

# **Southern Tasmanian Councils Authority**

## Quarterly Report to Members

**December 2014**



Each Joint Authority is required under Section 36 B of the Local Government Act, 1993 to provide to its members a quarterly report that includes a statement of its general performance and a statement of its financial performance.

This report covers the three-month period ending 31<sup>st</sup> December 2014. This report with all previous quarterly reports is published on the Authority's website: [www.stca.tas.gov.au](http://www.stca.tas.gov.au)

The Southern Tasmanian Councils Authority (STCA) commenced on 1st July 2006.

Photo credit: Brenton West

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# QUARTERLY REPORT TO MEMBER COUNCILS DECEMBER 2014

## REPORT SUMMARY

The Authority held an Ordinary Meetings on 17<sup>th</sup> November 2014 and 15<sup>th</sup> December 2014.

### **1. Election of STCA Board Positions**

The Board elected members to fill different positions on the board including Chair, Deputy Chair and Committee Chairs

### **2. Destination Southern Tasmania Board Position**

The Board selected its elected level nominee to represent the STCA on the DST Board

### **3. STCA Committee Membership**

The Board appointed members to each of the three committees, Governance and Audit, Infrastructure and Economic Development

### **4. Taswater Data Sharing Proposal**

The Board endorsed the first stage of the Taswater data sharing proposal

### **5. STCA 2015 – 19 Strategic Plan**

The Board began initial discussions about the 2015 – 2019 Strategic Plan

### **6. Portfolio Position**

The Board endorsed the portfolio position on Aldi Supermarkets

### **7. Southern Waste Strategy Authority**

The Board endorsed the Governance Paper and draft Terms of Reference for a regional waste organisation to be contained in the STCA

### **8. Kim Evans, Secretary of the Department of State Growth**

Kim Evans, Secretary of the Department of State Growth came and spoke to the Board about the activities of the new Department

### **9. Munro Report**

The Board re-examined the Munro report into local government reform

## **10. STCA Special Projects Fund**

The STCA Board endorsed a process to establish a special projects fund

## **11. Meeting Guest**

The Board examined a list of meeting guests for 2015

## **12. 2015 Meeting Dates**

The Board endorsed meeting dates for 2015

## **13. Governance and Audit Committee**

The Board received a report from the Governance and Audit Committee

## **14. Employees**

## **15. Finances**

## **THE REPORT**

### **1. Election of STCA Board Positions**

When meeting for the first time since the October 2014 local government elections, the STCA Board was required to elect a range of Board positions, these included the Chairman, Deputy Chairman, Chair of the Governance and Audit Committee, Chair of the Economic Development Committee and Chair of the Infrastructure Committee.

Lord Mayor, Alderman Sue Hickey was nominated for the position of Chairman of the Authority. There were no other nominations so it was declared that Alderman Hickey be elected as the Chair of the STCA.

Mayor Tony Bisdee was nominated for the position of Deputy Chairman of the Authority. There were no other nominations so it was declared that Councillor Bisdee be elected as Deputy Chair of the STCA.

Mayor Doug Chipman was nominated for the position of Chair of the Governance and Audit Committee of the Authority. There were no other nominations so it was declared that Alderman Chipman be elected as Chair of the Governance and Audit Committee of the STCA.

Mayor Martyn Evans was nominated for the position of Chair of the Economic Development Committee of the Authority. There were no other nominations so it was declared that Councillor Evans be elected as Chair of the Economic Development Committee of the STCA.

Mayor Deirdre Flint was nominated for the position of Chair of the Infrastructure Committee of the Authority. There were no other nominations so it was declared that Councilor Flint be elected as Chair of the Infrastructure Committee of the STCA.

### **2. Destination Southern Tasmania Board Position**

The Board considered a report regarding its nominee for the Board position of Destination Southern Tasmania.

Destination Southern Tasmania (DST) is the regional tourism organisation that covers all of the local government area in southern Tasmania except for the east coast. The east coast is covered by its own regional tourism organisation.

Under the DST Constitution the STCA is required to provide two board members, traditionally this has been an officer level appointment and an elected member representative, from the STCA Board.

Currently, Brenton West, the STCA CEO, is appointed as the officer representative, with his term due to expire in September 2015.

Councilor Alex Green, from Southern Midlands and now Councilor Frank Pearce from the Derwent Valley are both coincidentally on the DST Board through their involvement in the Local Tourism Associations in their areas.

Previously, Stuart Slade, had served as the elected member representative on the DST Board, his term had expired in September 2014, however the STCA Board had previously resolved to extend this by six weeks until after the local government elections.

With the elections completed, the STCA was required to provide a new elected level representative to the DST Board. The Board resolved to nominate Mayor Kristie Johnston from the Glenorchy City Council to the DST Board.

### **3. STCA Committee Membership**

The STCA Board operates three Committees, Governance and Audit, Infrastructure and Economic Development.

These usually have member of around four to five including the Committee Chair and the Chair of the STCA who is ex-officio on all.

The Board resolved to appoint the following members to each Committee.

#### **Governance and Audit**

Mayor Chipman (Committee Chair)  
Lord Mayor Hickey (STCA Chair)  
Mayor Bisdee (STCA Deputy Chair)  
Mayor Coad  
Mayor Vincent

#### **Economic Development**

Mayor Evans (Committee Chair)  
Lord Mayor Hickey (STCA Chair)  
Mayor Heyward  
Mayor Coad  
Mayor Wass

#### **Infrastructure**

Mayor Flint (Committee Chair)  
Lord Mayor Hickey (STCA Chair)  
Mayor Johnston  
Mayor Vincent

## **4. Taswater Data Sharing Proposal**

The Board examined a report on the first stage of a data sharing arrangement with Taswater.

At the STCA Board meeting held in August, the Board endorsed an in principle agreement to explore a data sharing arrangement with TasWater.

Over those two months the STCA CEO worked with the Asset Manager of TasWater to develop a draft Memorandum of Understanding for a voluntary data sharing arrangement between TasWater and the STCA on behalf of member councils.

Initially, as part of stage one, to build goodwill within member councils, TasWater proposed to make available a range of water and sewer data available to STCA member councils. It was noted that this data sharing arrangement doesn't replace any existing service level agreements.

After building a strong working relationship with the STCA and member councils, it is proposed that the data sharing arrangement could move to stage 2, which would see the development of a voluntary data sharing agreement in which councils may like to in return share some data with TasWater.

If the implementation of the first stage of the data sharing arrangement works wells and fosters a good relationship between the two parties it is proposed that the STCA CEO and the TasWater Asset Manager may look at developing stage two in 2015.

The Board endorsed stage one of the data sharing arrangement with Taswater.

## **5. STCA 2015 – 19 Strategic Plan**

The Board began initial discussions on the new STCA 2015 – 19 Strategic Plan.

As per requirements under the *Local Government Act 1993*, and as part of good governance the Authority is required to develop a five year strategic plan.

The STCA is due to develop a new strategic plan in the coming months, to guide the Authority's direction over the next five years.

The STCA Board previously determined earlier in the year to hold this process over until after the local government elections to allow the new Board to have maximum input into the strategic direction of the Authority over the next five years.

Initial feedback was provided by the Board, and in coming months further feedback will be sought from the board as well as input from the STCA Committees, individual board members and member councils.

Under the current STCA Strategic Plan the Board endorsed a number of areas that help build regional development, these fall into the following seven strategic themes.

These areas fall broadly into seven strategic themes:

- Improved Physical Infrastructure
- Enhanced Economic Development
- Improved Environmental Performance
- Enhanced Social well-being
- Improved Inter-regional Cooperation
- Improved Local Government sustainability
- Good Organisational Governance

It was agreed these again should form the building blocks for the new strategic plan.

## **6. Portfolio Position**

The Board received a portfolio position for trying to bring Aldi Supermarkets to southern Tasmania.

In February 2014 the STCA Board endorsed a portfolio proposition that enabled Board members to bring projects or policy areas of interest to the Board for endorsement at a regional level.

That person can then act as a spokesperson for the issue in the public domain.

The portfolio position on Aldi Supermarkets was endorsed by the board.

### **Portfolio position: Aldi Supermarkets in Tasmania**

#### **Background:**

ALDI is a discount supermarket that offers Smarter Shopping, providing customers with incredibly high quality items at the lowest possible prices.

They are increasingly popular on the mainland and a gradually taking market share away from the supermarket duopoly of Coles and Woolworths.

Aldi first opened in Australia in January 2001 and now has more than 350 stores across Victoria, NSW, and Queensland.

In the growth of Aldi across Australia consumers have been the major winners,

with a no frills service provided to ensure lower costs for products.

Based on Roy Morgan research from February this year, the market share of Australian supermarkets is as follows. Woolworths 39%, Coles 33.5%, Aldi 10.3%, IGA 9.5% and other supermarkets 7.7%.

Last month Aldi announced plans for a major expansion into South Australia and Western Australia. This will be a \$700 million investment to build two distribution centres and as many as 120 stores.

In the past couple of months, the Kingborough GM and the STCA CEO have been speaking about working on a proposal to start a conversation with Aldi about looking at expansion opportunities in Tasmania.

Any move from Aldi to expand into Tasmania would not only bring benefits to consumers but also employment opportunities through ongoing jobs and jobs during the store construction phase.

#### **Position and Actions:**

- The STCA supports an expansion of Aldi into southern Tasmania
- The CEO works with the GM of Kingborough and other relevant stakeholders to build a proposal to bring Aldi to southern Tasmania
- The STCA identify a range of potential sites for stores and a distribution centre for Aldi in southern Tasmania
- Aldi seem to have a policy of not making media comment, so any potential early media opportunities may be limited. A spokesperson for this issue could be appointed after further work is undertaken

## **7. Southern Waste Strategy Authority (SWSA)**

The board examined a governance paper and draft terms of reference for a regional waste group to be contained within the STCA. The governance paper and ToR were developed by the Governance and Audit Committee for the Board's consideration. The Board endorsed the governance paper and ToR and as per SWSA's previous correspondence they were sent to them for consideration.

Over the past few months the Governance and Audit Committee have been looking at the situation regarding the Southern Waste Strategy Authority (SWSA). The Committee met again on Wednesday 10 December 2014 to examine SWSA and the future of a regional waste body contained within the

STCA. This issue has arisen following the withdrawal from the Hobart City Council from SWSA and the subsequent motion from the Clarence City Council that the roles and functions of a regional waste group should be undertaken by the STCA. SWSA have identified that unless Hobart were to rejoin the Authority or the State Government introduce a compulsory waste levy, with a portion of the levy being directed to regional waste groups, then they would be unable to continue to operate beyond 1 July 2015. The STCA Board then resolved to try and work with SWSA to facilitate the continuation of a regional waste group beyond 1 July 2015 with the roles and responsibilities assumed by the STCA.

The STCA Governance and Audit Chair, Mayor Doug Chipman and the STCA CEO Brenton West met with the SWSA Chair, Councillor Alex Green and the SWSA CEO David Sales to discuss the importance of the continuation of a regional waste group in southern Tasmania beyond 1 July 2015. Initial discussions focussed on whether SWSA and the STCA could work together on a joint paper, however subsequent to this meeting the SWSA Board provided correspondence to the STCA indicating that the STCA could perhaps work on a proposal on how it might host a regional waste group. SWSA have indicated that they are happy to provide any information to the STCA to help facilitate this report. The STCA Board have endorsed this approach and a governance paper and draft terms of reference, which has been provided from the STCA Governance and Audit Committee, are contained as part of this report.

### **Regional Waste Group Governance Paper**

#### **SWSA Background**

SWSA was formed in 2001 for a range of reasons and at the time there were no corresponding regional waste groups established in the north or the north west. However, by 2006 after a number of reports, a letter co-signed by the Director of the Environment and the CEO of LGAT was issued to all regional authorities and councils inviting them to look at the formation of joint authorities to tackle the issue of regional waste management.

It was intended that these groups would develop a regional waste strategy to address both statewide and regional waste management objectives, adopt a transparent funding formula by which member councils contribute and funds are used for regional waste management initiatives and a process for measuring and regularly reporting progress towards achieving regional waste management objectives.

SWSA undertakes a range of activities to help meet these objectives, an examination of a recent quarterly and annual reports better highlights some of the key activities of the Authority.

- Engaging in school visits as part of the education program as well as hosting classes at the Mount Nelson Sustainability Centre
- Donating to schools mobile garbage bins from the SWSA stock for the purpose of the development of worm farms

- Assisting in the organisation of the National Australian Education Sustainability Conference to be held in Hobart in November 2014
- Meeting regularly with the officers from the other regional waste groups as part of the statewide coordination
- Involved in the development and launch of the new statewide rethink waste website
- Operate the E-Waste collection system
- Run media advertising campaigns
- Helped fund and participate in the Garage Sail Trail Day
- Looking into the State Waste Levy and the Container Deposit Scheme

### **Governance of a Regional Waste Group within the STCA**

The governance arrangements of a regional waste group within the STCA are a major issue that need to be addressed. Whilst, the STCA Board is made up of Mayors from across southern Tasmania, there are a number of elected representatives who have been serving on the SWSA Board and possess passion and expertise in the area of waste management. It would be beneficial for the regional waste body to have the best possible elected representatives and utilise those who have a passion and knowledge in this area.

It is therefore proposed that a Waste Management Strategy Group be established as a committee of the STCA. As the Waste Management Strategy Group would sit inside the STCA, the Group would be chaired by a Mayor from the STCA Board. The STCA Waste Management Strategy Group would comprise a representative from each of the three-landfill site authorities, Hobart City Council, Glenorchy City Council and Copping with other councils being invited to also provide a representative. This representative could be any Alderman/Councillor from the council and would not have to be a Mayor. Each council could also appoint an officer to attend the Waste Management Strategy Group meetings with the elected representative and to work with the STCA CEO on waste management issues.

### **Purpose and Functions**

The current purpose of SWSA is to facilitate integrated regional strategic planning in southern Tasmania, and to implement the Southern Waste Management Strategy.

The functions of SWSA are to provide the most cost effective management and facilitation of:

- municipal waste minimisation programs
- waste stream control and performance monitoring
- establishment of a non-municipal waste minimisation program
- monitoring of residual waste treatment technologies
- infrastructure developments
- landfill development strategy
- education and marketing programs
- represent the southern councils' views in the implementation of waste management processes at both a state and local level

The first task of the Waste Management Strategy Group would be to review its purpose and functions and make recommendations to the STCA Board. However, it is anticipated that they would be fairly similar, with the review allowing for the group to ensure that the purpose and functions are contemporary and match the needs of member councils. It would also be essential that the Waste Management Strategy Group conduct an audit of the activities of SWSA to determine the most appropriate functions for the new regional waste group.

### **The SWSA Legal Entity**

It was noted that once the transfer of roles and responsibilities of a regional waste group to the STCA had occurred, a decision on the future of the SWSA legal entity would be a decision for participating member councils.

### **Administrative Support**

Currently, SWSA is supported by a part-time Chief Executive Officer and a full-time Project Officer. The issues relating to employees of SWSA are a matter that would need to be dealt with by the SWSA Board. However, the STCA CEO, is a full-time employee and has the scope to undertake the increased workload, to support the Waste Management Strategy Group. With the roles and responsibilities of a regional waste group coming into the STCA the need to produce separate quarterly and annual reports would no longer apply. The achievements and activities of the Waste Management Strategy Group would be contained within the STCA reports, much in the same way that occurs at the Cradle Coast Authority.

### **Regional Waste Group Funding**

An issue with SWSA has always been how to establish an equitable funding model, particularly in southern Tasmania, which is a region that has a number of different landfills owned by different entities or groups of entities. This is an issue that doesn't occur in the north and north west of the state, it also allows those regions to raise more funds to dedicate to their regional waste group. For instance, in the 2013/14 financial year the Northern Waste Group had income of \$535,000 derived from a higher regional waste levy.

The Waste Management Strategy Group would be funded through the STCA. As part of the annual STCA budget process the Waste Management Strategy Group would highlight projects it required funding support for and these would be incorporated into the annual STCA budget approved by the Board. It could be expected that councils' would gain some financial savings through the consolidation of the two organisations or allow greater funding for waste minimisation activities. It should also be noted that if the transfer of SWSA funds was authorised by member councils, this could be used as seed funding for the Waste Management Strategy Group.

### **Project Staffing**

SWSA's project work is currently supported by the employment of a full-time project officer. It is anticipated that the new Waste Management Strategy Group would undertake a sufficient program of work that would require the support of a project officer.

## **Draft Terms of Reference – Waste Management Strategy Group**

### **Overview**

The Waste Management Strategy Group is a committee of the STCA Board, responsible to the Board.

The Waste Management Strategy Group is an advisory committee to the STCA Board.

The Waste Management Strategy Group is established to facilitate strategic planning for waste management in southern Tasmania, and to implement the Southern Waste Management Strategy, the functions shall include:

- municipal waste minimisation programs
- waste stream control and performance monitoring
- establishment of a non-municipal waste minimisation program
- monitoring of residual waste treatment technologies
- infrastructure developments
- landfill development strategy
- education and marketing programs
- represent the southern councils' views in the implementation of waste management processes at both a state and local level

### **Membership**

The Chairman of the Committee shall be appointed by the STCA Board, once every two years. The remaining members of the committee shall be appointed by the Board based upon the nominations received from member councils.

The membership of the Waste Management Strategy Group should reflect the diversity of the member councils of the STCA Board and be constituted as follows:

- Chair (Board member of the STCA)
- A representative from each of the three landfill operators across southern Tasmania, Hobart City Council, Glenorchy City Council and Copping Refuse Disposal Site Joint Authority, and;
- Remaining member councils be invited to provide a nominee each

### **Secretarial support**

The STCA will provide secretariat support to the Waste Management Strategy Group.

### **Quorum**

The quorum necessary for the transaction of business shall be [7] members. A duly convened meeting of the committee at which a quorum is present shall be

competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

### **Frequency of meetings**

The Waste Management Strategy Group shall meet at least 5 times a year at appropriate times in the reporting, planning and budget cycle.

### **Notice of meetings**

Meetings of the Waste Management Strategy Group shall be called by the secretary

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person invited to attend no later than [5] working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees with the Notice of Meeting or on another day before the day of meeting, as appropriate.

### **Minutes**

The secretary shall minute the proceedings and resolutions of all meetings of the Waste Management Strategy Group.

The Chair shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and have them minuted accordingly.

Minutes of committee meetings shall be circulated promptly to all members of the committee and, tabled at the next STCA Board Meeting , unless a conflict of interest exists.

### **Conflict of Interest**

If a member of the committee has declared a conflict of interest it is the responsibility of the Chair to ensure that appropriate actions are taken to ensure that the conflict of interest does not bring into question the propriety of decisions made by the committee.

### **Duties**

The committee shall provide the most cost effective management and facilitation of:

- municipal waste minimisation programs
- waste stream control and performance monitoring
- establishment of a non-municipal waste minimisation program
- monitoring of residual waste treatment technologies
- infrastructure developments
- landfill development strategy
- education and marketing programs
- represent the southern councils' views in the implementation of waste management processes at both a state and local level

### **Reporting responsibilities**

Following each meeting of the Committee, the Chairman shall report formally to the STCA Board on the proceedings of the Committee at the next available opportunity.

The Committee may make whatever recommendation to the STCA Board it deems appropriate on any matter within its remit where action or improvement is needed.

### **Public comment**

While the Chair of the Southern Tasmanian Councils Authority (STCA) remains the spokesperson for the Authority, the Chair may delegate that responsibility to the Chair of the Waste Management Strategy Group for matters related to the duties of the Waste Management Strategy Group.

## **8. Kim Evans – Secretary Department of State Growth**

Kim Evans, Secretary of the new Department of State Growth attended the meeting and addressed the Board.

Mr Evans spoke about how he had been asked to come over from DPIPW to serve in an acting capacity of the new department before being appointed permanently to the role. He highlighted that the Department reports to eight ministers and has combined the old DIER, Economic Development and Skills Tasmania.

Mr Evans said the new Coordinator General, John Perry, who will start in January, will have an office that will sit inside State Growth. It will be his job to attract investment, facilitate major projects and develop business growth.

Infrastructure Tasmania will also be contained within the Department of State Growth, the new CEO of Infrastructure Tasmania should be announced soon. The office will contain an engineer and an cost-benefit analysis expert and will provide crucial advice to the State Government on infrastructure projects.

Mr Evans said that the whole Department's focus would be great industry and business development and trying to ensure there was a closer engagement with business and industry. They have been dealing with the challenges of building the organisation from the ground up, including absorbing some significant job cuts.

Mr Evans pointed to the Chinese President's visit and TasInvest, Qantas call centre and the Myer development as some early achievements. As well as ongoing work on the illegal forest protesters legislation, repeal of the TFA, development of energy policy and the Parks EOI process for tourism developments.

Mr Evans was asked about the Tasman and Bridgewater Brides and said that he would have to take the question on notice and come back to the group. He also suggested that himself, Shane Gregory, General Manager of Roads and the new Infrastructure Tasmania CEO should come back to the STCA for more detailed session on infrastructure.

The Board thanked Kim Evans for his time and said they looked forward to see him again.

## **9. Munro Report**

The Board agreed that given the meetings called by Minister Gutwein regarding local government reform that it might be a good idea to bring the Munro Report out for another look. A briefing on the report was provided to the Board.

The Governance and Audit Committee looked at this issue at its meeting, however it was difficult for the Committee to make any recommendations and pre-empt the meeting with Minister Gutwein in February.

The Committee did note that the Munro Report was now nearly five years old and things locally, nationally and internationally had changed quite significantly. The Committee also highlight that in other jurisdictions going through a similar process of voluntary amalgamations, far greater support from State Government's has been provided. For instance, in NSW the following package of around \$300 million is on the table.

\$258 million to encourage councils to merge and provide infrastructure and community facilities.

\$13 million to support local transition committees and ensure that elected representatives are involved in the merger process

\$5.3 million to get new joint regional organisations up and running

\$4 million to help small councils develop innovative ways of working

As well as access to fully funded facilitators who can help councils begin the discussions about how to merge and the benefits for local communities.

### **Background to the Munro Report:**

In December 2010, the Federal Government provided \$150,000 to the STCA to undertake a project examining options for local government reform in the southern Tasmanian region. An independent panel of experts was chosen to undertake the report for the STCA. This group was made up of:

- Jude Munro (Chair) – Former CEO City of Brisbane, Adelaide and St Kilda

- Saul Eslake – Program Director, Grattan Institute and former Chief Economist ANZ Banking Group
- Stephen Hains – Former CEO City of Salisbury and Unley, former SA Director of Planning and former CEO of the SA Department of Business Manufacturing and Trade

The report represents four months of research, investigation and consultation involving a wide range of stakeholders, most particularly the STCA member councils and the local communities they serve.

### **Four Options**

The Panel developed four options for community consultation, with nearly 260 submissions being received.

Option 1 - Maintaining the status quo in relation to the number of local governments and their current boundaries, but seeking to improve performance through a concentration on the formation of stronger regional bodies and shared services.

Option 2 - Forming a single local council for the whole of the region.

Option 3 - Amalgamating all metropolitan councils into a single Greater Hobart Council, while leaving the rural councils largely untouched.

Option 4 - Creating Eastern Shore and Western Shore Councils in Hobart, and merging rural councils into three new local government areas.

Some general findings from the submissions were:

- Very few submissions (just 24 or 9.4%) expressed a preference for the maintenance of the status quo, or for the first option outlined in the options paper. Ten, or 9.7%, of submissions known to have been urban, and six, or 12%, of rural submissions preferred the status quo.

- 67.5% (173 by number) of submissions indicated a preference for either a single regional council (option 2), or for the Greater Hobart option (option 3), with many preferring to see some attempt at rural amalgamations as identified in option 4 as well. 73, or 70.9%, of submissions known to have been from urban areas expressed such preferences, compared with 29 or 58% of submissions from known rural areas preferring these options.

### **Recommendations:**

The Panel when considering the objectives outlined for the review by the STCA and the extensive community and council comment that was received, made the following recommendations. The full report, presents far more detailed explanations and implementation strategies. It is worth noting that Recommendation 9 has been implemented by the State Government.

### **Recommendation 1 – Greater Hobart**

That the present cities of Hobart, Glenorchy and urban Clarence (with Richmond

and surrounds moving into the Sorell Council area), the urban part Kingborough excluding the Channel and Bruny Island (which would be incorporated into Huon Valley) be merged with Brighton to form a single council, to be named the City of Greater Hobart.

That wards be introduced at least for the first term of the Greater Hobart Council. Further, that the STCA should call a meeting of two representatives of each council in metropolitan Hobart to discuss the core recommendations of this report and the transition towards a Greater Hobart Council.

### **Recommendation 2 – City of Greater Hobart Act**

That a City of Greater Hobart Act be developed that recognises the city as a capital city, identifies the powers of the mayor and council, and the obligations the city has to support rural councils through its resources and contracts.

### **Recommendation 3 – Non-metropolitan councils**

That, apart from consequential boundary adjustments as a result of the formation of a Greater Hobart Council, no further boundary adjustments or amalgamations are promoted in the non- metropolitan area at this stage, but that a review of the special needs of these councils and appropriate reform options be undertaken.

The panel further recommends that the distribution of Financial Assistance Grants (FAGs) within the region be considered to assist these councils towards long-term reform and greater sustainability (see recommendation 12).

### **Recommendation 4 – Timing of amalgamations and boundary changes**

That, if adopted, the structural changes proposed in this report are implemented as from the commencement of the new council terms following the next local government elections in October 2013, with those elections to be based on the newly structured councils.

### **Recommendation 5 – Transition committee**

That a transition committee, comprising two councillors from each of Brighton, Clarence, Glenorchy, Hobart and Kingborough Councils, be established to oversee the transition to the new Greater Hobart Council.

### **Recommendation 6 – Committee for Hobart**

That a Committee for Hobart be established from the business, environment, social, arts, tourism sectors to build a vision for the Greater Hobart area.

### **Recommendation 7 – Three year reform program**

That Southern Tasmanian councils work with the State Government on implementing a three-year reform program. The reform program would include reform in:

- governance,
- community and customer engagement,
- planning,

- asset management and capital works,
- strategic procurement and
- service delivery

#### **Recommendation 8 – Financial management and sustainability**

That a review of the distribution of Financial Assistance Grants and roads funding be undertaken in the light of the special needs of non-metropolitan councils.

Further, that a review of financial management policies of Southern Tasmanian councils be undertaken with a view to appropriate financial management principles and practices being adopted.

#### **Recommendation 9 – Period of office for mayors and councillors**

That the Local Government Act be changed to provide for the popular election of mayors for a four- year term, for full council elections every four years, and a removal of the requirement for mayors to have previously served in local government.

#### **Recommendation 10 – Compulsory voting**

That the State Government introduce compulsory voting for local government elections.

#### **Recommendation 11 – Local government skills**

That the STCA develop a skills development strategy for staff and elected members of Southern Tasmanian councils.

#### **Recommendation 12 – Community engagement**

That the STCA take steps to introduce a training program for elected officials and council staff in community engagement strategies as a basis for continued improvement in this regard in the newly structured councils.

#### **Recommendation 13 – STCA responsibilities**

That the STCA take on the responsibility for formulating and coordinating strategies for the region as a whole, that focus on the Greater Hobart and rural hinterland relationships in areas such as economic development, tourism, niche production and marketing.

### **10. STCA Special Projects Fund**

At the Governance and Audit Committee meeting it was noted that the Authority possessed a number of project accounts that had small amounts of funds remaining in them.

These are accounts where a project has been completed, in some cases a number of years ago, and all of the funding appropriately acquitted, leaving a small amount of funds.

The Governance and Audit Committee proposed the establishment of a STCA Special Projects Fund, where, subject to any grant guidelines or other requirements for the funds, they be transferred to a new account for use on future STCA projects.

The Board agreed to this process and the Governance and Audit Committee is charged with examining specifically which accounts would be eligible to be included in the special projects fund and then seek board approval to establish this fund.

The Special Projects Fund could be utilised in the Authority ever needed small amounts of consulting work undertaken or provide a small contribution to a specific project of regional significance.

The Board endorsed this proposal.

## **11. Meeting Guests 2015**

In the past twelve months the STCA Board has been inviting a guest speaker along to each board meeting, a list of proposed guest speakers for 2015 was circulated for feedback from board members.

The invitation of guest speakers has been working effectively, with the following attending STCA Board meetings.

- The former Minister for Infrastructure, David O'Byrne
- The then Leader of the Opposition, Will Hodgman
- The then Shadow Minister for Infrastructure, Rene Hidding
- The Minister for Planning and Local Government, Peter Gutwein
- Mary Massina, Executive Chair of the Planning Reform Taskforce

The STCA CEO would like to seek feedback on whether the Board finds these guests attending a board meeting valuable and if so, get feedback on a suggested guest list for 2015.

Proposed STCA Board attendees for 2015

- Mary Massina – Planning Reform Taskforce (Requested to come)
- Senator Eric Abetz – Leader of Government in Senate
- Rod Parry/Mel Percival – Hobart Airport
- Premier Will Hodgman
- John Berry, Coordinator General
- CEO Infrastructure Tasmania

It was suggested that UTAS and the Antarctic Division should be added to the list.

## 12. 2015 Meeting Dates

The Board endorsed the following meeting dates for 2015.

Month	STCA Board Meeting	STCA AGM	STCA Governance and Audit Committee	STCA Infrastructure Committee	STCA Economic Development Committee
January					
February	11.00 am Monday 16, 2015		11.00 am Friday 6, 2015	2.00 pm Tuesday 10, 2015	2.00 pm Wednesday 4, 2015
March					
April	11.00 am Monday 13, 2014				
May			11.00 am, Friday 22, 2015	2.00 pm Tuesday 12, 2015	2.00 pm Wednesday 13, 2014
June	11.00 am, Monday 22, 2015				
July				2.00 pm Tuesday 28, 2015	2.00 pm Wednesday 29, 2015
August	11.00 am, Monday 10, 2015		11.00 am Tuesday 4, 2015		
September					
October	11.00 am, Monday 19, 2015			2.00 pm Tuesday 27, 2015	2.00 pm Wednesday 28, 2015
November		5 pm, Friday 6, 2015	11 am, Friday 20, 2015		
December	11 am, Monday 7, 2015				

### **13. Governance and Audit Committee**

The Governance and Audit Committee examined a number of crucial issues at its meeting and given the significance of some of these they were dealt with separately by the Board.

These included the SWSA governance paper and draft terms of reference and the special projects funds.

The Committee had also been charged with examining opportunities for greater joint procurement between councils. It was highlighted that LGAT is part of the National Procurement Network (NPN) and that through their membership councils can access the NPN to source a range of products including machinery, trucks, earth moving equipment, road and bridge making equipment, fuel card services, motor vehicles and a whole range of other areas. The report also highlighted that LGAT are always looking at ways to expand the items available through the NPN, particularly in the service industry such as engineering services, employee recruitment and information technology services. The Committee noted that joint procurement can be a very resource intensive exercise, with LGAT having a dedicated part-time project working in this area. The CEO reported that LGAT were currently in the process of updating their NPN material and were always looking for opportunities to expand the NPN based on the needs of councils.

The Committee examined a report regarding putting appropriate governance arrangements around the accounting and HR services provided by the Hobart City Council (HCC) to the STCA. It was agreed by the Committee that for good governance a written agreement between the STCA and the HCC should be established. The Committee reviewed the draft agreement and a number of minor amendments were discussed. The Committee also noted that the Common Seal of the STCA and HCC contained the Lord Mayor so it was agreed that the Deputy Chair from the STCA, who can also co-sign for the Common Seal, should sign the agreement to avoid a conflict.

The Committee also discussed issues surrounding the draft report from the TPC into the interim planning schemes. It was agreed that there was significant concern from a number of councils and that a letter should be written to Minister Gutwein from the STCA outlining our concern and seeking further engagement.

### **14. Employees**

Mr Brenton West, took up the role of full time Chief Executive Officer of the Authority on 1 July 2013. The Authority has previously employed other staff as government grant funding is obtained. It is intended that this process will continue.

## 15. Finance

A summary of financial performance for the second quarter of the 2014/15 financial year follows:

### **SOUTHERN TASMANIAN COUNCILS AUTHORITY** **Financial Report as at 30<sup>th</sup> September 2014**

	Actual at 31/12/14	Budget Year to Date	Budget 2014/15
	\$	\$	\$
<b>Revenue plus opening balances</b>			
STCA Consolidated Account	283,428	141,714	283,428
Regional GIS Project	24,664	12,332	24,664
Regional Planning	2,363	1,181.5	2,363
Water and Sewerage Owners Representatives	1,231	615.5	1,231
Climate Change adaptation project	44,365	22,182.5	44,365
Climate Change communication project	43,490	21,745	43,490
Regional Visioning	2,505	1,252.5	2,505
Local Government Structures Project	5,587	2,793.5	5,587
Tourism	10,460	5,230	10,460
Industrial Land use Study	4,972	2,486	4,972
SMART form	2,909	1,454.5	2,909
<b>TOTAL REVENUE</b>	<b>427,746</b>	<b>213,873</b>	<b>427,746</b>
<b>Expenditure</b>			
STCA Consolidated Account	(75,259)	(93,475)	(186,950)
Regional GIS Project	(0)	(0)	(0)
Regional Planning	(505)	(500)	(2,000)
Water and Sewerage Owners Representatives	0	0	0
Climate Change adaptation project	(1,770)	(18,050)	(36,100)
Climate Change communication project	(0)	(10,800)	(43,200)
Regional Visioning	0	0	0
Local Government Structures Project	0	0	0
Tourism	0	(0)	(0)
Industrial Land use Study	(3,126)	(2,000)	(4,000)
SMART form	0	(0)	(0)
<b>TOTAL EXPENDITURE</b>	<b>(80,660)</b>	<b>(136,125)</b>	<b>(272,250)</b>
<b>Closing Balances</b>			
STCA Consolidated Account	208,170	48,239	96,478
Regional GIS Project	24,664	12,332	24,664
Regional Planning	1,859	181.5	363
Water and Sewerage Owners Representatives	1,231	615.5	1,231
Climate Change adaptation project	44,365	22.5	45
Climate Change communication project	43,490	145	290
Regional Visioning	2,505	1,252.5	2,505
Local Government Structures Project	5,587	2,792	5,587
Tourism	10,460	5,230	10,460
Industrial Land use Study	1,846	486	972
SMART form	2,909	1,454.5	2,909
	<b>347,086</b>	<b>72,752</b>	<b>145,504</b>

It is to be noted that there are eleven separate accounts.

1. STCA consolidated account.

The operating account of the Authority currently the account has a balance of \$208,170.

2. Regional GIS Project.

NRM South made a financial contribution towards achievement of the Regional GIS initiative up to 30th June 2009.

In addition, member Councils agreed to contribute \$7,000 each in 2008/09 and \$10,000 each in 2009/10. There was a carryover of \$224,790 at the commencement of the year, which included a contribution of \$67,500 made in 2010/11 by Southern Water to cover 50% of the cost of aerial photography. The first round of aerial photography was completed during 2010/11 in spite of unfavourable flying conditions.

The aerial photography has now been paid for which has reduced the balance in the account to \$77,614. The Board set aside \$50,000 from this account for further LiDAR mapping of southern Tasmania. This has been completed and paid for leaving a balance of \$24,664

3. Regional Planning.

The Regional Planning Project is continuing, the State Government provided \$30,000 of funding for 2013/14. Currently the balance is \$1,859.

4. Water and Sewerage Owners Representatives.

An allocation of \$1,231 was brought forward for the 2014/15

5. Climate Change Adaptation Project.

This project is ongoing with the STCA receiving funding from the state government to complete a regional adaption plan and individual adaption plans for all northern councils.

6. Climate Change Communication Project.

Contributions of \$35,000 in total (Clarence, \$10,000, Hobart \$20,000 and Kingborough \$5,000) have been carried over to undertake the project now that the Regional Climate Change Adaptation Plan has been completed. This project is progressing with extra funding from the State Government and will be completed this year.

7. Regional visioning.

This project is funded by a contribution by Hobart City Council of \$5,000 carried over from 2009/10 and an allocation from the STCA Consolidated Account. This work has been undertaken and completed.

8. Local Government Structures Project.

Approval for a project under the Local Government Reform fund was given in December 2010. The total Australian Government grant of \$150,000, has been received and an independent evaluation study has been completed.

#### 9. Tourism.

A total of \$10,460 has been brought forward for this financial year.

#### 10. Industrial Land Use Study.

The Industrial Land Use study is an adjunct to the Regional Strategic Land Use Plan and has been jointly funded by a number of member councils and the Department of economic Development. The project has been finalised and endorsed by the Board with some residual funding brought forward.

#### 11. SMART Forms

The STCA Board has endorsed a variation to the grant deed for this project to allow for the funds to be used to further develop the online planning system. Those funds have been used to pay for a contribution for this software.

The STCA Governance and Audit Committee is currently examining whether some of these completed project funds could be rolled into an STCA project account. This work is ongoing.