



CITY OF HOBART

AGENDA

Council Meeting

Open Portion

Monday, 18 February 2019

at 5:00 pm
Council Chamber, Town Hall

RECOMMENDATIONS UNDER **SEPARATE COVER**

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REPORTS OF COMMITTEES

FINANCE AND GOVERNANCE COMMITTEE

19. Aldermanic Development and Support Policy - Annual Endorsement and Attestation and Policy Amendments
File Ref: F19/15727

Ref: Open [FGC 6.1](#), 13/02/2019

That: 1. The Council approve the amendments to the Council policy in relation to aldermanic development and support in the following terms, as shown in revisions format on Attachment A to item 6.1 of the Open Finance and Governance Committee agenda of 13 February 2019:

- 1.1 Amending the stipulation in the existing policy relating to the provision of a "Council" vehicle for use by the Lord Mayor, by deleting the word "Council"; and substituting the word "chauffeur" with the word "driver";
- 1.2 Amending the policy provisions regarding the loan of equipment to reflect current practice and specifying the services provided within the schedule shown as Attachment B to item 6.1 of the Open Finance and Governance Committee agenda of 13 February 2019.

2. The Council endorse the amended Elected Member Development and Support Policy, noting the changes to the terminology for elected members, as approved by the Council at its meeting of 19 November 2018, which will be reflected in the policy.
3. In endorsing the policy, and in line with the policy provisions, elected members attest their compliance with the policy.

20. Local Government Legislative Framework Review
File Ref: F19/9199; 15/153-201

Ref: Open [FGC 6.2](#), 13/02/2019

That the Council endorse the attached response to the Local Government Legislative Framework Review, inclusive of those amendments put forward by the Finance and Governance Committee and shown in the revisions format in the document.

Attachment A: Formal Submission - Review of Tasmania's Local Government Legislative Framework

Review of Tasmania's Local Government Legislation Framework

Discussion Paper Response



February 2019

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Introduction

The Hobart City Council considered the Review of Tasmanian's Local Government Legislation Framework Discussion Paper at its meeting of the 18th February 2019. In doing so it discussed the general outcomes sought from the review and also considered the strong principles that the Council would be seeking from the review.

The Hobart City Council acknowledges that the current *Local Government Act 1993* despite being drafted over 25 years ago, has served councils well with minor changes occurring mainly around the clarification of powers and more tools for councils to use.

In considering amendments to the Act it is vitally important that changes are not made in order to address individual council issues. In order for the Act to provide an effective framework for councils it needs to provide the basis for all councils to operate effectively. The general competence powers approach provides flexibility across councils to respond in a manner that reflects their area, community and capacity.

The diverse nature of local government in Tasmania requires a legislative framework that is flexible and acknowledges the differing scale and scope of councils across the state. Over specification with the Act would be a retrograde step.

Of specific concern to the Hobart City Council and other Greater Hobart Councils is the consideration of the current proposal for a Greater Hobart Act.

A draft Bill for a *Greater Hobart Act 2018* is in preparation for tabling in the Parliament early this year. The Objectives defined in the current draft are:

- (a) to encourage and promote strategic planning decisions, and decisions about land use, that consider potential benefits and implications across the Greater Hobart area;
- (b) to facilitate the efficient flow of transport in the Greater Hobart area;
- (c) to further the maintenance and accessibility of existing, and the development of new, cultural, sporting, recreational and community facilities that complement, link to, and contribute to, the cultural experiences able to be provided in, the Greater Hobart area;
- (d) to encourage, promote and provide for urban renewal and affordable housing and the creation, through higher density housing, of community clusters that enhance amenity, liveability, ease of access to places and facilities and the provision of passenger transport;
- (e) to encourage, promote and provide for the development of hubs for specialised purposes such as science, sport, recreation, social activity, economic activity, technology, industry, education or the arts;
- (f) to encourage, promote and provide for, where suitable, the efficient and effective integration and co-location of the transport infrastructure, cultural, sporting, recreational and community facilities, community clusters, and hubs for specialised purposes, referred to in the other paragraphs of these objectives.

It would be appropriate for the New Act to recognise the *Greater Hobart Act 2018* and its objectives to ensure the two pieces of legislation work together and do not compromise or conflict with each other.

In developing a response to the Discussion Paper input has been obtained from elected members, a management workshop and a review of the Victorian Draft *Local Government Bill 2018*. The Council has considered each question put forward in the Discussion Paper and the following response is provided.

Section 1 - Overview of Local Government

1.(a) What do you think councils will be responsible for in the future?

The current Act provides Councils with general competence powers, a wide scope in which to act, it is imperative that any new legislation retains the autonomy for Councils to continue to determine their future in conjunction with their community and within the scope of their electoral mandate.

In its simplest terms the Council has previously acknowledged (2012) that the role of local government is to:

- Foster the unique character of the local government area;
- Be a strategic decision maker;
- Maximise the economic, social and environmental value of land;
- Promote economic development;
- Deliver services and manage assets;
- Undertake statutory responsibilities;
- Represent the needs of the community; and
- Engage with and understand communities.

In doing so the council also stated that this definition is general enough to cater for all local government areas and could be defined as the “lowest common denominator”, recognising that the descriptors fail to recognise any scale or scope of activities across the industry sector.

This is the dilemma for the review in providing sufficient scope for the larger councils to innovate, operate at scale and be flexible in their functions, activities and service delivery.

It would be the Councils view that any changes to the Act should not limit the scope of activities in which a council can engage provided it can demonstrate transparency, accountability and democratic process in its decision-making and operations.

1.(b) What council activities should be driven or determined by communities?

Long term vision setting and medium term strategic planning are central to community involvement. Without that engagement plans will fall short of understanding what a community values and what the aspirations are for families living and participating in the local area.

In addition to statutory responsibilities opportunities are also available for council to engage on any issue it wishes to gather feedback or engender participation.

It would not be prudent or efficient to burden councils with mandatory engagement responsibilities. Councils may wish to develop policies in relation to community engagement activities that best reflect their activities, democratic processes and extent of community participation available.

Within the scope of competence powers a council should determine what, how and when the community are engaged in decision making.

An example is the Councils own Community Engagement Policy.

1. The Hobart City Council recognises the right of the community members to be informed and have input into decisions which affect their lives.
2. Hobart City Council values effective engagement in developing a positive relationship with its community and recognises that community participation contributes to better decision-making.
3. Council seeks to take account of the views, needs, issues and aspirations expressed by the community and to balance these with other influences such as budgetary constraints to make informed decisions.

To this extent any provision in a new Act requiring Councils to engage with the community should include an expectation, but provide the councils with the opportunity to determine the extent and scope of engagement relative to their area and capacity.

1.(c) Given the varying sizes of councils, what consideration should be given to costs of services and the Councils' capacity to deliver these?

It is important that councils are able to define the costs of services and the impact on the budget and long term financial position.

The community expectation should be matched by the understanding of the short and long term implications of introducing, delivering and maintaining services across their lifecycle.

Understanding service costs and long term financial capacity can assist in priority setting, decision making, community understanding and managing expectations.

A sound long term financial plan is essential in understanding not only the community and budget impacts but also for the Council in maintaining the capacity and resourcing required to provide the services.

Long term planning can only be effective if councils have control over their service choices and service standards based on their understanding of the community.

External impacts have created pressures for councils in maintaining that control, leading to rating and revenue raising pressures. Sustainability has long been the concern of local government and to some extent has led to current debate around amalgamations.

The Commonwealth Grants Commission cites devolution of responsibilities, increased legislative and regulatory requirements and cost shifting as factors that are out of the control of Local Government contributing to the concerns around local government sustainability.

Section 1 Key Point Summary

- Any changes to the Act should **not limit the scope of activities** in which a council can engage provided it can demonstrate transparency, accountability and democratic process in its decision-making and operations.

- **Community involvement** is central to long term vision setting and medium term strategic planning.
- Any legislative requirement should include an expectation, but provide councils with the opportunity to determine the extent and scope of engagement relative to their area and capacity.
- A sound **long term financial plan** is essential in understanding not only the community and budget impacts but also for the Council in maintaining the capacity and resourcing required to provide the services.
- Long term planning can only be effective if councils have **control over their service choices and service standards** based on their understanding of the community.

Section 2 - Council Governance and Powers

2.(a) What is vital to good governance in local government?

The existing council position recognises that councils operate within a corporate governance model whereby elected members are responsible for setting the policy framework and strategic direction and the general manager and council staff are responsible for the operational activities of the council.

The expectation of elected members include;

- act with the highest ethical standards;
- understand their role and the role of others;
- foster trusting and respectful relationships;
- show a commitment to risk management;
- engage in effective strategic planning;
- follow a transparent and accountable decision making process;
- make good decisions that promote the interests of the community they serve;
- understand and abide by the law;
- commit to continuous improvement;
- have good judgment; and
- are well prepared and participate in meetings.

These criteria are effectively principles of good governance practices.

The Victorian *Local Government Act 2018* Draft Bill prescribes good governance as having the following principles:

- (a) Council decisions are to be made and actions taken in accordance with the relevant law;
- (b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- (c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- (d) the municipal community is to be engaged in strategic planning and strategic decision making;
- (e) innovation and continuous improvement is to be pursued;

- (f) collaboration with other Councils and Governments and statutory bodies is to be sought;
- (g) the ongoing financial viability of the Council is to be ensured;
- (h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
- (i) the public accountability of the Council must be recognised and the transparency of Council decisions, actions and information is to be ensured.

It can be seen that there is similarity in the 2 approaches. If it was intended that a new Act would include a definition of good governance it would be appropriate for that they be drawn from the Hobart and Victorian models.

2.(b) What aspects of good governance should be prescribed in a legislative framework?

See 2 (A) above. If it is intended that “good governance” be defined in legislation it would be appropriate to establish the principles within the new Act with an expectation that each council would create a policy statement that aligns their approach to the principles.

Any detailed specification of the principles, procedure or accountability should be limited to regulation, best practice guide or procedures at an industry level to assist councils with limited capacity or resources.

2.(c) What statutory powers do councils need to deliver the services that communities require, or expect to receive, from councils now and into the future?

The Victorian *Local Government Act 2018* Draft Bill prescribes General Powers as:

- (1) Subject to any limitations or restrictions imposed by or under this Act or any other Act, a Council has the power to do all things necessary or convenient to be done in connection with the performance of its role.
- (2) The generality of this section is not limited by the conferring of specific powers by or under this Act or any other Act.

It would be the Councils view that the details or specific powers related to service delivery can be prescribed in regulation so as not to compromise the generality and flexibility within the Act through a time consuming and inefficient legislative amendment process.

General powers also allow for the impact of future change in service delivery or industry expectations such as climate change, risk and emergency management, enforcement powers, privacy in public spaces.

Flexibility is built into the broad powers allowing a council to be more agile and efficient in responding to change that may not have been apparent at the time of framing more specific, detailed legislative controls. This results in an Act that is constantly subject to review.

An issue to consider in the context of this question is questioning whether or not certain powers and responsibilities given to us by the State are appropriate to local government. An example is as nominated officers for the purpose of enforcing smoke-free areas under the Public Health Act,

officers don't have policing powers necessary to infringe offenders. This creates laws and regulations that are unenforceable and a waste of resources.

2.(d) How are the strategic decisions of councils best made?

Strategic decisions of councils should be made on the basis of sound advice, be reflective of community aspiration and within the capacity (financial) and capability (resources) of the council.

This requires a framework of planning from long term strategic (20 years plus) to short term operational (annual). The framework should provide a "line of sight" between what an organisation does on a daily basis and its contribution to the future of a community expressed through its strategic plan and long term vision.

The current Act requires a minimum 10 year strategic plan, which you could argue is not a long horizon in which to shape a community. Aspirational change requires time and a collective vision that the wider community and stakeholders can relate to and help shape.

Clear plans, based on consultation and engagement, aligned with financial management plans, service delivery and asset management strategies provide a sound basis on which to make decisions for the future. The current Act provides that framework but a longer planning horizon would be an improvement.

2.(e) What mechanisms best support strategic, operational and technical decisions and actions?

A strong planning framework that creates links between the operational and decision making arm of the council is essential.

A good strategic plan provides focus to an organisation and aids in the decision making. Operational planning executes strategic decisions at the organisational level.

The clearly defined separation between the Council and the organisation, through the General Manager, requires strong systems and clear processes that both inform decision making through the provision of qualified advice and translate the resulting decisions into actions.

This requires sound decision making/advisory structures supported with strong Terms of Reference, current and appropriate policies, effective delegations and reporting regimes that are reflective of the organisations direction and geared to understanding/reporting/advising performance and demonstrating accountabilities.

An organisational structure framed around the strategic planning outcomes is important in the alignment of daily actions and long term strategies. This provides a basis and focus for service delivery, workforce planning and capability, recruitment, training and organisational development.

The current Act provides for a strategic plan and an annual plan. The prescription for the annual plan in the Act is limited to the plan reflecting the strategic plan. It would be our view that this is appropriate for the Act, allowing scope for councils to create their own planning formats. If it is intended to propose any further prescription it should be the subject of best practice guidelines to assist council that require assistance.

Section 2 Key Point Summary

- *If it is intended that ‘good governance’ be defined in legislation it would be appropriate to establish the principles within the new Act with an expectation that each council would create a policy statement that aligns their approach to the principles.*
- *Details or specific powers related to service delivery can be prescribed in regulation so as not to compromise the generality and flexibility within the Act. **General powers** also allow for response to changes in the external environment or service delivery*
- *The current Act requires a minimum 10 year **strategic plan**. A longer planning horizon would be an improvement*

Section 3 - Democracy and Engagement

3.(a) What is the best way to engage Tasmanians in voting for local government?

The council has long held the view that compulsory voting is required in local government elections. This not only assists in engaging the community in local issues but also provides a wider franchise, or mandate for those elected.

In a non-compulsory voting environment significant local issues current at the time of an election can skew an election outcome through the mobilisation of specific interests while there remains a large non-voting cohort. Compulsory voting would assist in achieving a more balanced result representative of the community as a whole.

Compulsory voting will also provide a greater opportunity to engage with younger residents/ratepayers. It has been stated that in the 2014 election less than one third of voters aged between 18 and 34 voted, while voter participation for those above 65 was at 70 per cent. This underrepresentation has the potential to create a less representative council.

The Council’s view, expressed in the submission to the Legislative Council Government Administration Committee ‘B’ Inquiry into the operations of the Tasmanian Electoral Commission, identified the underlying principles that support compulsory voting to include;

- Increasing participation in democracy
- Engaging the full electorate
- Building the relevance of local government
- Providing consistency across all levels of government.

It is the Councils view that this issue is fundamental to any update of the Local Government Act and the outcomes sought by this review. It is also the Council’s view that the review should include consideration of the mechanisms for the election of the Lord Mayor and the Deputy Lord Mayor as well as consideration of electronic voting in elections and elector polls.

3.(b) Who should be allowed to participate in local government elections?

The Council’s recent submission to the Legislative Council Government Administration Committee ‘B’ Inquiry into the operations of the Tasmanian Electoral Commission called for a review of the

voting eligibility as well as undertaking the administration of the General Manager's Roll to avoid the potential for misuse.

The Inquiry noted General Manager's Rolls can provide opportunities for non-citizens with a genuine stakeholder interest in their local government electorate to participate in Local Government elections.

General Manager's Rolls may provide opportunities for voters with a limited genuine stakeholder interest in the local government electorate to participate in Local Government elections.

The Inquiry Findings stated;

A review of the criteria, processes and oversight of General Manager's Rolls be conducted.

It would be expected that the decision of the Inquiry be enacted and the results incorporated into the new Act. As part of the consideration of the eligibility for being enrolled on the General Manager's Roll the concept of one person, one vote ought to be included.

However this does not resolve the issue of who should administer the General Managers Roll. The Council decision requesting the Tasmanian Electoral Commission to be responsible for reviewing voting eligibility as well as undertaking the administration of the General Manager's Roll should be reinforced.

3.(c) How can local government attract skilled, diverse and representative electoral candidates?

It would be appropriate to acknowledge that skilled, diverse and representative electoral candidates will be attracted to local government where there are no barriers to standing.

The current Act states that a person is eligible to nominate as a candidate for the office of councillor in respect of a municipal area if the person—

- (a) is enrolled on an electoral roll in respect of the municipal area; and
- (ab) has his or her principal place of residence in Tasmania; and
- (b) is not a councillor of another council whose term of office is to end after the certificate of election is issued in respect of that other council's elections; and
- (c) has not been barred by a court under section 48(6) , 338A , 339 or 339A from nominating as a candidate at any election; and
- (d) is not an employee of the council in that municipal area; and
- (e) has not been removed from the office of councillor because of inadequacy or incompetency; and
- (f) is not a bankrupt; and
- (g) is not subject to an assessment order or treatment order under the Mental Health Act 2013 or an order under the Guardianship and Administration Act 1995 ; and
- (h) is not undergoing a term of imprisonment.

This statutory descriptor does not limit eligibility. The challenge is to create an industry that;

- is relevant to those that live in and enjoy their communities and want to participate in and be involved in shaping that community,
- can operate in a way where all prospective candidates can find the time and availability to participate.

The obligations of Council and committee meetings workshops, appointments, preparation time can be onerous, along with other obligations around work, business and families.

The challenge for local government both in attracting candidates that are skilled, diverse and representative is to create the opportunity where the potential barriers are minimised. Flexibility in the Act will allow councils to create policies that reflect their approach and responsive practices to attracting a wider range of candidates.

3.(d) What should be required of candidates in local government elections before, during and after elections?

Before

Prior to an election it would be expected that candidates take the opportunity to fully understand the role and expectations of office, have read and understand the good governance guide and acknowledge the criteria of the Oath of Office to which they are obliged to take on election to the council.

During

In relation to electoral donations the council has requested consideration of;

- an open and transparent process in relation to reporting electoral donations needs to be included in the Act. This ought to require disclosure of the source of donations, the quantum and how it is spent; and
- the expenditure of donations be within the electoral spending limits.

These changes has been picked up in the review and the provision is administered through the Gifts and Donations Register by the General Manager. It would be more appropriate if the Tasmanian Electoral Commission took on this function particularly in dealing with those candidates that are not elected to office.

The findings of the Legislative Council Government Administration Committee 'B' Inquiry into the operations of the Tasmanian Electoral Commission in response to electoral donations were that;

- *The Government legislate for the compulsory disclosure of campaign donations from all sources.*
- *Greater clarity be provided as to the status of in-kind donations and whether they should be disclosed.*

It would be expected that these findings be incorporated into any new Act as well as the disclosures being made in "real time".

In regard to campaign advertising limits and application Council has previously endorsed a position to;

- retain electoral expenditure limits but increase the current levels by CPI;

- include all electoral expenditure within the limits;
- not allowing candidates to use the names of other candidates in electoral advertising.

It is noted that these changes have been picked up in the review.

In regard to electoral campaign advertising expenditure reporting in would be appropriate for this be linked to the timeframe for the reporting of electoral expenses.

After

In response to the 2016 review of the Local Government Act council endorsed a position that;

- Newly elected and returning councillors and mayors participate in induction programs following elections;
- Newly elected councillors and mayors be required to undertake mandatory training and induction programs, with it being optional for returning councillors and mayors – a specific focus should be councils role as a planning authority;
- Annual professional development plans are developed and participation by councillors in induction and professional development programs be reported in an councils annual report; and
- Clarify how mayors are to oversee councillors in relation to the performance of their functions and exercise of their responsibilities.

3.(e) What decisions should councils continue to be able to make during an election period?

The Victorian Local Government Act 2018 Draft Bill addresses this issue requiring a council to develop an “election period policy” which must include:

- (1) A prohibition on any Council decision during the election period for a general election that—
 - (a) relates to the appointment or remuneration of the Chief Executive Officer but not to the appointment or remuneration of an Acting Chief Executive Officer; or
 - (b) commits the Council to expenditure exceeding one per cent of the Council's income from municipal rates and service charges in the preceding financial year; or
 - (c) the Council considers could be reasonably deferred until the next Council is in place; or
 - (d) the Council considers should not be made during an election period.
- (2) An election period policy must prohibit any Council decision during the election period for a general election or a by-election that would enable the use of Council's resources in a way that is intended to influence, or is likely to influence, voting at the election.
- (3) A Council decision made in contravention of subsection (1)(a) or (b) is invalid.
- (4) Any person who suffers any loss or damage as a result of acting in good faith on a Council decision that is invalid by virtue of subsection (3) is entitled to compensation from the Council for that loss or damage.

With the inclusion of an “election period” definition this approach would generally allow the operations of the Council to continue while providing some scope and flexibility for the sitting council to make, or not make decision within these controls.

3.(f) In what ways should councillors engage with, and represent, communities in the digital age?

It is stated in the HCC Community Engagement Framework “that in accordance with the Act, each alderman has the function of representing and acting in the best interests of the community and to facilitate communication between the Council and the community. This open communication ensures that aldermen are representing the views of the residents of Hobart.”

Engagement for councillors should be the same as for staff in acknowledging that some members of the community may find it challenging to participate using standard engagement methods. This means that they need to explore new techniques and ways to talk to the community and offer a variety of opportunities, especially in light of the digital age.

3.(g) On what matters should councils engage with communities?

Councils should engage on any issues that may be of interest to the community to take into account the views, needs, issues and aspirations expressed by the community and to balance these with other influences, such as budgetary and legislative constraints to make informed decisions. The engagement methodology will depend on the matter being considered and will range from informing the community through to active collaboration.

3.(h) How can community engagement be strengthened and measured?

Community engagement can be strengthened by utilising a range of methodology to inform and bring the community and stakeholders into decision-making and the delivery of services. Engagement needs to be considered during the planning of any project and the promotion of the benefits (both financial and reputational) that can be achieved by clear and concise engagement methodologies.

Engagement success can be measured through the Your Say website, stakeholder surveys in addition to tracking staff hours on major projects. The best community outcomes through best practice engagement is evident in thriving and connected communities.

Section 3 Key Point Summary

- The council has long held the view that **compulsory voting** is required in local government elections to assist in achieving a more balanced representation of the community as a whole
- The Tasmanian Electoral Commission should be responsible for reviewing voting eligibility as well as undertaking the administration of the **General Manager’s Roll**.
- The eligibility for being enrolled on the General Manager’s Roll, including the concept of one person, one vote, be reviewed.
- The challenge for local government both in **attracting candidates** that are skilled, diverse and representative is to create the opportunity where potential barriers are minimised.
- The Government legislate for the compulsory disclosure in “real time” of **campaign donations** from all sources.

- *Greater clarity be provided as to the status of in-kind donations and whether they should be disclosed.*
- *The inclusion of an 'election period policy' would allow the operations of the Council to continue while providing scope for the decision making of the sitting council.*

Section 4 - Council Revenue and Expenditure

4.(a) How can councils ensure transparency in funding decisions; both how it is raised and spent?

All Council financial policies, strategies, plans and reports to be available to the public in manners which are understandable and ensure ease of accessibility, and on open Council agendas. These should include all sources of council revenue including rates (resolution, strategy, policy), fees and charges and price setting.

Council budgets to include forward estimates based on long-term financial management plans.

Quarterly financial performance reports made available to the public. And information on how rates will be spent provided to ratepayers.

Performance accountability is also demonstrated in the annual report.

Transparency can only be achieved through effective community and stakeholder engagement. Simply providing information will only inform the interested. Increasing public awareness and engaging communities will widen the area of interest and therefore widen the area of understanding of why and how council funding decisions are made.

4.(b) How can councils determine how best to raise revenue for specific purposes?

Council should have the ability to consider all available options to fund services. These could include revenue generation, cost savings, grants, debt and asset sales. Financial policies, such as rating policies, can be established to guide funding approaches. Ongoing financial sustainability must always be an overriding consideration in any funding decision.

The principles of taxation should guide rating decision making including capacity to pay considerations.

It is important that councils have legislative flexibility to determine the appropriate rating strategy for its own municipal area.

4.(c) How should councils engage communities when raising revenue?

It is important councils have sufficient autonomy to undertake their duties otherwise efficiency and value for money suffers. As has been stated, engagement in the form of council financial policies, strategies, plans and reports being available to the public, and on open Council agendas, and thus transparent, is appropriate.

4.(d) How should councils determine the services they deliver to their communities in exchange for rates and charges?

Having an understanding of the community goals and objectives is paramount. This understanding is expressed through a council's strategic plan, the preparation of which must involve meaningful community consultation and engagement. Long term planning can only be effective if councils have control over their service choices and service standards based on their understanding of the community.

The strategic plan is then executed via council annual plans which set out at a more detailed level.

4.(e) How should councils decide where to make trade-offs (more or less rates vs more or less services)?

Long term financial modelling and planning can assist a council to determine both present and future needs and plan for its financial sustainability. This is predicated on understanding the services it provides, the service level expectations of users, implementation and operation costs and the value provided to the community. Also, the importance of community engagement in understanding the vision for the community and strategic planning.

Local government history will demonstrate the impacts on councils through the introduction and understanding of asset management planning and funding. Historical short term operational budgeting has created a major liability and funding dilemma for many councils, creating in some case issues around long term viability.

The combination of modelling future budgets and revenue needs based on a good understanding of service performance and asset management requirements can provide a foundation on which to have conversations around priorities, trade-offs and future revenue expectations.

Long term planning can only be effective if councils have control over their service choices and service standards based on their understanding of community needs.

As noted earlier external impacts have created pressures for councils to maintain and increase service levels while at the same time keep rate rises to a minimum and have sound long-term financial management. Sustainability has long been the concern of local government and to some extent has led to current debate around amalgamations.

Section 4 Key Point Summary

- All Council financial policies, strategies, plans and reports be **available publicly** in understandable and accessible formats.
- It is important that councils have legislative flexibility to determine the appropriate **rating strategy** for its own municipal area.
- **Long term planning financial planning** can only be effective if councils have control over their service choices and service standards based on their understanding of the community.

Section 5 - Performance Transparency and Accountability

5.(a) How can the right balance between autonomy and accountability be delivered?

Autonomy within the scope of legislation requires broad powers that encourage, or do not constrict, flexibility, innovation and management of appropriate risk while promoting good governance practices.

Accountability comes through appropriate reporting, transparency of actions and decisions, sound policy frameworks, information provision and engagement. The community needs to have sufficient information and understanding to promote a level of confidence that the actions of the council are appropriate and relevant to the services they receive and their enjoyment of the community in which they live.

From a legislative perspective broad powers should be non-specific while controls around accountability can be promulgated in regulation to ensure an industry standard approach which can be monitored and audited if required.

A standardised industry approach to accountability could be framed around best practice guidelines to ensure small and large councils are consistent in their application.

5.(b) Who should have oversight and regulation of councils' performance and how should it occur?

The Director of Local Government is appointed by the Governor and has responsibility for the general administration of the Act.

The role includes investigating non-compliance and offences under the Act as well as the authority to undertake an investigation in response to a complaint or on his or her own initiative.

The Director can also recommend to the Minister that he or she issue a performance improvement direction to a council or councillor to take, refrain from taking or cease taking an action for the purpose of complying with the statutory obligations of the council or councillor under the Local Government Act or any other Act.

It is the council's view that the powers are appropriate with some amendment for the Act to be clearer in relation to the powers the Director of Local Government has to dismiss complaints that may be vexatious or frivolous in nature.

5.(c) What mechanisms should there be to respond or intervene when a council is not performing as required?

The recent introduction of Performance Improvement Directions whereby the Director of Local Government has the power to recommend to the Minister that a direction be issued to a council or councillor failing to comply with a statutory requirement under the local government act or any other act is considered a good initiative.

When considered in the suite of options available for the oversight of councils including Code of Conduct Panels, Boards of Inquiry, Tasmanian Integrity Commission and Ombudsman there is sufficient oversight and control of councils and councillors.

Beyond the statutory oversight of course is the more general oversight by the community and electoral processes.

It is the Council's view that there are sufficient controls and mechanisms to respond or intervene when a council is not performing as required.

5.(d) What information should councils make available to the public and how should they be able to access it?

The Victorian draft Bill creates a requirement for Councils to develop a Public Transparency Policy.

(1) The Policy is underpinned by the following principles:

- (a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;
- (b) Council information must be publicly available unless—
 - (i) the information is confidential by virtue of this Act or any other Act; or
 - (ii) public availability of the information would be contrary to the public interest;
- (c) Council information must be understandable and accessible to members of the municipal community;

(2) For the purposes of the public transparency principles, information includes documents.

The Policy would also describe the ways in which Council documents and information are to be made publicly available; and

- specify which Council documents and information must be publicly available, including all policies, plans and reports required under this Act or any other Act,
- public awareness of the availability of Council information must be facilitated.

It would be the Council's view that if specification of what information would be publically available and how it would be made available was to be specified in the new Act the approach proposed in Victoria would be appropriate.

5.(e) What information would be useful to councils to drive performance improvements?

The diverse nature of local government in Tasmania is such that industry benchmarks and comparisons are pointless. Service levels are impacted by scale, scope and population density considerations. Capital projects are impacted by complexity, location and scale.

Industry comparisons of customer service, undertaken in the past were based on an extremely small sample size and purported to compare services provided in rural communities with services in major cities. You would argue that traffic management in a small rural council is hardly comparable with traffic management in a major city.

The majority of information that is useful to driving performance improvement in councils comes from within. Systems that measure performance, review the information and use the results as the basis for improvement is a normal part of any organisation that has a continuous improvement philosophy.

For the purposes of legislating provision of information for service improvement the most useful measures would be financial sustainability measures. A set of industry standards would provide a benchmark for councils in critical financial areas.

A key area for council learning and improvement is understanding the outcomes of Boards of Inquiry, investigations, court actions involving councils and councillors both local and interstate. Opportunities for improvement, risk management, legislative review could be identified and promoted across the industry creating changes as a result. There are a number of recent local and interstate examples that have had significant implications for individuals and communities and it would be appropriate to learn from those experiences.

Section 5 Key Point Summary

- *From a legislative perspective broad powers should be non-specific while **controls around accountability** can be promulgated in regulation to ensure an industry standard approach which can be monitored and audited, if required.*
- *• Clearer powers for the Director of Local Government to dismiss **complaints** that may be vexatious or frivolous.*
- *• There are sufficient controls and mechanisms to respond or intervene when a **council is not performing** as required.*
- *• The diverse nature of local government in Tasmania is such that **industry benchmarks** and comparisons are of limited value.*

21. Australian Local Government Association - National General Assembly - Call for Motions
File Ref: F19/13274

Ref: Open [FGC 6.3](#), 13/02/2019

- That: 1. The Council submit the following motions to the Australian Local Government Association's National General Assembly:
- Calling for an extension of and an increase to funding for the Smart Cities and Suburbs Program.
 - The National Disaster Relief and Recovery Arrangements be reviewed to consider broadening the definition of essential assets to include assets that are currently regarded as non-essential e.g. tracks and trails and sporting facilities.
 - Lobby the federal government to establish an infrastructure fund for the construction of active transport initiatives including pedestrian and bicycle facilities.
2. The Council determine whether it wishes to provide any other motions, which are consistent with the themes and topics in the discussion paper, to the Australian Local Government Association's National General Assembly.

22. Petition Requesting Public Meeting - Hobart Not Highrise
File Ref: F19/13660; 15/10-01

Ref: Open [FGC 6.4](#), 13/02/2019

The General Manager advises that this item was deferred by the Finance and Governance Committee.

23. Petition Requesting Public Meeting - Residents Opposed to the Cable Car Inc.
File Ref: F19/9663; 16/119-005 & 16/119-006

Ref: Open [FGC 6.5](#), 13/02/2019

- That: 1. The Council note that in respect to the petition received on 21 January 2019 from the Residents Opposed to the Cable Car Inc., the minimum requirement for 1,000 signatures of electors of the Hobart City Council, as provided in s59 of the *Local Government Act 1993*, has not been achieved to require the Council to hold a public meeting to address the subject matter of the petition.
2. The proponent of the petition by the Residents Opposed to the Cable Car Inc. be advised of the Council's resolution.

24. Request for Council Reception - The Federation of Ethnic Communities' Council of Australia
File Ref: F19/8078; 18/17

Ref: Open [FGC 6.6](#), 13/02/2019

- That: 1. The Council host a Civic Reception for the Federation of Ethnic Communities' Council of Australia to be held in the Town Hall Ballroom on Wednesday 9 October 2019 for up to 300 guests, up to a maximum of \$9,000.
- (i) The reception be funded from the Council reception line item in budget function 110 – Civic Support in the 2019/20 financial year.
 - (ii) The Council's assistance be listed in the 2019/2020 Annual Report in accordance with its policy in respect to the disclosure of grants and benefits.

25. Purchasing Card Policy
File Ref: F18/98404

Ref: Open [FGC 6.7](#), 13/02/2019

- That:
- 1. The Council approve the revised City of Hobart Purchasing Card Policy, marked as Attachment A to this item on the agenda.
 - 2. The General Manager be authorised to make any minor amendments and finalise.
 - 3. The Aldermanic Development and Support Policy be updated to reflect consistency with the revised City of Hobart Purchasing Card Policy.
 - 4. The revised policy be communicated widely to Council officers and made available from the City's website.

Attachment A: Draft CoH Purchasing Card Policy based on LGAT Model Policy
- Nov 2018



City of Hobart

PURCHASING CARD POLICY

Version 1.0

Adopted:
[Date published]

Document Control

Policy Name	Purchasing Card Policy
First issued/approved	[Insert]
Source of approval/authority	[Insert]
Last reviewed	29 November 2018
Next review date	[Insert]
Version number	1.0
Responsible Officer	Group Manager Rates and Procurement
Department responsible for policy development	Financial Services
Strategic Plan reference	[Insert]
Related legislation, Codes and Policies	<ul style="list-style-type: none"> <i>Local Government (General) Regulations 2015 (Tas)</i> <i>Local Government Act 1993 (Tas)</i> City of Hobart Purchasing Policy and Guidelines City of Hobart Code for Tenders and Contracts City of Hobart Code of Conduct City of Hobart Fraud and Corruption Control Plan Council's Delegation Register Council Policy – Asset Management Business Related Travel and Expenses Policy Entertainment Expenses Policy
Publication of policy	City of Hobart website at: https://www.hobartcity.com.au/Council/About-Council/Council-policies

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1 Policy Statement

1.1 Scope

Purchasing cards are recognised as an efficient and flexible method of paying for goods and services in the public sector. They offer a convenient and highly traceable payment option, particularly for low value, day-to-day transactions, and can improve purchasing efficiency by reducing administrative costs.

However, any transaction method holds the potential for misuse and the convenience and flexibility of purchasing cards can be a vulnerability. Therefore, sound policies and protocols for use and control must be established to minimise the opportunity and impact of misuse of funds.

The policy applies to purchasing cards, which includes credit, debit, EFTPOS and similar bank cards issued by Council and used for purchasing on behalf of Council. The key features of an account to which this policy applies are:

- (1) Purchasing responsibility on the account holder;
- (2) A bank card for making purchases utilising Council finances; and
- (3) A periodic transaction statement cycle.

This Policy applies to all City of Hobart operations.

1.2 Purpose

The purpose of this policy is to provide guidance on how City of Hobart corporate purchasing cards (purchasing cards) are to be allocated, used and administered to ensure that purchasing cards assist in efficient delivery of Council services while minimising the potential for misuse and fraud and specifically to ensure:

- approved goods and services only are procured;
- approved goods and services are procured conveniently, efficiently and effectively;
- employees can adequately carry out their role; and
- employees understand what is required of them in regard to the application and use of the purchasing card.

1.3 Purchasing Principles

Cardholders must conform to sound principles of purchasing when using a purchasing card. These principles are detailed in the City of Hobart Purchasing Policy and Guidelines.

1.4 Preferred Purchasing Methods

Purchase orders or purchase contracts are preferred in the following typical situations:

- (1) Larger purchase amounts, typically of \$1,000 or more; or
- (2) Purchases requiring agreement between parties on terms (of service, engagement or sale).

1.5 Related Legislation, Policies and Procedures

Understanding and complying with this policy relies on understanding and complying with legislative requirements and several other related Council policies, including:

- *Local Government (General) Regulations 2015 (Tas)*
- *Local Government Act 1993 (Tas)*
- City of Hobart Purchasing Policy and Guidelines
- 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
- Business Related Travel and Expenses Policy
- Entertainment Expenses Policy

All Council purchasing, including with a purchasing card, must be undertaken in compliance with these related policies.

1.6 Policy Review and Update Cycle

This policy is to be reviewed every two years as a minimum. Purchasing card allocation and purchasing limits are to be reviewed at the same time as the policy review or as required by changes in the business that warrant such a review. Variations to this policy will be subject to Council approval.

1.7 Corporate Purchasing Card (CPC) Administrator

Responsibility for the corporate purchasing card facility rests with the Director Financial Services who shall nominate an administrator for the facility to be known as the "CPC Administrator", who shall facilitate its use across Council.

The CPC Administrator (or any person nominated to act in that capacity from time to time) will be responsible for administering the CPC, including the following key elements:

- Ordering, credit limit variations and cancelling purchasing cards;
- Education and training of Cardholders;
- Monitoring the CPC to ensure its effectiveness as an adjunct to the Council's usual purchasing processes;
- Monitoring purchasing cards and limits on a monthly basis and advising the Director Financial Services of issues or non-compliance;
- Ongoing review and refinement of the administrative aspects associated with the operation of the card facility within the Council, in association with the Director Financial Services; and
- Appropriate maintenance of the Guidelines and Procedures and supporting documentation.

1.8 Definitions

The following terms apply within the policy, guidelines and associated documents:

Acquittal of the Card	Process of recording the relevant information of Purchasing card spend for budgeting, taxation and policy compliance purposes, as well as allocating costs and providing the relevant supporting documentation.
Authoriser	Officer holding the position of Supervisor, Manager, Group Manager, Associate Director or Director.
Authorised Person	A Council employee who has a legitimate business need and is approved by the Divisional Director, Associate Director or Director Financial Services to hold a Purchasing card.
Card Provider	Bank issuing the Purchasing card.
City of Hobart	City of Hobart also means Hobart City Council.
CPC	City of Hobart Corporate Purchasing Card Facility.
CPC Administrator	Officer assigned to administer the Corporate Purchasing Card Facility.

Fixed Asset	Fixed Asset refers to assets which are purchased for long-term use such as equipment, land or buildings.
GST	Goods and Services Tax.
Plant & Equipment fixed asset	Plant and equipment assets are assets with an expected life of more than 2 years with a value greater than the Council asset materiality and attractive items thresholds e.g. power tools, desks, tablets, computers, vehicles, plant etc.
Purchasing card	The reference to Purchasing card throughout this document both refer to a credit card issued by the Financial Institution for Hobart City Council.
Purchasing Officer	Officer responsible for the purchase of goods or services in exercise of their position within the City of Hobart and in accordance with their financial delegation.
Purchasing Cardholder	Officer nominated by the Divisional Director, Associate Director or Director Financial Services for Director level and above to hold a purchasing card for the procurement of goods and services on behalf of responsible purchasing officers in accordance with Council's Purchasing Card Policy, guidelines and procedures.

2 Control of Purchasing Cards – For Authorisers

2.1 Risk Management Strategy

Each active purchasing card represents a risk of accidental or intentional misuse of public funds and each purchasing limit amount is the extent of that risk. To minimise risks associated with purchasing cards, the City of Hobart must:

- (1) Allocate purchasing cards according to an organisation-wide strategy and avoid allocating on an ad hoc basis;
- (2) Only issue cards where the operational benefits of efficient purchasing outweigh the increase in risk;
- (3) Maintain control on the total number of purchasing cards issued and their combined purchasing potential (or credit limit) at any one time;
- (4) Control the credit available on each card to an appropriate amount required to facilitate efficient purchasing, considering the alternative payment options available;
- (5) Ensure Cardholders and Authorisers adhere to the procedures and responsibilities set out by the policy by placing the onus of evidence for each purchase upon the Cardholder;
- (6) Undertake regular audits of the purchasing card facility; and
- (7) Undertake monthly audits of a sample of transactions to ensure compliance with this Policy.

2.2 Authorisers

Authorisers have a key role in the control of purchasing cards, managing purchasing risk and maintaining compliance with this policy. Authorisers:

- (1) May authorise or decline the issuing of purchasing cards to a cardholder;
- (2) May authorise or decline applications for the variation to monthly purchasing limits;
- (3) May authorise or decline discretionary transactions, such as entertainment or gifts in accordance with this policy;
- (4) May direct a Cardholder to reimburse Council for transactions deemed not to be in accordance with this policy; and
- (5) If they are allocated a purchasing card, **may not** authorise their own purchases, variations to monthly purchasing limits or issuing their own purchasing card.

The following roles are Authorisers for the purpose of this policy:

- Director Financial Services;
- Director or Associate Director of any City of Hobart Division;
- Any person temporarily delegated with the above Authorised positions; and
- Any City of Hobart employee with a financial delegation and holding the role of Supervisor or Manager.

2.3 Allocation of Purchasing Cards and Credit Limits

2.3.1 Allocating Purchasing Cards

Purchasing cards are available to authorised Council employees provided they have a legitimate business need. The following worker types are **not** authorised to hold a purchasing card:

- Independent Contractors;
- Labour Hire workers or temporary personnel placed with the City by a temporary agency;
- Employees denied a purchasing card through the application process;
- Employees who have not signed the **Cardholder Acknowledgement of Conditions of Use** Form or do not re-sign on an bi-annual basis;
- Suspended employees;

- Terminated employees; and
- Student or internship placements.

Purchasing cards are allocated to people in roles that require them.

A purchasing card will not be allocated to Councillors or Aldermen.

2.3.2 Issuing Purchasing Cards

- (1) The issue of each purchasing card must be authorised by an Authoriser and recorded.
- (2) An Authoriser cannot authorise the issue of their own purchasing card.
- (3) A person in a role that is allocated a purchasing card is not obliged to hold one.

2.3.3 The General Manager's Purchasing Card

Where the General Manager is allocated a purchasing card, if they choose to hold one:

- (1) The purchasing limit for the General Manager is determined by the Director Financial Services including subsequent adjustments; and
- (2) All statement reconciliations and purchasing limit changes for the General Manager's purchasing card are sighted and endorsed by the Lord Mayor (who is not an Authoriser) and authorised by the Director Financial Services who is an Authoriser.

2.4 Setting Limits and Controls on Purchasing Cards

- (1) The combined purchasing limit of all cards is to be no more than the amount agreed with the transactional banker or other provider for this facility. Alterations to the purchasing limit of all cards will be negotiated with the institution by the Director Financial Services in line with the City's Long-term Financial Management Plan.
- (2) Monthly credit limits for individual Cardholders will be set at a reasonable level to enable the Cardholder to conveniently execute their role, considering budget constraints and the alternative payment methods available.
- (3) The CPC Administrator will periodically review purchasing limits to ensure they continue to be set at levels appropriate to council's requirements and notify other Directors or Associate Directors of any requirement amendments to limits.
- (4) Any Director or Associate Director may periodically review purchasing limits in their Division to ensure they continue to be set at levels appropriate to Council's requirements.

2.5 Review of Purchasing Card Allocation and Credit Limits

The allocation of each purchasing card and their credit limits is to be set according to operational requirements and authorised by the Divisional Director, Associate Director or Director Financial Services for Divisional Director or above.

Purchasing card allocation and credit limits will be periodically reviewed by the CPC Administrator, with a minimum review period of two years, in conjunction with the policy update cycle. The aim of each review is to ensure that purchasing card allocation and limits are facilitating efficient purchasing and delivery of Council's services while effectively managing purchasing risk. Unnecessary or insufficiently justified cards should be cancelled, withdrawn and destroyed. Credit limits should be adjusted to the lowest monthly amount needed to facilitate efficient purchasing, as evidenced by purchasing history and adherence to this policy.

Where the operational benefits to Council of a role holding a purchasing card no longer outweigh the increase in risk of the extra card, or the Cardholder changes roles where it has been identified that no purchasing card is required, the purchasing card should be returned to the CPC Administrator and cancelled.

2.6 Amendments to Monthly Credit – Deciding Applications

A Cardholder may apply to vary the monthly credit limit. The **Request to Amend an Existing Purchasing Card Limit form** should be used. Variations to existing monthly expenditure limit applications are decided according to the following procedure:

- (1) A variation requires approval from two Authorisers.
 - (a) The approved **Request to Amend an Existing Purchasing Card Limit form** is completed and authorised by the appropriate Manager / Director.
 - (b) An Authoriser cannot authorise variations for their own purchasing card limits.
 - (c) Variations to the General Manager's purchasing card account are always reviewed and endorsed by the Lord Mayor (who is not an Authoriser) reviewed and authorised by the Director Financial Services who is an Authoriser.
- (2) Authorisers review the cardholder's purchasing and requested amendment history for adherence to this policy and justification of purchases.

2.7 Breach of Policy or Misuse

The intentional or unintentional misuse of the purchasing card for any transaction defined in section 4.6 *Prohibited Use and Transactions* would require immediate reimbursement of the same to the Council.

Any breaches of this policy by any Cardholder, Authoriser, staff or elected member, either directly or indirectly and depending on the nature and extent of the breach, may result in:

- (1) Counselling and retraining in the policy and requirements;
- (2) Reimbursement of costs;
- (3) Cancellation of card;
- (4) Disciplinary action in accordance with Councils' **Disciplinary Policy**; or
- (5) Referral to police or civil proceedings.

Any employee or Cardholder who becomes aware of policy breaches or misuse, report them immediately to an Authoriser. Policy breaches or misuse should also be reported to Council and purchasing card allocation should be reviewed.

2.8 Security and non-compliance with Policy or Procedure

Cardholders are responsible for ensuring their corporate purchasing card is kept secure at all times.

The CPC Administrator will undertake monthly audits of a sample of transactions to ensure compliance with the policy. All unacquitted transactions will be reported to the Executive Leadership Team (ELT) on a monthly basis.

Where Cardholders do not comply with this Policy, the following consequences will apply:

- Non-compliance with purchasing card transaction acquittals timing – 30 days late = email reminder; 45 days late = email reminder to Cardholder and their Manager; 60 days late = card limit reduced to zero until acquittal completed.
- Use of card for unapproved purposes – disciplinary action may result which could include a requirement for the Cardholder to refund the money.

- Any other misuse of the card - any employee who engages in inappropriate and unacceptable use of a Council issued card will face disciplinary action under the Council's disciplinary procedure (see Human Resource Policies and Procedures Discipline Policy and Procedure). The nature of any disciplinary action taken will be dependent upon the nature, extent and circumstance of the breach. Breaches of a serious nature may result in summary dismissal.

Periodic reviews of purchasing card controls will be conducted by the City's internal auditors.

3 Statement Reconciliation and Acquittal Process – Cardholders and Authorisers

On receipt of the account transaction statement each month, the cardholder shall acquit the statement as per the CPC Reconciliation and Acquittal process document.

4 Purchasing Conditions of Use – For Cardholders

4.1 General Use

4.1.1 Requesting a Purchasing Card

All requests for a Purchasing card should be made to the Unit / Group Manager in the first instance using the **Request for Corporate Purchasing Card form**.

The Unit / Group Manager should assess the requirements for a purchasing card based on the purchasing requirements and frequency of such by the individual / Unit.

The Divisional Director or Associate Director has overall responsibility for approving the issuing of purchasing cards for their Division.

The Director Financial Services is responsible for approving the issuing of purchasing cards at Divisional Director level and above.

- (1) Individual purchasing limits may, if required, be adjusted from time to time by the Director Financial Services (or his delegate) to enable the City of Hobart to remain within overall purchasing facilities or to align an individual purchasing Cardholder limit to an appropriate limit. These changes to limits may be either permanent or temporary.
- (2) The City of Hobart will agree an overall purchasing card facility limit with its transactional banker, which will accommodate the necessary purchasing card limits required to support the procurement and purchasing for the business in accordance with this policy.
- (3) Purchasing cards are provided with a default set of spend limits, although each card request will be assessed on its merit with limits set recognising the type of spend, value and frequency.
- (4) Individual purchasing card limits will generally be \$1,000 unless the Cardholder has a need to regularly purchase above that limit.
- (5) Any changes to the card limits will require re-approval by the relevant Director or Associate Director to ensure City of Hobart manages its purchasing exposure effectively.
- (6) The purchasing cards are settled every month between Council and the transactional banker with the corresponding statement amount charged to a suspense account awaiting acquittal and allocation by the Cardholder.
- (7) Requesting a purchasing card for a Cardholder must be submitted on the **Request for Corporate Purchasing Card form** and authorised by the Divisional Director or Associate Director. An Authoriser cannot authorise the issue of their own purchasing card. The application to the transactional banker for the purchasing card will be undertaken by the CPC Administrator.

The following steps should be completed to obtain a purchasing card:

- Complete City of Hobart Request for Corporate Purchasing Card form
- Complete Card Provider Purchasing card Application form
- Complete and return the Cardholder Acknowledgement of Conditions of Use form
- Forward approved forms and acknowledgement form to the CPC Administrator

Applications will not be processed until the completed forms are received by the CPC Administrator.

The **Cardholder Acknowledgement of Conditions of Use form** is required to be signed on an ongoing basis every two years to ensure staff regularly acknowledge their responsibilities under this policy.

All completed forms should be retained in the City's records management system as evidence of the approval process.

4.1.2 Cardholder Responsibility and Liability

Cardholders are responsible for the safe custody and security of the card and liable for any misuse and associated costs. Cardholders are responsible for resolving use and transaction disputes and ensuring that use of the card is ethical and strictly in accordance with this policy.

Purchasing cards are provided strictly for business-related purchasing only. Cardholders must be able to justify and prove their purchasing decisions to Council in a manner that allows Council to be able to justify and validate their endorsement of purchasing decisions to auditors, investigators, and the public. Always follow this policy and seek guidance from an Authoriser if in doubt.

Cardholders must comply with any terms and conditions of use provided by the card issuer and should follow the guidelines and recommendations of the issuing institution.

4.1.3 Financial Delegations

The City of Hobart's financial delegations will be aligned to the approved individual purchasing card limits to support efficient and effective procurement and purchasing of low value and high volume transactions.

1. Cardholders must hold a Financial Delegation in order to make transactions on a Purchasing Card.
2. The appropriate **Request for a Financial Delegation** should be submitted to the General Manager at the same time as the **Request for a Purchasing Card** is submitted.
3. The financial delegation is deemed to be a financial delegation that is not transferrable when a temporary delegation is put in place to cover any leave taken by the Cardholder.

Cardholders should return the purchasing card to the Finance Department with a **Purchasing Card Held for Safe Keeping form** when taking leave for a period greater than four weeks.

4.2 Employee Agreement to use a Purchasing Card

By requesting a purchasing card the Cardholder agrees to the following:

- 1) To comply with the Purchasing Card Policy.
- 2) To ensure the purchasing card is only used by the Cardholder.
- 3) The Cardholder must sign their card immediately upon issue.
- 4) Expenses paid using a purchasing card must be approved by the relevant financial delegate.
- 5) Acquit all transactions on the purchasing card statement no later than 15 days after the close of the previous month.
- 6) To provide a full description of transactions during the acquittal process.
- 7) It is the Cardholder's responsibility to ensure they obtain supporting documents for all card purchases.
- 8) That all goods or services paid for using the purchasing card have been received by Council.
- 9) To return the purchasing card to the CPC Administrator upon a transfer or resignation unless the new role requires a purchasing card and the new Manager has recommended and the Divisional Director or Associate Director approved such.
- 10) To advise the CPC Administrator if they no longer require the card.
- 11) To keep the card secure at all times to prevent loss, theft or misuse and not store their full purchasing card number and expiry date elsewhere.
- 12) To report all instances of lost or stolen cards to the Transactional Banker immediately.
- 13) Before using the purchasing card, the Cardholder must ensure that the purchase is compliant with this policy.

- 14) It is also the Cardholder's responsibility to obtain maximum value for money when purchasing on behalf of the Council.
- 15) Splitting the cost of one single payment (whether goods or services) into multiple payments in order to circumvent the card Transaction limit is not allowed and will be considered an instance of non-compliance with this policy.
- 16) The Cardholder is responsible to ensure that the correct cost allocation is assigned to each card transaction.
- 17) If goods or services are to be returned or refunded for any reason, it is the Cardholder's responsibility to ensure that the transaction is refunded.

4.3 Authorisation and Approval of Purchasing Card Transactions

The Cardholder must not delegate the responsibilities of Cardholders to another Officer including the monthly acquittal process by the Cardholder and subsequent review and authorisation by the Manager or temporary financial delegate.

The Manager or temporary financial delegate has the following responsibilities:

- That items purchased using the purchasing card were purchased for legitimate Council business.
- The purchases on the purchasing card comply with applicable City of Hobart policies.
- That all purchases for the month are supported by attached documentation.
- That purchases made are within the financial delegation and the approved transactional limit of the Cardholder.
- That purchases were not for any of the excluded purposes outlined in section 4.6.

An employee may not approve a transaction on a purchasing card that they are party to. For example, a manager may not request a transaction be incurred on a staff members card and then subsequently approve that transaction.

In these instances, another Manager or financial delegate not party to the purchase should approve the transaction.

4.3.1 Non-Cardholder Use

Only the designated Cardholder may use the purchasing card. Cardholders must not allow any other person to use their purchasing card or account or record or share their purchasing card number. This includes other Council employees or elected members.

Where an approved purchase is made on behalf of another Council staff or elected member, in compliance with this policy, you may use your purchasing card to purchase work-related items providing the expense is appropriate and approved in accordance with this policy and the **Purchase Requisition** form has been completed and signed by an appropriate financial delegate.

4.3.2 Receipts and Documentation for Every Purchase

Cardholders should make every attempt to obtain valid original documents in support of transactions. Council cannot claim the GST credit for purchases over \$75 without a valid tax invoice¹, so it is always important that wherever possible all purchases have original documentation. Contact vendors for original tax invoices if necessary.

In the absence of a valid tax invoice or original receipt, a Cardholder must provide sufficient information regarding the transaction to satisfy an Authoriser that the purchase is a valid work-related purchase that

¹ See *A New Tax System (Goods and Services Tax) Regulations 1999*:
https://www.legislation.gov.au/Details/F2011C00417/Html/Text#_Toc297551530

complies with this policy. The supporting information should include details of the transaction purpose, date, time, amount, vendor name and ABN, and your signature.

If the Cardholder makes a transaction of over e.g. \$82.50 and fail to retain a valid tax invoice for it, the Cardholder must complete and sign a statutory declaration² that includes all the required supporting information to justify the purchase, including the transaction purpose, date, time, amount, vendor name and ABN.

Cardholders are liable for the cost of transactions that cannot be verified to be in compliance with this policy. Repeated purchases without original supporting documentation (valid tax invoice), requiring the Cardholder's explanation, or a statutory declaration are a purchasing risk to Council and may result in a purchasing card being revoked or disciplinary action in accordance with Error! Reference source not found. Error! Reference source not found..

Purchasing Cardholders are required to provide appropriate documentation for all transactions on the purchasing card. It is not acceptable to consistently fail to produce appropriate supporting documentation.

The Tax Invoice requirements are:

Under \$82.50 (including GST)

- A valid tax invoice – which is the preferred type of supporting documentation
- Cash register docket
- Receipt; or
- Invoice.

If these are not available, a diary entry with the name and ABN of the supplier, the date of purchase, a description of the items purchased, and the amount paid is acceptable.

Over \$82.50 and under \$1,000 you must have a tax invoice which contains the following:

- ABN of the Supplier
- Price and Quantity for the supply
- The words 'Tax Invoice'
- The date of issue of the Tax Invoice
- The name of the Supplier
- A brief description of each item supplied
- A statement that the total amount includes GST; **or**
- Separately show the total amount of GST payable.

Additional requirements over \$1,000

- Must specify City of Hobart or Hobart City Council as the recipient / buyer, and
- include the City of Hobart ABN.

² Statutory declaration forms are available from the Department of Justice:
http://www.justice.tas.gov.au/forms/statutory_declarations

The only occasions when a Cardholder may not receive a Tax Invoice are when purchasing from an overseas supplier that is not registered for Australian GST, however, the supplier should still provide an Invoice.

4.3.3 Guidance where no documentation is available

Where a valid tax invoice or original receipt is not available, the Cardholder should provide sufficient information regarding the transaction to the approving Manager or temporary financial delegate. This information should include the supplier name, date, time, amount, description of what was purchased and the purpose of the purchase. Effort should be made to ensure original documents support each card transaction. Please note that a supplier in Australia must provide a tax invoice within 28 days if requested to do so.

Cardholders must not consistently fail to produce appropriate supporting documentation for purchasing card transactions.

4.3.4 Lost, Stolen or Damaged Cards

If a Council purchasing card is lost or stolen, the Cardholder must immediately contact the transactional banker to report the lost or stolen card. Follow the advice of the institution and then advise your Manager, Director or Associate Director and the CBC Administrator, at the earliest opportunity.

Damaged cards can be reported to Council's CPC Administrator for a replacement card to be arranged.

4.3.5 Return of Cards

Return your purchasing card to the CBC Administrator for cancellation or held for safe keeping if you:

- (1) Are ceasing or terminating employment; or
- (2) Moving to a role that is not assigned a purchasing card; or
- (3) Taking extended leave from their role for one or more months or otherwise where the Cardholder feels retaining their purchasing card is an unnecessary risk;
- (4) No longer require, or do not wish to hold, a purchasing card.

4.3.6 Disputed or Fraudulent transactions

It is the Cardholder's responsibility to ensure the charges received on their statement are valid.

If the Cardholder identifies a charge against their purchasing card that they did not incur, or dispute the value, they need to contact the Supplier where practicable in the first instance. If not resolved then they must report the matter to the transactional banker and advise the CPC Administrator.

The Cardholder should ensure that any disputes are actioned as soon as they are identified.

4.3.7 Applying for a Credit Variation (Cardholders)

A Cardholder may apply for a variation to the credit limit as either a temporary or permanent variation. An application can be made via a **Request to Amend an Existing Purchasing Card Limit** to an Authoriser, detailing the following:

- (1) The account balance and monthly purchasing limit;
- (2) Reasons for varying monthly limit;
- (3) Forthcoming purchases expected and amounts to justify the need for the variation.

Any applications for a credit variation require authorisation and may be declined if deemed not appropriate.

4.4 What a Purchasing Card can be used for

Purchasing cards can be used for the following purposes and purchases may generally be made with a Council purchasing card without prior written approval from Authorisers.

- Legitimate Council purchases only that are not prohibited under section 4.6 of this policy.
- Low value, high volume purchases
- Enterprise Technology Unit only – fixed asset purchases of mobile phones, smart devices, PCs and case gear where “best buy” or upfront payment is required

Travel expenses are expenses incurred in the course of authorised work-related travel. They include accommodation, transport, meals, and expenses incidental to travel. Purchasing cards are ideally suited to cater for expenses incurred while travelling. Travel expenses should be purchased in accordance with Council’s **Business Related Travel and Expenses Policy**.

Entertainment means the provision of food, drink or recreation, even if business discussions or transactions occur, but excludes travel expenses, such as meals on overnight, work-related travel. Some examples of entertainment include business lunches and social functions. Entertainment is defined by the Income Tax Assessment Act 1997, section 32-10 – Meaning of Entertainment³.

Entertainment is typically considered a private expense and must not be purchased using a Council purchasing card or funds without approval. If you are purchasing food or drink, you are purchasing entertainment, except where for valid work-related entertainment expenses.

There are a range of circumstances where entertainment expenses may be considered to be work-related and may be purchased with your Council purchasing card. Such work-related entertainment expenses include travel expenses (in accordance with Council’s Travel Expenses Policy), to support approved overtime work, for approved Council events or social functions or within an approved entertainment expenses budget for your role.

Entertainment may be deemed a work-related expense where the public interest of the entertainment clearly and substantially overrides the personal benefit, such as where the provision of entertainment supports a work-related, council-sponsored event or social function. Council should seek to avoid covering the entertainment expenses that would be seen to predominantly direct benefit to specific private individuals, such as contractors and private business representatives, except where incidental to a community-focused event or function.

Cardholders should apply for approval to use a Council purchasing card for entertainment expenses prior to incurring the expense. Cardholders who do not apply for approval of entertainment expenses prior to incurring the charge carry their own risk that it be considered a private and not a work-related expense and will be liable for the cost.

4.5 Consumer Loyalty Programs

A consumer loyalty program (e.g. Flybuys) is a marketing tool operated by a supplier of goods or services, or a group of such suppliers, to encourage customers to be loyal to the supplier. These programs require the customer to be a member of the program. Most frequent flyer programs only allow the person to purchasing travel to add to the frequent flyer account of the person flying. Flight rewards received by employees from employer-paid expenditure are not assessable income normally. Employees with loyalty

³ See the *Income Tax Assessment Act 1997*: <https://www.legislation.gov.au/Details/C2018C00056>.

programs who are booking airfare costs with existing airlines or travel agents, may accumulate frequent flyer points where the travel is only for the CPC holder who is booking the travel.

4.6 Prohibited Use and Transactions

The following types of transactions and purchases are generally prohibited and must not be made on a Council purchasing card.

Purchasing cards **cannot** be used for the following purposes:

- 1) Personal use – the purchasing card cannot be used for any matter which personally benefits the cardholder even if the Cardholders intent is to reimburse Council.
- 2) Personal purchases including those whilst on travel such as minibar purchase and in-room movies and where the intention is to reimburse the private expenditure that have not been authorised prior to the transaction by the General Manager or Director Financial Services and where there is no entitlement to claim reimbursement from City of Hobart for the same, even where there is an intent to reimburse Council. Only approved, work-related expenses in accordance with this policy may be incurred.
- 3) The payment of fines including parking fines. Council purchasing cards must not be used to pay fines of any nature. You must pay any fines that you incur.
- 4) Airline club memberships.
- 5) Purchases of or payment for entertainment or hospitality not associated with official Council business activities as outlined in section x above
- 6) Use of Council credit cards on, or linking to, alternative online payment methods and e-commerce payment systems or accounts, such as PayPal, Google Pay, Apple Pay, iTunes, or any system that records and stores credit card details, are prohibited.
- 7) Where a payment for necessary goods or services can only be made through such a payment/e-commerce system, and that system requires the storage of purchasing card details or linking to a purchasing card account (such as Uber), then the General Manager may delegate certain Cardholders to set up and manage an online account. This policy applies for the online account, as for the credit card itself:
 - The online account is restricted for use by the Cardholder;
 - The online account is for work-related purchases only, in accordance with this policy;
 - The online account is to be set up with the Cardholder's work email address and details and to be managed separately from any personal online payment/e-commerce accounts.

Permissions for online accounts should be centrally controlled and recorded by Council. Council purchasing cards must never be linked to personal online payment systems or accounts.

- 8) Cash Advances or withdrawing cash.
- 9) Refunds of purchases made on purchasing card must not be accepted in cash. Any refunds for purchases made on a Council purchasing card must be refunded back to the purchasing card account.
- 10) Items available from stock at the Store listed on the Council Business Centre (CBC) at: http://cbc/Divisions/Financial_Services/Procurement_Portal/Clearys_Gates_Store, unless an item is out of stock, not fit for purpose or urgently required.
- 11) Fuel or fuel-related products. Council purchasing cards must not be used for fuel purchases, unless you are in an urgent situation when a fuel card is not available. Instead, fuel cards are the preferred method for refuelling work vehicles. You may apply for reimbursement of work-related fuel

expenses, however you must provide sufficient supporting evidence that documents the trip, its length, and purpose.

- 12) High risk works as described on the CBC at:
http://cbc/Divisions/Corporate_Services/Human_Resources/Work_Health_Safety
- 13) IT equipment such as mobile phones and iPads unless procured by ICT in accordance with the formal process.
- 14) Fixed assets.
- 15) Plant and equipment assets except fixed asset purchases of mobile phones, smart devices, PCs and case gear where "best buy" or upfront payment is required.

26. Financial Report as at 31 December 2018
File Ref: F19/11853; 21-1-1

Ref: Open [FGC 6.8](#), 13/02/2019

That the Council approve the changes to the 2018/2019 Estimates listed in tables 4, 5, 7 and 9 of Attachment A to item 6.8 of the Open Finance and Governance Committee agenda of 13 February 2019, the financial impacts of which are to decrease the underlying surplus by \$1.06M, and to decrease the cash balance by \$1.5M.

SPECIAL MEETING OF ALL COUNCIL COMMITTEES

33. 10 Year Capital Works Program

File Ref: F19/13867

Ref: Special Open [JM 4.1](#), 13/02/2019

- That:
1. The Council approve the 2019/20 Capital Works Program as amended:
 - (a) Group transport related projects including cycling and pedestrian improvements with the Transport Strategy.
 - (b) The rehabilitation levy and the cost of the McRobies Gully rehabilitation be included in the program.
 2. The Council approve, in principle, for planning purposes, projects listed in years two and three, subject to annual review.
 3. The Council note the projects listed in years four to ten.