



CITY OF HOBART

# **AGENDA**

## **Finance Committee Meeting**

### **Open Portion**

**Tuesday, 12 December 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.

---

## **ORDER OF BUSINESS**

---

**Business listed on the agenda is to be conducted in the order in which it is set out, unless the committee by simple majority determines otherwise.**

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

<b>1. CO-OPTION OF A COMMITTEE MEMBER IN THE EVENT OF A VACANCY .....</b>	<b>4</b>
<b>2. CONFIRMATION OF MINUTES.....</b>	<b>4</b>
<b>3. CONSIDERATION OF SUPPLEMENTARY ITEMS .....</b>	<b>4</b>
<b>4. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST .....</b>	<b>5</b>
<b>5. TRANSFER OF AGENDA ITEMS.....</b>	<b>5</b>
<b>6 REPORTS .....</b>	<b>6</b>
6.1 Investment and Borrowing Policies.....	6
6.2 Revised Council Policy - Disposal of Surplus Goods and Equipment.....	29
6.3 City Parking Requirements 2017 .....	46
6.4 Outstanding Long Term Permit Parking Debts as at 30 November 2017 .....	61
<b>7 COMMITTEE ACTION STATUS REPORT .....</b>	<b>64</b>
7.1 Committee Actions - Status Report.....	64
<b>8. RESPONSES TO QUESTIONS WITHOUT NOTICE.....</b>	<b>72</b>
8.1 Carnegie Building Maintenance .....	73
<b>9. QUESTIONS WITHOUT NOTICE .....</b>	<b>75</b>
<b>10. CLOSED PORTION OF THE MEETING.....</b>	<b>76</b>

**Finance Committee Meeting (Open Portion) held Tuesday, 12 December 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:** Nil.

**ALDERMEN**

Lord Mayor Hickey  
Briscoe  
Burnet  
Cocker  
Reynolds  
Denison  
Harvey

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

---

**2. CONFIRMATION OF MINUTES**

---

The minutes of the Open Portion of the Finance Committee meeting held on [Tuesday, 14 November 2017](#) and the Special Finance Committee meeting held on [Monday, 20 November 2017](#), are submitted for confirming as an accurate record.

**3. CONSIDERATION OF SUPPLEMENTARY ITEMS**

---

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

**Recommendation**

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

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

---

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

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**

---

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

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

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

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

## **6      REPORTS**

---

### **6.1   Investment and Borrowing Policies** **File Ref: F17/154856**

---

Report of the Director Financial Services of 7 December 2017 and attachments.

Delegation:    Council

**REPORT TITLE: INVESTMENT AND BORROWING POLICIES****REPORT PROVIDED BY:** Director Financial Services**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to propose a number of changes to Council's investment policy, and to present a draft borrowings policy for Council adoption.

**2. Report Summary**

- 2.1. In response to a petition presented to Council in October 2014, Council amended its investment policy to give higher priority to financial institutions that do not support the fossil fuel industry.
- 2.2. In response to a further petition presented to Council in May 2016, Council resolved to undertake a detailed external review of its investment approach, with Council's approach to ethical investments and borrowings to form part of that review.
- 2.3. Macquarie Wealth Management was appointed to conduct this review, which involved workshops and surveys to obtain Aldermanic views about particular investment and borrowing issues.
- 2.4. Based on the feedback received, a revised investment policy and a draft borrowing policy have been prepared for Council to consider.
- 2.5. The most significant changes to the investment policy are as follows: -
  - 2.5.1. Divestment from financial institutions who support the fossil fuel industry;
  - 2.5.2. Excluding "transactional" funds and Heritage Account funds from the scope of the policy; and
  - 2.5.3. Increasing slightly the exposure limits to individual Authorised Deposit-taking Institutions.
- 2.6. The draft borrowing policy is designed to give preference to lending institutions that do not invest in the fossil fuel industry.

### 3. **Recommendation**

***That:***

- 1. The report "Investment and Borrowing Policies" be received and noted.***
- 2. Council adopt the revised investment policy included as Attachment A to this report.***
- 3. Council adopt the draft borrowing policy included as Attachment C to this report.***
- 4. A media release be issued at an appropriate time.***
- 5. 350.org be advised of the Council's decision.***

### 4. **Background**

- 4.1. In October 2014, the Council received a petition calling on it to review its support of financial institutions which support the fossil fuel industry.
- 4.2. As a result, and to confirm the current practice, in April 2015 Council amended its investment policy to give higher priority to financial institutions not involved in supporting the fossil fuel industry, provided the other requirements of Council's investment policy were met.
- 4.3. The Hobart group of 350.org, an international climate change advocacy group, described Council's action as one *"...to be applauded, and deserves public recognition. This action puts Hobart in the company of another 19 Australian councils...that are divesting from fossil fuels."*
- 4.4. At that April 2015 meeting Council also resolved that: -
  - 4.4.1. *A further report be prepared investigating the financial impacts and risks of Council investing its capital into direct property investments and home grown rural and community financial institutions such as MyState and Bendigo Bank.*
- 4.5. The further report was provided to the December 2015 Finance Committee meeting. At that meeting it was resolved that: -
  - 4.5.1. *A further report be provided detailing external professional advice and research in relation to the possible risks, benefits, and governance arrangements of the Council moving into direct property and other investment opportunities.*
- 4.6. On 9 May 2016 Council was presented with a further petition calling on it to rule out new investments in banks investing in fossil fuel exploration, to withdraw from all existing such investments within two years, and to increase the ranking of environmental concerns in Council's investment policy to facilitate these actions.



- 4.7. The further report requested in December 2015 was presented to Council in September 2016 where it was resolved that: -
- 4.7.1. *The Council reaffirm its decision to proceed with a detailed external review of its investment approach; and*
  - 4.7.2. *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.*
- 4.8. Following an RFQ process, the Not for Profits Team at Macquarie Wealth Management was appointed to undertake this review.
- 4.9. Their approach involved reviewing various background material, legislative requirements, the City's cash flow forecasts, conducting workshops and designing surveys to help inform the development of a new investments and borrowings policy.
- 4.10. Workshops were conducted with Aldermen in August 2017 and November 2017 which focused on the following: -
- 4.10.1. Legislative framework;
  - 4.10.2. Risk versus reward principles;
  - 4.10.3. Council's risk appetite;
  - 4.10.4. Portfolio construction;
  - 4.10.5. Ethical investing considerations; and
  - 4.10.6. Borrowings considerations.
- 4.11. Aldermen were also surveyed to gauge their individual views on some of the above issues.

## **5. Proposal and Implementation**

- 5.1. It is proposed that the following changes be made to Council's investment policy: -
- 5.1.1. Invest only with Authorised Deposit-taking Institutions (ADIs);
  - 5.1.2. Divest from financial institutions who support the fossil fuel industry. This includes subsidiary institutions that are not financiers of the fossil fuel industry, but whose parent company is;
  - 5.1.3. Exclude "transactional" funds from the scope of the policy;
  - 5.1.4. Exclude Heritage Account funds from the scope of the policy;

- 5.1.5. Increase slightly the exposure limits to individual ADIs;
  - 5.1.6. Recognise that there is more than one credit ratings agency;
  - 5.1.7. Clarify that short-term (rather than long-term) credit ratings are the relevant indicator of risk;
  - 5.1.8. Extend delegated authority for investments to the Manager Finance; and
  - 5.1.9. Note that details of investments are included in quarterly financial reports provided to Council.
- 5.2. An amended investment policy which takes the above changes into account is included at **Attachment A** to this report. Council's current investment policy is included at **Attachment B** to this report.
- 5.3. The reasons behind each of the above proposed changes to Council's investment policy are explained in the following paragraphs.

#### **Invest only with Authorised Deposit-taking Institutions (ADIs)**

- 5.4. Council's current investment policy allows investments to be made with financial institutions who may not be Authorised Deposit-taking Institutions (ADIs).
- 5.5. ADIs are financial institutions regulated by the Australian Prudential Regulation Authority (APRA) in accordance with the *Banking Act 1959*. APRA is the prudential regulator of the Australian financial services industry.
- 5.6. Investing only with ADIs will afford Council a higher level of protection because ADIs are required to comply with prudential standards and practices established and enforced by APRA designed to ensure that, under all reasonable circumstances, financial promises made by institutions are met within a stable, efficient and competitive financial system.
- 5.7. For the above reasons, all investments are currently placed with ADIs only, so the policy change simply formalises the current practice.

#### **Divest from financial institutions who support the fossil fuel industry**

- 5.8. There is a growing number of councils that are divesting from financial institutions that support the fossil fuel industry to support financial institutions that do not. The list includes the Australian Capital Territory, City of Melbourne, Newcastle City Council and the City of Sydney.
- 5.9. In recent years, Council has received two petitions calling on it to lead the community in responding to the threat of climate change and join the growing number of cities and municipalities worldwide in divesting from financial institutions which support the fossil fuel industry.

- 5.10. In April 2015 Council took a step in this direction by amending its investment policy to provide preference to financial institutions that do not invest in the fossil fuel industry, provided the other requirements of Council's investment policy were met. This action placed Hobart at the forefront of this issue. The Hobart group of 350.org, an international climate change advocacy group, described Council's action as one *"...to be applauded, and deserves public recognition. This action puts Hobart in the company of another 19 Australian councils...that are divesting from fossil fuels."*
- 5.11. The current proposal is for Council to fully divest from financial institutions which support the fossil fuel industry. This includes subsidiary companies where the parent company supports the fossil fuel industry, even if the subsidiary company does not.
- 5.12. Because the "big four" banks (CBA, NAB, ANZ and Westpac) and other majors such as Macquarie Bank, AMP Bank and ING Bank all support the fossil fuel industry, this policy position means that Council would no longer invest with any of these banks (or with any of their subsidiary companies). For the same reason, Council would no longer invest with Tascorp.
- 5.13. This policy position is supported by the majority of Aldermen who responded to a recent survey conducted as part of the current review of Council's investment policy. The responses indicated that: -
- 5.13.1. The majority (75%) view is that the purpose of the review is to increase the importance of ethical and social considerations in the investment policy; and
- 5.13.2. The majority (71%) view is to screen out companies/institutions that invest in fossil fuel industries.
- 5.14. Council would transition to the new policy position over a period of several months. As investments with financial institutions that support the fossil fuel industry mature, they would be reinvested with ADIs that do not support the fossil fuel industry.

**Exclude "transactional" funds from the scope of the policy**

- 5.15. Council requires an extensive range of services from its transactional banker including "at call" accounts, an overdraft facility, an automated sweep facility, cheque payments, EFT payments, bank drafts, BPay, EFTPOS and Interactive Voice Recognition (IVR). Generally, such a broad range of services can only be provided by one of the "big four" banks.
- 5.16. As noted above, all of the "big four" banks support the fossil fuel industry, so the revised policy would preclude Council from placing investments with those banks.

- 5.17. Excluding transactional banking services from the scope of Council's investment policy would enable Council to continue benefiting from the broad range of transactional banking services generally only available from the larger banks.

**Exclude Heritage Account funds from the scope of the policy**

- 5.18. For historical reasons, Heritage Account funds are invested with Tasmanian Perpetual Trustees.
- 5.19. The Heritage Account Special Committee has resolved to place a portion of Heritage Account funds in an "Equity Fund". Because the underlying assets of the Equity Fund are equities (i.e. company shares), this investment would be in contravention of the revised policy which requires that investments can only be made in products where the underlying assets are cash.
- 5.20. In order to allow the Equity Fund to continue, it is proposed that all Heritage Account funds (including the Equity Fund) also be excluded from the scope of Council's investment policy.

**Increase slightly the exposure limits to individual institutions**

- 5.21. The revised policy reduces the number of financial institutions that Council can invest with (because it precludes investments with financial institutions who are not ADIs and because it precludes investments with financial institutions who support the fossil fuel industry).
- 5.22. It follows that Council's investments will either need to be spread across a greater number of ADIs, or more funds will need to be invested with our current ADIs, or a combination of the two.
- 5.23. It is therefore proposed that exposure limits to individual ADIs be increased as follows: -
- 5.23.1. from \$5 million to \$7 million for those ADIs with a Standard and Poors short-term credit rating of A-1 or A-1+ (or equivalent from a different rating agency); and
  - 5.23.2. from \$2 million to \$3 million for those ADIs with a Standard and Poors short-term credit rating of A-2 (or equivalent from a different rating agency).
  - 5.23.3. A Standard and Poors rating of A-1+ is the highest rating. It indicates an extremely strong capacity to meet financial commitments. A-1 indicates strong. A rating of A-2 indicates a satisfactory capacity. A rating of A-3 indicates an adequate capacity, but it is not proposed that A-3 rated ADIs be utilised. Anything less than A-3 (B and C rated) would be regarded as having vulnerable and speculative characteristics.

**Recognise that there is more than one credit ratings agency**

- 5.24. The current investment policy defines exposure limits for financial institutions according to their Standard and Poors credit rating (i.e. a higher credit rating attracts a higher exposure limit).
- 5.25. Standard and Poors is not the only credit rating agency available. Other agencies include 'Moody's' and 'Fitch', and each agency has its own credit rating scale.
- 5.26. A financial institution may prefer to engage the services of a credit rating agency other than Standard and Poors. For example, MyState Limited has recently announced its decision to not renew the services of Standard and Poors, but that it intends to retain its Moody's credit rating.
- 5.27. The current investment policy refers only to credit ratings issued by Standard and Poors, meaning that Council can only invest with ADIs who are currently rated by Standard and Poors. MyState Limited's recent decision would require Council to divest from it on the basis that it no longer possesses a Standard and Poors credit rating.
- 5.28. To overcome this situation, and recognise that several credit rating agencies exist, the revised policy includes the additional wording "or equivalent from a different rating agency" whenever reference is made to a Standard and Poors credit rating. This will enable Council to continue investing with an ADI who has elected to use the services of a credit rating agency other than Standard and Poors (provided its credit rating from that other agency is comparable to the Standard and Poors credit ratings referred to in the policy).

**Clarify that short-term (rather than long-term) credit ratings are the relevant indicator of risk**

- 5.29. The current investment policy refers to both short-term and long-term credit ratings. For example, it refers to a Standard and Poors credit rating of A2/BBB where 'A2' is a short-term rating and 'BBB' is a long-term rating.
- 5.30. Making reference to both short-term and long-term credit ratings in the investment policy can cause confusion because a particular ADI may achieve one of the ratings, but not the other. Where this occurs, it's not clear whether Council is able to invest with that ADI or not.
- 5.31. To remove confusion, the revised investment policy refers only to short-term credit ratings. These have been chosen because short-term credit ratings are the relevant indicator for investments with a term of one year or less, and the policy requires that investment terms cannot exceed one year. Long-term credit ratings are the relevant indicator for investment terms longer than one year.

**Extend delegated authority for investments to the Manager Finance**

- 5.32. Council's investment policy currently provides delegated authority to invest funds in accordance with section 75 of the *Local Government Act 1993* to the Director Financial Services only.
- 5.33. On occasions, the Director Financial Services is not available to approve investments, and no other officer is formally acting in that role. This can lead to delays in the approval process.
- 5.34. For reasons of administrative efficiency, the revised policy proposes that the delegated authority to invest funds be extended to the Manager Finance also.

**Note that details of investments are included in quarterly financial reports provided to Council**

- 5.35. Council's current investment policy provides for details of all current investments to be provided to any Alderman upon request.
- 5.36. The revised investment policy maintains this requirement, but also recognises that details of all current investments are included in financial reports provided to the Finance Committee quarterly.

**Borrowings policy**

- 5.37. With significant borrowings projected for the next few years, it is considered appropriate that Council adopt a borrowings policy. A draft policy is included as **Attachment C** to this report.
- 5.38. The draft borrowings policy lists the policy objectives and borrowing guidelines, and addresses how an appropriate lending institution will be determined. Consistent with the revised investments policy, it also proposes that Council will only borrow from ADIs.
- 5.39. Compared to the revised investments policy, the proposed borrowings policy is less strict on the issue of divesting from financial institutions who support the fossil fuel industry.
- 5.40. The borrowings policy provides that "subject to the terms of the borrowing being the same, preference will be given to lending institutions that do not invest in the fossil fuel industry".
- 5.41. In reality, it is very unlikely that lending institutions who do not support the fossil fuel industry will be capable of matching the borrowing terms offered by those who do (e.g. Tascorp and the "big four" banks). In particular, interest rates could be expected to vary significantly between the two groups.
- 5.42. A policy position similar to that contained in the revised investments policy (i.e. that Council commits to borrow exclusively from ADIs who do not support the fossil fuel industry) would come at an increased interest cost to Council, and would contravene the stated policy objective aimed at minimising Council's cost of borrowing.

- 5.43. If Council wishes to borrow exclusively from ADIs who do not support the fossil fuel industry (thereby making the borrowing and investment policies consistent) it needs to do so on the understanding that this will very likely result in higher interest costs.
- 5.44. When Council last borrowed in 2014, Tascorp was the lowest quote received at 4.56% and this is who the borrowing was placed with. Two of the 'big four' banks quoted at 4.98% and 5.06%. Others declined to quote.
- 5.45. In preparing this report, officers sought indicative quotations from ten lending institutions (five who support the fossil fuel industry and five who do not) for a \$10 million borrowing over a ten year period.
- 5.46. From the five lending institutions who support the fossil fuel industry, four provided quotations and one did not. Indicative interest rates ranged from 3.53% to 3.89%.
- 5.47. From the five lending institutions who do not support the fossil fuel industry, only one quotation was received, with an indicative interest rate of 5.2%. One institution indicated that it would not lend for a period longer than five years, and the remaining three institutions all indicated that they do not lend to local government.
- 5.48. This suggests that Council may have difficulty borrowing from a lending institution who does not support the fossil fuel industry.

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

- 6.1. A review of the investment policy is consistent with Goal 5 (Governance) of the Strategic Plan 2015-2025.
- 6.2. The revised investment policy requires Council to divest from financial institutions which support the fossil fuel industry, and this is consistent with Council's climate change philosophies.

## **7. Financial Implications**

- 7.1. Funding Source and Impact on Current Year Operating Result
  - 7.1.1. Consultancy costs associated with the appointment of Macquarie Wealth Management will be funded from the Financial Services Division Budget Function 150 in the current financial year.
- 7.2. Higher investment returns should result from investing funds with lower rated ADIs because Council will be taking on an increased credit risk (see Section 8). The increased return could be in the order of five to ten basis points (0.05% to 0.1%). Using an increased interest of 0.1% and an assumed average investments balance of \$25 million, the additional interest per annum would be \$25,000.

- 7.3. If Council resolves to borrow exclusively from ADIs who do not support the fossil fuel industry, higher interest costs will very likely result. Given that the forecast level of borrowings for the capital works program substantially exceeds forecast investment balances, any gain from investment returns would be considerably exceeded by additional interest costs on borrowings.

## 8. Legal, Risk and Legislative Considerations

- 8.1. Section 75 of the *Local Government Act 1993* 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.
- 8.2. Section 6 of the *Trustee Act 1898* states that a trustee may invest trust funds in any form of investment.
- 8.3. These legislative requirements would be complied with.
- 8.4. The revised investment policy would require investments with ADIs who support the fossil fuel industry to be replaced by investments with ADIs who do not support the fossil fuel industry. Generally, this means that investments with higher rated (lower risk) ADIs would be replaced by investments with lower rated (higher risk) ADIs.
- 8.5. Whilst this would increase Council's credit risk, the ADIs that Council would invest with would still be considered high quality because the policy requires ADIs to carry a credit rating of at least A-2. This means that Council would be investing with ADIs considered to be "upper medium grade" rather than with ADIs considered to be "prime" or "high grade" (e.g. the "big four" banks).
- 8.6. An initial review of institutions that would be eligible under the policy has been performed.
- 8.6.1. Those not eligible because they are fossil fuel supporting ADIs include the big four (all A-1+), AMP Bank (A-1), ING Bank (A-1), Macquarie Bank (A-1), Bankwest (A-1+, a subsidiary of CBA), StGeorge Bank (A-1+, a subsidiary of Westpac) and the Bank of Melbourne (A-1+, a subsidiary of Westpac).
- 8.6.2. Those eligible include:
- 8.6.2.1. A-1+ or A-1 (and thus eligible for \$7 million investment each): Rabobank and Suncorp;
- 8.6.2.2. A-2 (and thus eligible for \$3 million investment each): Bank Australia, Bendigo and Adelaide Bank, Beyond Bank Australia, Credit Union Australia, Defence Bank, Greater Bank, IMB, Members Equity Bank, Newcastle Permanent Building Society, People's Choice Credit Union, Police Bank, Rural Bank, and Teachers Mutual Bank.



8.6.2.3. A review of other ratings agencies (Moody's and Fitch) might reveal others eligible.

- 8.7. It can be seen that most of the larger banks are non-eligible, and they will be replaced by smaller ADIs, including some credit unions and building societies. However, as stated at paragraph 8.5, these are all rated at least A-2, and the overall portfolio would be regarded as upper medium grade. The investment limits per ADI (\$7 million and \$3 million) reduce individual counterparty risk.
- 8.8. Council should expect to be compensated for a higher credit risk by increased investment returns.

## 9. Environmental Considerations

- 9.1. There is a growing number of Councils that are divesting from financial institutions that support the fossil fuel industry to support financial institutions that do not.
- 9.2. Thirty two councils have now divested including the Australian Capital Territory, City of Melbourne, Newcastle City Council and most recently the City of Sydney. Hobart, through its practices and policy change in April 2015 (see below), is a leading Council.
- 9.3. Council continues to receive representations regarding its approach to ethical investing, and in particular placing investments with financial institutions that support the fossil fuel industries.
- 9.4. Council has a history of supporting non fossil fuel financial institutions, although it has not necessarily 'badged' it as such. Typically, Council has around 30% of its investments in non-fossil fuel supporting financial institutions, although this varies.
- 9.5. In October 2014, Council received a petition that *'Council review its support of financial institutions which support the fossil fuel industry, in an effort to mitigate any long term financial risk to the Council'*. As a result, and to confirm the current practice, in April 2015 Council amended its investment policy to give higher priority to financial institutions not involved in supporting the fossil fuel industry, provided the other requirements of Council's investment policy were met.
- 9.6. In presenting the Council with a new petition (see next paragraph) the Hobart group of 350.org, an international climate change advocacy group, described Council's action as one *"...to be applauded, and deserves public recognition. This action puts Hobart in the company of another 19 Australian councils...that are divesting from fossil fuels"*.
- 9.7. The Council received a further petition in May 2016 calling on it to rule out new investments in banks investing in fossil fuel exploration, to withdraw from all existing such investments within two years, and to increase the ranking of environmental concerns in Council's investment policy to facilitate these actions.
- 9.8. The revised investment policy will deliver on all that was requested of Council in this latest petition.

**10. Marketing and Media**

- 10.1. By divesting from financial institutions who support the fossil fuel industry, Council is playing its part in the worldwide movement to prevent the harmful effects of climate change, which are largely caused by the burning of fossil fuels.
- 10.2. Council should issue a media release to advertise its latest initiative, and include an article in the next issue of the Capital City News.

**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: 7 December 2017  
File Reference: F17/154856

Attachment A: Draft Investment Policy ↓  
Attachment B: Current Investment Policy ↓  
Attachment C: Draft Borrowing Policy ↓

City of Hobart

# Policy

**Title:** Investment of Council Funds**Category:** Corporate Governance

Date Last Adopted:

## 1. Objectives

To maximise the Council's return on its investments, subject to the satisfaction of the criteria of safety and security, liquidity, and ethical nature.

## 2. Background

The permitted methods of investment of Council funds are defined within the *Local Government Act 1993*. The below policy outlines the Council processes within legislated parameters.

## 3. Policy

### 1. Scope

The Council has the following funds;

Nature of Funds	Purpose	Underlying Investments	Benchmark
Working Capital – Transactional Funds including “at call” funds*	To provide sufficient cash to meet the day to day financial obligations of City of Hobart in a timely manner	Cash and at call funds	N/A
Investment Funds	Funds that are surplus to working capital and are available for longer term investment	Term Deposits with a maximum maturity of 12 months	90 Day Bank Bill Swap Rate (BBSW)

Heritage Funds*	To fund grants to owners of heritage properties in order to help facilitate the maintenance of heritage properties in Hobart	Cash, Australian Equities & International Equities	Composite of:- S&P ASX 300 Acc MSCI Total Acc ex AUS UBS Warburg Bank Bill
-----------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------	-------------------------------------------------------------------------------------

\*The Transactional Funds and Heritage Funds are outside the scope of this policy.

## 2. Criteria for Investment

- (i) Safety and Security – Security of the ratepayer's capital is a primary consideration in all investment decisions.
- (ii) Liquidity – Investments must be managed to ensure that sufficient funds are available to meet cash requirements as they fall due.
- (iii) Ethical in Nature – the Council commits to investing 100% of its Investment Funds in non-fossil fuel aligned financial institutions.
- (iv) Rate of Return – Subject to the three preceding considerations, Council will aim to maximise its return.

## 3. Expected Rate

The performance benchmark is the 90 day Bank Bill Swap Rate (BBSW).

## 4. Delegated Authority

The Director Financial Services and Manager Finance are delegated authority to invest according to Section 75 of the *Local Government Act 1993*, from the Council through the General Manager.

## 5. Investment Guidelines

- (i) Section 75 of the *Local Government Act 1993*, will be complied with at all times.
- (ii) Investments may be made for any period up to a maximum of one year.

- (iii) Investments can only be made with Authorised Deposit-taking Institutions (ADI's) regulated by the Australian Prudential Regulation Authority, in products where the underlying assets are cash.
- (iv) Exposure to ADI's with a Standard and Poors short-term credit rating of A1 or A1+ (or equivalent from a different rating agency) is limited to \$7,000,000.
- (v) Exposure to ADI's with a Standard and Poors short-term credit rating of A2 (or equivalent from a different rating agency) is limited to \$3,000,000.
- (vi) Where an ADI is a subsidiary of another and has its own credit rating, the two institutions shall be treated as separate and subject individually to the exposure limits above.
- (vii) Where an ADI is a subsidiary of another, and is a non-fossil fuel aligned institution, but the parent company is a fossil fuel aligned institution, the subsidiary will be regarded as a fossil fuel aligned institution.
- (viii) For any fixed term investment, whether new or rollover, quotes must be sought from a minimum of three ADI's. Investment decisions must be documented.
- (ix) Any investment outside of the investment guidelines contained within this policy must be referred to the Finance Committee for prior approval.

#### **6. Provision of Information to Aldermen**

- (i) Details of all current investments are to be provided to any Alderman upon request and are to be included in the quarterly financial report provided to the Finance Committee.

## **4. Legislation, Terminology and References**

*Section 75 of the Local Government Act 1993*

Delegations Register



<b>Responsible Officer:</b>	Director Financial Services
<b>Policy first adopted by the Council:</b>	13/11/1995
<b>History</b>	
Amended by Council	13/6/2000
Amended by Council	28/7/2008
Amended by Council	24/10/2011
Amended by Council	8/9/2014
Amended by Council	27/4/2015
Amended by Council	7/3/2016
<b>Next Review Date:</b>	<b>March 2019</b>

City of Hobart

# Policy

**Title:** Investment of Council Funds

**Category:** Corporate Governance

**Date Last Adopted** 7 March 2016

## 1. Objectives

To maximise the Council's return on its investments, subject to the satisfaction of the criteria of safety and security, liquidity, and ethical nature.

## 2. Background

The permitted methods of investment of Council funds are defined within the *Local Government Act 1993*. The below policy outlines the Council processes within legislated parameters.

## 3. Policy

### 1. Criteria for Investment

- (i) Safety and Security – Security of the ratepayer's capital is the overriding consideration in all investment decisions.
- (ii) Liquidity – Investments must be managed to ensure that sufficient funds are available to meet cash requirements as they fall due.
- (iii) Rate of Return – Subject to the two preceding considerations, Council will aim to maximise its return.
- (iv) Ethical in Nature – Subject to the preceding considerations, in making investment decisions, regard will be taken to an investment being environmentally and socially ethical. Subject to the investment guidelines, preference will be given to investment institutions that do not invest in the fossil fuel industry over those institutions that do invest in the fossil fuel industry.

### 2. Expected Rate

The performance benchmark is the 90 day Bank Bill Swap Rate (BBSW).

**3. Delegated Authority**

The Director Financial Services is delegated authority to invest according to Section 75 of the *Local Government Act 1993*, from the Council through the General Manager.

**4. Investment Guidelines**

- (i) Section 75 of the *Local Government Act 1993*, will be complied with at all times.
- (ii) Investments may be made for any period up to a maximum of one year.
- (iii) Investments can only be made in products where the underlying assets are cash.
- (iv) There is no limit on the amount of funds that can be placed with Tascorp.
- (v) Exposure to Council's transactional banker is limited to \$12,000,000.
- (vi) Subject to item 4(v), exposure to Australia and New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation is limited to \$7,000,000.
- (vii) Subject to item 4(vi) exposure to other banking institutions with a Standard and Poors credit rating A1/A- is limited to \$5,000,000.
- (viii) Subject to item 4(vii) exposure to other banking institutions with a Standard and Poors credit rating A2/BBB is limited to \$2,000,000.
- (ix) When determining the level of exposure to a financial institution, the exposure includes all funds held with the institution, including funds not classified as investments.
- (x) Where a banking institution is a subsidiary of another the level of exposure shall be the sum of the exposure to each institution and limited as above.
- (xi) For any fixed term investment, whether new or rollover, quotes must be sought from a minimum of three institutions. Investment decisions must be documented.
- (xii) Any investment outside of the investment guidelines contained within this policy must be referred to the Finance Committee for prior approval.

**5. Provision of Information to Aldermen**

- (i) Details of all current investments are to be provided to any Alderman upon request.



## 4. Legislation, Terminology and References

*Section 75 of the Local Government Act 1993*

Delegations Register

<b>Responsible Officer:</b>	Director Financial Services
<b>Policy first adopted by the Council:</b>	13/11/1995
<b>History</b>	
Amended by Council	13/6/2000
Amended by Council	28/7/2008
Amended by Council	24/10/2011
Amended by Council	8/9/2014
Amended by Council	27/4/2015
Amended by Council	7/3/2016
<b>Next Review Date:</b>	March 2017

City of Hobart

# Policy

---

**Title:** Council Borrowing Policy

**Category:** Corporate Governance

Date Last Adopted:

---

## 1. Purpose

This policy outlines Council's Loan Borrowing Strategy and provides guidance for the prudent borrowing of funds.

## 2. Objectives

- To detail Council's planned financial management strategy for existing and future debt;
- Provide guidance as to the information that must be taken into consideration when Council is considering the use of debt;
- Minimise the cost of borrowing;
- Have regard to the long term and cumulative effects of Council's decisions;
- Exercise reasonable care and diligence that a prudent person would exercise when borrowing funds.

## 3. Limitations

- Division 2 of part 8 of the Local Government Act 1993 applies.
- Per Section 78, State Treasurer approval is required to enter into borrowings.
- Per Section 80, annual servicing costs are not to exceed 30% of revenue (excluding specific purpose grants).

## 4. Borrowing Guidelines

- Borrowings are not a form of revenue and do not replace the need for Council to generate sufficient operating revenue to service its operating requirements;
- Financing of major infrastructure assets requires a strategic approach to evaluate the risk exposure to Council;

- Council, where it is appropriate, may enter into a borrowing facility for a long term asset construction or purchase projects;
- There will be no long term debt to finance operating activities, non-capital projects or recurring expenditure of Council;
- The term of the loan should not exceed the expected economic life of the asset being funded, subject to the maximum periods below; and
- The maximum period for borrowing will be set at 15 years. Variations to this will require a resolution of Council.

## **5. Determination of the Appropriate Lending Institution**

- Once borrowing has been approved by Council as part of the Annual Budget Estimates, a quotation process will be conducted whereby appropriate lending institutions (Authorised Deposit-taking Institutions) will be invited to submit written quotations on Council's borrowing requirements.
- Written quotations must include;
  - Interest rate;
  - Term of the loan;
  - Repayment intervals;
  - Repayment installment amount;
  - Any applicable fees; and
  - The ADI's exposure to the Fossil Fuel industry.
- Interest rates may be fixed or variable for the term of the loan;
- Appropriate and acceptable documentation must be provided to Council by any prospective lender during the quotation/tender process;
- The calculation for any loan break costs must be clearly set out in the loan documentation; and
- Subject to the preceding considerations, in making borrowing decisions, regard will be taken to a lending institution being environmentally and socially ethical. Subject to the terms of the borrowing being the same, preference will be given to lending institutions that do not invest in the fossil fuel industry.

## **6. Provision of Information to Aldermen**

Details of all current borrowings are to be provided to any Alderman upon request and are to be included in the quarterly financial report provided to the Finance Committee.

## 7. Legislation, Terminology and References

The following legislation, circulars or guidelines are relevant to Councils when considering loan borrowing:

- Tasmanian Local Government Act 1993;
- Tasmanian Trustee Act 1898.

<b>Responsible Officer:</b>	Director Financial Services
<b>Policy first adopted by the Council:</b>	xx/12/2017
<b>Next Review Date:</b>	March 2019

**6.2 Revised Council Policy - Disposal of Surplus Goods and Equipment**  
**File Ref: F17/154936**

---

Report of the Group Manager Rates and Procurement and the Director  
Financial Services of 7 December 2017 and attachments.

Delegation: Council

**REPORT TITLE: REVISED COUNCIL POLICY - DISPOSAL OF SURPLUS GOODS AND EQUIPMENT****REPORT PROVIDED BY:** Group Manager Rates and Procurement  
Director Financial Services**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to present a revised Council Policy – Disposal of Surplus Goods and Equipment (the policy) for the consideration of Council.

**2. Report Summary**

- 2.1. A revised Council policy is presented for consideration. If approved the revised Council policy would replace the existing Council policy – Disposal of Surplus Goods and Equipment.
- 2.2. The revised policy proposes a decentralised model with Directors granted a limited delegation for the disposal of surplus assets replacing the centralised Committee that reports to the General Manager who is authorised to dispose of surplus items.
- 2.3. The revised policy is detailed and outlines the criteria to be used for disposing of an assets, the methods of disposal to be used and the physical disposal process.

**3. Recommendation*****That:***

1. ***The report 'Revised Council Policy – Disposal of Surplus Goods and Equipment' be received and noted.***
2. ***The draft policy be finalised by the General Manager.***
3. ***The revised policy be communicated widely to Council officers thereafter and made available from Council's website.***

#### 4. Background

- 4.1. A review of the Council policy – Disposal of Surplus Goods and Equipment has been undertaken.
- 4.2. The review found that the current model for asset disposal at Council is difficult to administer, relying upon a centralised committee to make recommendations to the General Manager for the disposal of assets. Referrals to the Committee are infrequent.
- 4.3. A revised disposal of surplus goods and equipment policy has therefore been drafted – refer **Attachments A and B**.
- 4.4. The policy has been considered by the Risk and Audit Panel at its 5 December 2017 meeting.

#### 5. Proposal and Implementation

- 5.1. It is proposed that Council approve the revised disposal of surplus goods and equipment policy.
- 5.2. If approved it is proposed that the new policy be widely communicated to Council officers.
- 5.3. The revised policy proposes a decentralised model for the disposal of assets based on delegated Director approvals up to a certain dollar limit, rather than the current centralised committee structure.
- 5.4. The decentralised model is proposed to make it easier for the organisation to dispose of assets whilst at the same time ensure an appropriate governance structure is in place, probity in disposal processes and the best outcome for the community is achieved.
- 5.5. Many of the items identified for disposal have a very low residual value. It is therefore proposed that it is appropriate for a Director to have delegated authority to dispose of these items.
- 5.6. It should be noted that certain assets cannot be disposed of via the revised policy e.g. antiques, public art, valuables or collectables, buildings, land, significant infrastructure assets or assets that are demolished or dismantled to reinstate sites or make way for replacement assets. These types of assets are either to be considered by Council only or via another process.
- 5.7. A feature of the revised policy is that before an asset that is no longer required or surplus to requirements is disposed of, reasonable efforts are made to ensure no other area of Council needs the asset. It is proposed that an email group is set up for this purpose.
- 5.8. Collection points for assets to be disposed of are already in place at the Store, the Council Centre and Town Hall. Council officers can place

items at these locations where a consignment approach to disposal would be better than disposing of items singly.

- 5.9. While at present it is proposed that assets disposed of are reported to certain officers to ensure appropriate treatment in relation to insurance, asset management and finance, it is proposed that this occur electronically through new systems being developed through Project Phoenix.

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

- 6.1. The new policy will replace the existing Council Policy Disposal of Surplus Goods and Equipment – refer **Attachment C**.

## **7. Financial Implications**

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

7.1.1. N/A

- 7.2. Impact on Future Years' Financial Result

7.2.1. N/A

- 7.3. Asset Related Implications

7.3.1. N/A

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

- 8.1. The revised policy demonstrates Council's accountability to the community, seeks to be fair and equitable to all parties involved, seeks to ensure probity, accountability and transparency in all asset disposal processes, and seeks to ensure that the best outcome is achieved for Council and the community.

## **9. Environmental Considerations**

- 9.1. The revised policy outlines a range of different methods of disposal. The dumping or destroying of assets shall only be undertaken after consideration of the environmental issues so that any hazardous substances shall be assessed to ensure safe disposal.
- 9.2. Furthermore, the dumping of surplus assets should be an action of last resort with other disposal methods explored in the first instance to minimise items going to landfill.

## **10. Delegation**

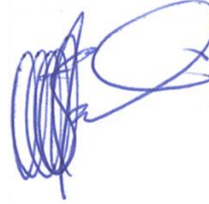
- 10.1. Council.



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



Lara MacDonell  
**GROUP MANAGER RATES AND  
PROCUREMENT**



David Spinks  
**DIRECTOR FINANCIAL SERVICES**

Date: 7 December 2017  
File Reference: F17/154936

Attachment A: Revised Council Policy - Disposal of Surplus Goods and Equipment ↓  
Attachment B: Attachment to Revised Disposal of Surplus Goods and Equipment ↓  
Attachment C: Current Disposal of Surplus Goods and Equipment Policy ↓

City of Hobart

# Policy

**Title:** Disposal of Surplus Goods and Equipment Policy

**Category:** Corporate Governance

**Date Last Adopted:** 7 March 2016

## 1. Objectives

To provide guidance in the disposal of Council owned assets including, but not limited to: plant, vehicles, equipment, materials and stock items, structures which have salvage value as an item or as separable components or materials, office equipment and furniture; information technology, software and hardware.

This policy does not apply to:

- The process of selling land including the process of selling land for unpaid rates.
- The process of disposing of Council significant infrastructure assets e.g. roads, stormwater and buildings, which are managed based on the City's 5 year Strategic Asset Management Plans.
- Assets that are demolished or dismantled to reinstate sites or make way for replacement assets are not subject to this policy provided that there is no residual value contained within the components or materials comprising the asset which are considered obsolete or surplus to requirements.

The disposal of antiques, public art, valuables or collectables, and land and buildings is to be considered by Council only.

This Policy:

- Outlines the methods by which assets are disposed of;
- Demonstrates Council's accountability to the community;
- Seeks to be fair and equitable to all parties involved;
- Enables all asset disposal processes to be recorded;
- Seeks to ensure probity, accountability and transparency in all asset disposal processes;
- Seeks to ensure that the best outcome is achieved for Council and the community; and
- Applies to all Council Officers and Aldermen.

## 2. Background

The Council is required from time to time to dispose of equipment and goods that have become surplus to requirements.

## 3. Policy Statement

Council's disposal of assets is to be conducted in a manner that is consistent with the following policy statements:

- Encouragement of open and effective competition;
- Obtaining Value for Money;
  - This is not restricted to price alone.
  - An assessment of value for money must include consideration of (where applicable):
    - the contribution to Council's long term financial management plan and strategic plan;
    - any relevant direct and indirect benefits to Council, both tangible and intangible;
    - efficiency and effectiveness;
    - the costs of various disposal methods;
    - internal administration costs;
    - risk exposure; and
    - the value of any associated environmental benefits.
- Ethical behaviour and fair dealing;
- Probity, accountability, transparency and reporting;
- Council will generally dispose of its assets using the methods outlined in this policy; and
- Disposal of assets to Aldermen and employees of Council should generally not occur outside of a public process.

## 4. Policy

### Approval

Approval must be sought for permission to proceed with the disposal of surplus assets and the disposal method to be used.

The General Manager is authorised to approve the disposal of assets. The General Manager has sub-delegated this authority to Directors.

Directors have delegated authority to dispose of assets that meet disposal criteria and have an individual book value of less than \$10,000.

The Manager Information and Communication Technology has the authority to recommend disposal of IT assets. The Manager Fleet and Support Services has the

authority to recommend disposal of fleet assets. These Managers, as well as recommending specific classes of assets for disposal will also be responsible for recommending the appropriate disposal method.

Once approved the Delegate will allocate the action to dispose of the asset to an appropriate Officer.

#### 4.1 Asset Disposal Criteria

In deciding and recommending an asset for disposal, Directors should ensure all reasonable efforts are made to ensure no other area of Council needs the asset. This could take the form of an email communicating surplus assets to the *Asset Disposal* email group.

The following criteria should be considered when determining whether assets are suitable for disposal:

- No longer required or obsolete;
- Unserviceable or uneconomical to repair;
- Surplus to requirements;
- Technologically obsolete and/or operationally inefficient;
- Non-compliant with workplace health and safety standards;
- No use expected in the foreseeable future;
- No usage in the previous 12 months;
- Waste products;
- Deteriorated or perishable;
- Part of an asset replacement program; and/or
- Contains environmentally sensitive or hazardous material.

Before any asset is disposed the value of the asset should be determined as best as practicable as this may impact upon the method of disposal.

As a general principle, disposal of assets to Aldermen and employees of Council should not occur outside of a public process. However, it is recognised that on occasion there may be circumstances where sale to an Alderman or employee of Council may be the most practical or reasonable manner of disposal.

It may be reasonable that a motor vehicle that has been assigned to an employee for their full private use during the course of their employment with Council may be able to be procured following external valuation and through an auction house.

In this instance, the General Manager alone is to approve the disposal of a motor vehicle to the employee.

It may be also reasonable that an asset (e.g. personal computer, IPAD or mobile phone) that has been assigned to the employee or Alderman for use during the course

of their employment with Council, may be able to be procured directly from the City at market rate / estimate by that employee or Alderman.

In these instances, the General Manager or the Deputy General Manager is to approve the disposal of assets to an Alderman or employee of Council.

All decisions and reasons for such decisions are to be documented and recorded in Council's record management system.

### **Conflict of Interest**

Aldermen and Council officers involved in the disposal of assets are responsible for disclosing any actual or perceived conflicts of interest that may arise in the performance of their duties. All perceived and actual conflicts of interest are to be referred to the General Manager. The officer responsible for the disposal of any Council asset and the relevant Director must ensure that no conflict of interest occurs in or as a result of the asset disposal process.

### **4.2 Selecting a Disposal Method**

When selecting a disposal method the following should be considered:

- Any Council decisions relevant to the disposal;
- The public demand and interest in the item;
- The method most likely to return the highest revenue;
- The value of the Asset;
- The condition of the Asset;
- The costs of the disposal method compared to the expected returns;
- Environmental and sustainability factors; and
- Any legislative requirements.

### **4.3 Methods of Disposal**

The disposal method chosen must be appropriate to the value of assets, size and portability, quantity, timeframe considerations, costs associated with disposal method, including transport and storage of assets, workload and resource implications of managing the disposal and location of the goods. The following disposal methods may be utilised:

#### **Public Process**

- Assets with a value between \$150,000 and \$249,999 may be disposed of by a public process that would usually occur via an auction house; all assets with a value of \$250,000 or greater must be disposed of by a public process.
- A public process for the disposal of goods is to be conducted in a manner ensuring a fair and transparent process with the auction house receiving an appropriate brief to ensure such.



**Public Auction**

- Any assets, including plant, vehicles or equipment with a value between \$1,000 and \$249,999 may be disposed of by public auction e.g. small items such as electrical equipment and small plant, and the big items such as the waste compactor and street sweepers.
- Public auction is an appropriate disposal method when:
  - there is likely to be public demand for the items;
  - alternative disposal methods are unlikely to result in higher revenue for the City; and
  - the costs associated with the auction are less than the expected returns.

**Expressions of Interest**

- Council may dispose of items by advertising for expressions of interest from buyers where:
  - the value of the asset is under \$10,000;
  - the costs of disposal are less than the expected returns; or
  - there is very limited interest.
- All prospective buyers of Council's disposed assets must be advised in writing that items are to be disposed of, with any faults, at the buyer's risk. Buyers are to rely on their own investigations regarding the condition and workability of the items and Council will not be responsible for any repairs or maintenance of the asset.
- No warranty or after sale service will be offered on any asset disposed of.
- Where an Alderman or Council employee, or members of their immediate family, purchase an asset from Council, approval must be received from the General Manager. All decisions, the reasons for the decisions and the disposal method chosen must be documented.
- A written record of the sale is to be prepared for signature by both parties.

**Recycle or Destroy (Write off Assets)**

- The value of an asset may be written off and the item recycled or destroyed if it is deemed:
  - to have no value to anyone in Council;
  - to be unserviceable or beyond economical repair; or
  - that the disposal cost is higher than the likely return.
- Where a recommendation to write off an asset is made, the relevant Officer will provide the Delegate with the assessment criteria used to determine that the asset has no potential to realise a return for Council and will detail the method of destruction and name of the officer who will be charged with the responsibility of ensuring the asset is destroyed.
- Dumping/recycling or destroying of assets shall be undertaken after consideration of the environmental issues so that any hazardous substances shall be assessed to ensure safe disposal.

**Trade-in**

- Trade-in should only be considered for the disposal of plant, vehicles and equipment controlled under Council's Fleet Management procedures.

- Trading-in goods can be an efficient means of disposal, and a convenient way to upgrade equipment such as plant. However, trade-in prices do not always provide the best return. Any decision to trade-in goods other than plant, vehicles and equipment must be based on a clear analysis of the benefits of the trade-in as opposed to separate sale/auction/tender of the goods.

**Sale via Resource Work Cooperative (Tip Shop)**

- Allowable for goods with an estimated value of less than \$1,000.

**Donation to a Charity or Non-Profit Organisation**

- The donation of surplus goods and equipment to recognised charitable organisations may be considered for assets with an estimated value of less than \$1,000.
- Excess materials from projects / works which are unsuitable for new Council projects may be donated to charities, non-profit organisations only with the authority of the relevant Director.
- In considering a request from a charity or non-profit organisation, the following should be undertaken:
  - A fair process to determine which charity receives surplus assets to avoid possible claims of bias.
  - A check that the organisation is a charity / non-profit organisation, carries out the activities for a public purpose and that their primary object is not commercial or aimed at making a profit;
- The charitable organisation should acknowledge that Council will not be responsible for any repair or maintenance of the asset and take responsibility for the timely removal of the asset and at no cost to Council.
- In instances where a charitable organisation approaches Council seeking donations, the General Manager alone is to approve the disposal of assets to charitable or non-profit organisations.

**Plant, Vehicles and Equipment Assets**

It is Council's preference that plant, vehicles and equipment controlled under Council's Fleet Management procedures are disposed of by public auction.

However, if tenders/quotations are called for the replacement of items of plant, vehicles and equipment, tenderers may be invited to submit prices:

- for the supply of the item without any trade-in.
- for the supply of the item less trade-in allowance on the item that is being replaced.

Tenders may be invited for the purchase only of the items which are to be replaced.

**4.4 Authority to Dispose of Assets**

Written approval of the Asset disposal method must be obtained by an officer with the delegation to dispose of the Asset:

Additionally, the following requirements apply:

- Disposal of all Assets with a value over \$250,000 must be by a public process unless resolved otherwise by Council.
- Only Assets with a value of less than \$1,000 can be sold via the Resource Work Cooperative (Tip Shop).
- All donations must be approved by a Director. Assets with a value of \$1,000 or more generally cannot be donated but may be donated at the discretion of the General Manager.

If there is any doubt about the value of the Asset, consideration should be given to obtaining an independent valuation.

#### **4.5 Preparing Assets for Disposal**

A check of the asset to be disposed of must be carried out to ensure assets do not contain:

- Confidential information (records, files, papers);
- Documents on Council letterhead or which may be used for fraudulent purposes;
- Additional items not intended for disposal;
- Software (which may lead to a breach of licence or contain confidential data); or
- Hazardous materials - any dangerous or hazardous goods are to be disposed of only in the authorised manner.

As far as practical, any Council branding or identifying marks should be removed.

Spare parts held for a particular asset should be disposed of in one lot with the asset.

Items of cultural or historical significance should first be discussed with Council's Senior Cultural Heritage Officer.

#### **4.6 Physical Disposal of Assets**

Collection points for assets to be disposed of are already in place at the Store, the Council Centre and Town Hall. Council officers can place items at these locations where a consignment approach to disposal would be better than disposing of items singly.

#### **4.7 Asset Disposal Notification and Reporting**

After an asset has been disposed of, the relevant Director or their delegate is responsible for notifying the following Officers via the *Asset Disposal* email group, as appropriate:



- Manager Asset Services and Manager Finance to ensure Council's Asset Register and Asset Management Plans are updated and relevant financial accounting treatments are recorded;
- Principal Advisor Risk and Audit Systems to determine any impact on Council's insurance policies; and
- Group Manager Rates and Procurement to determine any impact on Council's maintenance contracts.
- Stores and Procurement Coordinator to determine any impact on Council's inventory.

The relevant Director or their delegate is to ensure that the disposal process is documented and all documentation is saved in Council's records management system.

Where appropriate items disposed of should be entered on the Council's Disposal Register.

Where disposal results in a grant or benefit to a person or organisation, this should be recorded in Council's financial system and disclosed within Council's Annual Report. Please refer to Council Policy – Grants and Benefits Disclosure on the CBC at: <https://www.hobartcity.com.au/Council/About-Council/Council-policies>, for more information.

## 5. Legislation, Terminology and References

Local Government (General) Regulations 2015

Local Government Act 1993

City of Hobart Code of Conduct

City of Hobart Fraud and Corruption Control Plan

City of Hobart Code for Tenders and Contracts

Council's Delegations Register

Council Policy – Asset Management

<b>Responsible Officer:</b>	Director Financial Services?
<b>Policy first adopted by the Council:</b>	8/2/1999

**History**

Amended by Council	10/4/2006
Amended by Council	10/12/2012
Amended by Council	8/9/2014
Next Review Date	March 2017

**ASSET DISPOSAL METHOD AND APPROVAL**

Disposal Method	Director		General Manager		
	\$0 - \$999	\$1 000 - \$9 999	\$10 000 - \$149 999	\$150 000 - \$249 999	>\$250 000
Public Process (auction house)	X	X	X	✓	✓
Public Auction	X	✓	✓	✓	X
Expression of Interest	✓	✓	X	X	X
Tip Shop	✓	X	X	X	X
Donate	✓	X	X	X	X
Destroy	✓	X	X	X	X

City of Hobart

# Policy

**Title:** Disposal of Surplus Goods and Equipment

**Category:** Corporate Governance

**Date Last Adopted:** 7 March 2016

## 1. Objectives

To provide guidance in the disposal of goods and equipment that is surplus to Council requirements.

Items that are used as trade-ins in the replacement of plant and equipment are not subject to this policy.

## 2. Background

The Council is required to cyclically dispose of a significant quantum of equipment and goods that become surplus to requirements that retain the potential of significant residual market value.

In order to ensure appropriate disposal, the following mechanisms are defined below.

## 3. Policy

### A. PLANT REVIEW COMMITTEE

1. A committee consisting of a Chairman nominated by the General Manager, Director Financial Services and the Chief Information Officer be established for the purpose of:
  - (i) Reviewing and recommending to the General Manager the most appropriate means of disposing of items that are surplus to requirements.
2. The Committee be known as the Plant Review Committee.

### B. DISPOSAL OF SURPLUS GOODS/EQUIPMENT

1. Divisional Directors shall be responsible for advising the Chairman of the Plant Review Committee details of equipment, furniture, materials or any

other item which has become unserviceable, obsolete or surplus to requirements and which should be disposed of.

2. The Plant Review Committee shall have the responsibility to review the details received from Divisional Directors and to make recommendations to the General Manager on the administrative action that should be taken to dispose of such items as are appropriate in the circumstances.
  - (i) In circumstance as may be considered appropriate by the Plant Review Committee, the donation of surplus goods and equipment to recognised charitable organisations may be considered.
3. The General Manager is authorised to dispose of surplus items.
4. The General Manager is authorised to determine one-off type requests for the donation of an item, which has been deemed to be surplus to Council's requirements in accordance with the provisions of this policy, subject to the details of any such donation being reported upon to the Plant Review Committee.
5. For the purposes of this policy, the Director Corporate Services is delegated the authority to act as the General Manager's nominee in order to consider and authorise the disposal of surplus and obsolete items, as outlined in this policy, following a recommendation from the Plant Review Committee (Approved by the Director Corporate Services General Manager 12 May 2006).

#### 4. Legislation, Terminology and References

Council's Delegations Register

<b>Responsible Officer:</b>	Director Corporate Services
<b>Policy first adopted by the Council:</b>	8/2/1999
<b>History</b>	
Amended by Council	10/4/2006
Amended by Council	10/12/2012
Amended by Council	8/9/2014
Next Review Date	March 2017

**6.3 City Parking Requirements 2017**  
**File Ref: F17/155001; 35-1-4**

---

Report of the Group Manager Parking Operations and the Group Manager Rates and Procurement of 7 December 2017 and attachment.

Delegation: Council

**REPORT TITLE: CITY PARKING REQUIREMENTS 2017****REPORT PROVIDED BY:** Group Manager Parking Operations  
Group Manager Rates and Procurement**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to provide the Finance Committee with statistical information in relation to the use of parking spaces in the City during the 2016/2017 financial year and to provide information as to future parking requirements.

**2. Report Summary**

- 2.1. Parking survey data collected for the 2016/2017 financial year indicates a small increase in the usage of short term parking both in the car parks and on street. Overall, council short term car park usage has increased, however this increase is spread across the operating times resulting in there still being ample parking availability at the peak times of the day.
- 2.2. Parking meter usage numbers have increased slightly. Locating a parking meter space in *central* Hobart still remains challenging, with an average of only three metered spaces (of thirteen) available during the peak period of the day. The new 15 minute parking zone in Liverpool Street is also well utilised with an average peak period usage of 87%. Compliance in this area is quite good, resulting in regular turn-over of vehicles.
- 2.3. Once motorists move out to a one-block radius metered space availability increases. The average occupancy rate for the 2015/2016 financial year was 73%. The current occupation rate has increased to 74%, however, this still equates to better than one in four spaces being vacant.
- 2.4. The areas to watch in the coming years are Salamanca Place and Salamanca Square. Now that Sultan's Montpelier Car Park no longer has early bird parking the expectation is that the pressure will increase in the availability of short term parking.
- 2.5. Early bird parking has become the most popular form of commuter parking in recent years. There have been some changes in early bird parking availability since presenting the 2015/2016 report, in particular the car park at the former Webster's site in Melville Street has decreased its early bird numbers to cater for student parking at the UTAS apartment complex, and more recently the Sultan's Montpelier Car park has converted to a monthly permit car park.
- 2.6. The combined total of early bird car parks in the city still exceeds 1100 and indications are that this will increase, particularly with a number of smaller early bird car parks appearing in areas just outside of the city's fringe. The car parks are well patronised, particularly during the winter period.

- 2.7. Monthly permit parking occupation numbers have increased since 2015/16. There is currently a 90% occupation rate in the Council's long term car parks; with Trafalgar being the only car park that has any significant vacancies.
- 2.8. The primary objective of the provision of paid parking is to afford options for people who visit the City for business, to work or for shopping and socialising. The past twelve months have seen a small increase in parking usage, but not to the extent that causes any concerns.
- 2.9. Whilst it still appears we currently have achieved a good balance between usage and availability we must be mindful that some car parks are only temporary, therefore their change in operation or closure could result in a parking shortages. This requires close monitoring to ensure we are prepared as best we can.
- 2.10. The New Year will see the opening of the Council's Melville Street Car Park which will add a further 102 spaces to the UTAS development precinct, which has become increasingly busy as a result of the development.

### **3. Recommendation**

***That the information contained in the report of the Group Manager Parking Operations and the Director Financial Services titled 'City Parking Requirements 2017' be received and noted.***

### **4. Background**

- 4.1. At its meeting of the 28 October 2013, (Closed agenda, item 12) the Council resolved that a report be prepared to enable the Council to reconsider the car parking needs of the city.
- 4.2. This report was requested due to concerns raised by Aldermen that an amendment to the number of parking spaces being supplied in new developments may place pressure on future parking availability in the city.
- 4.3. The initial report was presented to the then Finance and Corporate Services Committee on the 16 September 2014, and the report concluded that the 2013/2014 provision of both Council-operated and privately operated on and off street parking was sufficient to manage the demand at that time.
- 4.4. The Committee therefore resolved the following:

*"In order to provide the Council with ongoing information on the state of parking in the City of Hobart, a report on city parking requirements be provided to the Finance and Corporate Services Committee annually".*



## Methodology

- 4.5. In order to form an opinion on the future parking requirements for the City of Hobart, the current status of parking had to be ascertained. This then becomes the base on which we commence measuring growth and change, therefore being a solid foundation for predicting what future trends or requirements may be.
- 4.6. To obtain the base information Parking Operations undertakes extensive surveys on the provision and utilisation of parking in the City of Hobart. This includes surveys of the following:
- Council short term car park usage.
  - Council parking meter usage.
  - Council long term (permit) car park usage.
  - Council commuter car park usage.
  - Privately operated long and short term parking usage.
  - Privately operated Early Bird parking usage.

## Survey Results

- 4.7. The following are a series of tables depicting the results of the surveys for the 2016/2017 financial year, along with brief comments on the methodology and results of each survey.
- 4.7.1. A condensed copy of the tables from 2015/2016 for reference and comparison is provided at **Attachment A**.

<b>Council Short Term Multi-Storey Car Parks (11am-2pm)</b>			
<b>Month</b>	<b>Argyle St 1180 spaces</b>	<b>Centrepont 782 Spaces</b>	<b>Hobart Central 462 Spaces</b>
	Percentage Full	Percentage Full	Percentage Full
Jul-16	88%	92%	92%
Aug-16	86%	87%	92%
Sep-16	90%	89%	92%
Oct-16	86%	85%	92%
Nov-16	93%	93%	95%
Dec-16	92%	91%	91%
Jan-17	82%	79%	81%
Feb-17	90%	86%	96%
Mar-17	89%	84%	94%
Apr-17	85%	91%	93%
May-17	95%	90%	96%
Jun-17	90%	89%	95%
<b>Average Total</b>	<b>89%</b>	<b>88%</b>	<b>92%</b>
<b>Vacancies</b>	<b>153</b>	<b>94</b>	<b>37</b>

- 4.8. The above table depicts the actual usage of Council's multi-storey short term car parks for the twelve months ending 30 June 2017.
- 4.8.1. The figures indicate the average percentage of occupation in each car park during the three hour peak period of the day (which is 11.00am – 2.00pm, Mon – Fri). The results here indicate that each car park still has vehicle availability during the busiest period of the day, year round.
- 4.8.2. When comparing the results to the 2015/2016 financial year, the overall peak period occupancy figures have increased, but availability remains. All car parks have increased usage, however in the case of Argyle Street Car Park this is only 2%, and Centrepont and Hobart Central are both 1%.
- 4.8.3. Overall the occupancy rate across all three car parks for the entire financial year has increased, however this increase is spread across the operating times resulting in availability at the peak times of the day.
- 4.8.4. Taken across the entire day, occupancy of the car parks is around 60-70% - meaning there is substantial availability outside the peak 11am-2pm period.
- 4.8.5. Early bird parking operates in Hobart Central and Centrepont Car Parks to fill the shortfall in short term parking. On average, around 250 spaces are offered daily. Usage in each car park is monitored on a daily basis, and the number of available early bird spaces is adjusted to ensure parking is always available for short term users.
- 4.8.6. Without early bird parking, there would be an oversupply of short term parking spaces available in car parks throughout the day. The use of early birds and/or the use of a combination of short term and long term parking in the majority of council and private multi-storey car parks have now become common practice.
- 4.8.7. Additional statistics gathered from the car parks indicate that Hobart Central and Centrepont Car Parks did fill to capacity on occasions during the 2016/2017 financial year, however, each time it was for less than an hour. As a result, early bird numbers were adjusted in the following days.
- 4.8.8. Argyle Street Car Park does fill to capacity on occasions, however due to the huge turnover of vehicles patrons are still able to access the car park with minimal waiting times.

<b>Council On-Street Meter Parking</b>			
<b>Location</b>	<b>Number of spaces</b>	<b>Number Occupied</b>	<b>% Occupied</b>
Central City Block	13	10	76%
1 Block Radius	295	217	74%
2+ Block Radius	1153	700	61%
Salamanca Place	197	156	79%
Salamanca Square	120	100	83%
Dunn Place	86	80	93%
North Hobart	80	44	55%
All Day	529	370	69%
<b>Total</b>	<b>2473</b>	<b>1676</b>	<b>68%</b>

- 4.9. The city parking meter survey was conducted by using a newly developed electronic surveying program that forms part of Council's GIS mapping system.
- 4.9.1. Surveys of the Queens Domain, Dunn Place, Condell Place and Lefroy Street have been conducted by using actual live data produced from the "on-line" parking meters.
  - 4.9.2. The electronic survey of the city parking spaces was conducted at four intervals during the year. Each interval involved surveying at separate times of the day over four separate days, therefore resulting in multiple surveys for each metered space.
  - 4.9.3. The number of metered spaces in the central city block is still reduced as a result of the redevelopment of the Myer building. There are now only thirteen metered parking spaces in the entire central block of Hobart.
  - 4.9.4. Other areas of the city have been affected by closures due to the large amount of development currently taking place in the city. It is unknown at this stage whether some of the spaces currently closed for development will be returned to meter parking.
  - 4.9.5. The survey results indicate that obtaining a parking meter space in the central block of Hobart remains difficult with an average of only three spaces (of thirteen) available at any time during the peak period of the day. The fifteen minute parking zone in Liverpool Street is also well utilised with an average peak period usage of 87%.

- 4.9.6. Once motorists move out to a one block radius the availability becomes quite reasonable. The average occupancy rate for the 2015/2016 financial year was 73%. The current occupation rate has increased slightly to 74%, however, this still equates to one in four spaces being vacant.
- 4.9.7. The city's fringe areas (streets two blocks or more from the city centre) are still providing ample parking opportunities. The occupation rate has remained steady at 61% in the past year, which equates to two out of every five spaces being vacant.
- 4.9.8. Salamanca Place has the heaviest usage outside of the city centre particularly around midday. The occupation rate in the 2015/2016 survey was at 68%, which was a decrease on the previous year and directly attributed to the re-opening of Sultans Montpelier Car Park as a multi-use short term/permit car park. The 2016/2017 figures indicate an increase of 11% to 79%, which reflects the fact that the car park was filling to capacity with commuters early each day, leaving only the on street parking and Salamanca Square for short term for visitors to the area.
- 4.9.9. This area is certainly one to watch in the future due to the fact that the Montpelier Car Park now only operates as a monthly permit car park.
- 4.9.10. Usage of the Salamanca Square Car Park also increase from 68% in 2015/16 to 83% in 2016/17 which is again due to the heavy use of the Montpelier Car Park.
- 4.9.11. The Dunn Place voucher car park remained a very popular parking location. The occupation percentage increased by 12%, which can be attributed to the change in operating times of the museum and the fact that the car park offers longer time limits than other on street parking locations in the particular area.
- 4.9.12. All day parking numbers on the Queens Domain and other all day parking areas increased by an average of 24 vehicles per day in 2016/2017. Occupation currently stands at an average of 69% per day, leaving a further 159 spaces available each day. These spaces are usually the furthest from the city, on Lower Domain Road and above the TCA Ground. The areas below the TCA ground, around the Tennis Centre and the Regatta Grounds are full every day.

Council Monthly Permit Car Parks			
Car Park	No. of Spaces	Occupied	Vacant
Argyle Street	20	10	10
Elizabeth Street	26	26	0
Goulburn Street	60	52	8
Hobart Central	44	44	0
Lefroy Street	24	13	11
Salamanca Square	126	121	5
Liverpool/Barrack Street	38	38	0
Trafalgar	544	487	57
<b>Total</b>	<b>882</b>	<b>791</b>	<b>91</b>

4.10. The Council operates eight monthly permit car parks with a total of 882 spaces available. The statistical information for long term car parks has been obtained at the time of writing this report.

4.10.1. With the exception of the Trafalgar Car Park, for the majority of time each of the car parks is fully occupied. The current overall occupation rate is 90%.

4.10.2. Trafalgar Car Park was leased by the Council in July 2013. At that time 388 spaces were leased to long term permit holders. In the past three years 99 new permit holders have leased spaces, including multiple spaces leased to one prominent city hotel. The shortfall in permit parking is offset with early bird parkers each day, which results in the car park being full.

4.10.3. Argyle Street Car Park has 45 monthly permit spaces. These have recently been offered for lease, with ten taken up in the first month and a further 25 to be used by the hotel developers in the New Year.

4.10.4. Overall the occupation rates for the 2016/17 financial year have increased on the previous year's figures.

Privately Operated Multi-Storey Car Parks			
Car Park	Number. of Spaces	Type of Parking	% Occupied
Market Place	745	Monthly Permit Short Term Early Bird	95%
Cinema Car Park	425	Monthly Permit Short Term Early Bird	96%
Bathurst Street (Sultan Holdings)	146 (P)184 (E)	Monthly Permit Early Bird	95%

4.11. Market Place and the Cinema Car Park (Village Cinema, Collins Street) are both operated as a combination of short term, long term and early bird parking. The early bird parking in the Market Place Car Park operates on a valet system; therefore additional spaces are gained each day. Survey results indicated that the car park is almost full daily. The car park will shortly be undergoing some expansion to increase the car parking capacity.

4.11.1. The Cinema Car Park was also close to full most days. This car park underwent a redevelopment in 2015 which has increased the capacity by an additional 120 spaces, bringing it now to 425 spaces.

4.11.2. Sultan Holdings Vodafone car park on the corner of Bathurst and Argyle Streets opened in late 2014. This was to originally contain around 700 short term, long term and early bird spaces. That figure was amended to make way for additional office space to accommodate Vodafone. The result is 330 parking spaces used as a combination of long term and early bird spaces. The car park is also at near capacity every day.

4.11.3. This car park along with Market Place offers set price (around \$6.00) overnight parking, which could provide future options for city hotels.

Privately Operated Early Bird Car Parks		
Car Park	Number of Spaces	Occupancy
Montpelier (Sultans)	109	Full
Montpelier Retreat (Carpark)	34	Full
Lower Collins Street	50	95%
Macquarie Point(Evans Street)	215	94%
Murray Street	18	50%
Watchorn Street	20	Full
Melville St (Former Websters)	166	90%
Goulburn Street	30	Full

4.12. Early bird parking is still very popular with commuters who do not wish to walk long distances to their place of work. The average daily rate for early bird parking is around \$12.00 in the central CBD and \$9.00 - \$11.00 on the fringe.

4.12.1. For a number of commuters early bird parking is a more affordable option than parking in a monthly permit car park as the average working month is 21 days (including RDO's).

- 4.12.2. There have been some changes in early bird parking availability since presenting the 2015/2016 City Parking Requirements report; The car park at the former Webster's site in Melville Street has decreased its early bird numbers to cater for student parking at the UTAS apartment complex, and more recently the Sultans Montpelier Car park has converted to a monthly permit car park.
- 4.12.3. In the past twelve months a number of small early bird car parks have been opening up, particularly in Argyle Street on sites that were former car yards. These locations have been monitored and at the time of gathering the data were less than 50% full, however with the closure and downsizing of some of the more central car park we expect to see an increase in patronage.
- 4.12.4. With the inclusion of Council car parks there are still in excess of 1100 early bird parking spaces available to commuters throughout the city. The majority of designated early bird parking spaces fill each day, this has been the case for a number of years, making it the area of parking with greatest popularity and largest growth.

## **Analysis of Survey Results**

### **Short Term Car Parks**

- 4.13. The use of Council's short term car parks is monitored on a daily basis. Vehicle usage statistics indicate that during the peak period of the day (11.00am – 2.00pm) an average of 284 spaces were vacant. This equates to 94 spaces being available over the 3 hour period in each of the three car parks.
- 4.14. When times when usage increases, such as the lead in to Christmas, early bird spaces are wound back to increase availability for short term users.
- 4.15. Argyle Street is the busiest car park, however the 1180 available spaces still adequately caters for 1.25million vehicles per year. Centrepont and Hobart Central Car Parks have 1244 spaces between them. The yearly combined vehicle numbers are in the vicinity of 820,000. These two car parks also provide early bird parking (around 250 - 300 spaces per day). This number is adjusted at peak times to allow for short term users.
- 4.16. Without early bird parking there would be an oversupply of short term parking spaces available in car parks throughout the day.
- 4.17. Outside the peak period of 11am-2pm, there is ample availability.

### Short Term Meter Parking

- 4.18. On street meter parking is primarily designed to provide convenient parking for people who only need to stay for short periods in the city and surrounding areas (business, selected shopping etc). Pricing and the imposition of time limits are designed to create turnover so that spaces are always available for users.
- 4.19. The 2016/2017 statistics reveal an increase in overall usage, but still demonstrate that spaces are available in the areas of the City immediately outside of the central block. Similar to the situation in 2015/2016, the results are a good indication that collectively, pricing, time limits and the availability of off street short term parking is still providing motorists with good parking options.
- 4.20. Occupation rates in Salamanca Place and the Salamanca Square Car Park have increased which is due to the Sultan's Montpelier Car Park filling each day, however with the car park now becoming a monthly permit operation the expectation is that the pressure will increase in the availability of short term parking.
- 4.21. Commuter parking on the Queens Domain has increased by an average of 24 vehicles per day, with the various parking areas now being at 69 percent capacity per day. A total of 159 spaces are still available daily but these are mainly in the areas above the TCA ground and on the Lower Domain Road.

### Long Term Parking (permit parking)

- 4.22. Turn-over of long term parking spaces remains constant. There is currently a 90% occupation rate in the Council's long term car parks; with Trafalgar Car Park being the only car park that has a significant waiting lists.
- 4.23. Of the 91 current vacancies, 57 of them occur in the Trafalgar Car Park, which is not a concern due to it also operating as an early bird car park, filling to capacity daily.
- 4.24. Privately operated monthly permit car parks appear to be well patronised. Whilst it is difficult to ascertain due to their multi-use, most appear to be near to capacity. As indicated earlier in this report a number of commuters now prefer early bird parking to monthly permit parking as it is in most cases a more affordable option.
- 4.25. The best measure is availability. The current situation provides that most car parks are near capacity, however with regular turn-over and no waiting lists prospective permit holders can still obtain spaces.



### Early Bird Car Parks

- 4.26. Early bird parking has become the most popular form of commuter parking in recent years. There have been some changes in early bird parking availability since presenting the 2015/2016 City Parking Requirements report, in particular the car park at the former Webster's site in Melville Street has decreased its early bird numbers to cater for student parking at the UTAS apartment complex, and more recently the Sultans Montpelier Car park has converted to a monthly permit car park.
- 4.27. The combined total of early bird car parks in the city still exceeds 1100 and indications are that this will increase, particularly with a number of smaller early bird car parks appearing in areas just outside of the city's fringe.
- 4.28. There is also potential for additional early bird car parks to be opened as operators such as CarePark, Securepark and Wilsons Parking are constantly looking for new sites in the city.

### Commuter Parking

- 4.29. Voucher parking on the Queens Domain commenced operating in August 2014. In total 388 spaces are available at a cost of \$4.00 per day.
- 4.30. The Lower Domain Road has 93 all day metered parking spaces available at a daily rate of \$4.00.
- 4.31. A total of 48 metered all day commuter parking spaces have also been installed in locations on the fringe of the City.
- 4.32. The total number of Hobart City Council operated commuter spaces available daily is 529. Survey results indicate an average daily usage of 370. The results also indicate that the majority of vacancies occur in the Lower Domain Road area and areas above the TCA ground.

### Privately operated multi-storey car parks

- 4.33. The privately operated multi storey car parks are well patronised on a daily basis. The Market Place Car park operators have capitalised on this by valet parking vehicles, therefore gaining up to 50 additional spaces daily. A redevelopment of the Market Place Car park will be undertaken in the near future, which will increase its capacity for both short and long term parking.
- 4.34. The redeveloped Cinema Car Park in Collins Street has also been well patronised. This car park provides a combination of short term, long term and early bird parking and is at 96% capacity daily.

- 4.35. Sultan Holdings Vodafone car park on the corner of Bathurst and Argyle Streets opened in late 2014. This was to originally contain around 700 short term, long term and early bird spaces. That figure was amended to 330 parking spaces used as a combination of long term and early bird spaces. The car park is also at near capacity every day.

## 5. Proposal and Implementation

- 5.1. It is proposed that the information provided in this report be received and noted.

## 6. Strategic Planning and Policy Considerations

- 6.1. Strategic Objective 2.1 is applicable in considering this report:

*"A fully accessible and connected city environment".*

## 7. Financial Implications

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

7.1.1. There is no impact on the current year operating result.

## 8. Legal, Risk and Legislative Considerations

Not applicable.

## 9. Delegation

- 9.1. This matter is delegated to the Finance Committee.

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



Matthew Tyrrell  
**GROUP MANAGER PARKING  
OPERATIONS**



Lara MacDonell  
**GROUP MANAGER RATES AND  
PROCUREMENT**

Date: 7 December 2017  
File Reference: F17/155001; 35-1-4

Attachment A: 2015/2016 Parking Statistical Information ↴

<b>Council Short Term Multi-Storey Car Parks</b>			
<b>Month</b>	<b>Argyle St 1180 spaces</b>	<b>Centrepont 782 Spaces</b>	<b>Hobart Central 462 Spaces</b>
	Percentage Full	Percentage Full	Percentage Full
Jul-15	88%	88%	94%
Aug-15	86%	84%	93%
Sep-15	87%	87%	91%
Oct-15	85%	84%	91%
Nov-15	92%	92%	93%
Dec-15	92%	91%	89%
Jan-16	81%	82%	77%
Feb-16	88%	86%	93%
Mar-16	84%	83%	92%
Apr-16	84%	90%	92%
May-16	91%	91%	93%
Jun-16	90%	89%	91%
<b>Average Total</b>	<b>87%</b>	<b>87%</b>	<b>91%</b>
<b>Vacancies</b>	<b>153</b>	<b>102</b>	<b>41</b>

<b>Council On-Street Meter Parking</b>			
<b>Location</b>	<b>Number of spaces</b>	<b>Number Occupied</b>	<b>% Occupied</b>
Central City Block	13	11	85%
1 Block Radius	305	223	73%
2+ Block Radius	1176	715	61%
Salamanca Place	210	143	68%
Salamanca Square	120	82	68%
Dunn Place	86	70	81%
North Hobart	80	34	42%
All Day	529	346	65%
<b>Total</b>	<b>2519</b>	<b>1624</b>	<b>67%</b>

Council Monthly Permit Car Parks			
Car Park	No. of Spaces	Occupied	Vacant
Elizabeth Street	26	26	0
Goulburn Street	60	60	0
Hobart Central	44	40	4
Lefroy Street	24	16	8
Salamanca Square	126	99	27
Liverpool/Barrack Street	38	38	0
Trafalgar	544	470	74
<b>Total</b>	<b>863</b>	<b>745</b>	<b>112</b>

Privately Operated Multi-Storey Car Parks			
Car Park	Number. of Spaces	Type of Parking	% Occupied
Market Place	745	Monthly Permit Short Term Early Bird	95%
Cinema Car Park	425	Monthly Permit Short Term Early Bird	95%
Bathurst Street (Sultan Holdings)	146 (P)184 (E)	Monthly Permit Early Bird	95%

Privately Operated Early Bird Car Parks		
Car Park	Number of Spaces	Occupancy
Montpelier (Sultans)	109	95%
Montpelier Retreat (Carpark)	34	Full
Lower Collins Street	50	Full
Macquarie Point(Evans Street)	215	95%
Murray Street	18	Full
Watchorn Street	20	Full
Melville St (Former Websters)	213	Full
Goulburn Street	30	Full

**6.4 Outstanding Long Term Permit Parking Debts as at 30 November  
2017  
File Ref: F17/155780**

---

Memorandum of the Manager Finance and the Director Financial  
Services of 7 December 2017.

Delegation: Committee

City of **HOBART****MEMORANDUM: FINANCE COMMITTEE**

## Outstanding Long Term Permit Parking Debts as at 30 November 2017

Information on sundry and long term parking debts (greater than \$2,000) is provided to the Finance Committee on a quarterly basis. At the Finance Committee meeting of 15 June 2016, it was resolved that the debts be reported separately to allow the reporting of long term parking debts to appear on the Open portion of the Finance Committee agenda.

This memorandum provides information on long term (permit) parking debts only. Debts relating to rates, sundry debts and parking fines are reported separately to the Finance Committee and animal debts are managed by City Planning Division.

The table below, in comparison to the same period last year, shows:

- A 36% increase (\$23,134.64) in total debts outstanding;
- A \$3,506.00 decrease in the 90 days and over category; and
- A \$6,624.14 increase in debts 30 days and older;

	30-Nov-16	% of total O/S	31-Oct-17	% of total O/S	30-Nov-17	% of total O/S
	\$		\$		\$	
Current	50926	79%	56205	93%	67,436	77%
30 days	5770	9%	-663	-1%	14,842	17%
60 days	-423	-1%	3130	5%	635	1%
90 days	8087	13%	1657	3%	4,581	5%
<b>Total</b>	<b>64,360</b>		<b>60,329</b>		<b>87,494</b>	
* 30 days+(all)	13,434	21%	4,124	7%	20,058	23%

**DEBTS GREATER THAN \$2,000**

There are currently no outstanding long term (permit) parking debts greater than \$2,000.

**RECOMMENDATION**

***That the information contained in the memorandum of the Manager Finance and Director Financial Services of 12 September 2017 titled "Outstanding Long Term Parking Debts as at 30 November 2017" 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.*



Peter Jenkins  
**MANAGER FINANCE**



David Spinks  
**DIRECTOR FINANCIAL SERVICES**

Date: 7 December 2017  
File Reference: F17/155780

## **7 COMMITTEE ACTION STATUS REPORT**

---

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

---

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 November 2017

Ref.	Title	Report / Action	Action Officer	Comments
1	<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	The results of a survey on on-street parking in the Hampden Road Precinct and immediately surrounding street were circulated to 135 stakeholders in August 2017. Four responses were received. It is proposed to repeat the survey over summer.
2	<b>CITY HALL – DEVELOPMENT OPPORTUNITIES – VENUES</b> Council, 23/2/15, Item 12  <b>CITY HALL RESTORATION</b> Council, 22/02/2016 Item 19	<ol style="list-style-type: none"> <li>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.</li> <li>2. A consultant be engaged to develop a business plan for the City Hall, as a matter of urgency to inform long term infrastructure investment, the future management and operational model for the facility, at an approximate cost of \$100,000 to be funded from 2015/2016 operational savings.</li> <li>3. A brief report be provided that details the model used for the 2010-2013 Brisbane City Hall restoration works.</li> </ol> <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</p>	Director Community Development	A draft brief for the business/master plan has been prepared. A range of building improvements, including the painting of the main public interior spaces, rigging systems, improved fire detection systems and the upgrading of ground floor toilets have been completed. Second stage works will be completed by end of the current financial year.

Ref.	Title	Report / Action	Action Officer	Comments
		usage for buildings that are underutilised.		
3	<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	1. The Council reaffirm its decision to proceed with a detailed external review of its investment approach.  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.	Director Financial Services	Aldermanic Workshops were held on 24 August 2017 and 14 November 2017.  A revised investment policy and a new borrowing policy are included on this agenda.
4	<b>TOWN HALL UNDERGROUND REFURBISHMENT</b> Council, 24/8/2015, Item 21	1. The Council approve the following works being undertaken in the Town Hall Underground, to the value of between \$37,000 and \$41,000.  2. An appropriate fee structure for the hiring of the Town Hall Underground be determined The Town Hall Underground be actively marketed as a venue for hire  3. Council officers undertake further investigation with a view to providing further clarification in respect to appropriate nomenclature for the site	Deputy General Manager	Work to construct dado panelling over the existing sandstone walls as part of the rising damp rectification works has been completed. Balance of works scheduled for early in the New Year to coincide with availability of specialist stonemason.  The balance of the Council's resolution will be dealt with upon completion of the works.
5	<b>SUPERANNUATION</b>	The matter be deferred until it has been	General	The General Manager advises that the

Ref.	Title	Report / Action	Action Officer	Comments
	<b>ENTITLEMENTS FOR ALDERMEN</b> Council, 26/10/2015, Item 20	considered by the Local Government Association of Tasmania.	Manager	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.
6	<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. In the interim three new bicycle lockers have been installed in the Argyle Street Car Park, and new bicycle securing posts have been installed in Hobart Central Car Park.
7	<b>SANDY BAY BATHING PAVILION, LONG BEACH</b> Council, 24/7/2017 Item 15	That proposals associated with the development of a new second floor restaurant above the Sandy Bay Bathing Pavilion be proceeded with and the expenditure of \$16,800 be approved.	General Manager	Action underway.

Ref.	Title	Report / Action	Action Officer	Comments
8	<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	<p>The concept of a national lottery to assist in funding the long-term protection and management of Australia's heritage places was first raised in the federal government's Australian Heritage Strategy released in December 2015.</p> <p>The Department of the Environment and Energy is still exploring the potential for a national lottery. The Minister for Sport has suggested publicly that the proposed lottery would be "two thirds for sports and one third for heritage and the arts."</p> <p>When further information is available from the federal agencies, it will be provided in a future report.</p>
9	<b>ELECTRIC VEHICLES AND CHARGING STATIONS</b> Open Council, 25/7/2016 Item 20	<ol style="list-style-type: none"> <li>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.</li> <li>2. Council officers continue to monitor the types of electric and hybrid vehicles</li> </ol>	Director City Infrastructure	<ol style="list-style-type: none"> <li>1. 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.</li> <li>2. Officers are monitoring electric and</li> </ol>

Ref.	Title	Report / Action	Action Officer	Comments
		<p>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 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>hybrid vehicle models for potential inclusion in the fleet.</p> <p>3. Options for canvassing employees are being considered. Charging stations have been installed in the Hobart Central Carpark on a trial basis.</p> <p>4. Officers are progressing the matter.</p> <p>5. The HBAC considered this matter at the September 2016 meeting and a number of actions are underway.</p>
10	<p><b>REVIEW OF PARKING – NORTH HOBART</b> Open Council, 19/6/2017 Item 21</p>	<p>1. An internal working group be established to review the parking needs and availability in North Hobart in the context of the Transport Strategy.</p> <p>(i) The internal work group include appropriate officers and Aldermen Zucco, Ruzicka, Burnet and Thomas and any other Aldermanic nominations.</p> <p>2. The Council approve the following to be included in the review:</p>	Director Financial Services	<p>The initial meeting of the working group was held on Monday the 17<sup>th</sup> of July 2017. A survey of vehicle usage in the North Hobart was commissioned. The survey monitored the weekday and weekend vehicle use in the area during the day and of an evening. The survey results have now been received. A meeting of the working group will be arranged in December to review the results and discuss the next actions.</p>

Ref.	Title	Report / Action	Action Officer	Comments
		<ul style="list-style-type: none"> <li>• The review of on-street parking time limits in Elizabeth Street and streets adjoining the restaurant strip;</li> <li>• The possible installation of parking meters and in ground sensors in Elizabeth Street between Warwick and Federal Streets; and</li> <li>• The introduction of evening and weekend parking Officer patrols.</li> </ul> <p>3. Within 6 months, and following consultation with the wider community and the North Hobart Traders Group, the Internal working group report back to the Council with the findings of the review, including a list of suggested actions to improve the parking availability and a copy of this report.</p> <p>4. The list of actions include income and expenditure estimates and timeframes for implementation.</p> <p>5. The Committee's resolution be published in the Open portion of the meeting minutes, with the elements of the Report that are not confidential in nature, being made publicly available.</p>		

Ref.	Title	Report / Action	Action Officer	Comments
11	<b>FINANCIAL REPORT</b> Open Council, 20/11/2017 Item 13	2. Investigate the possibility of paying out the Commonwealth Bank loan, shown in Table 13 of Attachment A to Item 6.2 on the Open Finance Committee meeting agenda of 14 November 2017, and replacing it with a lower interest rate, fixed-term loan.	Director Financial Services	Information is being sought from the Commonwealth Bank. A report will be provided to the Finance Committee early in 2018.

**8. RESPONSES TO QUESTIONS WITHOUT NOTICE**

---

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

**The General Manager reports:-**

"In accordance with the procedures approved in respect to Questions Without Notice, the following responses to questions taken on notice are provided to the Committee for information.

The Committee is reminded that in accordance with Regulation 29(3) of the *Local Government (Meeting Procedures) Regulations 2015*, the Chairman is not to allow discussion or debate on either the question or the response."

**8.1 Carnegie Building Maintenance**  
**File Ref: F17/153552**

---

Report of the General Manager of 12 December 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

### CARNEGIE BUILDING MAINTENANCE

**Meeting:** Finance Committee

**Meeting date:** 17 October 2017

**Raised by:** Alderman Ruzicka

**Question:**

Is there a basic schedule of maintenance for the Carnegie Building which the Maritime Museum can be made aware of and rely on for works, and a single point of contact the Museum staff can contact when incidents, such as the recent flooding, occur?

**Response:**

There is a range of cyclic maintenance and other asset activities undertaken on the Maritime Museum building which include:

Automatic Door Maintenance	3	monthly
Building Act Inspections - Essential Health and Safety Features and Measures	3	monthly
Emergency & Exit Lighting - Service & Testing	6	monthly
Fire Alarm Monitoring	12	monthly
Fire Detection Maintenance	1	monthly
Fire Fighting Equipment - Service and Testing	6	monthly
Lift Inspection and Maintenance	1	monthly
Monthly Electrical Maintenance (including lighting)	1	monthly
Security Equipment Service	3	monthly
Switchboard Thermal Imaging	3	monthly
Time Clock Adjustment For Daylight Savings	6	monthly

There are also asset condition inspections on about a 3 yearly frequency, though additional inspections are made if specific issues are identified that need follow up. Building asset inspections include all building components including structure, roof, windows, walls, floors, floor coverings, doors, plumbing, electrical, fire services, mechanical, ventilation, air conditioning (if present) etc. Asbestos inspections are undertaken once every two years on the City's buildings known to contain asbestos. Any asbestos items that are likely to present a risk are removed.

In relation to a single point of contact for building maintenance issues, the preferred contact details are:

Phone: 6238 2900

Email: coh@hobartcity.com.au

These contact details will pass the contact through to an available member of the City's building maintenance team.

However, direct contact details for building maintenance staff have been provided to the Maritime Museum for emergency issues.

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



N.D Heath  
**GENERAL MANAGER**

Date: 7 December 2017  
File Reference: F17/153552

## **9. QUESTIONS WITHOUT NOTICE**

---

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

---

The following items were discussed: -

- |              |                                                                                                             |
|--------------|-------------------------------------------------------------------------------------------------------------|
| Item No. 1   | Minutes of the last meeting of the Closed Portion of the Council Meeting                                    |
| Item No. 2   | Consideration of supplementary items to the agenda                                                          |
| Item No. 3   | Indications of pecuniary and conflicts of interest                                                          |
| Item No. 4   | Reports                                                                                                     |
| Item No. 4.1 | Lease - Part of Level 4 Council Centre<br>LG(MP)R 15(2)(f)                                                  |
| Item No. 4.2 | Hobart Council Centre - Lease of Office Space on the 4th Floor<br>LG(MP)R 15(2)(c)(i), (c)(ii) and (c)(iii) |
| Item No. 4.3 | 89 Doyle Avenue Lenah Valley<br>LG(MP)R 15(2)(f)                                                            |
| Item No. 4.4 | Giblin Street Quarry Site - Future Use<br>LG(MP)R 15(2)(f)                                                  |
| Item No. 4.5 | Civic Square - Expression of Interest Process<br>LG(MP)R 15(2)(f)                                           |
| Item No. 4.6 | Discontinuing Natural Gas Rebates<br>LG(MP)R 15(2)(c)(i)                                                    |
| Item No. 4.7 | Battery Point Slipyards-Rent Review<br>LG(MP)R 15(2)(f)                                                     |
| Item No. 4.8 | Write-Off of Debts<br>LG(MP)R 15(2)(g)                                                                      |
| Item No. 4.9 | Outstanding Sundry Debts as at 30 November 2017<br>LG(MP)R 15(2)(g)                                         |
| Item No. 5   | Committee Action Status Report                                                                              |
| Item No. 5.1 | Committee Actions - Status Report<br>LG(MP)R 15(2)(d) and (f)                                               |
| Item No. 6   | Questions Without Notice                                                                                    |