OCTs);
  - 5.1.3. Establish a system to identify and record related party transactions and related party transaction terms and conditions;
  - 5.1.4. Assess materiality of the related party transactions that have been captured; and
  - 5.1.5. Make disclosure.
- 5.2. It is proposed that Council adopt a policy which addresses each of the above steps. A draft policy is included at **Attachment A**.

#### **Who and what are related parties of Council?**

- 5.3. People and entities (companies, trusts, associations, etc.) can be related parties of a Council.
- 5.4. The most common related parties of a Council will be: -
  - 5.4.1. Entities related to Council;
  - 5.4.2. Key Management Personnel (KMP) of Council;



- 5.4.3. Close family members of KMP; and
- 5.4.4. Entities that are controlled or jointly controlled by KMP or their close family members.

**What entities are related to Council?**

- 5.5. Entities controlled by Council, jointly controlled by Council, or over which Council has “significant influence” are related parties of Council.
- 5.6. The Council will need to identify transactions with these entities and may need to make extra disclosure about them in Council’s financial statements.
- 5.7. Guidance on assessing control, joint control and significant influence is contained in Accounting Standards.
- 5.8. Based on this guidance, it would appear that the Council does not control or jointly control any other entities.
- 5.9. Does the Council have significant influence over any other entities? The guidance defines significant influence as “the power to participate in the financial and operating policy decisions of an investee, but is not control or joint control of those policies”.
- 5.10. The guidance goes on to suggest that if an entity holds 20% or more of the voting power of an investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.
- 5.11. Conversely, if an entity holds less than 20% of the voting power of an investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated.
- 5.12. Based on this guidance, TasWater is unlikely to be a related entity of Council because Council’s voting power in TasWater is only around 10%.
- 5.13. All superannuation schemes to which Council makes contributions on behalf of its employees (e.g. Tasplan) are related entities of Council regardless of control, joint control or significant influence.

**Who are Council’s Key Management Personnel?**

- 5.14. Key Management Personnel (KMP) are defined as “those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly”.
- 5.15. Judgement needs to be exercised in deciding which individuals meet the above definition of KMP.
- 5.16. It is likely that all of the following will be KMP: -

- 5.16.1. Lord Mayor;
- 5.16.2. Deputy Lord Mayor;
- 5.16.3. Aldermen;
- 5.16.4. General Manager; and
- 5.16.5. Directors.

**Who are close family members of Council's KMP?**

- 5.17. Close family members are defined as “family members who may be expected to influence, or be influenced by, the KMP in their dealings with Council”.
- 5.18. Close family members will include: -
  - 5.18.1. Your spouse/domestic partner;
  - 5.18.2. Your children;
  - 5.18.3. Your dependants;
  - 5.18.4. Children of your spouse/domestic partner; and
  - 5.18.5. Dependants of your spouse/domestic partner.
- 5.19. Close family members could also include the following if they could be expected to influence, or be influenced by, the KMP in their dealings with Council: -
  - 5.19.1. Your brothers and sisters;
  - 5.19.2. Your aunts, uncles and cousins;
  - 5.19.3. Your parents and grandparents;
  - 5.19.4. Your nieces and nephews; and
  - 5.19.5. Any other member of your family.
- 5.20. Friends of KMP are not close family members.

**What is an entity controlled or jointly controlled by KMP or their close family members?**

- 5.21. Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships.
- 5.22. You control an entity if you have: -
  - 5.22.1. Power over the entity;
  - 5.22.2. Exposure, or rights, to variable returns from involvement with the entity; and

- 5.22.3. The ability to use your power over the entity to affect the amount of your returns.
- 5.23. To jointly control an entity there must be contractually agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
- 5.24. In some cases it will be obvious whether control or joint control exists. In other cases control or joint control will be less clear, and judgement will be required.

**How will related parties and related party relationships be identified and recorded?**

- 5.25. The draft policy (refer **Attachment A**) proposes the following : -
  - 5.25.1. The General Manager will establish, review and maintain a list of KMP for the Council;
  - 5.25.2. Each KMP will complete an annual declaration which details that person's close family members, and entities (if any) which are controlled or jointly controlled by that KMP or their close family members, and which are likely to have transactions with the Council. An example of the format of this annual declaration is contained in Appendix 1;
  - 5.25.3. Annual declarations will be provided by 1 July each year covering the forthcoming financial year, together with an updated declaration for the previous financial year;
  - 5.25.4. KMPs will be responsible for updating their declarations should they become aware of a change, error or omission; and
  - 5.25.5. Declarations made by KMP will be used to establish a list of related parties for the purpose of identifying transactions and reporting in accordance with AASB 124.

**Ordinary Citizen Transactions (OCTs)**

- 5.26. Related party transactions which occur during the course of delivering its public service objectives and which occur on terms no different to those that apply to the general public are termed ordinary citizen transactions (OCTs).
- 5.27. Council may determine that OCTs are not material transactions because of their nature and exclude them from being recorded as a related party transaction.
- 5.28. The draft policy (refer **Attachment A**) proposes that the following transactions be recognised as OCTs: -

- 5.28.1. Paying rates and charges;
  - 5.28.2. Dog registrations;
  - 5.28.3. Attending Council functions which are open to the public;
  - 5.28.4. Attending Council events after paying the normal fee;
  - 5.28.5. Using Council facilities after paying the normal fee;
  - 5.28.6. Parking fees at rates available to the general public;
  - 5.28.7. Fines on normal terms and conditions.
- 5.29. However, if any of the above transactions were to occur on terms and conditions that are different to those offered to the general public, the transaction may become material.
- 5.30. The draft policy (refer **Attachment A**) proposes that the following transactions not be recognised as OCTs: -
- 5.30.1. Infrastructure charges or contributions;
  - 5.30.2. Purchase of goods and services, regardless of conditions;
  - 5.30.3. Purchases or sales of property;
  - 5.30.4. Employee expenses of close family members of KMP;

**Establishing a system to identify and record related party transactions (and terms and conditions)**

- 5.31. It is proposed that a 'Register of Related Party Transactions' be established to capture and record information for each existing or potential related party transaction (including ordinary citizen transactions assessed as being material in nature).
- 5.32. The 'Register of Related Party Transactions' would detail the following for each related party transaction: -
- 5.32.1. Description of the related party transaction;
  - 5.32.2. Name of the related party;
  - 5.32.3. Nature of the related party's relationship with Council;
  - 5.32.4. Whether the notified related party transaction is existing or potential;
  - 5.32.5. References to any relevant documentation.
- 5.33. It may be possible to identify related party transactions with a special code in Council's accounting system. Transactions which do not pass through Council's accounting system would need to be captured separately.

**Assessing materiality of related party transactions**

- 5.34. Prior to preparing disclosures for Council's financial statements, related party transactions should be assessed for materiality. Transactions that are not considered material do not need to be disclosed.
- 5.35. Assessing materiality requires judgement and should be done in consultation with Council's Risk and Audit Panel and Council's external auditor (the Auditor-General). Accounting standards provide some guidance on assessing materiality.
- 5.36. When assessing materiality, Council needs to consider both the size and nature of transactions, individually and collectively.

**Disclosing related party transactions**

- 5.37. Council will need to make the following disclosures in its annual financial statements: -
  - 5.37.1. Key Management Personnel compensation in total and for each of the following categories: -
    - 5.37.1.1. Short-term employee benefits;
    - 5.37.1.2. Post-employment benefits;
    - 5.37.1.3. Other long-term benefits;
    - 5.37.1.4. Termination benefits.
  - 5.37.2. Where related party transactions have occurred: -
    - 5.37.2.1. The nature of the related party relationship;
    - 5.37.2.2. Information about the transactions, outstanding balances and commitments, including terms and conditions;
  - 5.37.3. Separate disclosure for each of the following categories of related parties: -
    - 5.37.3.1. Key management personnel;
    - 5.37.3.2. Other related parties.
  - 5.37.4. Disclosure of the following types of transactions: -
    - 5.37.4.1. Purchases or sales of goods;
    - 5.37.4.2. Purchases or sales of property and other assets;
    - 5.37.4.3. Rendering or receiving of services;
    - 5.37.4.4. Leases;

- 5.37.4.5. Guarantees given or received;
  - 5.37.4.6. Commitments;
  - 5.37.4.7. Loans and settlements of liabilities;
  - 5.37.4.8. Expense recognised during the period in respect of bad debts;
  - 5.37.4.9. Provision for doubtful debts relating to outstanding balances.
- 5.38. Transactions of a similar nature will be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of a related party transaction on Council's financial statements having regard to the following criteria: -
- 5.38.1. The nature of the related party transaction;
  - 5.38.2. The significance of the transaction (individually or collectively) in terms of size or value (including where the materiality arises due to the fact that no consideration for the transaction is given or received by Council);
  - 5.38.3. Whether the transaction is carried-out on non-arm's length terms;
  - 5.38.4. Whether the nature of the transaction is outside normal day-to-day business operations.
- 5.39. If a KMP or a close associate (a close family member, or an entity controlled or jointly controlled by the KMP or a close family member) is named individually in disclosure reports, the KMP will be given a copy of the intended disclosure for review and information purposes. The KMP will be given an opportunity to provide feedback on the intended disclosure.
- 5.40. **Attachment B** contains an example of how the above disclosures might look for a particular council.
- 5.41. It may be possible to incorporate the disclosures required by Section 72 of the LGA (remuneration of senior employees and statement of allowances and expenses paid to elected members) into the related party disclosures in the annual financial statements because these are contained within Council's Annual Report.

## 6. Strategic Planning and Policy Considerations

- 6.1. Adoption of the proposed policy will support the Council's goal to provide good governance, and to be more open and transparent in its decision-making.

**7. Financial Implications**

## 7.1. Funding Source and Impact on Current Year Operating Result

7.1.1. Nil

## 7.2. Impact on Future Years' Financial Result

7.2.1. Nil

## 7.3. Asset Related Implications

7.3.1. Nil

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

8.1. The *Local Government Act 1993* and the *Audit Act 2008* require all local governments in Tasmania to produce annual financial statements which comply with Australian Accounting Standards.

8.2. The Auditor-General has no power to exempt local governments from complying with AASB 124 or any other Accounting Standard.

8.3. The required disclosures may prompt further public scrutiny of Aldermanic allowances and benefits. However, it must be noted that this information will be combined with information about senior employee remuneration, because financial statement disclosures are required for 'Key Management Personnel', not for Aldermen separately.

**9. Delegation**

9.1. This matter is delegated to 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.*



Peter Jenkins  
**MANAGER FINANCE**



David Spinks  
**DIRECTOR FINANCIAL SERVICES**

Date: 6 April 2017  
File Reference: F17/32407

Attachment A: Draft Policy - Related Party Disclosures ↴  
Attachment B: Example Disclosure ↴

City of Hobart

# Policy

**Title:** Related Party Disclosures

**Category:** xx

**Adopted:** xx

## 1. Objectives

This policy outlines what is expected of elected members and staff of Council in relation to Australian Accounting Standard AASB 124 *Related Party Disclosures* (AASB 124).

Specifically, the policy outlines the disclosure requirements under AASB 124 of Key Management Personnel (KMP), which includes elected members. It also outlines the procedures Council will follow to collect, store, manage and report on related party relationships, transactions and commitments.

Under the *Local Government Act 1993* and the *Audit Act 2008* all local governments in Tasmania must produce annual financial statements that comply with Australian Accounting Standards.

## 2. Background

From 1 July 2016, local governments (Councils) must disclose related party relationships, transactions and outstanding balances, including commitments, in their annual financial statements.

The objective of the Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and performance may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

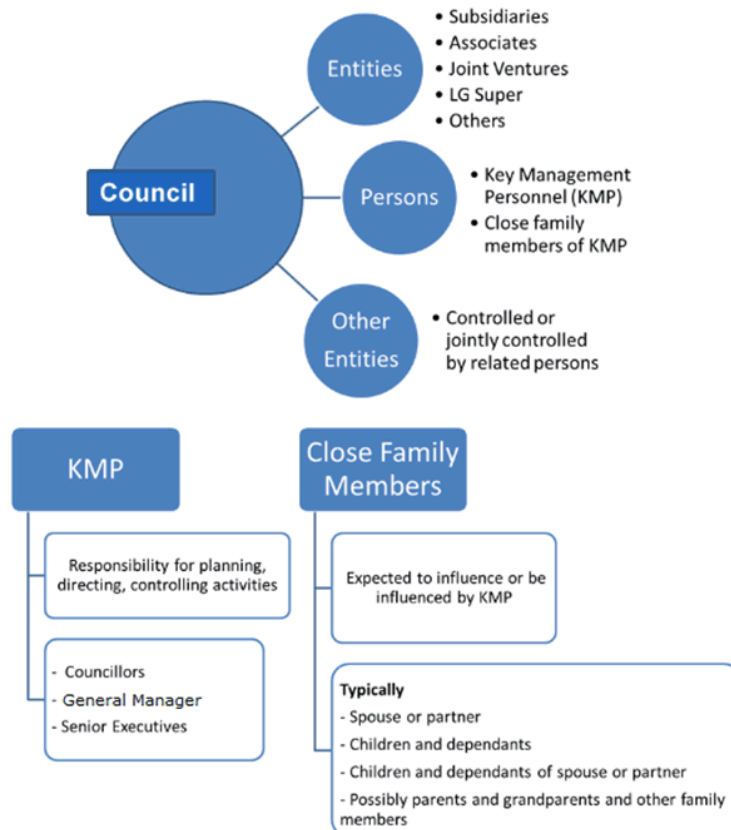
Hobart City Council's related parties are likely to include the Lord Mayor, Deputy Lord Mayor, Aldermen, the General Manager, Directors, their close family members and any entities that they control or jointly control. Any transactions between Council and these parties, whether monetary or not, may need to be identified and disclosed.



### 3. Policy

#### 1. Identifying Related Parties

The following diagram gives an overview of common related parties that a council will have:



1.1. The General Manager will establish, review and maintain a list of Key Management Personnel (KMP) for Council.

1.1.1. Key Management Personnel (KMP) for Council are: -

- Lord Mayor
- Deputy Lord Mayor
- Aldermen
- General Manager
- Directors

1.2. Those persons identified as KMP will complete an annual declaration which details their close family members and the entities, if any, that are controlled or jointly controlled by that KMP or their close family members and which are likely to have transactions with Council (Appendix 1).

1.3. For the purpose of this Policy, close family members include: -

- that person's spouse or domestic partner;
- that person's children;
- that person's dependants;
- children of that person's spouse or domestic partner; and
- dependents of that person's spouse or domestic partner.

1.4. It is the responsibility of the General Manager to seek a declaration upon a change of KMP.

1.5. All KMPs will be asked to provide their declarations by 1 July each year covering the forthcoming financial year. In addition, an updated declaration for the previous financial year will also be sought.

1.6. It is the responsibility of all identified KMP to update their declaration should they become aware of a change, error or omission.

1.7. Council will use the declarations of KMP to establish a list of related parties for the purpose of identifying transactions and reporting under AASB 124.

1.8. Updates will be provided to KMP and Council staff periodically on changes arising from amendments to Australian Accounting Standards, applicable legislation or policy and procedural requirements.

1.9. Register of Related Party Transactions

1.9.1. Maintain a Register

The General Manager is responsible for establishing and keeping up to date a register of related party transactions that captures and records the information for each existing or potential related party transaction (including ordinary citizen transactions assessed as being material in nature) during a financial year.

1.9.2. Contents of Register

The contents of the register of related party transactions will detail the following for each related party transaction: -

- a) description of the related party transaction;
- b) name of the related party;
- c) nature of the related party's relationship with Council;
- d) whether the notified related party transaction is existing or potential; and

- e) references to any relevant documentation.

The General Manager is responsible for ensuring that the information is disclosed in Council's annual financial statements to the extent, and in the manner, stipulated by AASB 124.

## **2. Council Entities and Subsidiaries**

For the purpose of this policy, entities controlled by Council, jointly controlled by Council or over which Council has significant influence are related parties of Council. Council will need to identify transactions with these entities and may need to make extra disclosure about them in Council's financial statements.

When assessing whether Council has control or joint control over an entity, Council will need to consider AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*. AASB 128 *Investments in Associates and Joint Ventures* details the criteria for determining whether Council has significant influence over an entity.

## **3. Entities Controlled (or jointly controlled) by KMP or their close family members**

- 3.1. KMP will exercise their best judgement in identifying related parties.
- 3.2. KMP will carefully assess the information and examples following before declaring, or not declaring, an entity over which they, or a close family member, have control or joint control.
- 3.3. Entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs.
- 3.4. When assessing whether or not a KMP or a close family member controls, or jointly controls, an entity, Council will need to refer to AASB 10 *Consolidated Financial Statements* and AASB 11 *Investments in Associates and Joint Ventures*.

**Example for Guidance**

*Mayor is the President of a local football club.*

*The Mayor of Sunny Shire Council is the President of League Heroes Inc, the local football club. This club is overseen by a committee which comprises the President and four other committee members. Each member has a single vote when making decisions at meetings. The committee members are not related and do not have agreements to vote with one another. The club has over 100 members that each have a vote in electing the committee members at the club's annual general meeting.*

*From these facts it would appear that the Mayor does not control or jointly control the football club so it will not be a related party of Council just because the Mayor is the president of the club.*

**Example for Guidance (Joint control)**

*Fred is the Mayor of Sunny Shire Council and owns 50 per cent of the ordinary shares in Sunny Development Company Pty Ltd (the company). Fred's brother Stan owns the other 50 per cent of ordinary shares. Fred and Stan are the only Directors of the company and have equal voting rights on the board.*

*Fred and Stan have joint control of the company because any decisions require the unanimous consent of them both.*

*Fred will need to include the company on his related party declaration.*

**4. Related party disclosures by Council**

4.1. Each year Council will declare the following related party transactions: -

4.1.1. Transactions with Council subsidiaries, by transaction type.

4.1.2. KMP compensation, including: -

- short-term employee benefits;
- post-employment benefits;
- long-term benefits; and
- termination benefits.

4.1.3. Transactions with other related parties, including: -

- purchases or sales of goods (finished or unfinished);
- purchases or sales of property and other assets;
- rendering or receiving of services;
- leases;
- guarantees given or received;
- commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised); and
- settlement of liabilities on behalf of the entity, or by the entity on behalf of that related party.

4.1.4. Transactions of a similar nature will be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of a related party transaction on the financial statements of Council, having regard to the following criteria: -

- the nature of the related party transaction;
- the significance of the transaction (individually or collectively) in terms of size or value (including where the materiality arises due to the fact that no consideration for the transaction is given or received by Council);
- whether the transaction is carried out on non-arm's length terms;
- whether the nature of the transaction is outside normal day-to-day business operations.

4.1.5. Outstanding balances in relation to transactions with related parties, including: -

- Entities controlled by KMPs; and
- Bad or doubtful debts in respect of amounts owed by related parties.

4.1.6. Non-monetary transactions such as use of facilities, and peppercorn rents.

4.2. If a KMP or close associate is named individually in disclosure reports, the KMP will be given a copy of the intended disclosure for review and information purposes. Feedback must be provided within 7 days.

4.3. Council will not capture Ordinary Citizen Transactions (OCTs) with related parties. Nor will Council disclose non-material transactions.

4.4. For the purpose of this Policy, examples of OCTs are: -

- Paying rates and charges;
- Dog registrations;
- Attending Council functions which are open to the public;
- Attending Council events after paying the normal fee;
- Using Council facilities after paying the normal fee;
- Parking fees at rates available to the general public;
- Fines on normal terms and conditions;

4.5. Examples of transactions that are not OCTs are: -

- Infrastructure charges or contributions;
- Purchase of goods and services, regardless of conditions;
- Purchases or sales of property;
- Employee expenses of close family members of KMP;

The list of OCTs will be reviewed periodically with updates provided to KMP.

4.6. The General Manager will assess the materiality of the related party transactions that have been captured prior to disclosure.

Council does not have to disclose transactions that are not material. In determining materiality, the size and nature of the transaction individually and collectively will be considered and assessment will be made in consultation with Council's Risk and Audit Panel.

4.7. In making disclosures in the annual financial statements Council will include: -

4.7.1. Relationships between a parent and its subsidiaries, irrespective of whether there have been transactions between them.

4.7.2. KMP compensation in total and for each of the following categories: -

- short-term employee benefits;
- post-employment benefits;
- other long-term benefits; and
- termination benefits.

4.7.3. Where related party transactions have occurred: -

- the nature of the related party relationship; and
- information about the transactions, outstanding balances and commitments, including terms and conditions.



4.7.4. Separate disclosure in aggregate for each of the following categories of related party transactions: -

4.7.4.1. Key management personnel; and

4.7.4.2. Other related parties.

Note: Transactions that are individually significant, either because of their amount or nature, are included in the aggregate disclosure but also need to be disclosed separately.

4.7.5. The types of transactions disclosed such as: -

- purchases or sales of goods;
- purchases or sales of property and other assets;
- rendering or receiving of services;
- leases;
- guarantees given or received;
- commitments;
- loans and settlements of liabilities;
- expense recognised during the period in respect of bad debts; and
- provision for doubtful debts relating to outstanding balances.

## 5. Privacy and right to information

Council must comply with the requirements of the *Archives Act 1983* (Tasmania), *Privacy Act 1988* (Commonwealth), *Personal Information Protection Act 2004* (Tasmania) and *Right to Information 2009* (Tasmania) in the collection, storage, management, disclosure and reporting of information.

A declaration statement from KMP is incorporated into the *Declaration of Related Party Transactions Form* (Appendix 1) to enable the disclosure and reporting of information in accordance with AASB 124. A Related Party Information Collection Notice will be provided to KMP and included in their Declarations (Appendix 2).

## 6. Dispute resolution

Disputes will be managed in accordance with **Council's dispute resolution policy**.

## 7. Legislation, Terminology and References

There is overlap between the requirements of AASB 124 and the interest provisions in the *Local Government Act 1993* (LGA). Beyond the provisions of AASB 124 the LGA requires certain disclosures. Council will make these disclosures separately where not adequately covered by AASB 124 disclosures.

Other legislation referred to in this policy include the *Audit Act 2008*, *Archives Act 1983*, *Privacy Act 1988*, *Personal Information Protection Act 2004* (PIP Act) and *Right to Information Act 2009*.

Other Australian Accounting Standards referred to in this policy include AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, and AASB 128 *Investments in Associates and Joint Ventures*.

#### Key terms

Term	Meaning
Arm's length terms	<p>Terms between the parties that are reasonable in the circumstances of the transaction that would result from: -</p> <ul style="list-style-type: none"> <li>• neither party bearing the other any special duty or obligation, and</li> <li>• the parties being unrelated and uninfluenced by the other, and</li> <li>• each party having acted in its own interest.</li> </ul>
Close Family Member	<p>Family members of Key Management Personnel (KMP) who may be expected to influence, or be influenced by, that person in their dealings with the entity. This includes, but is not limited to, that person's spouse or domestic partner; and the children and dependents of that person or that person's spouse or domestic partner.</p>
Control of an entity	<p>You control an entity if you have:</p> <ol style="list-style-type: none"> <li>a) power over the entity;</li> <li>b) exposure, or rights, to variable returns from involvement with the entity; and</li> <li>c) the ability to use your power over the entity to affect the amount of your returns.</li> </ol>
Declaration by KMP	<p>An annual declaration of close family members and entities that the KMP or their close family members control or jointly control, as per Appendix 1, updated during the year as necessary.</p>
Entities controlled by KMPs	<p>Entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs.</p> <p>You control an entity if you have:</p> <ul style="list-style-type: none"> <li>• power over the entity;</li> <li>• exposure, or rights, to variable returns from involvement with the entity; and</li> <li>• the ability to use your power over the entity to affect the amount of your returns.</li> </ul>
Entities related to Council	<p>Entities controlled by Council, jointly controlled by Council or over which Council has significant influence are related parties of Council.</p>
Joint control of	<p>To jointly control an entity there must be contractually agreed sharing of control of the entity, which exists only when decisions about the</p>



an entity	relevant activities require the unanimous consent of the parties sharing control.
Key Management Personnel (KMP)	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. In the council context this includes the Mayor, all aldermen or councillors, the General Manager and senior council officers as outlined in the policy.
KMP Compensation	<p>All employee benefits. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:</p> <ul style="list-style-type: none"> <li>a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;</li> <li>b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;</li> <li>c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;</li> <li>d) termination benefits; and</li> <li>e) share-based payment.</li> </ul>
Materiality	<p>Information is material when, if omitted or misstated, it could influence decisions that users make on the basis of financial information about a specific reporting entity.</p> <p>Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.</p>
Ordinary Citizen Transactions (OCTs)	Transactions that an ordinary citizen would undertake with Council are usually not material to related party disclosure requirements. OCTs do not apply if the terms and conditions are different to those offered to the general public.
Related Party of Council	People and entities, such as companies, trusts and associations, can be related parties of Council. Most commonly these will be entities related to Council, KMP of Council (including elected members), close family members of KMP and entities that are controlled or jointly controlled by KMP or their close family members.
Related Party Transaction	A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Responsible Officer:	XX
Policy first adopted by the Council:	XX
History	
Next Review Date:	XX

## Appendix 1 - Declaration of Related Party Transactions and Consent Form



City of HOBART

## Private and Confidential

## Related Party Declaration by Key Management Personnel

Name of Key Management Person: *(insert name)*Position of Key Management Person: *(insert name)*

Close Family Member Name	Relationship with KMP	Entities over which the close family member has sole or joint control	Nature of likely transactions with Council or Council entities

Name of Entity over which the KMP has sole or joint control	Relationship with KMP	Nature of likely transactions with Council or Council entities

I *(insert full name)*, *(insert position)* declare that the above list includes all my close family members and the entities controlled, or jointly controlled, by myself or my close family members having had, or likely to have, transactions with Council. I make this declaration after reading Council's policy which details the meaning of the words "close family members" and "entities controlled, or jointly controlled, by myself or my close family members".

I permit the General Manager to access the register of interests of me and persons related to me and to use the information for the purposes specified in Council's Related Party Disclosures Policy.

Declared at *(insert place)* on the *(insert date)*

Signature of KMP:

Name of KMP:

In accordance with Council's *Privacy Policy*, your information, and the information of others, is protected by law, including the *Privacy Act 1988* and the *Personal Information Protection Act 2004*.

## Appendix 2 –Related Party Information Collection Notice

**Collection Notice****Related party transactions disclosure by Key Management Personnel**

From 1 July 2016, Council must disclose related party relationships, transactions and outstanding balances, including commitments, in its annual financial statements, in order to comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*.

**Purpose of collection, use and disclosure of related party information**

The reason for disclosure of related party transactions is to ensure that Council's financial statements contain the information necessary to draw attention to the possibility that its financial position and performance may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

Council's related parties are likely to include Aldermen, senior employees, their close family members and any entities that they control or jointly control. Any transactions between Council and these parties, whether monetary or not, may need to be identified and disclosed.

A related party transaction is a transfer of resources, services or obligations between Council and a related party, regardless of whether a price is charged.

A related party transaction must be disclosed in Council's financial statements if the transaction is material. Information is material when, if omitted or misstated, it could influence decisions that users make on the basis of financial information about a specific reporting entity.

Prior to disclosure, the General Manager will assess the materiality of related party transactions that have been captured, and, if deemed material, will disclose in its financial statements the nature of the related party relationship and information about the transaction. Disclosure in the financial statements may be in aggregate form and/or may be made separately, depending on the nature and materiality of the transaction.

**Related Party Transactions Declaration by Key Management Personnel**

Key management personnel (KMP) are the persons who have authority and responsibility for planning, directing and controlling the activities of Council, directly or indirectly and include Aldermen and senior employees. In order to comply with AASB 124, Council has adopted a policy that requires all KMP to declare any existing or potential related party transactions between Council and any of their related parties during a financial year.

Each KMP must provide an annual *Related Party Declaration* in the approved form, by 1 July each year, and update the Declaration should they become aware of any change, error or

omission. KMPs must exercise their best judgment in identifying related parties when declaring, or not declaring, entities over which they, or a close family member, have control or joint control.

#### How will the information captured in the Declaration be used?

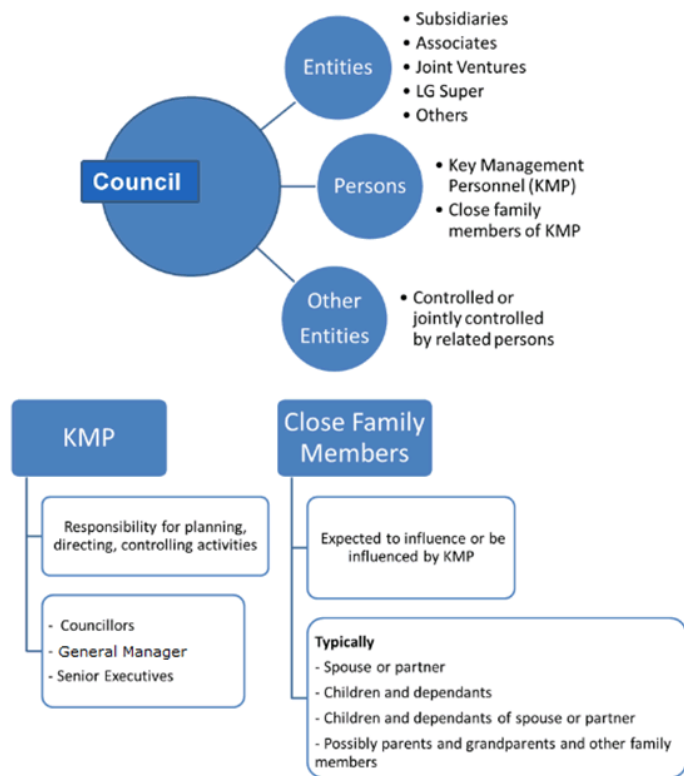
Council will use the declarations of KMPs to establish a list of related parties of Council for the purposes of identifying transactions and reporting under AASB 124. If a KMP or close family member is named individually in disclosure reports, the KMP will be given a copy of the intended disclosure for review and information purposes.

#### Who are related parties?

People and entities, such as companies, trusts and associations, can be related parties of Council.

The following diagram gives an overview of common related parties that a council will have.

The following diagram gives an overview of common related parties that a council will have:



For related party transaction disclosures under AASB 124, the related party relationship must be disclosed for both the KMP and their close family members, even if the same related party entity is held jointly or in common by them. This is separate and in addition to Council's register of interests which is required under the *Local Government Act 1993*.

Under AASB 124, those persons who are prescribed as definitely being close family members of a KMP include: -

- that person's children and spouse or domestic partner;
- children of that person's spouse or domestic partner; and
- dependents of that person or that person's spouse or domestic partner.

Council may determine other family members, such as a parent, grandparent, sibling, cousin, etc, who may be expected to influence, or be influenced by, that person in their dealings with Council or a Council entity.

**What is an entity that I, or my close family members, control or jointly control?**

Entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs.

You control an entity if you have: -

- a) power over the entity;
- b) exposure, or rights, to variable returns from involvement with the entity; and
- c) the ability to use your power over the entity to affect the amount of your returns.

You jointly control an entity if there is a contractually agreed sharing of control of the entity. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In some instances, it may not be easy to determine whether or not you, or your close family members, control or jointly control an entity. If you are unsure and require further clarification, you should contact the General Manager for a confidential discussion.

*For more information about Council's disclosure requirements under AASB 124 Related Party Disclosures, please refer to Council's Related Party Disclosures Policy, which can be found at [\[insert URL\]](#).*

*All information collected by Council is in accordance with Council's Privacy Policy and is protected by law, including the Privacy Act 1988 and the Personal Information Act 2004. Council's privacy policy can be found at [\[insert URL\]](#).*

## Example of related party disclosures by a council

### Note XY: Related Party Transactions

#### a) Subsidiaries

The group consists of Sunny Shire Council and its wholly owned entities. Details of subsidiaries are disclosed in Note X.

The following transactions occurred with subsidiaries: -

During the year, Sunny Shire Council provided grants and subsidies to Subsidiary One Pty Ltd with a total value of \$24,358,736.

In addition, the amounts for goods and/or services supplied by Sunny Shire Council and, based on normal commercial terms and conditions to Subsidiary One Pty Ltd were as follows: -

Rental accommodation	\$1,956,333
Refuse fees	\$1,320,012

The Council also provides some free rental accommodation and administration services to Subsidiary One Pty Ltd.

Subsidiary One Pty Ltd is dependent on funding provided by Council. Funding support has been agreed to by the Council for the 2016-17 financial year.

#### b) Key management personnel compensation

	2017
	\$
Short-term employee benefits	3,000,000
Post-employment benefits	375,000
Long-term benefits	300,000
Termination benefits	0
<b>Total</b>	<b>3,675,000</b>

Detailed remuneration disclosures are provided in the annual report on page x.



**c) Transactions other related parties**

Details of transactions between council and other related parties are disclosed below: -

		<b>2017</b>
		<b>\$</b>
Fees and charges charged to associates	#	986,225
Fees and charges charged to entities controlled by key management personnel	#	2,400,350
Infrastructure contributions from entities controlled by key management personnel	##	3,245,678
Employee expenses for close family members of key management personnel	*	453,000
Purchase of materials and services from entities controlled by key management personnel	**	5,230,012

Note Transactions that are individually significant, either because of their amount or nature, are included in the aggregate disclosure contained in this table but also need to be disclosed separately as illustrated in #,##, \* & \*\*below.

#The fees and charges charged to associates and entities controlled by key management personnel were in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes: -

- infrastructure charges totalling \$1,230,000 paid by Progressive Development Company Pty Ltd, a company controlled by a close family member of Councillor Rosalind Jones. The company's development projects were assessed and approved in accordance with council's normal terms and conditions. Councillor Rosalind Jones declared her conflict of interest in this matter and did not participate in any decisions related to the company's application.
- an application fee for boundary realignment and another for material change of use. These applications were made by Better Homes Pty Ltd, a company controlled by the Mayor, Councillor David Dean. The applications relate to parcels of land in Taylor St, Bedford and Main St, Sofaville. These applications are currently being assessed by Council.

## Green Developments Pty Ltd, a company jointly controlled by Councillor Fred Smith and a close family member during 2016-17, completed a new subdivision "Avondale Heights" in 2016-17. In accordance with the infrastructure agreement water and sewerage infrastructure, roads and some parks within the development were handed over to Council. The fair value of this infrastructure at the hand over date was \$3,245,678.

\* All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The council employs 452 staff of which only 4 are close family members of key management personnel.

The Chief Executive Officer, Ms Doris Dean, is a close family member of the Mayor, Councillor David Dean. Ms Dean's compensation package has not been included in



this disclosure because it has been disclosed at b) Key Management Personnel compensation. Ms Dean was employed through an arm's length process and is compensated at a market salary that was determined by Salary Consultants Pty Ltd, an independent agent based in Cairns.

\*\*The consolidated entity purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of council operations: -

- Rental of an office building,
- Petrol, and
- Consultancy services.

Included in the above are services purchased from Bright Water Pty Ltd amounting to \$520,000 during 2016-17. During this time Councillor Roger Jacobs was the owner of this business. All purchases were at arm's length, on normal terms and conditions and were in the normal course of Council's operations. As at 30 June 2017 there were no amounts owed by Council to the company.

#### d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties: -

Employee expenses for close family members of key management personnel	\$7,323
Entities controlled by key management personnel	\$753,000

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

#### e) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

#### f) Commitments to/from other related parties

Council has no outstanding commitments to/from other related parties.

**6.2 Investment of Council Funds - South Hobart and Foothills  
Community Bank  
File Ref: F17/33556**

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Report of the Director Financial Services of 6 April 2017 and  
attachments.

Delegation: Council

**REPORT TITLE: INVESTMENT OF COUNCIL FUNDS - SOUTH  
HOBART AND FOOTHILLS COMMUNITY BANK****REPORT PROVIDED BY:** Director Financial Services**1. Report Purpose and Community Benefit**

- 1.1. This report provides an update on the South Hobart and Foothills Community Bank and provides Council with the opportunity to reconsider whether it wishes to pledge to purchase shares or provide some type of support to the proposal.

**2. Report Summary**

- 2.1. The Steering Committee for the South Hobart and Foothills Community Bank (SHFCB) has requested Council reconsider showing its support for the Community Bank® project.
- 2.2. The Council first considered the project in January 2016.
- 2.3. Since that time, the Steering Committee has expanded the catchment area to now include six suburbs in addition to South Hobart representing over three quarters of the populated area of the City of Hobart.
- 2.4. The project was previously known as the South Hobart Community Bank, but is now termed the South Hobart and Foothills Community Bank. Over the past 12 months the Steering Committee has been actively engaging within the expanded community base and increased its pledges.
- 2.5. There is no obligation for Council to provide support. In the event it resolves to do so, this can be shown in a number of ways. These include pledging to purchase shares in the company, providing funding to complete an independent feasibility study, linking current Council investments with Bendigo Bank to the SHFCB, or perhaps even in kind assistance of some type.

**3. Recommendation**

***That the Council consider whether it wishes to provide support to the South Hobart and Foothills Community Bank® and if so, in what form that support will take.***

#### 4. Background

- 4.1. At the meeting of 19 January 2016 the Finance Committee considered a report (**Attachment A**) on this proposal. *This current report does not reproduce all information from that January 2016 report, and accordingly, the two should be read in conjunction.* Committee resolved the following:
  - 4.1.1. *The Council pledges to purchase \$50,000 worth of shares in the South Hobart Community Bank® and authorises the General Manager to complete and submit the pledge form as shown at Attachment B.*
  - 4.1.2. *Current and future cash investments with the Bendigo Bank be linked to the South Hobart Community Bank branch.*
  - 4.1.3. *The City of Hobart's support for the South Hobart Community Bank be acknowledged in relevant South Hobart Community Bank promotional and marketing material as appropriate.*
- 4.2. The recommendation was lost at Council on 25 January 2016.
- 4.3. Since that time the Steering Committee has expanded the catchment area which now incorporates the suburbs of South Hobart, Sandy Bay, West Hobart, Dynnyrne, Fern Tree, Ridgeway, Mount Nelson and Tolmans Hill. Representatives from the expanded catchment areas also have a place on the Steering Committee.
- 4.4. The project, now known as the South Hobart and Foothills Community Bank, incorporates over three quarters of the populated area of the City of Hobart municipal area (see attached map).
- 4.5. Bendigo Bank developed the Community Bank® model in 1998 and at the end of 2015/16 there were 313 Community Bank® branches located in rural and metropolitan areas.
- 4.6. Community Bank® local branches are locally owned companies which shares profits with the community while offering all services expected of a modern bank.
- 4.7. The Community Bank® model allows for the revenue to be shared equally between the locally owned company and Bendigo Bank, the locally owned company's profits are then returned to the local community with 80% returned in grants and sponsorship and 20% returned to shareholders in the form of dividends.
- 4.8. There are currently 12 Community Bank® branches successfully operating in Tasmania. In total, over \$1.7 million has been given back to community groups, organisations, enterprises, sporting clubs and individuals in Tasmania since the first Community Bank® opened 14 years ago.

- 4.9. The expanded catchment of the SHFCB area will provide wider community benefit through investment in community projects and payment of dividends to shareholders.
- 4.10. Since the report of January 2016, the Steering Committee has been actively engaging in these neighbourhoods, through advertising in local newsletters, letterboxing, a street presence and attending community meetings.
- 4.11. In January 2016 it was reported that \$200,000 in pledges had been received from 80 people. Officers are advised that to date the SHFCB has increased its pledges to approximately \$338,500 from 154 people, showing growing community support for the project.
- 4.12. The Steering Committee have reported they are on track to raise a further \$400,000 in pledges by June 2017.
- 4.13. Support to the project can also be shown by community members moving their banking business to the Bendigo Bank and linking their accounts to the SHFCB project. The target is to have \$10 million business on the books notionally attributed to the SHFCB project before the proposed branch would open. To date \$5.5 million business on the books has been notionally attributed to the project.
- 4.14. Bendigo Bank has indicated that the start up cost for a Community Bank branch in South Hobart could be in the order of \$800,000, although this is not a definitive figure. However, it would be hoped that pledge amounts would ultimately reach this figure, or close to.
- 4.15. The Steering Committee also report a noticeable change within the community for a preference to investment and banking with non fossil fuel institutions making a Bendigo Bank Community Bank a preferred option. It is reported that currently 8% of the South Hobart community bank with Bendigo Bank.

## **5. Proposal and Implementation**

- 5.1. It is proposed that the Council consider whether it wishes to show support to the SHFCB proposal, and if so, in what form that support takes.
- 5.2. It is worth reminding that the process is still in its early stages. The Bendigo Bank has a robust framework which it follows before entering into a franchise agreement for a community bank. As noted above, the pledge target of \$800,000 (or close to), and the business on the books target of \$10M (or close to) need to be reached before proceeding. Following this there is a feasibility survey process, a business case process and finally a capital raising process requiring the issuing of an ASIC approved share prospectus.
- 5.3. Support could be provided in a number of ways. These include the following.

- 5.4. Purchasing shares in the company to be formed. The Steering Committee has requested that Council consider pledging to purchase \$30,000 to \$50,000 worth of shares in the SHFCB.

5.4.1. It should be noted that by making a pledge Council is not making a financial commitment at this time. As noted above, there is a process to be followed that could take several years. A further report would be prepared for the Council's consideration upon the issuing of a prospectus, should the proposal reach that stage.

- 5.5. Funding the feasibility survey. The Steering Committee has also requested the Council consider providing funding for the independent feasibility study. It is estimated the cost of this be around \$10,000 to \$12,000.

5.5.1. A feasibility study is not undertaken until Bendigo Bank are satisfied with the level of community support demonstrated through pledges and business support.

- 5.6. Linking current Council investments with Bendigo Bank to the SHFCB. This action would count towards the \$10M business on the books target. Council currently has term deposit funds with Bendigo Bank.

## 6. Strategic Planning and Policy Considerations

- 6.1. Investment in the SHFCB is consistent with the Council's Strategic Objectives in the *Capital City Strategic Plan 2015-2025*:

Strategic Objecting 1.1: *Partnerships with Government, the education sector and business create city growth.*

- 6.2. The investment is also consistent with the Policy on Investment of Council Funds in that the Bendigo Bank does not invest in the fossil fuel industry.

## 7. Financial Implications

- 7.1. Funding Source and Impact on Current Year Operating Result

7.1.1. Not applicable.

- 7.2. Impact on Future Years' Financial Result

7.2.1. Should Council approve the proposal to fund the independent feasibility study for the SHFCB the cost is estimated to be between \$10,000 and \$12,000.

7.2.2. There is no cost to the Council in pledging to purchase shares. A future report would be provided for Council endorsement should the SHFCB proceed and pledges are called in.

### 7.3. Asset Related Implications

7.3.1. Not applicable.

## 8. Legal, Risk and Legislative Considerations

8.1. There are a number of risk that may affect the Council investment in the SHFCB. These are explained at length in Section 6 of **Attachment A** and include;

8.1.1. Insufficient revenue;

8.1.2. Changes to economic conditions;

8.1.3. Increased competition;

8.1.4. Sale of shares;

8.1.5. Withdrawal of pledges.

8.2. The Bendigo Bank has a robust framework which it follows to mitigate any risk of failure before entering into a franchise agreement for a Community Bank.

8.3. As with all investments in shares there is no guarantee that the Council or other shareholders will receive dividends. However the motivation for most shareholders in the Community Bank® is to invest in a community enterprise which provides a service and deliver funding for community projects.

## 9. Social and Customer Considerations

9.1. Shareholders and account holders in local Community Banks® are attracted to them because they are owned by and operated by local people with the profits being reinvested back into the community. They allow the local community to become involved in decisions about investments in community projects from the Community Bank® and can encourage higher rates of participation in community related events and projects. To date Community Banks® have donated over \$137M to local projects.

9.2. Should it decide to invest in the SHFCB the Council's investment could be seen as a demonstration of support for the project rather than a financial investment.

## 10. Community and Stakeholder Engagement

10.1. The SHFCB steering committee was established in February 2015 and is currently seeking pledges of support. Officers are advised that to date the SHFCB has received \$338,500 worth of pledges from 154 people and residents.

- 10.2. The Steering Committee has been actively engaging through advertising in local newsletters, letterboxing, a street presence and attending community meetings.

## 11. Delegation

- 11.1. This matter is delegated to 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.*



David Spinks  
**DIRECTOR FINANCIAL SERVICES**

Date: 6 April 2017  
File Reference: F17/33556

Attachment A: Report of January 2016 ↓  
Attachment B: Catchment Boundaries ↓  
Attachment C: SHFCB Pledge Form ↓



FC Agenda 19/1/2016

Item No. 5

Page 7

**TO** : Finance Committee

**FROM** : Director Financial Services

**DATE** : 9 November, 2015

**SUBJECT** : **INVESTMENT OF COUNCIL FUNDS - SOUTH HOBART  
COMMUNITY BANK**

**FILE** : 20-19-1 PG:PG (o:\council & committee meetings reports\fc reports\2015 meetings\15  
december\word version of report\fc report - investment of council funds - south hobart community bank.doc)

## **1. INTRODUCTION**

- 1.1. A Notice of Motion from Alderman Cocker was approved by Council on 26 October 2015. The Notice of Motion called for a report to be prepared by the end of 2015 to advise whether the Council should pledge to purchase shares in the establishment of the South Hobart Community Bank (SHCB), and if so the size of an appropriate pledge.

1.1.1. This report provides advice on whether the Council should pledge to purchase shares and other options available to provide support.

## **2. BACKGROUND**

- 2.1. Bendigo Bank developed the Community Bank<sup>®</sup> model in 1998 in response to the closure of bank branches across Australia. When it first started the Community Bank<sup>®</sup> model was sought by many rural communities to provide branch banking. The model has since expanded into many metropolitan communities.
- 2.2. The first Community Bank<sup>®</sup> branch opened in 1998 and at the end of 2014/15 there were 310 Community Bank<sup>®</sup> branches, located in rural and metropolitan areas.
- 2.3. Community Bank<sup>®</sup> local branches are locally owned companies which shares profits with the community while offering all services expected of a modern bank. The model allows for 50% of profits to be returned to the local community through shareholder dividends and local community funding.
- 2.3.1. There are currently 11 Community Bank<sup>®</sup> branches in Tasmania, including the Huon Valley (4 branches) and Sorell.
- 2.4. A Community Bank<sup>®</sup> is formed by a locally owned and operated company as a franchise of Bendigo Bank. A Community Bank<sup>®</sup> will only be established after an extensive period of engagement with the community by a local steering committee.

- 2.4.1. Engagement by the local steering committee includes a pledge for support process, a feasibility stage/survey, formation of a local company and finally raising capital via a prospectus. Bendigo Bank will only proceed to the final stage of raising capital if the feasibility survey shows that a Community Bank<sup>®</sup> branch is viable.
- 2.4.2. Bendigo Bank provides the coverage of the Community Bank's<sup>®</sup> banking licence, a full range of banking products, staff training and ongoing support.
- 2.4.3. Governance of the local company/Community Bank<sup>®</sup> branch is by a local board comprising of volunteers with a professional branch manager and staff employed to operate the branch.
- 2.4.4. Revenue from the branch is split 50/50 between Bendigo Bank and the local company with the local company responsible for paying branch running costs.
- 2.4.5. Cashflow for Community Bank<sup>®</sup> branches is usually positive within 3 years and any profits available are reinvested in the community through dividends to shareholders and investments into local community projects. Dividends to shareholders are limited to 20% of the profits.
- 2.4.6. A key aim of the Community Bank<sup>®</sup> model is for local communities to share in revenue generated by the local branch. Such contributions can be in the form of donations, grants and sponsorship arrangements. The local board decides on the amount of contributions and how the funds are to be allocated.
- 2.5. The SHCB project began in February 2015. The steering committee for the project is at the public engagement stage and is seeking pledges of support (see **Attachment A**). Officers are advised that to date the SHCB has received \$200,000 worth of pledges from 80 people and is on target to raise a further \$200,000 in pledges by the steering committee's first anniversary in February 2016.
  - 2.5.1. Bendigo Bank has indicated that the start up cost for the SHCB could be in the order of \$800,000 however this could change.
  - 2.5.2. The feasibility survey for the SHCB is approximately 12 months away with considerable public engagement continuing over summer at local community events to raise awareness and garner further support and pledges from the local community. The steering committee has also approached local businesses and schools for support.
  - 2.5.3. While support for the SHCB project can be shown by community members pledging to buy shares, support can also be

indicated by people moving their banking business to Bendigo Bank and linking their accounts to the SHCB project. Linking accounts to the project in this manner shows that the SHCB will have a revenue stream and the proposed branch will already have business on its books when it opens.

- 2.5.4. Residents from other suburbs, such as Fern Tree, West Hobart and Ridgewood have indicated interest in the SHCB project which implies that there will be a larger catchment area than South Hobart alone.
- 2.5.5. In addition there is a retirement village and aged care facility in close proximity to the South Hobart retail area whose residents could potentially be customers of the SHCB and would prefer to use a branch service rather than other less traditional banking methods.

While the majority of bank transactions are not processed by the customer visiting a branch, research has shown that the majority of people prefer to visit a branch when opening a bank account or getting a home loan. KPMG research has shown that 79% of Gen Y prefers to get a home loan by visiting a branch and 47% prefer to visit a branch when opening a bank account.

<http://www.kpmg.com/AU/en/IssuesAndInsights/ArticlesPublications/banking-on-the-future/Pages/banking-on-the-future-2015-infographic.aspx>

- 2.5.6. There are several branches of major banks in the CBD and Sandy Bay, including a branch of Bendigo Bank. However practice has shown in opening a Community Bank® in other metropolitan areas that new Bendigo Bank customers are attracted and proximity to other available banks is not a factor in establishing a customer base.
- 2.6. There are currently 11 Community Bank® branches in Tasmania with several more proposed branches currently undertaking local engagement.
  - 2.6.1. The Huon Valley Community Bank® has four branches located in Geeveston, Dover, Huonville and Cygnet. The branches were opened in response to the closure of bank branches in these communities. The first branches opened 12 years ago in Dover and Geeveston and have given back \$1.3 million to community groups, organisations, enterprises, sporting clubs and individuals in the Huon Valley.
  - 2.6.2. The Huon Valley Council was an early supporter of the Huon Valley Community Bank®. The Council and Huon Valley Community Bank® have worked in partnership on infrastructure projects which may not have been possible without contributions from the branch including construction of health centres and playgrounds which helped to revitalise the community.

- 2.6.3. In a more urban location the Sorell & District Community Bank<sup>®</sup> branch opened 4 years ago and now has \$84 million in deposits and loans and has invested \$120,000 in local community initiatives. It should be noted that the Sorell & District Community Bank<sup>®</sup> branch is also located in close proximity to other bank branches.
- 2.7. New and existing Bendigo Bank customers are attracted to local Community Bank<sup>®</sup> branches as they are owned by local people with the profits being reinvested back into the community. There is also the security of knowing that the local branch is backed by the Bendigo Bank. Any investment on the SHCB by the Council is also consistent with Council's approach taken to ethical investments as included in the Council's Investment Policy.

### **3. PROPOSAL**

- 3.1. The Council can show support for the SHCB in a number of ways and it is proposed that the following options be considered:
- 3.1.1. Pledge to purchase \$30,000 of shares in the SHCB.
- During discussions with the Chair of the SHCB project steering committee it was suggested that Council pledge to purchase \$30,000 worth of shares in the SHCB. However, any pledge amount is entirely a matter for the Council.
- 3.1.2. Provide funding for the independent feasibility survey
- The anticipated cost of the survey is \$10,000 to \$12,000; the cost of which can later be converted into shares in the SHCB. Officers are advised that this approach has been taken by other Councils. The Council can choose to provide full or partial funding for the survey.
- 3.1.3. Link investment accounts to the SHCB
- It is open to the Council to link current and future cash investments such as term deposits with the Bendigo Bank to the SHCB. The Council currently has \$3M invested with Bendigo Bank. Linking the investments to the SHCB will show the Council's support at an early stage in the steering committees engagement campaign and will come at no cost or risk to the Council's current investments with Bendigo Bank.
- 3.1.4. Amend Investment of Funds Policy
- Amend the Council's Investment of Funds policy to allow a higher quantum investment of funds with Bendigo Bank. Currently, a maximum limit of \$5M applies to 'A' rated

financial institutions - of which the Bendigo Bank is one. So any desire to invest more than \$5M with Bendigo and Adelaide would require a revision of the investment policy.

- 3.1.5. It is also possible that the City of Hobart's support be acknowledged in relevant promotional and marketing materials for the SHCB, as appropriate.
- 3.2. It should also be recognised that being a shareholder is not a pre-requisite to the SHCB and Council coming together for mutual benefit. Council could still have a productive relationship with SHCB irrespective of being a shareholder or not. However, the ability to influence projects and their priority may be higher if Council was a shareholder.

#### **4. STRATEGIC PLANNING IMPLICATIONS**

- 4.1. Investment in the SHCB is consistent with the Council's Strategic Objectives in the Strategic Plan:
  - Priority Area of Activity 5 – 5.11 Develop and promote partnerships to achieve regional, city and community goals.
- 4.2. The investment is also consistent with the Policy on Investment of Council Funds in that the Bendigo Bank does not invest in the fossil fuel industry.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1. Funding Source(s)
  - 5.1.1. Not Applicable.
- 5.2. Impact on Current Year Operating Result
  - 5.2.1. Not Applicable.
- 5.3. Impact on Future Years' Financial Result
  - 5.3.1. Should the Council approve the proposal to fund the independent feasibility survey for the SHCB the cost will be \$10,000 to \$12,000. It is anticipated that the survey and will be undertaken in the next 12 months.
  - 5.3.2. There is no cost to the Council in pledging to purchase shares however should the SHCB proceed \$30,000 will be required to invest in the entity.
- 5.4. Asset Related Implications
  - 5.4.1. Not Applicable.

**6. RISK MANAGEMENT IMPLICATIONS**

- 6.1. There are a number of risks that may affect the Council's investment in the SHCB, these risks are listed below:
  - 6.1.1. Insufficient revenue – if the SHCB does not achieve the volume of business required to generate sufficient revenue to make a profit this will result in an inability to make community contributions or pay dividends to shareholders.
  - 6.1.2. Changes to economic conditions – changes to economic conditions such as inflation and interest rates could affect the performance of the SHCB
  - 6.1.3. Increased competition – established bank branches in the Hobart CBD and Sandy Bay may impact adversely on the level of business the SHCB. It should also be noted that the franchise agreement between the Bendigo Bank and a Community Bank<sup>®</sup> is not exclusive so competition could be from a new Community Bank<sup>®</sup> branch.
  - 6.1.4. Sale of shares – due to the community based nature of Community Banks<sup>®</sup>, restrictions on who can be a shareholder and the maximum number of ordinary shares that can be held there is little trading in the shares. Community Bank<sup>®</sup> branches are not listed on the securities exchange (ASX) but in the 'Low Volume Trading' market.
  - 6.1.5. There is no obligation on respondents to the feasibility survey to transfer their business to the Community Bank<sup>®</sup> as indicated. There is also no legal obligation on the members of the local community who have pledged to purchase shares to do so when the share prospectus is issued.
- 6.2. The Bendigo Bank has a robust framework which it follows before entering into a franchise agreement for a Community Bank<sup>®</sup>. An independent feasibility survey is undertaken following the pledge support stage and 5 year financial modelling undertaken before a share prospectus is issued. The share prospectus has to be approved by ASIC before publication.
- 6.3. The Bendigo Bank will not enter into a franchise agreement with a local board if insufficient capital is raised or if the survey and financial modelling indicate that there is insufficient business to generate revenue.
- 6.4. The Bendigo Bank wishes to protect the Community Bank<sup>®</sup> brand and is proud of the success of the program therefore they will only agree to proceed if viable.

- 6.5. As with all investments in shares there is no guarantee that the Council or other shareholders will receive dividends. However the motivation for most shareholders in the Community Bank<sup>®</sup> is to invest in a community enterprise which provides a service and deliver funding for community projects.

## 7. LEGAL IMPLICATIONS

- 7.1. There are a number of provisions in the Local Government Act 1993 (LGA) which govern the Council's investment of funds.

- 7.1.1. Section 73 (b) provides that *a council may raise funds by receiving interest and dividends on investments.*

- 7.1.2. Section 75 Investments provides that:

*A council may invest any money –*

- (a) in any manner in which a trustee is authorised by law to invest trust funds; and*
- (b) in any investment the Treasurer approves.*

- 7.1.3. Section 21(1)(b) Enterprise Powers provides:

*In carrying out any of its functions, a council may:*

- (b) subscribe for, or otherwise acquire and dispose of, shares in or debentures or other securities of a corporation.*

*(1A) A motion by a council to exercise any of its powers under subsection(1) must be accompanied by a statement of the objectives of the exercise of that power.*

*(2) A council must obtain the approval of the Minister before exercising any of its powers under subsection (1) if the exercise of that power would –*

- (a) involve an expenditure of at least \$250 000 or 5% or more of its general rates revenue for the previous financial year, whichever is the greater; or*

- (b) extend the council's expenditure required to service its total borrowings to an amount in excess of 30% of its revenue other than grants made to the council for the previous financial year.*

## 8. SOCIAL IMPLICATIONS

- 8.1. Shareholders and account holders in local Community Banks<sup>®</sup> are attracted to them because they are owned by and operated by local people with the profits being reinvested back into the community. They

allow the local community to become involved in decisions about investments in community projects from the Community Bank<sup>®</sup> and can encourage higher rates of participation in community related events and projects. To date Community Banks<sup>®</sup> have donated over \$137M to local projects.

- 8.2. Should it decide to invest in the SHBC the Council's investment would be a demonstration of support for the project rather than a financial investment.

## **9. DELEGATION**

- 9.1. Council has delegation for this matter.

## **10. CONSULTATION**

- 10.1. The State Manager and Relationship Banker from Bendigo Bank and the Chair of the SHCB steering committee were consulted during the writing of this report.

## **11. CONCLUSION**

- 11.1. A Notice of Motion from Alderman Cocker was approved by Council on 26 October 2015. The Notice of Motion called for a report to be prepared by the end of 2015 to advise whether the Council should pledge to purchase shares in the establishment of the South Hobart Community Bank (SHCB), and if so the size of an appropriate pledge.
- 11.2. A Community Bank<sup>®</sup> is formed by a locally owned and operated company as a franchise of Bendigo Bank. A Community Bank<sup>®</sup> will only be established following an extensive period of engagement with the community by a local steering committee.
- 11.2.1. The SHCB steering committee was established in February 2015 and is currently seeking pledges of support. Officers are advised that to date the SHCB has received \$200,000 worth of pledges from 80 people and residents from surrounding suburbs have indicated interest in the project.
- 11.2.2. Bendigo Bank has indicated that the start up cost for a Community Bank<sup>®</sup> branch in South Hobart could be in the order \$800,000, however this could change.
- 11.2.3. The Bendigo Bank will only proceed with a Community Bank<sup>®</sup> branch in South Hobart if an independent feasibility survey indicates the branch will be viable.
- 11.2.4. The SHCB steering committee has indicated that it would expect the independent feasibility survey to be undertaken in the next 12 months.



**12. RECOMMENDATION***That:*

- 12.1. The report PG:PG(o:\council & committee meetings reports\fc reports\2015 meetings\15 december\word version of report\fc report - investment of council funds - south hobart community bank.doc) be received and noted.*
- 12.2. The Council pledges to purchase \$30,000 worth of shares in the South Hobart Community Bank® and authorises the General Manager to complete and submit the pledge form as shown at Attachment B.*
- 12.3. Funding be provided, to a maximum of \$12,000, to assist the South Hobart Community Bank to commission an independent feasibility survey in the next 12 months to determine the viability of opening a Community Bank® in South Hobart with the funding converted into shares in the branch should it proceed.*
- 12.4. Current and future cash investments with the Bendigo Bank be linked to the South Hobart Community Bank branch.*
- 12.5. The City of Hobart's support for the South Hobart Community Bank be acknowledged in relevant South Hobart Community Bank promotional and marketing material as appropriate.*
- 12.6. The value of the cash support provided to the South Hobart Community Bank® to commission an independent feasibility survey, up to a maximum of \$12,000, be recorded as a grant in the City of Hobart's Annual 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.*



(David Spinks)

**DIRECTOR FINANCIAL SERVICES**

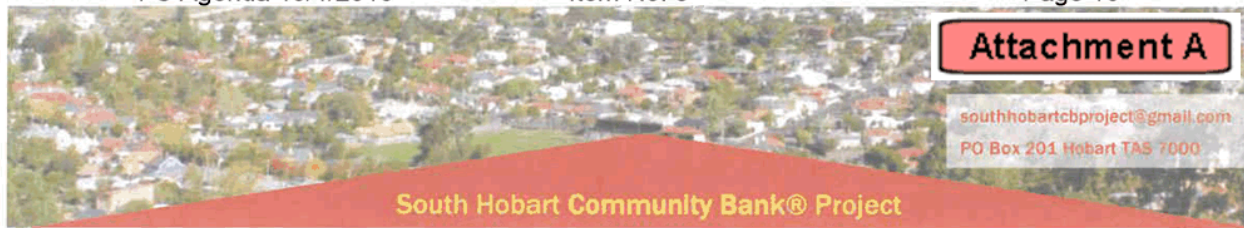
Attachment(s)

Attachment A – South Hobart Community Bank Project  
correspondence – dated 19 November 2015Attachment B – South Hobart Community Bank Project Pledge  
Form.

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South Hobart Community Bank® Project Steering Committee

19 November 2015

Mr David Spinks  
Director Financial Services Division  
Hobart City Council  
Hobart TAS 7001



Dear Mr Spinks,

Thank you for meeting with Russell Carrick, Keridan Taylor and myself to discuss the South Hobart Community Bank® project. We were pleased that you could see the potential benefits of a Community Bank® in South Hobart and I just wanted to summarise the key points from our meeting to help you as you prepare your report to Council.

- There are now 310 Community Bank® branches around the country doing over \$25 billion in banking business. Communities benefit from their own bank, with over \$137 million in donations to local projects so far. To us, South Hobart seems a natural home for a Community Bank®.
- The South Hobart Community Bank® Project began in February 2015 and we need to raise \$800,000 worth of pledges to prove that we have sufficient local support. As a result of community events, social media campaigns, local publicity, and word of mouth, so far we're at just over \$200,000 in pledges. We aim to create the bank within the next 12-18 months. So far the support from the community has been fantastic and this has strengthened our commitment to the idea.
- The Community Bank® model started in 1998 when two small rural Victorian communities (Rupanyup and Minyip) were faced with bank closures in their towns and no banking available for miles around. Bendigo Bank said they could provide a bank if the communities showed sufficient support for the idea. The community got behind it and the Community Bank® model was born. The process has evolved since then into a carefully designed strategy that seeks to promote successful outcomes and only create branches where they are needed and supported. The process put in place by Bendigo Bank is designed to thoroughly (and independently) assess the feasibility of setting up a Community Bank®. This process, coupled with the genuine enthusiasm of our Steering Committee, should see the creation of a successful local company. Is it guaranteed? No, but no investment is. Supporters can rest assured we will not create a South Hobart Community Bank® with their investment without careful assessment and planning.
- For Bendigo Bank, this model makes perfect sense because the success of a local branch hinges 100% on the support of the locals. The end result is a locally owned company running a good old-fashioned bank, that shares profits with the community and offers all the banking services that we expect from a modern bank (such as an ATM in South Hobart). Money is not siphoned off to fund unethical fossil fuel projects or enrich foreign investors.
- Why create a Community Bank®? It's a question that everyone must ask when they consider pledging, shifting their banking, or in our case creating a steering committee and setting out to garner support for the idea. The goal of a Community Bank® is to generate sufficient profit to provide funding and support for community projects. For example, a play equipment upgrade in a local park, signage for a walking track, track works, art projects, bushland rehabilitation, community event support...the mind boggles. We hope to get this project off the ground and, if we are successful, we see opportunities to co-fund project with Council as this has been a successful approach elsewhere.

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- Creating a Community Bank® is a communal effort. For a Community Bank® model to work in South Hobart, not only do we need money in the bank, we need shareholders. Once we meet the requirements set down by our underwriter, Bendigo Bank, we will create a company that is locally owned and operated. That means local shareholders and local directors. The shareholders will receive an annual dividend once we become profitable, and the local directors will decide how to spend the profits after paying those dividends and keeping a branch open (which is way better than where profits from the big banks end up).

We would love to create a South Hobart Community Bank® and provide a fund for local projects and initiatives. It just makes so much sense to keep banking local and spend profits locally. We hope that Hobart City Council agrees and that they agree to pledge support for our project. Thanks again for meeting with us and feel free to call any one of us if you would like any more information.

Sincerely,



Steve Harwin  
Chair – South Hobart Community Bank Project Steering Committee  
0415183424



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Attachment B

pledge  
stage

## South Hobart **Community Bank**<sup>®</sup> Project

# With your pledge of support community banking can start at South Hobart.

**Community Bank**<sup>®</sup> branches are making contributions to communities across Australia which go beyond simply banking.

Owned by local people and backed by Bendigo Bank, this national network of branches recently exceeded more than \$130 million in contributions to their communities.

These funds have helped lawn bowlers, budding artists, knitting groups, pre-schoolers, footballers, learner drivers, golfers, musicians, students, trainee medical professionals and many, many others to achieve great things.

And they've provided much-needed financial support to the community groups, clubs and not-for-profit groups that are the backbone of local communities.

A Steering Committee has now been formed to investigate the establishment of a **Community Bank**<sup>®</sup> branch in South Hobart.

There's a lot to look forward to.  
Join us and pledge your support today.

[bendigobank.com.au](http://bendigobank.com.au)

 **Bendigo Bank**  
Bigger than a bank.

## Your questions answered.

### What is a Community Bank® branch?

The **Community Bank®** initiative was developed by Bendigo Bank to assist communities to deliver their own quality banking service.

The capacity to retain local capital, or attract it to the communities where branches are located, is the most important part of the **Community Bank®** initiative – and the cornerstone on which Bendigo Bank continues to build its business strategy.

Bendigo Bank provides the banking infrastructure and licensing, while the community runs the branch operation and generates customer support in the area.

Together Bendigo Bank and the local community share the revenue, with local surpluses available for reinvestment in the community via grants, sponsorships and dividends to local shareholders.

### What form of investment is a Community Bank® branch?

A local entity forms a public company to represent the local community, which raises investment funds locally and acquires the right to run a Bendigo Bank branch.

### Does a Community Bank® branch offer full banking services?

Just like any branch of Bendigo Bank, **Community Bank®** branches offer a full range of banking and financial services, including:

- > Savings and transaction accounts
- > Home loans and personal loans
- > Credit cards
- > Financial planning
- > Insurance
- > Business banking
- > Mobile and Internet banking

### How safe is my money and my privacy?

Customers of a **Community Bank®** branch hold products and services issued by Bendigo Bank. Bendigo Bank meets the prudential requirements of the Australian Prudential Regulation Authority and makes all credit decisions and protects individual customer privacy.

**Community Bank®** branch staff are bound by the Bank's confidentiality requirements, and local directors cannot obtain customer information.

### Can I own shares in my Community Bank® branch?

If your community decides to establish a **Community Bank®** branch, you will be able to purchase shares in the local company formed to operate the **Community Bank®** branch of Bendigo Bank. These are shares in the locally-owned company, not Bendigo Bank.

### How do I purchase my shares?

Before forming the company, your local banking committee seeks pledges of financial support from the community. By making a pledge, you will be indicating your interest in becoming a shareholder of the local company.

Once the committee decides to open a **Community Bank®** branch it will form a company which will issue a prospectus. Your application for shares will be made via this prospectus.

### How else can I support the Project?

As well as pledging your support, you can also start moving your banking business to the South Hobart **Community Bank®** Project. The more accounts opened and loans completed, the closer we get to opening the doors to our own **Community Bank®** branch.

To do so, visit any Bendigo Bank branch or contact one of the following staff members:

Chris Davis	
Business Banking Manager	0439 063 516

Keri Taylor	
Relationship Banker	0409 793 406

Please quote code 72168 to ensure your accounts are linked to the South Hobart **Community Bank®** Project.

### What happens next?

Please complete the pledge form. The level of community support received will determine the next steps.

### Further information:

For further information about the project, please contact a member of the South Hobart **Community Bank®** Project Steering Committee.

Nic Goodwolf	0418 885 590
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Steve Harwin	0415 183 424
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Denbeigh Armstrong	0428 327 830
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Keridan Taylor	0409 793 406
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### Pledge forms can be returned to:

**South Hobart Capital Chemist** – 360 Macquarie Street

**Ginger Brown Cafe** – 464 Macquarie Street

**Macquarie Street Foodstore** – 364 Macquarie Street

**South Hobart Community Bank® Project** –  
PO Box 201, Hobart TAS 7000



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## South Hobart **Community Bank®** Project

# With your pledge of support.

These big success stories could happen in South Hobart.

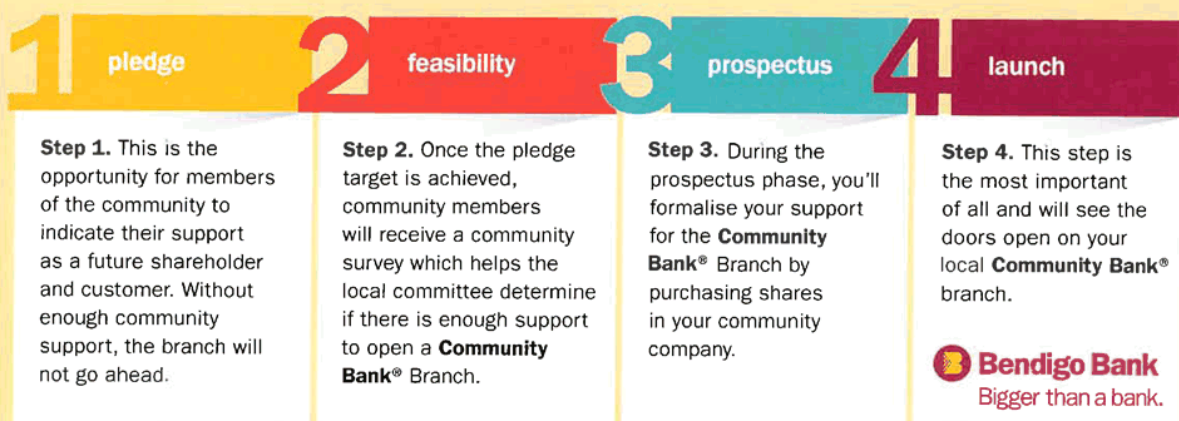
### Geeveston/Dover

The local mother's group received a welcome helping hand when the local branches topped up the councils modest budget with a \$15,000 grant to help build an adventure playground for their infant school. The local primary school has also received a healthy \$10,000 to refurbish its existing play equipment and create a better playing space for its kids.

### Swansea/Bicheno

The Bicheno Primary School received \$5,000 of funding towards their "Catch Up" Literacy Program. Students work with a Teacher Assistant to develop their reading and literacy skills to promote their attitude and ability to engage in their literacy and numeracy programs.

Four steps to South Hobart **Community Bank®** branch.



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South Hobart **Community Bank®** Project

# Pledge now.

## Our community. Our bank.

A pledge is an indication of the amount you intend to invest in shares in your local **Community Bank®** Company. No money is required now, we're simply gauging the level of community support for the project and will keep you up-to-date on our progress.

☐ **Yes**, I would like to contribute to the establishment of the South Hobart **Community Bank®** Branch of Bendigo Bank.

Pledge amount \$ \_\_\_\_\_ (between \$500 and \$20,000)

☐ **Yes**, I support the establishment of South Hobart **Community Bank®** Branch and would consider transferring my banking business to the branch.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Occupation: \_\_\_\_\_

Home phone: \_\_\_\_\_

Work phone: \_\_\_\_\_

Mobile: \_\_\_\_\_

Email: \_\_\_\_\_

I would like to see the following projects funded in South Hobart:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Switch your banking now.

Show your support for South Hobart **Community Bank®** Branch. Transfer your banking business now.

☐ I'd like Bendigo Bank to contact me about my banking.

☐ I already bank with Bendigo Bank.

### Pledge forms can be returned to:

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360 Macquarie Street

**Ginger Brown Cafe –**  
464 Macquarie Street

**Macquarie Street Foodstore –**  
364 Macquarie Street

**South Hobart Community Bank® Project –**  
PO Box 201, Hobart TAS 7000

### Further information:

For further information about the project, please contact a member of the South Hobart **Community Bank®** Project Steering Committee.

Nic Goodwolf	0418 885 590
Steve Harwin	0415 183 424
Denbeigh Armstrong	0428 327 830
Keridan Taylor	0409 793 406

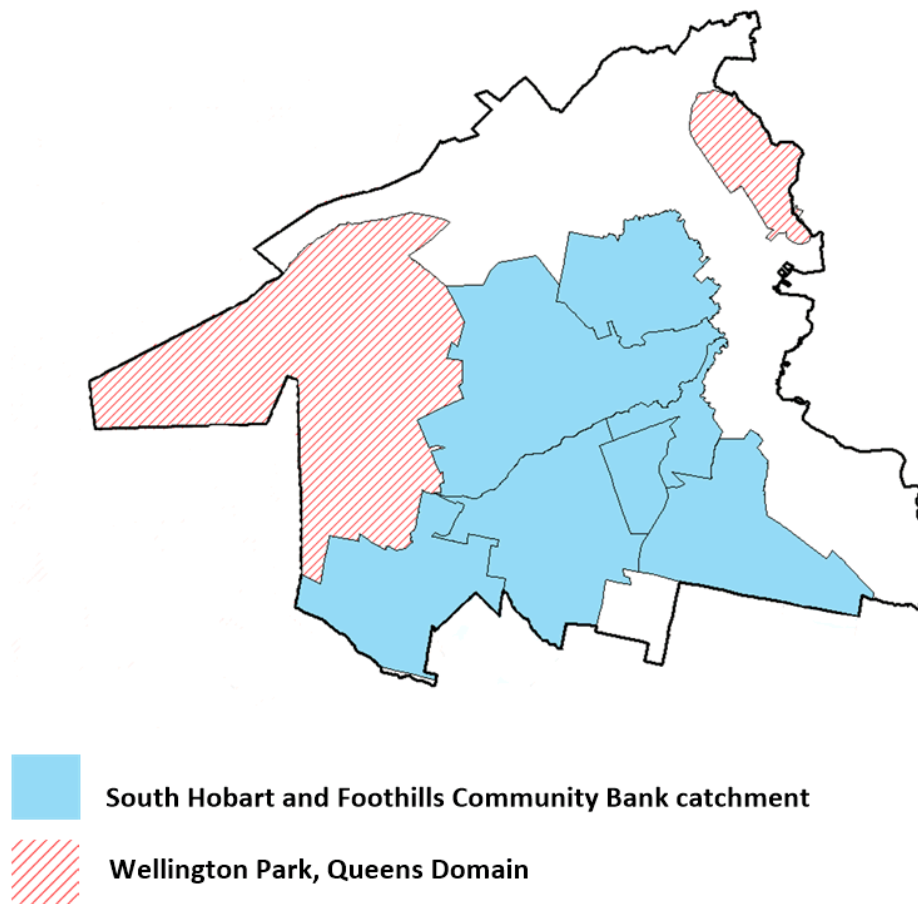
### Product information

<b>On the phone</b>	Call <b>1300 BENDIGO</b>
<b>Online</b>	<a href="http://bendigobank.com.au">bendigobank.com.au</a>
<b>In person</b>	At your nearest Bendigo Bank branch

### Privacy

Your personal information is collected by the South Hobart **Community Bank®** Branch Committee and will be used to contact you about the Project. It may be disclosed to Bendigo Bank and organisations that carry out functions on behalf of Bendigo Bank in establishing a **Community Bank®** branch. Bendigo Bank's full privacy policy is available online at [www.bendigobank.com.au](http://www.bendigobank.com.au)







Your questions answered.

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Once the committee decides to open a **Community Bank®** branch it will form a company which will issue a prospectus. Your application for shares will be made via this prospectus.

How else can I support the Project?

As well as pledging your support, you can also start moving your banking business to the South Hobart and Foothills **Community Bank®** Project. The more accounts opened and loans completed, the closer we get to opening the doors to our own **Community Bank®** branch.

For more information on moving your banking business, visit any Bendigo Bank branch or contact one of the following staff:

Chris Davis	
Business Banking Manager	0439 063 516
Keri Taylor	
Relationship Banker	0409 793 406

Please quote code 72168 to ensure your accounts are linked to the South Hobart and Foothills **Community Bank®** Project.

What happens next?

Please complete the pledge form. The level of community support received will determine the next steps.

Further information:

For further information about the project, please contact a member of the South Hobart and Foothills **Community Bank®** Project Steering Committee.

Margie Jenkin	0403 789 110
Isabelle Crompton	0409 810 360
Ann Lowe	0418 125 370

Pledge forms can be returned to:

**South Hobart Capital Chemist**  
360 Macquarie Street, South Hobart

**Plants of Tasmania Nursery**  
65 Hall Street, Ridgeway

**Mt Nelson Store**  
462 Mt Nelson Road, Mt Nelson

**Verde @ Karen Wagner Design**  
112 Lansdowne Crescent, West Hobart

**South Hobart and Foothills Community Bank® Project**  
P O Box 201, Hobart TAS 7000



South Hobart and Foothills **Community Bank®** Project

With your pledge of support.

These big success stories could happen in South Hobart.

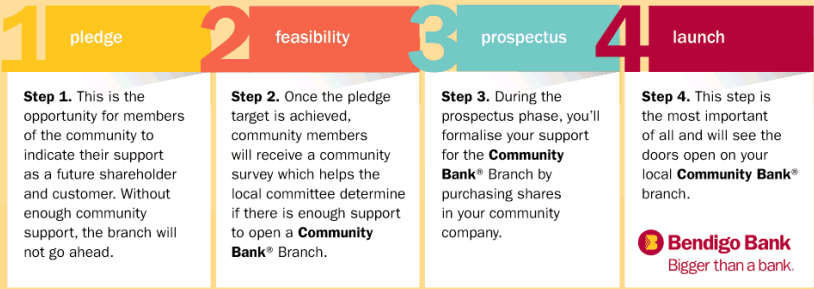
Geeveston/Dover

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Swansea/Bicheno

The Bicheno Primary School received \$5,000 of funding towards their "Catch Up" Literacy Program. Students work with a Teacher Assistant to develop their reading and literacy skills to promote their attitude and ability to engage in their literacy and numeracy programs.

Four steps to South Hobart and Foothills **Community Bank®** branch.



South Hobart and Foothills **Community Bank®** Project

Pledge now.  
Our community. Our bank.

A pledge is an indication of the amount you intend to invest in shares in your local **Community Bank®** Company. No money is required now, we're simply gauging the level of community support for the project and will keep you up-to-date on our progress.

☐ **Yes**, I would like to contribute to the establishment of the South Hobart and Foothills **Community Bank®** Branch of Bendigo Bank.

**Pledge amount \$** ..... (between \$500 and \$20,000)

☐ **Yes**, I support the establishment of South Hobart and Foothills **Community Bank®** Branch and would consider transferring my banking business to the branch.

**Name:** .....

**Address:** .....

**Occupation:** .....

**Home phone:** ..... **Work phone:** .....

**Mobile:** .....

**Email:** .....

I would like to see the following projects funded in the South Hobart and Foothills area:

.....

.....

.....

.....

.....

.....

Switch your banking now.

Show your support for South Hobart and Foothills **Community Bank®** Branch. Transfer your banking business now.

☐ I'd like Bendigo Bank to contact me about my banking.

☐ I already bank with Bendigo Bank.

Privacy

Your personal information is collected by the South Hobart and Foothills **Community Bank®** Branch Committee and will be used to contact you about the Project. It may be disclosed to Bendigo Bank and organisations that carry out functions on behalf of Bendigo Bank in establishing a **Community Bank®** branch. Bendigo Bank's full privacy policy is available online at [www.bendigobank.com.au](http://www.bendigobank.com.au)

Pledge forms can be returned to:

- South Hobart Capital Chemist**  
360 Macquarie Street, South Hobart
- Plants of Tasmania Nursery**  
65 Hall Street, Ridgeway
- Mt Nelson Store**  
462 Mt Nelson Road, Mt Nelson
- Verde @ Karen Wagner Design**  
112 Lansdowne Crescent, West Hobart
- South Hobart and Foothills Community Bank® Project**  
P O Box 201, Hobart TAS 7000

Further information:

For further information about the project, please contact a member of the South Hobart and Foothills **Community Bank®** Project Steering Committee.

Margie Jenkin	0403 789 110
Isabelle Crompton	0409 810 360
Ann Lowe	0418 125 370

Product information

On the phone	Call <b>1300 BENDIGO</b>
Online	<a href="http://bendigobank.com.au">bendigobank.com.au</a>
In person	At your nearest Bendigo Bank branch



South Hobart and Foothills **Community Bank®** Project

With your pledge of support community banking can start at South Hobart.

**Community Bank®** branches are making contributions to communities across Australia which go beyond simply banking.

Owned by local people and backed by Bendigo Bank, this national network of branches recently exceeded more than \$130 million in contributions to their communities.

These funds have helped lawn bowlers, budding artists, knitting groups, pre-schoolers, footballers, learner drivers, golfers, musicians, students, trainee medical professionals and many, many others to achieve great things.

And they've provided much-needed financial support to the community groups, clubs and not-for-profit groups that are the backbone of local communities.

A Steering Committee has now been formed to investigate the establishment of a **Community Bank®** branch in South Hobart.

There's a lot to look forward to. Join us and pledge your support today.

[bendigobank.com.au](http://bendigobank.com.au)

 **Bendigo Bank**  
Bigger than a bank.

**6.3 Remissions of Rates and Charges Granted**  
**File Ref: F17/31822; 22-2-2**

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Memorandum of the Group Manager Rates and Procurement and the  
Director Financial Services of 6 April 2017.

Delegation: Committee

City of **HOBART****MEMORANDUM: FINANCE COMMITTEE****Remissions of Rates and Charges Granted**

At its meeting on 26 April 2016, the Council resolved that pursuant to Section 22 of the *Local Government Act 1993* (LG Act), the Council delegate its authority to grant a remission of all or part of any rates paid or payable by a ratepayer under Section 129 of the LG Act, to the General Manager, up to a limit of \$2,000 per application.

The Council also resolved that a six-monthly report be provided for the information of the Finance Committee, detailing any remission of rates and charges granted under the General Manager's delegation.

At its meeting on 18 October 2016, the Finance Committee received and noted a report detailing the remissions of rates and charges granted under the General Manager's delegation for the period 26 April 2016 to 30 September 2016.

The six-monthly report for the period 1 October 2016 to 31 March 2017 shows that no remissions of rates and charges were granted under the General Manager's delegation during the period.

**RECOMMENDATION**

***That the information contained in the memorandum of the Group Manager Rates and Procurement and the Director Financial Services of 6 April 2017 titled "Remissions of Rates and Charges Granted" be received and noted.***

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

Lara MacDonell  
**GROUP MANAGER RATES AND  
PROCUREMENT**

David Spinks  
**DIRECTOR FINANCIAL SERVICES**

Date: 6 April 2017  
File Reference: F17/31822; 22-2-2

**6.4 Request for Extension of Lease - Telstra Telecommunication Tower  
- Sandown Park, Sandy Bay  
File Ref: F17/34497; 5601657**

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Report of the Program Leader Recreation and Projects, the Manager Parks and Recreation and the Director Parks and City Amenity of 6 April 2017 and attachment.

This matter was also considered at the Parks and Recreation Committee meeting of 6 April 2017.

Delegation: Council

**REPORT TITLE: REQUEST FOR EXTENSION OF LEASE - TELSTRA  
TELECOMMUNICATION TOWER - SANDOWN PARK,  
SANDY BAY**

**REPORT PROVIDED BY:** Program Leader Recreation and Projects  
Manager Parks and Recreation  
Director Parks and City Amenity

**1. Report Purpose and Community Benefit**

- 1.1. The purpose of the report is to consider a request from Telstra for a new lease over the site of its telecommunication tower and infrastructure located at Sandown Park in Sandy Bay.
- 1.2. Council considered this matter on 19 December 2016 and recommended that:
  1. *The City initiate community consultation, pursuant to Section 178 of the Local Government Act 1993, in response to a request from Telstra for a new lease over the site of its telecommunication tower and infrastructure located at Sandown Park, Sandy Bay.*
  2. *Upon conclusion of the community engagement process, a further report be provided on the merit and terms of a proposed new lease for the site.*

**2. Report Summary**

- 2.1. The Council considered a report in December 2016 discussing a request from Telstra for a new lease agreement over the existing tower at Sandown Park.
- 2.2. The Council provided approval for consultation to be undertaken as per the requirements of the Local Government Act 1993.
- 2.3. The consultation was completed in March 2017, where two submissions were received from nearby residents concerning the proposal to provide a new lease.
- 2.4. The report recommends the approval of a new lease to Telstra for a ten (10) year period, with two (2) further five (5) year terms.

**3. Recommendation**

***That:***

1. ***The Council approve a new lease to Telstra for the site of the telecommunications tower located at Sandown Park, Sandy Bay for a ten (10) year period with two (2) further five (5) year options.***

- 2. The addition of any further infrastructure relating to the tower be considered by the Council at the time of application.**
- 3. The General Manager be authorised to negotiate the terms of the new lease agreement.**
- 4. Pursuant to Section 178 of the Local Government Act 1993, notice be provided of the Council's decision, in writing and within 7 days of the decision, to those parties that lodged an objection including rights of appeal under the Act.**

#### **4. Background**

- 4.1. Telstra has made a request to extend their lease over the site of the tower at Sandown Park for a further ten (10) year period and have also requested two (2) further five (5) year options. A plan of the proposed lease area (**Attachment A**).
- 4.2. Council considered this matter on 19 December 2016 and recommended that:
  - 1 *The City initiate community consultation, pursuant to Section 178 of the Local Government Act 1993, in response to a request from Telstra for a new lease over the site of its telecommunication tower and infrastructure located at Sandown Park, Sandy Bay marked as Attachment A to item 6.3 of the Open Parks and Recreation Committee agenda of 8 December 2016.*
  - 2 *Upon conclusion of the community engagement process, a further report be provided on the merit and terms of a proposed new lease for the site*
- 4.3. Following this resolution, community engagement was initiated in March 2017 for a period of 3 weeks concluding on 20 March 2017.
- 4.4. It should be noted that the Council met all requirements for consultation under the Local Government Act and in addition sent letters to a number of residents.
- 4.5. Residents were advised of the proposal by:
  - 4.5.1. Letters were sent to 71 nearby property owners.
  - 4.5.2. Notices were placed in prominent locations on site.
  - 4.5.3. Advertising in The Mercury newspaper.
- 4.6. At the conclusion of the consultation period two (2) submissions were received, these are summarised in the table below.

Response	Comments
1 – Nearby Resident	<p>Against the proposal on two grounds:</p> <ol style="list-style-type: none"> <li>1) Nutgrove is a very popular area during weekends and public holidays. It is one of the most visited public spaces yet the existence of the Telstra Pole is ugly and ruins the ambiance and pleasure that visitors to the area seek.</li> <li>2) The existence of low frequency electromagnetic energy may at this stage show no harm to humans but is concerned that the low exposure will be increased through more towers and modern devices, the accumulated affect may be harmful in the future.</li> </ol> <p>Suggested other sites be considered including Alexandra Battery (due to its elevation a lower tower could be considered), or the sand hills between Prossers and the Sailing Club.</p>
2- Nearby Resident	<p>Against the proposal</p> <p>Preference would be that the Council does not support the new lease as it would be better relocated away from residences due to the visual aspects and due to EMR (electromagnetic radiation).</p> <p>Second preference would be for the lease to be renewed but with restrictions on other companies adding further infrastructure to the pole.</p> <p>Is aware of the proposal from Optus/Vodafone to also add infrastructure to the pole.</p>

- 4.7. It is noted that both responses relate to the same issues around the visual impact of the pole, and the possible health effects through electromagnetic radiation (EMR).
- 4.8. The visual impact of the pole is a subjective view depending on the individual, whilst the pole is noticeable on site (it stands at 20m above the ground level) it is of similar height to the lighting towers on nearby Sandown Park (18 metres) and is obscured from some perspectives by large trees in the area.
- 4.9. EMR was the predominant concern from the community when the pole was first installed. The pole at the time of installation and at the current



time meets the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) radiofrequency standard – the compliance with this standard is a requirement of the Australian Communications and Media Authority (ACMA) prior to installing a new tower, or upgrading any existing tower.

- 4.10. Most recent advice on EMR suggests that there is no scientific evidence regarding possible adverse health effects from base stations or antennas, this advice is supported by both the ARPANSA and the World Health Organisation.
- 4.11. It is noted one of the respondents suggest two alternative locations for relocation of the tower.
  - 4.11.1. Alexandra Battery is not considered a suitable alternative to the current location. The writer raises concern of the current pole being within 100m of residences, however it is likely that a pole at this location would be closer to residences and would have more within 100m than the current site. There would also be likely heritage implications with any work on this site.
  - 4.11.2. The suggestion of locating the pole to the sand hills between Prossers Restaurant and the Sandy Bay Sailing Club is also considered unviable. Whilst this location would move the infrastructure further away from residents, the infrastructure would require significant excavation to find a suitable base and due to erosion issues in the area this would not be a suitable option. It is also unlikely to be viable from an economic perspective from Telstra for this to occur.
- 4.12. If the lease was not to continue, and the pole was to be removed it would leave a significant gap in Telstra services in the area, which would create areas with unreliable reception or black spots where no reception was available.
- 4.13. It is known that Optus/Vodafone are planning to make a request to Telstra to add some additional antennas to the pole as well as some cabinets at the rear of the existing pavilion. Whilst the addition of antennas will be subject to an agreement between Telstra and Optus/Vodafone, the Council will need to consider a request for lease for the location of the cabinets. Any lease will also be subject to the consultation requirements under Section 178 of the *Local Government Act*. As such the extension of the lease could be approved; however any additional infrastructure would need the Council consideration.

## **5. Proposal and Implementation**

- 5.1. It is proposed that the Council approve a new lease to Telstra for the site of the telecommunications tower located at Sandown Park for a ten (10) year period with two (2) further five (5) year options.

- 5.2. It is proposed that the addition of any further infrastructure relating to the pole be considered by the Council at the time of application, noting that 'low impact' facilities can be added to existing infrastructure without planning approvals or landowner consent.
- 5.3. Pursuant to Section 178 of the *Local Government Act 1993*, notice be provided of the Council's decision, in writing and within 7 days of the decision, to those parties that lodged an objection including rights of appeal under the Act.

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

- 6.1. The proposal is line with the Capital City Strategic Plan 2015-2025, Strategic Objective 2.3:

*City and regional planning ensures quality design, meets community needs and maintains residential amenity.*

## **7. Financial Implications**

- 7.1. Funding Source and Impact on Current Year Operating Result
  - 7.1.1. A valuation of the leased area has been completed and an annual rental of \$6,600 exc GST has been recommended for the site.
  - 7.1.2. Should a lease be approved this will result in an additional \$6,600 exc income per annum.
- 7.2. Impact on Future Years' Financial Result
  - 7.2.1. The lease rental will increase by CPI each year.
- 7.3. Asset Related Implications
  - 7.3.1. There are no asset related items – all assets within the lease area will be the responsibility of Telstra.

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

- 8.1. A new lease agreement will be developed by the City's Legal Services Officer.
- 8.2. Section 178 of the *Local Government Act 1993* outlines the process the Council must abide when seeking to dispose (including lease) Public Land.

Should the Council resolve to lease the portion of land, notice will be provided, in writing and within 7 days of the decision, to those that lodges an objection including their rights of appeal.

**9. Environmental Considerations**

- 9.1. There has been much debate about the potential health effects of electromagnetic radiation from towers such as the one which is the subject of this application. Advice from Telstra is that the current facility complies with the relevant Standard and there is no substantiated evidence of negative health effects.

**10. Social and Customer Considerations**

- 10.1. It is considered that the proposed extension of the lease will generate community interest. However it does need to be noted that if this pole and associated infrastructure were to be removed it would reduce the capacity for the provision of a high quality telecommunications service usage that meets customer requirements and may result in additional "black spots" or mobile telephone reception being non existent.

**11. Community and Stakeholder Engagement**

- 11.1. As noted earlier in the report the Council has exceeded its obligations under the Local Government Act.

**12. Delegation**

- 12.1. This matter is delegated to 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.*



Shannon Avery  
**PROGRAM LEADER RECREATION  
AND PROJECTS**



Simon Harrison  
**MANAGER PARKS AND RECREATION**



Glenn Doyle  
**DIRECTOR PARKS AND CITY  
AMENITY**

Date: 6 April 2017  
File Reference: F17/34497; 5601657  
Attachment A: Site Plan - Lease Area ↴



## **7 COMMITTEE ACTION STATUS REPORT**

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### **7.1 Committee Actions - Status Report**

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A report indicating the status of current decisions is attached for the information of Aldermen.

***RECOMMENDATION***

***That the information be received and noted.***

Delegation: Committee

Attachment A: Status Report

## FINANCE COMMITTEE - STATUS REPORT

### OPEN PORTION OF THE MEETING

November 2014 to March 2017

Ref.	Title	Report / Action	Action Officer	Comments
1	<b>SANDY BAY BATHING PAVILION – REQUEST FOR LAND OWNER CONSENT TO LODGE A DEVELOPMENT ACTION</b>  Council, 21/11/2016 Item 16	1. A further report be provided once the outcome of the development application process is known.  2. A report be provided in respect to options for the use of the ground floor of the building.	General Manager	A presentation from Terroir Architects was provided prior to the October Finance Committee meeting. A report was presented to Council on 21 November whereby the Council provided landlord consent to lodge a DA. Officers will now proceed with the DA process.  Council resolved to take no further action on the ground floor options at its meeting of 3 April 2017. Complete.
2	<b>BATTERY POINT PARKING METER INSTALLATION</b>  Council, 24/11/2014, Item 15	Consultation with traders and residents on Hampden Road occur with a view to increasing availability of short term parking.	Director City Infrastructure	Usage surveys were carried out on 1 March 2017 and the information is being collated. Consultation is still to occur with traders.
4	<b>CITY HALL – DEVELOPMENT OPPORTUNITIES – VENUES</b>  Council, 23/2/15, Item 12  <b>CITY HALL</b>	1. Funding of \$400,000 in 2016/2017 and \$200,000 in 2017/2018 be listed for consideration in the City's draft 5 Year Capital Works Program to undertake a short term works package for City Hall.  2. A consultant be engaged to develop a business plan for the City Hall, as a matter of urgency to inform long term	Director Community Development	A draft brief for the business/master plan has been prepared. A range of building improvements for the Hall will be undertaken prior to 31 May 2017, including the painting of the main public interior spaces, the sanding of the floor in the main auditorium, new rigging systems,

Ref.	Title	Report / Action	Action Officer	Comments
	<b>RESTORATION</b> Council, 22/02/2016 Item 19	<p>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>3. A brief report be provided that details the model used for the 2010-2013 Brisbane City Hall restoration works.</p> <p>A further report also be prepared that provides details of all Council physical building assets and their current uses including options for maximising community usage for buildings that are underutilised.</p>		improved fire detection systems and the upgrading of ground floor toilets.
5	<b>INVESTMENT OF COUNCIL FUNDS – AMENDMENT TO COUNCIL POLICY</b> Council, 27/4/2015, Item 18  FC, 15/12/2015 Item 5  Open Council, 19/9/2016 Item 16	<p>1. The Council reaffirm its decision to proceed with a detailed external review of its investment approach.</p> <p>2. The Council's approach to ethical investments and borrowings, and in particular the matters raised in the petition presented to the Council at its meeting of 9 May 2016, form part of that review.</p>	Director Financial Services	<p>The successful provider has been appointed and the review will commence in April 2017.</p> <p>The review of the Council's investment approach will also address the matters raised in the petition presented to the Council on 9 May 2016 for the Council to lead the community in responding to the threat of climate change and join the growing number of cities and municipalities worldwide in divesting completely from the fossil fuel industry.</p>
6	<b>ACOUSTICS FOR THE</b>	That a report be prepared documenting the	Deputy General	A specialist contractor has undertaken the

Ref.	Title	Report / Action	Action Officer	Comments
	<b>HOBART TOWN HALL BALLROOM</b> Council, 22/6/2015, Item 13	quality of acoustics for the Hobart Town Hall Ballroom and addressing the costs associated with the recommendations made in respect to suggested improvements.	Manager	acoustic testing. Recommendations are now being assessed.  A report is being prepared on the acoustic testing undertaken, the options available, materials available, costs and heritage considerations. The report will be provided to the Finance Committee in May 2017.
7	<b>MAJOR WORKS PROJECTS</b> Council, 22/6/2015, Item 20	<ol style="list-style-type: none"> <li>1. The Council endorse the draft Capital Works Program as a guide for officers in prioritising project development work for the next four financial years.</li> <li>2. Officers report back to Council on opportunities for external funding from both public and private sources.</li> <li>3. The Council approve the development of a feasibility study into possible options to link the CBD to the waterfront, and resolving pedestrian issues with crossing Macquarie and Davey Streets, in the 2015/2016 financial year.</li> </ol>	Director City Planning	<p>The Capital Works Program is being implemented with opportunities for external funding from both public and private sources identified for individual projects. This action is complete.</p> <p>Terroir Architects have been appointed to undertake the brief and have commenced work. It is anticipated that presentations by Terroir to the Council will be undertaken in April 2017.</p>
8	<b>TOWN HALL UNDERGROUND REFURBISHMENT</b> Council, 24/8/2015, Item 21	<ol style="list-style-type: none"> <li>1. The Council approve the following works being undertaken in the Town Hall Underground, to the value of between \$37,000 and \$41,000.</li> <li>2. An appropriate fee structure for the hiring of the Town Hall Underground be determined The Town Hall Underground be actively marketed as a venue for hire</li> </ol>	Deputy General Manager	<p>Quotes for the work have been obtained with work due to commence shortly.</p> <p>The balance of the Council's resolution will be dealt with upon completion of the works.</p>



Ref.	Title	Report / Action	Action Officer	Comments
		3. Council officers undertake further investigation with a view to providing further clarification in respect to appropriate nomenclature for the site.		
9	<b>SUPERANNUATION ENTITLEMENTS FOR ALDERMEN</b> Council, 26/10/2015, Item 20	The matter be deferred until it has been considered by the Local Government Association of Tasmania.	General Manager	The General Manager advises that the LGAT have written to the Minister for Planning and Local Government requesting an independent review of elected member expenses. The Minister in response agreed that a review was timely and indicated that he would ask the Local Government Division to initiate a review once the current Boards of Inquiry into the Huon Valley and Glenorchy City Councils had concluded.
10	<b>NOTICE OF MOTION COUNCIL CAR PARKS - SECURE SHORT TERM BICYCLE FACILITIES</b> Council, 23/05/2016 Item 14	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 Financial Services	The Group Manager Parking Operations will provide a report to the Committee following final approval of plans for the refurbishment of the foyer and ground level of the Argyle Street Car Park and the neighbouring multi-level development. This is expected to occur in the next few months.
11	<b>SOLAR PANEL POWER INSTALLATIONS FOR COUNCIL BUILDINGS</b> Council, 20/6/2016	1. Solar photovoltaic systems be installed at several Council sites	Director City Infrastructure	Solar panels have been installed at the Bushland Depot, Mornington Nursery, North Hobart Oval, Clearys Gates Depot,

Ref.	Title	Report / Action	Action Officer	Comments
	Item 19	2. The initiative be promoted with an article in the Capital City News with a joint media release of the Lord Mayor and Committee Chairman to be released at the appropriate time.		McRobies Gully Waste Management Centre and City Hall with the Town Hall, Centrepont Car Park, Hobart Central Car Park and DKHAC to follow.  All installations planned to be completed by May 2017.
12	<b>ST GEORGE'S CHURCH, BATTERY POINT - REQUEST FOR FINANCIAL ASSISTANCE</b> Open Council, 25/7/2017 Item 18	A report be prepared in respect to the opportunity to pursue a National Heritage Lottery with the Federal Government, as suggested in December 2015.	Director City Planning	This matter will be the subject of a report to the Council in mid 2017.
13	<b>ELECTRIC VEHICLES AND CHARGING STATIONS</b> Open Council, 25/7/2016 Item 20	<p>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.</p> <p>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.</p> <p>3. City employees be canvassed to determine demand for electric bicycle</p>	Director City Infrastructure	<p>This matter is being progressed. Officers have had further meetings with the Electric Highway Working Group and continue to monitor changes and standardisation in charging system technology.</p> <p>Officers are monitoring electric and hybrid vehicle models for potential inclusion in the fleet.</p> <p>Options for canvassing employees are being considered.</p> <p>Charging stations to be installed in the</p>

Ref.	Title	Report / Action	Action Officer	Comments
		<p>charging stations at the City's corporate buildings. If there is sufficient demand, then power outlets be installed in suitable locations.</p> <p>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.</p> <p>5. That the Hobart Bicycle Advisory Committee be requested to consider initiatives to encourage the wider use of electric bicycles.</p>		<p>Argyle Street car park in 2017.</p> <p>The HBAC considered this matter at the September 2016 meeting and a number of actions are underway.</p>
14	<b>REMISSIONS AND GENERAL ASSISTANCE AVAILABLE TO RATEPAYERS</b> Open Council, 19/12/2016 Item 18	The Council write to the State Government seeking a review of the adequacy of the defined maximum annual rate remissions provided under the <i>Local Government (Rates and Charges Remissions) Act 1991</i> .	Director Financial Services	Complete
15	<b>UNITED NATIONS &amp; OVERSEAS POLICING ASSOCIATION OF AUSTRALIA CONFERENCE</b>	1. The request from the National President of the United Nations & Overseas Policing Association of Australia, for the Council to hold a Civic Reception for 155 attendees, as part of its biannual conference, on	General Manager	Complete  The amount of \$1,800 is included in the 2017-18 Budget.

Ref.	Title	Report / Action	Action Officer	Comments
	<b>OCTOBER 2017 - REQUEST FOR CIVIC RECEPTION</b> Open Council, 20/2/2017 Item 18	Tuesday 24 October 2017, be approved.  2. The estimated cost of \$1,800 be attributed to the Civic and Ceremonial Support Activity of the 2017/2018 Annual Plan.		
16	<b>DRAFT LOCAL GOVERNMENT AMENDMENT (RATES) BILL 2017</b> Open Council, 20/2/2017 Item 19	That the Council write to the Local Government Association of Tasmania outlining its support of the proposed amendments to the Local Government Act 1993 outlined in the draft 'Local Government Amendment (Rates) Bill 2017', marked as Attachment A to item 6.2 of the Open Finance Committee agenda of 15 February 2017.	Director Financial Services	A letter has been sent to the Local Government Association of Tasmania outlining Council's support of the proposed amendments to the Local Government Act 1993 outlined in the draft Local Government Amendment (Rates) Bill 2017.  Complete
17	<b>OUTSTANDING PARKING DEBT – DECEMBER 2016</b> FC, 21/3/2017, Open Item 6.4	That the matter be deferred to a subsequent Finance Committee meeting for the purpose of obtaining further information on options to increase recovery on outstanding parking debts from interstate drivers.	Director Financial Services	This matter is being progressed.

**8. RESPONSES TO QUESTIONS WITHOUT NOTICE**

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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."

**8.1 Parking Compliance Issues - 54 King Street, Sandy Bay**  
**File Ref: F17/15341**

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Memorandum of the Group Manager Parking Operations of 6 April 2017.

Delegation: Committee

*That the information be received and noted.*



City of **HOBART**

**Memorandum:** Lord Mayor  
Deputy Lord Mayor  
Aldermen

## **Response to Question Without Notice**

### **PARKING COMPLIANCE ISSUES - 54 KING STREET, SANDY BAY**

**Meeting:** City Planning Committee

**Meeting date:** 14 February 2017

**Raised by:** Alderman Burnet

**Question:**

Can compliance with on-street parking requirements near 54 King Street, Sandy Bay be investigated?

**Response:**

The parking area immediately outside of number 54 King Street, which is the northern side of the street, is controlled by permissive parking signage, with a time limit of 30 minutes. The 30 minute parking zone extends from Sandy Bay Road through to Grosvenor Street.

The opposite side of King Street (southern side) is all a no parking zone, which also extends through to Grosvenor Street. Following Grosvenor both sides of King Street become a 2 hour residents excepted zones.

King Street is included in the designated patrol area for Councils Parking Officers. In the past 3 months, 4 infringements have been issued in the 30 minute zones and a further 29 in the 2 hour zones. Parking Operations relies on public complaints in order to strategically deploy our patrols so as to concentrate on specific problem areas.

As a result of this request the frequency of patrols in King Street, particularly between Sandy Bay Road and Grosvenor Street have been increased.

*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 'M. Tyrrell', with a stylized flourish at the end.

Matthew Tyrrell  
**GROUP MANAGER PARKING  
OPERATIONS**

Date: 6 April 2017  
File Reference: F17/15341

## **9. QUESTIONS WITHOUT NOTICE**

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

An Alderman may ask a question without notice of the Chairman, another Alderman, 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 Alderman must not:
  - (i) offer an argument or opinion; or
  - (ii) draw any inferences or make any imputations – except so far as may be necessary to explain the question.
3. The Chairman must not permit any debate of a question without notice or its answer.
4. The Chairman, Aldermen, General Manager or General Manager's representative who is asked a question 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 Aldermen, at the appropriate time.
  - (iii) upon the answer to the question being circulated to Aldermen, both the question and the answer will be listed on the agenda for the next available ordinary meeting of the committee at which it was asked, where it will be listed for noting purposes only.



## **10. CLOSED PORTION OF THE MEETING**

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The following items were discussed: -

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| 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 | 3 Wilks Road, Lenah Valley<br>LG(MP)R 15(2)(c)(i)                        |
| Item No. 4.2 | 6 Washington Street - Lease Agreement<br>LG(MP)R 15(2)(f)                |
| Item No. 5   | Committee Action Status Report   |
| Item No. 5.1 | Committee Actions - Status Report<br>LG(MP)R 15(2)(d), (g) and e(ii)     |
| Item No. 6   | Responses to Questions Without Notice                                    |
| Item No. 6.1 | Myer Rivulet Site<br>LG(MP)R 15(2)(i)                                    |
| Item No. 7   | Questions Without Notice   |