

COUNCIL AGENDA

MONDAY, 24 SEPTEMBER 2018



GLENORCHY CITY COUNCIL

QUALIFIED PERSON CERTIFICATION

The General Manager certifies that, in accordance with section 65 of the *Local Government Act 1993*, any advice, information and recommendations contained in the reports related to this agenda have been prepared by persons who have the qualifications or experience necessary to give such advice, information and recommendations.

A blue ink signature of Tony McMullen.

Tony McMullen
General Manager

19 September 2018

Hour: 6.00 p.m.

Present:

In attendance:

Leave of Absence:

**Workshops held since
last Council Meeting**

Date: Monday, 3 September 2018

Purpose: To discuss:

- Child Care
- Multicultural Ambassador Program

Date: Monday, 17 September 2018

Purpose: To discuss:

- TasWater Briefing
- Communications Strategy
- Tolosa Dam Remediation

TABLE OF CONTENTS:

1.	APOLOGIES	4
2.	CONFIRMATION OF MINUTES (OPEN MEETING)	4
3.	ANNOUNCEMENTS BY THE CHAIR	4
4.	PECUNIARY INTEREST NOTIFICATION	4
5.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE.....	4
6.	PUBLIC QUESTION TIME (15 MINUTES).....	8
7.	PETITIONS/DEPUTATIONS.....	8
	COMMUNITY	9
8.	ANNOUNCEMENTS BY THE MAYOR.....	10
9.	HEALTHY COMMUNITIES ADVISORY COMMITTEE.....	14
10.	CHILD CARE CONNECTIONS POLICY AND PROCEDURES REVIEW	18
	ENVIRONMENT	23
11.	TOLOSA PARK DAM DECOMMISSIONING AND REMEDIATION	24
12.	GLENORCHY CBD REVITALISATION PROJECT - PROGRESS UPDATE (31 JULY TO 24 SEPTEMBER 2018)	30
	GOVERNANCE	36
13.	STATE GOVERNMENT PART OWNERSHIP PROPOSAL FOR TASWATER.....	37
14.	COUNCIL ELECTRICITY SUPPLY CONTRACT	46
15.	MINISTERIAL DIRECTIONS - MONTHLY REPORT	53
16.	FINANCIAL PERFORMANCE REPORT TO 31 JULY 2018	56
17.	PROCUREMENT EXEMPTIONS - MONTHLY REPORT.....	59
18.	NOTICES OF MOTIONS – QUESTIONS ON NOTICE / WITHOUT NOTICE	62

CLOSED TO MEMBERS OF THE PUBLIC	62
19. CONFIRMATION OF MINUTES (CLOSED MEETING)	62
20. APPLICATIONS FOR LEAVE OF ABSENCE.....	62
GOVERNANCE	62
21. AUDIT PANEL - TENURE AND REMUNERATION	62
22. AUDIT PANEL CHAIR'S ANNUAL REPORT 2017-18	63
23. NOTICES OF MOTIONS – QUESTIONS ON NOTICE / WITHOUT NOTICE (CLOSED)	63

1. APOLOGIES

2. CONFIRMATION OF MINUTES (OPEN MEETING)

That the minutes of the Council Meeting held on 27 August 2018 be confirmed.

3. ANNOUNCEMENTS BY THE CHAIR

4. PECUNIARY INTEREST NOTIFICATION

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Geoff Lucas, Granton

[All answers are extracts from the Mayor's written response to Mr Lucas]

Q: Why did Council 'invoice' ratepayers \$2.8m to repay a Federal Government grant for the Derwent Park Stormwater Harvesting Project?

A: As I noted during the meeting, Council's 2018/19 budget includes a \$2.8m contingency amount for potential liabilities that Council may face during the financial year.

It is misleading to state (as you did) that the contingency is to repay the Federal Government grant for the Derwent Park Stormwater Harvesting Scheme. As I also noted in the meeting, the contingency is in respect of a number of potential liabilities. While I am unable to provide a detailed list of the matters to which the contingency amount relates, I can advise that it includes potential expenses related to:

- closure of the reuse component of the the Derwent Park Stormwater Harvesting and reuse scheme
- potential legal claims against Council arising out of issues considered in the Board of Inquiry report, the Auditor General's report and the Integrity Commission Report (which I am unable to elaborate on), and
- the ongoing problems with the KGV Sports and Community Precinct.

It would be profoundly irresponsible and a gross breach of Council's obligations to the community not to set funds aside in anticipation of those matters, however hopeful we might be that those funds will not be required and can be re-allocated to purposes of greater benefit to the community in the future.

Accordingly, as much as I would prefer that those funds were able to be spent on other things, until we know the outcome of the matters that they relate to we need to ensure that we have the money to pay those liabilities as they fall due.

Q: The potential amount that you would have to pay back to the federal government (\$9.1m) seems to align with the sale of the DEC. Is there a link between the two?

A: There is no link between these two potential events.

There is no certainty that Council will be required to either repay the grant amount (and we are negotiating with the Federal Government department in that regard) or that Council will be able to find a buyer for the DEC.

Council foreshadowed potential asset sales during the public consultation about its 2018/19 budget process, as a potential way of improving our financial position. As I have noted during Council meetings, the proposal to consider selling the DEC was instigated following an approach made to Council by the consortium (led by Justin Hickey) which is currently seeking to purchase it.

Q: Why are you telling everyone that you are saving Glenorchy from insolvency when the Auditor General's Report indicates that there was an underlying surplus ratio of 1.1% for 2016/17 and a ratio of -0.8% for 2015/17 (which is very close to surplus)?

A: Extracting, as you have, a single statistic from the Auditor General's report to attempt to demonstrate (inaccurately) that Council was in a stable financial position prior to this year's budget is misleading.

The Auditor General's report provides commentary on how the 'Underlying Result' in the report was calculated (the underlying surplus ratio is an extrapolation of that figure). The report relevantly states as follows on page 8:

"For the purpose of calculating a council's Underlying surplus or deficit (underlying result), we have relied on the definition of Underlying surplus or deficit in the Local Government (Management Indicators) Order 2014, as follows:

*‘...underlying surplus or deficit is the amount that is **the recurrent income** (not including income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature) of a council for a financial year **less the recurrent expenses of the council for the financial year**’.*

We worked with the Department of Premier and Cabinet’s (DPAC) Local Government Division (LGD) and provided further guidance to councils to ensure consistent calculation of underlying results.

The Underlying surpluses or deficits reported in this Report agree to the management indicator disclosed in council financial statements in all cases for 2016-17.

The intent of the underlying result was to show the outcome of a council’s normal or usual day-to-day operations. It was intended to remove extraneous factors that could create volatility and therefore make it difficult for users to understand the outcome of a council’s normal operations.” [my emphasis added]

The underlying surplus ratio figure is, in effect, a hypothetical representation of Council’s ordinary operating revenue less expenditure, without considering extraordinary revenue or expenses that do not form part of the ‘recurrent’ income or expenditure of a Council. As has been well documented, Council has faced a range of extraneous factors that have adversely affected our budget position in the last, and preceding, financial years (for example, the Board of Inquiry costs, associated legal costs, and a number of project failures). These are expenses that are not taken into account in calculating the underlying surplus ratio figure. It should also be noted that Council’s financial performance KPIs set a target of an underlying surplus ration of between 2.5 and 5%, which is well above what was achieved last financial year.

While I am pleased that the ratio has improved from previous years, that figure is a single, largely hypothetical statistic, that does not provide a representation of Council’s budget position as a whole.

Council’s actual operating result for the 2016/17 financial year was a \$673,000 deficit. Our forward projections based on the financial modelling adopted in the Long Term Financial Management Plan showed that Council’s cash balance would be reduced to zero (i.e. Council would, quite literally, run out of money) by the 2019/20 financial year. The key budget risks that we face over this coming and future years are outlined in detail in the report to Council at the 25 June Council meeting at which the budget was adopted. I would encourage you to read that report to gain a true understanding of Council’s financial position.

Further, I am not aware of whether you attended the Community Budget Briefing session which was held on 19 June 2018 prior to adopting the budget. The briefing included a comprehensive update on Council's financial position given by the General Manager. You can view a video recording of the entire briefing on Council's website (<https://www.gcc.tas.gov.au/articles/2018-19-budget.aspx>).

Q: Can I have a list of what the \$2.8m contingency is for?

I have provided a summary of how this amount is comprised in the answer to the first question. I am unable to provide any further details.

James Bryan – 14 England Avenue, Montrose

Q: It is not clear to people that there are three rates that are paid for the use of the DEC. There is a commercial fee, a community fee and a fee paid by the Glenorchy City Council. For example, the Astley Room costs \$880 for commercial use, \$550 for not-for-profit community organisations and the Glenorchy City Council pays \$350 per day. This suggests that the DEC has strong community use and is a valuable asset and that there isn't anything similar in Glenorchy?

At the 27 August Council meeting, Mr Bryan was advised that statistics about the DEC use would be provided. Those statistics are still being collated at the date of publication but will be provided to Mr Bryan prior to the Council meeting.

Janiece Bryan - Montrose

Q: The \$234,000 loss that was recorded in the annual report included \$414,000 spent on materials and contracts related to the installation of the sports floor for basketball (\$211,035) and a contract for technical and production services. In addition, all we can see is a \$377,000 drop in revenue last financial year since the Hobart Chargers started using the DEC. If we take out the funds spent by ratepayers on basketball and the drop in hire charges, then the DEC would have made a profit of approximately \$557,000 last year. The Council needs to explain. If the hire charges with the Hobart Chargers were commercial charges, we need to know the details of the contract that was signed with them.

A: Council's annual report recorded that during the 2016/2017 financial year the DEC returned an operational deficit of \$234,000. The report also recorded \$414,000 spent on materials and contracts. This expenditure is across all functions/events that the DEC holds and across the entire year. It does not relate exclusively to basketball.

Further an amount of \$211,035 was expended on replacing the sports flooring that serves all court-based sports, including basketball and netball. This amount was funded through Council's Capital Expenditure Program and has no bearing on the operational loss that was recorded.

Council holds a current 3 year agreement with the Hobart Charges Basketball Association at the DEC. The details of that contract are commercial-in-confidence, so I am unable to disclose them to you.

6. PUBLIC QUESTION TIME (15 MINUTES)

Council received the following public questions on notice:

Bob Holderness-Roddam – Austins Ferry

1. Given two properties with similar AAVs, what are the comparable rates for Clarence, Glenorchy and Hobart?
2. What have been the percentage rate increases for each of the past five years for Clarence, Glenorchy and Hobart?

Answers will be provided at the Council meeting.

7. PETITIONS/DEPUTATIONS

COMMUNITY

8. ANNOUNCEMENTS BY THE MAYOR

Author: Mayor (Ald. Kristie Johnston)
Qualified Person: General Manager (Tony McMullen)
ECM File Reference: Mayoral Announcements

Community Plan Reference:

Under the *City of Glenorchy Community Plan 2015 – 2040*, the Community has prioritised 'transparent and accountable government'.

Strategic or Annual Plan Reference:

Objective 4.1 Govern in the best interests of the community

Strategy 4.1.1. Manage Council for maximum efficiency, accountability and transparency

Reporting Brief:

To receive the announcement of events by the Mayor.

Proposal in Detail:

The following is a list of events and meetings the Mayor has attended during the period Tuesday, 21 August and Monday, 17 September 2018.

Tuesday, 21 August 2018

- Attended a meeting with a resident
- Numerous media engagements relating to the Special Council Meeting

Thursday, 23 August 2018

- Attended meeting with a business representative

Friday, 24 August 2018

- Attended a dinner with Madam Speaker, Sue Hickey MP

Saturday, 25 August 2018

- Attended the opening of the new premises for the Northern Suburbs Table Tennis League in the Kable Building at the Glenorchy YMCA
- Attended the Claremont Fire Brigade Open Day
- Attended the Glenorchy Community Fund Gala Dinner

Sunday, 26 August 2018

- Attended the Davidson's Magnolia Garden Open Day
- Attended the Glenorchy v Clarence Women's AFL game at KGV
- Attended the Teej Festival Celebration 2018

Monday, 27 August 2018

- Attended a meeting with the YMCA
- Chaired the Council Meeting

Tuesday, 28 August 2018

- Attended a meeting with UTAS Vice Chancellor Rufus Black
- Attended a meeting with business representatives

Wednesday, 29 August 2018

- Attended the Dominic College Creative Arts Festival opening

Thursday, 30 August 2018

- Attended a meeting with Robert Clifford
- Opened the Moonah Moves Program at the Moonah Arts Centre
- Participated in the Salvation Army Sleep Out with the Salvos

Saturday, 1 September 2018

- Attended the launch of the Bee Book written by children from the Goodwood Community Centre
- Officially opened the Claremont Daffodil, Camellia and Spring Flower Show
- Attended the Football Federation of Tasmania Awards Evening

Monday, 3 September 2018

- Chaired a Council Workshop

Tuesday, 4 September 2018

- Attended a meeting with a resident
- Attended a meeting with a resident

Wednesday, 5 September 2018

- Attended a meeting of the metropolitan mayors to discuss the Hobart City Deal
- Attended a meeting with a community representative

Friday, 7 September 2018

- Attended the Claremont Junior Football Trophy Presentation Night

Saturday, 8 September 2018

- Attended the Glenorchy v Lauderdale Seniors AFL Game at Blundstone Arena

Monday, 10 September 2018

- Attended a meeting with representatives from the Football Federation of Tasmania

Tuesday, 11 September 2018

- Attended a meeting with Cassy O'Connor MP
- Attended a meeting with a resident
- Attended the Goodwood Community Centre AGM

Wednesday, 12 September 2018

- Attended St Therese Primary School for the hand-over of the Friendship Seat

Thursday, 13 September 2018

- Attended the RUOK Day activities on the Council Lawns

Friday, 14 September 2018

- Attended Bucaan Community House AGM
- Attended the Investiture of Queen's Honours at Government House
- Attended the Glenorchy District Junior Football Club Best and Fairest Trophy Presentation.
- Attended the Glenorchy Knights Trophy Presentation Night

Saturday, 15 September 2018

- Attended the Tasmanian State League Women's AFL Grand Final Glenorchy v Clarence at UTAS Stadium in Launceston

Sunday, 16 September 2018

- Attended and laid a wreath at the 78th Commemorative Service of the Battle of Britain
- Attended the Best and Fairest Count for the Glenorchy District Football Club Women's team
- Attended the 10th Tasmanian Chinese Mid-Autumn Festival Concert

Monday, 17 September 2018

- Attended the Citizenship Day Ceremony at Government House
- Chaired the Council Workshop
- Attended as guest speaker the Claremont Garden Club General Meeting

A significant number of other internal Council meetings and administrative duties were also undertaken.

Consultations:

Nil.

Human Resource / Financial and Risk Management Implications:

Nil.

Community Consultation and Public Relations Implications:

Nil.

Recommendation:

That Council:

RECEIVE the announcements about the activities of the Mayor's Office during the period from Tuesday, 21 August to Monday, 17 September 2018.

Attachments/Annexures

9. HEALTHY COMMUNITIES ADVISORY COMMITTEE

Author: Community Development Coordinator (Jill Sleiters)

Qualified Person: Acting Director Community, Economic Development and Business (David Ronaldson)

ECM File Reference: Sport and Recreation Advisory Committee (SARAC)

Community Plan Reference:

Leading Our Community

We will be a progressive, positive community with strong council leadership, striving to make Our Community's Vision a reality.

Strategic or Annual Plan Reference:

Leading our Community

- Objective 4.1 Govern in the best interests of our community
- Strategy 4.1.1 Manage Council for maximum efficiency, accountability and transparency
- Strategy 4.1.2 Manage the City's assets soundly for the long-term benefit of the community
- Objective 4.3 Build Strong relationships to deliver our communities goals
- Strategy 4.3.1 Foster productive relationships with other levels of government, other councils and peak bodies to achieve community outcomes

Reporting Brief:

To recommend that Council endorses updated Terms of Reference for Council's Sport and Recreation Advisory Committee and rename it the Healthy Communities Advisory Committee.

Proposal in Detail:

Council's Sport and Recreation Advisory Committee (**SARAC**) is a special committee of Council, established under section 24 of the *Local Government Act 1993*. At the 30 July 2018 Council meeting, Aldermen Thomas and Sims were appointed as Aldermanic representatives on SARAC.

In August, SARAC met with the appointed Aldermen, other committee members (including representatives of the community) and Council Officers to review its Terms of Reference (**ToR**) in accordance with Council's recently adopted Committee's Directive and Policy (30 July 2018) to reflect its role relating to the Glenorchy Healthy Communities Plan 2014-2023 (which was adopted in 2014).

A proposed updated TOR is Attachment 1 to this report. A copy of the existing Committee Detail Sheet for SARAC is included for the purposes of comparison as Attachment 2.

Other than to comply Council's new template for committee terms of reference, the TORs have been updated to reflect the role of SARAC in relation to the *Glenorchy Communities Plan 2014-2024*, which was adopted in 2014.

As presented to Council in July the purpose of SARAC remains:

- to improve health and wellbeing of the people of Glenorchy through increased awareness of, and participation in, physical and wellness activities, and
- to contribute to the three specific goals in the *Glenorchy Healthy Communities Plan 2014 -2023*:
 1. a natural and built environment that encourages active lifestyles and healthy eating
 2. a cohesive and inclusive community with well-developed social and community assets and networks, and
 3. improved health knowledge, practices and lifestyles specifically, the committee monitors, contributes to and advises council on the actions in the plan that relate to organised sport and recreation.

It is important to note that the committee's scope now includes consideration of all physical activity. In the current version of the ToRs, cycling was excluded and was managed by the former Tracks and Trails Committee. Cycling is now encompassed in the SARAC portfolio in the proposed ToR.

As mentioned above the *Healthy Communities Plan 2014 – 2023* was adopted in 2014. The plan added further dimensions to the previous Council Recreation Plan, focusing not only on active recreation but also on other areas where Council can impact on health issues, such as chronic disease and mental health. In line with this evolution, it is suggested that the name of SARAC evolve accordingly and be changed to the Glenorchy City Council Healthy Communities Advisory Committee.

In support of this proposed revised structure, the committee will provide strategic advice to Council, monitor progress and request council action and recommendations specifically on matters relating to the Healthy Communities Plan 2014-2023.

If the updated ToR is endorsed as recommended, Council officers will move to advertise the six (6) community positions on the committee in accordance with the Council's adopted Committees Framework.

Consultations:

Acting Director, Community, Economic Development and Business

Acting Manager, Community and Customer Service

Acting Manager, Property Assets

Coordinator Community Development

Healthy Communities Development Officer

Community Members of the Sport and Recreation Advisory Committee.

Human Resource / Financial and Risk Management Implications:Financial

There are no material financial implications.

Human resources

The existing and proposed ToR require the assistance of two (2) Council officers to serve on the committee. This is unchanged from the previous committee model.

Risk management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation The updated TOR and scope of the committee mean that it does not function as intended.	Minor (C2)	Unlikely (L1)	Low	Monitor progress and review revised TOR in 12 months.
Do not adopt the recommendation The committee will remain focused only on sport and recreation to the exclusion of the broader health and wellbeing needs and outputs for the Glenorchy community.	Minor (C2)	Possible (L3)	Moderate	Monitor the effectiveness of the Committee and implementation of the Healthy Communities Plan.

Community Consultation and Public Relations Implications:Community consultation

The Health and Wellbeing plan was developed through broad consultation with the community in 2013. A survey was distributed to 425 Glenorchy Matters Community Panel members and 193 members of the then Community Precinct Program.

A survey link was placed on council's website and the survey link was also provided to approximately 200 members of special committees of Council and sport and recreation organisations within the community.

Existing members of the SARAC committee have been consulted and provided skilled input in this process.

Public relations



This is a potential 'good news story' for Council in aligning the committee with Council's adopted Health and Wellbeing Plan to consider Council's work in this area and providing important advice to Council in this area.

Recommendation:

That Council:

1. APPROVE the revised Terms of Reference for the Sport and Recreation Advisory Committee, which include changing its name to the Healthy Communities Advisory Committee, and
2. REQUEST a report on the community members recommended for appointment to the Committee once the application process is complete.

Attachments/Annexures

- 1  Healthy Communities Advisory Committee (formerly SARAC) Terms of Reference
- 2  SARAC Committee Detail Sheet

10. CHILD CARE CONNECTIONS POLICY AND PROCEDURES REVIEW

Author: Acting Manager, Community and Customer Service (Kate Whitbread)

Qualified Person: Acting Director, Community, Economic Development and Business (David Ronaldson)

ECM File Reference: Child Care Connections

Community Plan Reference:

Under the *City of Glenorchy Community Plan 2015 – 2040*, the Community has prioritised 'transparent and accountable government'.

Strategic or Annual Plan Reference:

1.2.2.09 Operate Council's Child Care Centres in accordance with the Education and Care Services National Law and Regulations.

Reporting Brief:

The purpose of this report is to recommend that Council adopts six (6) revised Child Care Connections Policies and Procedures.

Proposal in Detail:

Previous reports to Council have presented groups of Child Care Connections policies and procedures for adoption as per the *Education and Care Service National Law Act 2010 (ECSNL)*. Policies and procedures at Child Care Connections are reviewed through a two (2) year cycle, or as required.

The six (6) attached policies have been reviewed and are recommended to Council for adoption.

Compliance

Under section 28(2)(b) of the *Local Government Act 1993*, Council has certain statutory requirements with respect to policies (including Child Care Connections policies) that all policies must be approved by Council.

Council currently operates two approved child care centres within the municipality which are covered by the relevant Education and Care Services legislation (Benjafield Centre, Moonah and Berriedale Centre, Berriedale).

Under the ECSNL, it is a mandatory requirement that an approved provider of an education and care service keeps prescribed documents available for inspection by an authorised officer (see section 175 of the ECSNL).

The *Education and Care Services National Regulations (Regulations)*, regulation 168, provides that Council must ensure that the service has in place a range of legislated policies and procedures.

Policy Updates

In line with the continuing review of Council policies, Council's Child Care Connections team, headed by the Acting Manager, Community and Customer Service has reviewed the following Child Care Connections Policies and Procedures:

Attachment	Policy/Procedure Title	Summary of changes
1	Code of Conduct	Updated Source, Changes to reflect current ECA Code of Ethics, References to the GCC Code of Conduct, Updated Philosophy Statement
2	Dealing with Complaints	Updated terminology and Department name
3	Death of a Child/Serious Incident	Updated source documents, title of Director and flow chart
4	Delivery and Collection of Children	Updated source information and terminology, Included Duress Alarm Info
5	Dental Health	Updated terminology and removed duplication of information
6	Emergency Evacuation and Lockdown	Updated Department Name, terminology, included Lockdown procedure as per Regulation 97, revised Practise Documentation form, Inclusion of information regarding Bomb Threat, and duress alarms

The Child Care Connections Policy and Procedures review also included the following:

- consultation and feedback with key stakeholders, educators, families and Council management
- updated information made in line with current recommendations by recognised child care specific authorities, and
- updated requirements in line with changes to the ECSNL, Regulations and the relevant National Quality Standard.

Due to the specific nature of the Child Care Connections Policies and Procedures, the attached policies are in a different form to Council's policy template and are proposed to remain in that form.

Consultations:

Key stakeholders, educators, families and Council management were consulted and provided input into the revised Child Care Connections policies and procedures.

Human Resource / Financial and Risk Management Implications:

There are no material human resources or financial implications.

From a compliance perspective, under the ECSNL Council could be liable for a penalty of \$20,000 if it does not keep the prescribed policies and procedures (and other prescribed documents) available for inspection by an authorised officer: section 175(1).

Furthermore, it is an offence under the Regulations:

- not to have the policies and procedures in place (\$1,000 – regulation 168(1))
- not ensuring policies and procedures are being followed by the nominated supervisor, staff and volunteers (\$1,000 – regulation 170(1)), or
- are readily available (\$1,000 – regulation 171(1)).

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation	Minor (C2)	Unlikely (L2)	Low	Child Care Connections management to conduct ongoing monitoring of policies and their implementation to ensure they are meeting requirements.
Adopted policies may not achieve stated aims or may not be considered satisfactory by the Department leading to requirement to update policies or change implementation practices.				
Do not adopt the recommendation	Moderate (C3)	Likely (L4)	Notable	Identify deficiencies in proposed policies and require that a further report be presented to Council at the next meeting addressing issues and seeking adoption of policies.
If recommended Child Care Connections policies and procedures are not adopted, then governance control effectiveness is less optimal, and Council may be subject to adverse regulatory action				

Community Consultation and Public Relations Implications:Community consultation

Key stakeholders, educators, families and Council management were consulted and provided input into the revised Child Care Connections policies and procedures.

It is noted that under regulation 172, Council as the approved provider of an education and care service must ensure that parents of children enrolled at the service are notified at least 14 days before making any change to a policy or procedure referred to in regulation 168 that may have a significant impact on:

- the services' provision of education and care to any child enrolled at the service or
- the family's ability to utilise the service.

Public relations

- There are no material public relations impacts.

Recommendation:

That Council:

1. ADOPT the Child Care Connections Code of Conduct in the form of Attachment 1
2. ADOPT the Child Care Connections Dealing with Complaints policy in the form of Attachment 2
3. ADOPT the Child Care Connections Death of a Child/Serious Incident policy in the form of Attachment 3
4. ADOPT the Child Care Connections Delivery and Collection of Children policy in the form of Attachment 4
5. ADOPT the Child Care Connections Dental Health policy in the form of Attachment 5, and
6. ADOPT the Child Care Connections Emergency Evacuation and Lockdown policy in the form of Attachment 6.

Attachments/Annexures

- 1 [Code of Conduct Policy](#)
- 2 [Dealing with Complaints Policy](#)
- 3 [Death of a Child/Serious Injury Policy](#)
- 4 [Delivery and Collection of Children Policy](#)
- 5 [Dental Health Policy](#)
- 6 [Emergency Evacuation and Lockdown Policy](#)

ENVIRONMENT

11. TOLOSA PARK DAM DECOMMISSIONING AND REMEDIATION

Author: Acting Manager, Environment and Development (Alex Woodward)

Qualified Person: Director, Infrastructure and Works (Ted Ross)

ECM File Reference: Tolosa Park Decommissioning and Remediation

Community Plan Reference:

Making Lives Better

Our lives will be enhanced by using good design to create safer, more welcoming public spaces. Community facilities and services are important to us; especially meeting place, parks and playgrounds.

Valuing our Environment

The active involvement of the community means we will maintain and enjoy our natural treasures like Wellington Park, Tolosa Park, Montrose Bay, Goulds Lagoon and Myrtle Forest.

Strategic or Annual Plan Reference:

Making Lives Better

Objective 1.1 Know our communities and what they value.

Strategy 1.1.2 Guide decision making through continued community engagement based on our community plan.

Leading our Community

Objective 4.1 Govern in the best interests of our community.

Strategy 4.1.2 Manage the City's assets soundly for the long-term benefit of the community.

Objective 4.2 Prioritise resources to achieve our communities' goals.

Strategy 4.2.1 Deploy the Council's resources effectively to deliver value.

Reporting Brief:

To present a Business Case to Council providing options for the decommissioning and remediation of the Tolosa Dam Site and recommend that Council approves the removal of the dam embankment by TasWater, and reinstatement of landscaping.

Proposal in Detail:**Background:**

In 2014 Council signed a Memorandum of Understanding with TasWater to decommission the dam at Tolosa Park by September 2019. In June 2018, staff reported the results of a community survey undertaken to gauge community views and preferences on remediation of the dam to Council.

The report noted that the feedback went beyond the reservoir and voiced a need to consider the future of Tolosa Park and the broader open space network. Given the feedback received, it was considered that a higher priority should be to focus on delivering immediate and sustainable infrastructure improvement (while recognising that a master plan would still be required).

Council resolved that the recommendations in the Community Feedback Report would be considered in future planning of capital expenditure within Tolosa Park and prioritised in future open space planning within the wider Glenorchy municipality. Council directed the General Manager to instruct Council officers to prepare a business case, including further public consultation on two specific options.

In August this year, a community survey was undertaken to gauge the public's preferences in relation to the two options, which are:

- **Option 1:** Removal of dam embankment by TasWater, reinstatement of landscape and no further development. This would involve rehabilitating the area to natural bushland, wetlands and trees similar to the surrounding parkland, or
- **Option 2:** Embankment to be retained and the empty reservoir filled with clean fill and levelled off to form a large, flat area for recreational activities.

Business Case:

In response to Council's resolution, and following the community survey, Council staff developed a Business Case which evaluates the two options in light of the organisation's objectives, the likely cost, community support, risk and landfill capacity issues (Business Case).

The Business Case is Attachment 1 to this report.

The Business Case outlines that Option 1 received stronger support from the community within the surveys, poses a significantly lower risk than Option 2 and is more financially prudent. It also presents significantly lower risks for Council because the outcomes will be known and will not be dependent on external factors such as the availability of cleanfill. In addition, the responsibility of the decommissioning and site remediation will rest with TasWater rather than Council.

While Option 2 does provide opportunities for disposal of clean fill from developments (such as the proposed MONA Hotel), it presents significant risk and likely cost to Council. Option 2 would see Council effectively taking responsibility as the dam owner in terms of implementation of any agreed plan.

This would require engagement of consultants and obtaining approval for a change to the decommissioning plan. The dam regulator, DPIPWE, has advised that any decommissioning plan would need to include an upgrade of the cut off drain from a 1 in 20 year to a 1 in 100 year flood standard. This would require significant investment by Council. In addition to this requirement, Council would not have certainty that the amount of cleanfill would be available to fill the dam site, or that the fill would be of a suitable standard and not be contaminated.

If Council does decide to progress with Option 1, it would be vital that the design and construction be undertaken to a high standard to ensure that Council inherits an asset that is easily maintained at a minimum cost to the community. To assist with this, Council Officers would need to negotiate with TasWater to mitigate any risks. This would need to include an agreement around the quality of construction and post construction performance management (e.g., holding a bond on the project or TasWater overseeing an extended defect/maintenance period). An appropriate maintenance period would also need to be a precondition to any agreement with TasWater.

This report recommends that the General Manager is delegated the powers to enter into such an agreement with TasWater.

It is noted that as a part of the project, Council's Planning Staff will be consulted to determine whether a Development Approval will be required under the *Land Use Planning and Approvals Act 1993* and the Glenorchy Interim Planning Scheme 2015. While the Reservoir is not currently heritage-listed, advice will be sought from Council's Heritage Officer on opportunities for interpretation in a public open space context and any attendant budgetary limitations. In this regard, the intake structure and profile of the dam are potentially subjects for interpretation, noting the former will likely require reduction to an, as yet, unspecified extent to address structural and safety concerns.

Other Options:

The Business Case sets out the reasons for the recommendation that Council progresses Option 1, which include that Option 1 has more community support than Option 2.

Comments from supporters of both options, as well as those who didn't like either option, refer to the need for an affordable but versatile solution. Several responders commented that they would prefer the Council takes the time to reach 'the right outcome'. As well, the decision on the Tolosa Dam decommissioning and remediation could also impact on the options available to respond to issues such as the significant amount of fill from the proposed MONA redevelopment.

It is noted that there are other options for the disposal of clean fill. For example, Council may consider investigating the potential to dispose of this fill as part of the decommissioning of the Limekiln Gully Reservoir by TasWater (which is planned). Some of the benefits from Option 2 could be transferred to this project.

There are also possibilities for some type of 'hybrid' option which would involve partially filling the dam and removing the top of the embankment. This would require an engineering assessment to determine a safe height for the dam and any other measures necessary to mitigate the safety issues. It would also require negotiations with TasWater, keeping in mind the timeframes that they have identified.

Conclusion:

The business case provides a detailed comparison of the two options and recommends that Council proceed with Option 1. By adopting this recommendation Council would limit its exposure to potential risks, whilst also ensuring the community receives a quality outcome for the significant community asset that is Tolosa Park.

Consultations:

Tolosa Park Steering Committee
Executive Leadership Team
Community Planning and Engagement Unit
Operations and Maintenance Supervisor
Landfill Coordinator
TasWater
MONA

Human Resource / Financial and Risk Management Implications:

Financial

The Business Case has highlighted key differences between the two options in regard to the level of financial uncertainty. Council's outlay under Option 1 is estimated to be around \$140,000 with annual maintenance costs of between \$60,000 to \$100,000 following handover.

The costs of Option 2 are more difficult to estimate. A payment from TasWater has been agreed in-principle but has not been quantified. The costs of undertaking the works and operating the site for clean fill cannot be adequately estimated at this stage but would be likely to be significant.

While Council may receive up to \$1m upfront from TasWater for Option 2, it is noted that the cost of operating the site does not provide any guaranteed return. Under Option 2 it could potentially end up costing us significantly more than the \$1m provided by TasWater. In other words, while there might be a short-term benefit there are significant risks to Council in the longer term.

Human resources

Council has resources in place to continue to manage the Tolosa Park Dam decommissioning and remediation and the delivery of projects that are recommended in the Report.

Risk management

The attached business case discusses and compares the risks of each option in further detail.

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation	Moderate (C3)	Possible (L3)	Moderate	Council continues to engage with the community during any decommissioning and remediation of the Tolosa Park dam and communicates its intentions to deliver a number of improvements to open space areas as part of the 2019/20 capital works program.
Community expectations for the future of Tolosa Park and delivery of improvements to open space are not met leading to community frustration				
Failure to reach a satisfactory agreement with TasWater leading to ongoing uncertainty on the future of the site and a potential loss of control	Moderate (C3)	Unlikely (L2)	Moderate	Council officers engage productively with TasWater and provide updates to Council on the progress of negotiations to give Council sufficient oversight of the process.
Delays in the completion of the project adversely impact the amenity of Tolosa Park and surrounding areas.	Minor (C2)	Possible (L3)	Moderate	An adequate project plan is put in place and robust project management practices are engaged in during construction. Council is kept informed of progress.
TasWater has insufficient funds to remediate the site to a suitable standard.	Minor (C2)	Possible (L3)	Moderate	Council will ensure that a detailed design and costings will be produced by TasWater. Once completed agreement will be entered into between the two organisations.
Do not adopt the recommendation	Major (C4)	Possible (L3)	Notable	That an alternative solution is agreed on as a matter of urgency and Council receives an update at its next ordinary meeting.
A proposed alternative option with larger impacts does not secure planning approval, or approval from DPIPWE and protracted uncertainty of the site.				

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
DPIWE refuses to extend the decommissioning licence during ongoing negotiations leading to a loss of control of the project by Council	Major (C4)	Possible (L3)	Notable	That an alternative solution is agreed on as a matter of urgency and Council receives an update at its next ordinary meeting.
Council proceeds with Option 2 leading to significantly increased risk and disruption to the Tolosa Park site for an extended period while it is filled, leading to a loss of amenity and potential high expenditure by Council.	Major (C4)	Possible (L3)	Notable	An adequate project plan is put in place and robust project management practices are engaged in during construction. Council is kept informed of progress. A specialist consultant is engaged specifically to advise on, manage and mitigate project risks.

Community Consultation and Public Relations Implications:

Community consultation

The high response rate to the survey demonstrates a high degree of interest in Tolosa Park and the value placed by the community in open space. Ongoing engagement with the community is required as part of developing projects, future planning for Tolosa Park, business plan development, and broader strategic work in Council's open space areas.

Public relations

It is recommended that Council place the report on Council's website, publish the findings in the Glenorchy Gazette, and distribute copies to stakeholders who were provided with the survey.

Recommendation:

That Council:

1. RECEIVE and NOTE the Business Case on the Tolosa Dam decommissioning and remediation ([Attachment 1](#))
2. APPROVE Council proceeding with Option 1 as outlined in the Business Case, being the Removal of dam embankment by TasWater and the remediation of the site (including the reinstatement of landscaping), and
3. DELEGATE to the General Manager the authority to negotiate and enter into and sign an agreement with TasWater to give effect to the resolution in paragraph 2 (above) on behalf of Council.

Attachments/Annexures

- 1 [Tolosa Park Dam Decommissioning and Remediation Business Case](#)

12. GLENORCHY CBD REVITALISATION PROJECT - PROGRESS UPDATE (31 JULY TO 24 SEPTEMBER 2018)

Author: Project Manager - Major Projects (Greg Fox)
Director Infrastructure and Works (Ted Ross)

Qualified Person: Acting Director Community, Economic Development and
Business (David Ronaldson)

ECM File Reference: CBD Steering Committee

Community Plan Reference:

Valuing Our Environment

We will value and enhance our natural and built environment. Our central business district (CBD) areas of Glenorchy, Moonah and Claremont will be revitalised, with a strong emphasis on great design, open spaces and public art.

Open for Business

We will create a strong economy and jobs for the future. We will encourage business diversity, innovation and new technologies to stimulate jobs, creativity and collaboration. We will be a place where business can establish, continue and flourish.

Strategic or Annual Plan Reference:

Objective 3.1 Create a liveable and desirable City

Strategy 3.1.1 Revitalise our CBD areas through infrastructure improvements

Action 3.1.1.01 Implement the Glenorchy CBD Strategic Framework.

Reporting Brief:

To provide the bi-monthly update on the progress of the Glenorchy CBD Revitalisation Project to Council.

Background:

This report covers the period from 31 July to 24 September 2018.

Project Status:**1. Project Budget and Delivery Schedule**

The estimated cost of the CBD Revitalisation Project is \$5.795M (inclusive of the \$0.5M Public Space Enhancement grant, see below). The project is expected to be constructed over the 2017-18, 2018-19 and 2019-20 financial years. The following is a snapshot of the current status of the project:

- Stage 1 – Peltro St: is now complete
- Stage 2 – Barry St to O’Briens Bridge commenced in July 2018 and is expected to be completed by end-Sept 2018, and
- Stage 3 – Terry St to Barry St is currently in preliminary and detailed design stages, and is expected to have works commence in early 2019 with completion by June 2019.

2. Public Space Enhancement Grant

Council wrote to the Department of State Growth requesting that the Public Enhancement Grant of \$500,000 be transferred to assist in the funding of Stage 3. State Growth approved this change on 4 September 2018 with the grant expected to be acquitted by 30 June 2018.

3. Transition of the CBD Steering Committee

The role of guiding the objectives and scope of the CBD Revitalisation Project has reached a conclusion as detailed design and construction for Stage 3 of this project commences.

Moving forward, two functions have been identified that need to be resolved:

- ongoing strategic work within the CBD, and
- the need to provide ongoing community engagement.

A Project Reference Group (discussed further below) will be created to engage with the community and businesses in relation to the delivery of the project including minimising disruption and maximising the benefits of the revitalisation.

At the last CBD Steering Committee meeting on 29 August 2018, a strategic spatial workshop was undertaken reviewing a broader agenda. It was identified at the workshop that an overarching governance body is required to form a broader approach to strategic direction. A group like the current Glenorchy CBD Steering Committee has the potential to take on this role. The name, role, and membership of the Committee is therefore under review.

It is proposed that further strategic planning workshops occur to identify opportunities such as:

- alignment of spatial strategies across all of Council
- development clearly defined parameters for project prioritisation, and/or
- the creation of a clear spatial strategy.

While the work continues, the outcome of the strategic planning workshops will be periodically reported to Council.

4. Public Art

Public art is recognised through the community plan and the concept urban design report to be an integral part to the success of the project. The process for public art to be implemented as part of this project has been discussed by the CBD steering committee.

A draft Expression of Interest (EOI) has been distributed for review. The EOI calls for interested parties to provide concepts, consult with the community and prepare final presentation for consideration.

The current timeline being considered for this aspect of the project is as follows:

- 2018: develop a brief, EOI process, artist selection
- 2019: community engagement, design development, planning permit, and
- 2019: fabrication and installation (still to be finalised based on project schedule)

6. Current Key Project Activities

- completion of Stage 2
- Project Management Plan (PMP), Project Schedule and Project Risk Register have been completed
- a lighting consultancy (Frontline Electrical) has been contracted to supply final lighting concepts and costings
- an urban design consultancy (Inspiring Place) has been contracted to supply final designs and costings with regard urban streetscape elements and design
- first elements of works for Main Road (Stage 3) expects to be completed by November 2018 for works being undertaken from January to June 2019, and
- a Stakeholder Communications Plan has been drafted and distributed to the Project Team for review and comments.

7. Next Steps and Future Tasks

- review and finalisation of the Stakeholder Communications Plan
- Council officers to review the proposed urban design initiatives that have been put forward for consideration by the urban design consultants and provide recommendations on the final treatments, materials and products to be used throughout the project
- project costs to be finalised
- specialist arborist advice to be sought for existing and new street trees
- Council is to continue liaising with the Department of State Growth regarding obtaining approval for the proposed raised table pedestrian crossing points (speed humps), and
- development of tactical urbanism / place activation activities in the study area. Tactical urbanism/place activation being low-cost, temporary changes to the street or public spaces, intended to facilitate activities and connections (cultural, economic, social, ecological) that define a place.

Human Resource / Financial and Risk Management Implications:

Risk management

A complete project risk register has been completed for the CBD Revitalisation Project (Stage 3) and forms part of the PMP (mentioned above in the key project activities). Mitigation strategies have been allocated to manage all risks to an appropriate level.

In response to comments received from Aldermen at the Council meeting on 30 July 2018, the summary of the high-level residual risks and the mitigation treatments for the project are identified in Attachment 1 to this report.

Council's Project Manager – Major Projects continues to review the project's process, documentation, schedule, budgets, risk register etc.

This review will determine project management best practices for not only this project but future projects (large or small) undertaken by Council.

Community Consultation and Public Relations Implications:

The project has been through an extensive community engagement process and has received widespread support for the concept designs that have been presented.

A Stakeholder Communications Plan is being developed for the project and will be finalised before the next report.

Council staff have been and will continue to consult with and provide updates to stakeholders (community and traders etc.) as the project develops.

The Project Reference Group

To efficiently engage with the businesses, operators and users of the Glenorchy CBD, a Project Reference Group (**PRG**) has been formed to liaise with Council officers during the implementation of the project.

The PRG is an advisory body only. The project team will be made aware of all matters raised by the PRG's members, however it is not obliged to act on them. The PRG will not be involved directly in the management of the project.

The role of the PRG is to:

- assist the City in communicating and engaging with building owners, business operators, customers and community members during the planning and implementation phases of the project
- provide comment and feedback on the project brief and the sequencing of project stages
- share current and accurate information
- advise on issues, questions and concerns raised throughout the project that impact on users of the street, and
- work through issues that may arise due to constraints and competing priorities.

The PRG will be comprised of up to ten representatives and two officers, as follows:

- up to four representatives from interested business owners, property owners and residents whose business or property is located within the project
- up to four representatives from Guilford Young School, Northgate Shopping Centre, Moonah Glenorchy Business Association and other local community organisations as appropriate
- a representative from Metro Tasmania
- a representative from Tasmanian emergency services
- a representative from Tasmanian Taxi Association
- Council's Manager, City Strategy and Economic Development (Convener), and
- Council's Project Manager – Major Projects.

The PRG will continue to meet for the life of the CBD Revitalisation Project.

Recommendation:

That Council:

RECEIVE and NOTE the CBD Revitalisation Project Bi-Monthly, Progress Report for the period of 31 July to 24 September 2018.

Attachments/Annexures

- 1  CBD Revitalisation Project Risk Register

GOVERNANCE

13. STATE GOVERNMENT PART OWNERSHIP PROPOSAL FOR TASWATER

Author: General Manager (Tony McMullen)

Qualified Person: General Manager (Tony McMullen)

ECM File Reference: TasWater

Community Plan Reference:

Leading Our Community

We will be a progressive, positive community with strong council leadership, striving to make Our Community's Vision a reality.

Strategic or Annual Plan Reference:

Leading Our Community

Objective 4.1 Govern in the best interests of our community

Strategy 4.1.1 Manage Council for maximum efficiency, accountability and transparency

Objective 4.2 Prioritise resources to achieve our communities' goals

Strategy 4.2.1 Deploy the Council's resources effectively to deliver value

Reporting Brief:

To determine Council's position on the State Government's part-ownership proposal for TasWater to assist the Mayor to vote at a special meeting of TasWater's Council owners to be held on 27 September 2018 which will formally consider the proposal.

Proposal in Detail:

Background

Following a water and sewer reform process in 2009, the State Government enacted legislation to take water and sewerage functions from local government and place them under three regional water and sewerage corporations.

In 2012, the State Government decided to amalgamate the three regional water and sewerage corporations into a single corporate entity, named TasWater.

TasWater is currently wholly-owned by Tasmanian Councils. This is an artefact of the initial reform process whereby local government argued successfully that it ought to maintain ownership and receive 'dividends' (owner payments) in relation to the assets that it was transferring to the new entity.

Glenorchy City Council successfully argued at that time that it ought to receive a priority dividend to assist its transition because it had been one of the few councils taking a profit from its water and sewer business (in line with Treasury Guidelines) and would be hardest hit from the reform. These priority dividends were always only transitional and have since been phased out.

TasWater has an independent Board, including an Owners' Representative (currently the Mayor of Northern Midlands Council, Councillor David Downie).

The State Government formed a policy position that it ought to take over ownership of TasWater, arguing on the public basis that Tasmania's water and sewerage infrastructure was below par (for example, the presence of boil water alerts in some Tasmanian towns, periodic sewerage spills and industry concerns about trade waste charges). It also argued that local government was taking excess dividends from the business, rather than reinvesting in the upgrade of the State's water and sewerage infrastructure and that the rate of capital investment was too slow and should be accelerated.

One of the Board's responses to the pressure from the State Government was to decide a reduction in the annual owner payments from \$30M pa to \$20M pa to assist in funding a 10-year capital investment program. This reduced payment kicked in in 2018/19, with the direct impact of a \$1.086M reduction in the dividend received by Glenorchy City Council to \$2.172M.

Councils and LGAT mounted an active campaign to resist the proposed State Government, fearing the loss of equity and owner payments, that might follow. The State Government introduced a Bill to Parliament that was ultimately defeated in the Legislative Council on the eve of the most recent State election.

There was also an investigation by the Auditor-General about the same time, which concluded, essentially, that TasWater was being soundly run by its Board.

Notwithstanding its draft Bill being defeated in the Upper House, the Liberal Party maintained its position in support of a State takeover as part of its election platform. There was a concession by the Liberal Party during the campaign that owner payments would be maintained at a \$20M level until the 2026 financial year and there would be a one-year freeze on price increases to end customers.

When the State Liberal Government was returned, approaches were made to the State Government by the LGAT president and the Owners' Representative seeking to resolve the ownership impasse. TasWater's Chairman and CEO were subsequently invited to be involved and a Memorandum of Understanding was entered into between TasWater and the State Government on 1 May 2018 around a modified State Government proposal which would see part State Government ownership of TasWater.

Council's Stake in TasWater

Council owns 10.86% of TasWater. This represents an equity level of \$167.1 Million based on Council's 2017/18 draft Statement of Financial Position (Balance Sheet).

The State Government's Proposal

TasWater provided an Information Memorandum to Councils detailing the State Government's proposal (refer to Attachment 1).

The key elements of the State Government's proposal (in summary) are:

- an equity injection of \$200M p.a. over the next 10 years to bring the State Government's equity in TasWater to 10%
- payments to owners to be guaranteed to be maintained at the current levels (\$20M) up to the 2026 financial year
- an accelerated capital works program by TasWater from 10 years to 8 years, which will also require additional borrowings by TasWater, and
- a one-year freeze on price increases for end customers.

The State Government's proposal (from TasWater's Information Memorandum) as set out in greater detail is as follows:

Ownership and governance

- governance by an independent skills-based Board will continue
- the State Government will contribute \$200 million over 10 years in new equity. For each \$20m contributed the State Government will receive 1% of the voting capital
- the State Government shareholding will not receive dividends
- the annual Corporate Plan will be jointly agreed between the Board, Owner Councils and the State Government, with defined arrangements in place in the event of a deadlock as specified in Part 8.4 of the Amended Shareholders' Letter of Expectation provided at Appendix 2
- the State Government's representative will sit on the Board Selection Committee and will be consulted – along with the Chief Representative – on the appointment of the CEO. The State Government will not have the right to appoint a director
- if the State Government does not meet its commitments to make equity injections it will lose its rights in respect of:
 - the rights to jointly approve the draft Corporate Plan and to participate in the process to resolve any dispute regarding the adoption or amendment of the Corporate Plan
 - its seat on the Board Selection Committee and
 - its right to be consulted in relation to the appointment of the CEO, and

- These rights will be reinstated on receipt of the overdue equity injection(s). Any decisions made by the Board Selection Committee, Owners' Representatives or the Board during such a period will continue to be valid and to remain effective
- the State Government's commitment to contribute equity will be formalised through a Share Subscription and Implementation Agreement between TasWater and the State Government. This agreement will also reinforce the State Government rights referenced above and the loss of those rights if contributions are not made, and
- TasWater's obligation to maintain price increases within the cap and/or accelerate the capital program (referenced below) may be suspended in the event that unforeseen events arise (e.g. significant interest rate and/or inflation increases beyond that reasonably projected) or if the Government does not meet its commitment to maintain equity injections.

Water and sewerage pricing

- prices will be frozen in FY2019/20
- annual price increases will not exceed 3.5 per cent from FY2020/21 through FY2024/25
- the price determination process, via the independent Tasmanian Economic Regulator (TER), will continue as it does now to review TasWater's financial performance, including the prices, operational efficiency and investment program necessary to maintain sustainability, and
- if the Regulator determines a price increase lower than 3.5 per cent, the Regulator's price increase will apply.

Infrastructure investment

- The parties will seek to accelerate the infrastructure investment program by at least one year, with TasWater using best endeavours to achieve capital expenditure over the 10 year period from FY2016/17 through FY2025/26 of \$1.8 billion by 30 June 2026, and
- The parties will work cooperatively to progress major projects of special economic or environmental importance to Tasmania.

Other matters

- TasWater's obligation to pay income tax equivalents and loan guarantee fees to Shareholders will be removed. The \$20 million distribution to Owner Councils (indexed from FY2026/27) will be paid as dividends

- The introduction of a community service obligation mechanism so that investment projects that are not commercial in their entirety can be considered in the context of broader benefits to the State and how these projects might be funded
- where the Board determines that, due to circumstances or events beyond TasWater's reasonable control, it cannot continue to maintain distributions, an accelerated capital program and annual price increases within the 3.5% cap while maintaining the financial sustainability of the business, TasWater will notify the Chief Owners' Representative and the State Government's Owner's Representative. TasWater must meet with the State Government's Owner's Representative to consider the impact of maintaining the accelerated capital program and price caps on the financial sustainability of the business. The State Government may, in its absolute discretion, provide additional financial support or comfort to TasWater in the form of grant funding, a pre-payment of equity, a guarantee or a letter of comfort. If the State Government decides not to provide adequate additional financial support or comfort to TasWater (as determined by the Board), the Board may amend the capital program or increase prices (within the regulator's determination)
- the parties will work together to monitor the effectiveness of recent announcements by TasWater on trade waste and to identify and implement any potential improvements
- the State Government will introduce a bill into Parliament to give effect to the objectives set out in the MOU and to facilitate and support the proposed changes to TasWater's ownership and governance structure. A draft Bill is attached as Appendix 4 of this Information Memorandum. The proposed changes are not extensive, and the key matters are summarised as follows:
 - changes to remove the current prohibition on ownership of shares in TasWater by anyone other than a Council – enabling the State Government to become a shareholder in return for its equity contributions.
 - changes to the pricing determination process to clarify that the Tasmanian Economic Regulator can only set maximum prices for regulated services – enabling the Board to elect to pass through lower price increases to customers to meet its commitment to freeze prices in FY2019/20 and to cap subsequent annual price increases until 30 June 2025.
 - changes to remove the current obligations to pay loan guarantee fees and tax equivalents – meaning that 'distributions' paid to Owner Councils will be solely in the form of dividends.

TasWater's Position

TasWater's Chairman, Miles Hampton, provided a covering letter to its Information Memorandum setting out its position on the proposal. An extract follows:

TasWater's Chief Executive Officer, Mike Brewster, and I were invited to join the dialogue and on 1 May 2018 the signing of a Memorandum of Understanding (MOU) with the State Government was announced.

Like all compromises there had to be some concessions on all sides, but on balance I am confident it represents both a fair minded and sensible way forward.

After 10 years the State Government will have contributed equity of \$200 million, and Owner Councils' contributed equity will be unchanged (i.e. at \$1,528 million).

The MOU scenario will not have a material negative impact on TasWater's ongoing financial sustainability.

The policy to pay distributions to Owner Councils remains unchanged, albeit under the MOU scenario this will be solely in the form of dividends.

Most importantly TasWater and Councils will be working with the State Government to ensure that the water and sewerage services across the state are affordable, reliable and enhance economic development opportunities.

The TasWater Board endorsed the signing of the MOU and has authorized the release of this Information Memorandum to Owner Councils.

The TasWater Board unanimously recommends that Owner Councils vote in favour of the proposed resolutions."

Matters to be Considered

On the face of it, the State Government's current part ownership proposal addresses many of local government's concerns with the earlier comprehensive takeover proposal. In particular, there is a guarantee around future income stream to 2025/26 and majority local government ownership of TasWater is maintained

The two principal potential concerns for Council to consider are:

- revenue maintenance: Is there any consequent diminution of the revenue stream for Council in the short or longer term?
- State Government influence: What impact does a State Government ownership stake have in terms of influence over the strategic direction and forward capital works program of TasWater?

In relation to revenue maintenance, a guaranteed revenue stream of \$20M p.a. to local government owners would continue to FY2026. There is potential for dividends to increase (or decrease) in the out-years beyond that.

In relation to State Government influence, the Chair of TasWater wrote about this issue to Council on 29 August 2018 when providing feedback on concerns raised at the stakeholder workshops. (Refer to Attachment 2) In relation to the State Government stake, he advised as follows:

“There was a concern that the Government might seek to increase its shareholding beyond 10% and in effect move over time to control the company.

In most corporations shareholders can increase their stake in the company by either the acquisition of shares from other shareholders or taking up new shares in the company.

As regards the first means by which shareholdings can be increased, the TasWater Constitution makes no reference to the selling of shares by a Council, and by deduction Councils cannot sell their shareholdings.

If Councils merge however, then the Constitution permits a transmission of shares from one Council to another Council.

In addition both the current and proposed legislation provide that Members cannot sell their shareholdings. This applies to shareholdings held by Councils and Government.

As regards the second means by which shareholdings can be increased, under the Constitution the Board can issue new shares.

However the Constitution also provides that the Board cannot issue new shares without the approval of members holding more than 75% of votes and more than 75% of members in number.

In other words Government equity cannot be increased beyond 10% without support from both the Board and Councils together with changes to the legislation.”

Consultations:

Owner’s representative meeting, 10 May 2018

Glenorchy City Council briefing with TasWater Chairman and CEO, 1 August 2018

Southern regional councils briefing at TasWater, 7 August 2018

Additional briefing to Council workshop with TasWater Chairman and CEO, 17 September 2018

Human Resource / Financial and Risk Management Implications:

Financial

See above.

Human resources

No implications for Council.

Risk management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation Council votes for the motion in support of the State Government's part ownership proposal for TasWater at the special owners' meeting on 27 September 2018 as one of the 29 owner councils and the motion is carried.	Insignificant (C1)	Likely (L4)	Low	Council, as 1 of 29 owner Councils, has limited influence over the outcome of the vote. Limited mitigation possible.
Do not adopt the recommendation Council votes against the State Government's part ownership proposal for TasWater at the special owners' meeting on 27 September 2018 as one of the 29 owner councils and the motion is not carried.	Severe (C5)	Rare (I1)	Moderate	Council, as 1 of 29 owner Councils, has limited influence over the outcome of the vote. Limited mitigation possible.

Community Consultation and Public Relations Implications:Community consultation

The onus for community consultation in this matter lies with TasWater following the special owner's meeting on 27 September 2018.

However, if Council opposes the 'yes motion' and wishes to maximise influence it might go public in advance of that meeting.

Public relations

Key messages for the 'yes vote' would be:

- There is a price freeze for customers
- Council's dividend stream is maintained to the FY2026
- The capital works program on the State's water and sewerage infrastructure is accelerated, and
- State Government and local government move forward positively as TasWater's owners.

Key messages for the 'no vote' would be:

- How can we be sure that this is not just the 'thin edge of the wedge' for a creeping State Government takeover of TasWater?

Recommendation:

That Council:

ENDORSE the State Government's part ownership proposal for TasWater as detailed in this report and the Information Memorandum at Attachment 1.

Attachments/Annexures

- 1 [Information Memorandum on Tasmanian Government Part Ownership Proposal](#)
- 2 [Letter from TasWater addressing Potential for Increased State Government Shareholding](#)

14. COUNCIL ELECTRICITY SUPPLY CONTRACT

Author: Acting Manager, Environment and Development (Alex Woodward)

Qualified Person: Director Infrastructure and Works (Ted Ross)

ECM File Reference: Electricity Contract

Community Plan Reference:

Leading our Community

The communities of Glenorchy will be confident that Council manages the community's assets soundly for the long-term benefit of the community.

Strategic or Annual Plan Reference:

Leading our Community

Objective 4.1 Govern in the best interests of our community

Strategy 4.1.1 Manage Council for maximum efficiency, accountability and transparency

Strategy 4.1.2 Manage the City's assets soundly for the long-term benefit of the community

Strategy 4.1.3 Maximise regulatory compliance in Council and the community through our systems and processes

Reporting Brief:

To brief Council on the circumstances surrounding the execution of a contract with Aurora Energy for the supply of electricity without Council having invited tenders and seek Council's retrospective waiver of the requirement to invite tenders in accordance with regulatory requirements.

Proposal in Detail:

Background

At the Council meeting on 27 August 2017 Council considered a report in closed Council advising that Council had executed a contract with Aurora Energy for the supply of electricity without Council having invited tenders. It also sought Council's retrospective waiver of the requirement to invite tenders in accordance with regulatory requirements.

The full report was considered in closed Council because it contained details of the quotes received from two suppliers and other commercial in confidence information that was (and is) unable to be disclosed in open Council.

Council ultimately adopted the recommendations in that report, however also resolved that a report be presented to Council in an open meeting summarising the decision and circumstances in relation to this matter.

Council proposed that resolution to ensure that it was being open and transparent about the circumstances of that led to the contract being executed, and to provide assurance to the community that, despite a technical breach of the tender requirement occurring, the outcome was the same (or potentially better) than would have been achieved if a tender process run by Council had taken place.

INFORMATION PROVIDED TO COUNCIL AT 27 AUGUST MEETING

The following is a summary of the information that was presented to Council during the closed part of the meeting on 27 August 2018.

Execution of Contract

Council had a three (3) year contract with Aurora Energy to supply electricity. The contract expired on 31 August 2018.

In preparation for the contract renewal, Council engaged Goanna Energy Consulting Pty Ltd to seek a proposal from the only two licensed electricity retailers in Tasmania (Aurora and ERM Power) for the supply of electricity and related services to 14 Council-owned sites. Council engaged Goanna on the basis that:

- there are only two licensed suppliers of electricity in Tasmania (Aurora and ERM), and
- Goanna is an expert electricity supply consultant which specialises in these types of dealings which could conduct a much better analysis and negotiations on potential suppliers than Council could conduct if it had run a competitive tender process itself.

Goanna conducted a tender process itself, by which it received quotes from both Aurora and ERM Power for contracts up to three (3) years each. The quotes were evaluated by Goanna and a report provided to Council recommending Aurora as the preferred tender. On that basis, Council began negotiating with Aurora for a new contract, to be in place in time for the expiry of the existing contract on 31 August 2018.

Aurora's offer was due to expire at 3:30 pm on the 27 August 2018. Shortly before the offer expired, it was brought to Council's attention that it may have been necessary for Council to invite tenders in accordance with the process prescribed in s.333A of the Local Government Act 1993 and that Council may therefore need to approve any exemption to that requirement.

The consequence of Council not accepting Aurora's offer by the 3:30 pm deadline would have been that the rates payable under a new offer would have been higher due to an increase in the market price over the preceding weeks. Council would also have also had to pay Goanna another consulting fee. Further, if Council's current contract with Aurora was to expire, Council would immediately begin being charged market retail rates for electricity. These are significantly higher than the tendered rates.

Council officers asked Aurora to extend the offer for 24 hours to allow a decision by Council. Aurora refused this request.

On that basis, the General Manager executed a contract with Aurora in the terms offered. This resulted in a substantial saving compared to what Council would have had to pay had the offer lapsed.

Non-Application of Tender Process – Statutory Considerations

Section 333A(1) of the *Local Government Act 1993* (**the Act**) provides:

"a council must invite tenders for any contract it intends to enter into for the supply or provision of goods or services valued at or above the 'prescribed amount'"

Given that the contract for electricity services was proposed for 3 years with, it was estimated that its total value would be in the order of approximately \$1m, which is above the \$250,000 threshold. On that basis, Council itself, would ordinarily have been required to carry out a tender process. It did not do this, but instead effectively engaged Goanna to carry out a tender process and evaluation on its behalf. Whilst this is a technical breach of s. 333A, it was submitted to Council at the 27 August meeting that Council achieved a far better result in engaging Goanna than by undertaking a public tender.

The requirement for Council to carry out a tender process can be waived in certain circumstances by an absolute majority of Council. More particularly:

- s. 333A(3) of the Act provides that *"Subsection (1) [which sets out the requirement to invite tenders, as set out above] does not apply to prescribed situations or prescribed contracts"*
- The prescribed situations and contracts are set out in regulation 27 of the Local Government (General) Regulations 2015 (**the Regulations**).

- Regulation 27 of the Regulations relevantly provides as follows:

“27. Non-application of public tender process

The following situations and contracts are prescribed for the purposes of section 333A(3) of the Act...

- (i) *a contract for goods or services, if the council resolves by **absolute majority and states the reasons for the decision, being that a satisfactory result would not be achieved by inviting tenders because of –***

(i) extenuating circumstances; or

...

(iii) the unavailability of competitive or reliable tenderers;”

Accordingly, if ‘extenuating circumstances’ exist, or there is an ‘unavailability of competitive or reliable tenderers’ Council can resolve, by absolute majority, that the requirement to invite tenders should be waived.

It was submitted to Council that the justifications for waiving that requirement were as follows:

Extenuating Circumstances

The extenuating circumstances provided to Council were:

- Council engaged an expert consultant in the electricity supply field (Goanna) to conduct a tender process on its behalf, on the basis that Goanna is a specialist energy consultancy, and an expert the electricity market.
- Goanna conducted a tender process. Tenders were received from the only two (2) licenced electricity suppliers in Tasmania, Aurora and ERM. Accordingly, the entire Tasmanian retail electricity market was tested by Goanna on behalf of Council.
- Goanna provided specialised advice to Council about the merits of the two offers and the market in general. That advice would not have been available to Council had it not engaged Goanna.
- Goanna’s consultancy fee was comparable to the costs that Council would have incurred if it had conducted a tender process itself, but provided substantially more benefits.
- There is no suggestion that Council would have obtained a better result if it had conducted the tender process itself.

- There is no suggestion that any suppliers have missed out on the opportunity to tender for the contract – all suppliers in the market were approached and provided quotes.
- For the above reasons, in engaging Goanna to conduct a tender process on its behalf, Council has achieved a superior result with substantially using substantially less financial and staff resources than it could ever have achieved.

Unavailability of competitive or reliable tenderers

As noted above, there are only two providers (Aurora and ERM) who are licenced to supply electricity in Tasmania. Both were approached by Goanna and provided quotes. This is not a market where there are many and varied suppliers. The public notification requirements of a tender process would not have attracted any additional tenderers because none exist other than the two identified.

RESOLUTION AND SUBSEQUENT ACTIONS

Council Resolution

The Council resolved to the effect that the circumstances that led to the execution were noted and that it was satisfied that extenuating circumstances existed such that the requirement to invite tenders would not have achieved a satisfactory result.

A full copy of the resolution (including amendments) is included as Attachment 1 to this report.

Notification to Director of Local Government

The General Manager contacted the Director of Local Government to brief him on the situation and on Council's action in response. The General Manager provided the Director with a full copy of the report that was presented to Council.

The Director acknowledged the General Managers report and the Council's resolution and has advised that no further action will be taken by the Department in response.

Learnings

The situation that led to the execution of the contract was caused by a number of factors, chief among which was the late notification of the need to renew Council's electricity contract.

Since the report to Council a new system has been introduced in which details of this contract have been entered into a register. This register will alert the owner six months prior to the need to renew the contract.

This system of alerting owners as to the renewal of contracts will be progressively rolled out and will cover all recurring contracts.

Ongoing education and training of Council officers in respect to the procurement policy will also occur including learning from this instance.

Consultations:

General Manager
Director Infrastructure and Works
Acting Manager Governance and Risk
Director of Local Government – Local Government Division

Human Resource / Financial and Risk Management Implications:

Financial

The estimated cost of the electricity supply was in the order of \$1 million over the next three years. The cost if the contract was not signed would have been significantly higher.

Expenditure on electricity is an unavoidable expense and Council is satisfied that it is receiving competitive rates in the current market.

Human resources

There are no material human resources implications.

Risk management

This report is for information only. There are no material risk implications. However, details of the risk management implications were presented to, and considered by, Council with the original report on 27 August 2018.

Implementation of the learnings will assist in ensuring that this situation does not occur again.

Community Consultation and Public Relations Implications:

Community consultation

Nil

Public relations

There may be a negative public relations impact given that Council did not comply with a regulatory requirement. However, as stated in the report, the decision not to comply was made to reduce costs to the organisation and that a tender process had effectively been undertaken by Council's consultant.


The Director of Local Government has advised that no action is to be taken, which indicates that they accept Council's response.

Recommendation:

That Council:

1. NOTE the summary presented in open Council detailing the circumstances surrounding the execution of a contract with Aurora Energy for the supply of electricity without Council having invited tenders, and
2. NOTE that following the 27 August 2018 Council meeting, the General Manager notified the Director of Local Government, and that no further action is proposed by the Director.

Attachments/Annexures

- 1  Closed Resolution - Council Electricity Supply Contract

15. MINISTERIAL DIRECTIONS - MONTHLY REPORT

Author: Acting Director, Corporate Governance (Simon Scott)

Qualified Person: Acting Director, Corporate Governance (Simon Scott)

ECM File Reference: Ministerial Directions

Community Plan Reference:

Under the *City of Glenorchy Community Plan 2015 – 2040*, the Community has prioritised 'transparent and accountable government'.

Strategic or Annual Plan Reference:

Leading our Community

- | | |
|----------------|---|
| Objective 4.1 | Govern in the best interests of our community |
| Strategy 4.1.1 | Manage Council for maximum efficiency, accountability and transparency |
| Strategy 4.1.3 | Maximise regulatory compliance in Council and the community through our systems and processes |

Reporting Brief:

To inform Council of the progress towards completing the action items out of the Ministerial Directions Implementation Plan for the period ending 14 September 2018.

Proposal in Detail:

At its meeting of 27 August 2018, Council was informed of the progress of satisfying the Ministerial Directions (as at 15 August 2018).

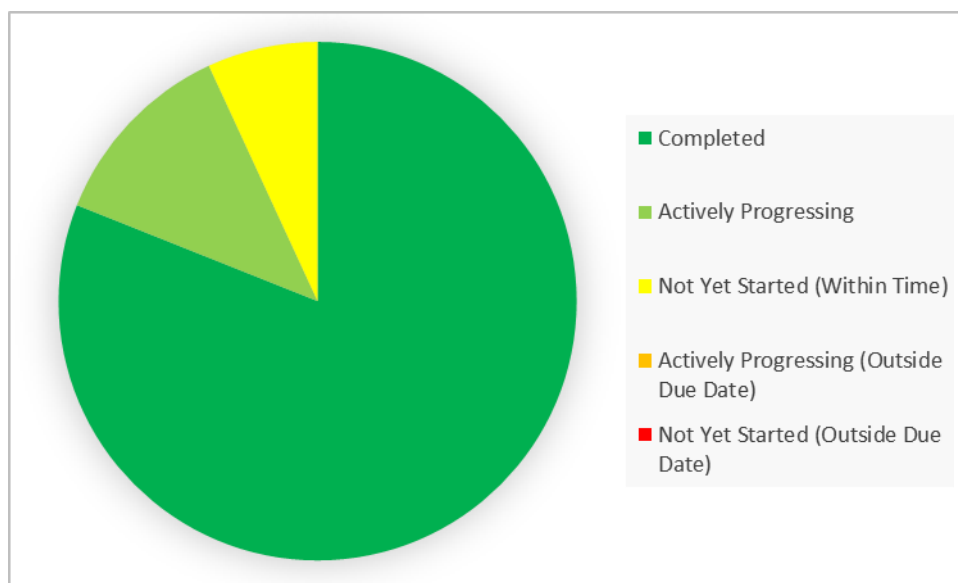
As per Attachment 1, there are 58 Ministerial Direction actions that are required to be undertaken by Council.

As at the date of this Report, Council had not completed any additional actions over the reporting period, meaning that the total actions completed to date remains at 47.

Council's progress of actions required to comply with the Directions is summarised as follows:

- | | |
|---|----|
| • Actions completed | 47 |
| • Actions being actively progressed | 7 |
| • Actions not yet started but within time | 4 |
| • Actions being actively progressed and outside due date, and | 0 |
| • Actions not yet started and outside due date | 0 |

58

**Consultations:**

Mayor
General Manager

Human Resource / Financial and Risk Management Implications:

There are not considered to be any material financial or human resources implications.

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Do not adopt the recommendation If Council does not comply with the Ministerial Directions as provided under section 225(2) of the <i>Local Government Act 1993</i> then there is potential for a complaint to be lodged for non-compliance under section 339E and further scrutiny and sanction by the Director of Local Government	Moderate (C4)	Likely (L4)	Significant	Council continues to progress actions required to comply with these Directions

Community Consultation and Public Relations Implications:


There has been no community consultation due to the nature of the document.

Recommendation:

That Council:

NOTE the progress satisfying the Ministerial Directions in the form of Attachment 1 as at 14 September 2018.

Attachments/Annexures

- 1  Ministerial Directions Implementation Progress Report (September 2018)

16. FINANCIAL PERFORMANCE REPORT TO 31 JULY 2018

Author: Finance Reporting Officer (Allan Wise)
Qualified Person: Acting Director, Community, Economic Development and Business (David Ronaldson)
ECM File Reference: Corporate and Financial Reporting

Community Plan Reference:

Leading Our Community

We will be a progressive, positive community with strong council leadership, striving to make Our Community's Vision a reality.

Strategic or Annual Plan Reference:

Leading Our Community

Objective 4.1	Govern in the best interests of our community
Strategy 4.1.1	Manage Council for maximum efficiency, accountability and transparency
Action 4.1.1.04	Implement the performance reporting system for corporate strategic planning
Objective 4.2	Prioritise resources to achieve our communities' goals
Strategy 4.2.1	Deploy the Council's resources effectively to deliver value
Action 4.2.1.07	Develop the annual budget estimates in line with the Financial Management Strategy and provide regular reporting of actuals to budget

Reporting Brief:

To provide the monthly Financial Performance Report to Council for the year-to-date, ending 31 July 2018.

Proposal in Detail:

The Financial Performance Report (**Report**) for the period 1 July to 31 July 2018 is Attachment 1.

In summary, the Report highlights that as at 31 July 2018 the operating result is \$960k or 2.39% ahead of the budgeted position. However, it is important to note this is the first month of the financial year and is influenced by the actual timing of revenue and expenditure compared to previously determined budget predictions.

It is anticipated that subsequent months will progressively report an actual result more closely aligned with budget expectations, however for the month of July the report discloses:

- operating revenue is \$673k above budget representing a favourable variance of 1.5%

[Note: Animal registrations contribute \$451k towards the favourable result. Many animals will have died or moved in the previous 12 months but will have received a renewal account as Council has not been notified. These will be written-back when they are identified in the audit of unpaid renewals. This will result in the current substantial favourable variance being reduced in the coming months.]

- operating expenditure is \$287k under budget, representing a favourable variance of 5.9%

[Note: Materials and Services contribute \$337k towards the underspend. Cost centres contributing to this result are underspending in Landfill and Waste Management and overspending for Insurance premiums.]

- capital works are \$104k underspent, representing 13.2% of the overall budget for the month

[Note: Each individual project has been scheduled for a particular month of the year. However, it is possible that projects may be brought forward or delayed due to unforeseen circumstances such as weather, contractor availability and reprioritisation. The ability to be flexible in relation to the delivery of capital works is an important tool in the productive use of Council staff and equipment but it may result in monthly variances.]

Council is reminded it will receive the comprehensive General Manager's Overview and Directorate Summaries quarterly report for the period ending 30 September 2018 at the November Council meeting. It is likely that that report will be more reflective of the financial position by encompassing a full three-month period.

Consultations:

General Manager
Executive Leadership Team
Acting Chief Financial Officer
Capital and Operational Budget Responsibility Officers

Human Resource / Financial and Risk Management Implications:

There are no material risk management or human resources implications.

Community Consultation and Public Relations Implications:

No public relations implications have been identified, and no community consultation has been undertaken.

Recommendation:

That Council:

RECEIVE and NOTE the Financial Performance Report for the year-to-date, ending 31 July 2018.

Attachments/Annexures

- 1  Attachment 1 - Financial Performance to 31 July 2018

17. PROCUREMENT EXEMPTIONS - MONTHLY REPORT

Author: Acting Manager, Governance and Risk (Bryn Hannan)

Qualified Person: Acting Director, Corporate Governance (Simon Scott)

ECM File Reference: Procurement

Community Plan Reference:

Leading our Community

The communities of Glenorchy will be confident that Council manages the community's assets soundly for the long-term benefit of the community.

Strategic or Annual Plan Reference:

Leading our Community

- | | |
|----------------|---|
| Objective 4.1 | Govern in the best interests of our community |
| Strategy 4.1.1 | Manage Council for maximum efficiency, accountability and transparency |
| Strategy 4.1.2 | Manage the City's assets soundly for the long-term benefit of the community |
| Strategy 4.1.3 | Maximise regulatory compliance in Council and the community through our systems and processes |

Reporting Brief:

To inform Council of exemptions that have been applied to the procurement requirements under Council's Code for Tenders and Contracts for the period 15 August to 14 September 2018.

Proposal in Detail:

Council's Code for Tenders and Contracts (**Code**) has been made and adopted by Council as required under section 333B of the *Local Government Act 1993*.

Under clause 10.2 of the Code, the General Manager is required to provide a regular report to Council on exemptions that have been authorised to the procurement requirements under the Code. Clause 10.2 relevantly provides:

*In accordance with Regulation 28(j), the General Manager will establish and maintain procedures for reporting to Council **at the first ordinary meeting of Council after the event** in relation to the procurement of goods and/or services **in circumstances where a public tender or quotation process is not used**. Such report will include the following details of each procurement:*

- a) a brief description of the reason for not inviting public tenders or quotations (as applicable);
- b) a brief description of the goods or services acquired;
- c) the approximate value of the goods or services acquired; and
- d) the name of the supplier.

A copy of an extract from Council's Purchasing Exemption Register (**Exemption Report**), which is delivered to Council as required under clause 10.2 is Attachment 1 to this report.

The Exemption Report covers the period from 15 August to 14 September 2018.

Council should note that the approval of Council's electricity supply contract with Aurora (detailed elsewhere in this Agenda) is not included in the Exemption Report as it was approved outside of the normal procurement exemption process.

Consultations:

Executive Leadership Team

Human Resource / Financial and Risk Management Implications:

Human resources

There are no material human resources implications.

Financial

The Exemption Report identifies approximately \$152,000 in budgeted operational expenditure that has been approved.

Risk management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation	Minor (C2)	Unlikely (L2)	Low (4)	Council notes the reasons identified for the exemptions and satisfies itself that each is sound and in accordance with approved procedures.
Criticism of Council's acceptance of procurement process exemptions and associated expenditure.				
Do not adopt the recommendation	Moderate (C3)	Possible (L3)	Moderate (9)	Council communicates reasons for refusal and identifies preferred practices and information required for future exemptions.
Council officers less likely seek exemptions in accordance with approved processes, leading to business inefficiency and excessive administrative burden on staff and suppliers.				

Community Consultation and Public Relations Implications:

Community consultation was not required or undertaken.

There is unlikely to be any material public relations impact.

Recommendation:

That Council:

RECEIVE and NOTE the monthly Procurement Exemptions Report for the period from 15 August to 14 September 2018.

Attachments/Annexures

- 1 [Procurement Exemptions Register - Aug/Sept 2018](#)

18. NOTICES OF MOTIONS – QUESTIONS ON NOTICE / WITHOUT NOTICE

CLOSED TO MEMBERS OF THE PUBLIC

19. CONFIRMATION OF MINUTES (CLOSED MEETING)

20. APPLICATIONS FOR LEAVE OF ABSENCE

GOVERNANCE

21. AUDIT PANEL - TENURE AND REMUNERATION

This item is to be considered at a closed meeting of the Council by authority of the Local Government (Meeting Procedures) Regulations 2015 Regulation 15(2)(g) (Information of a personal and confidential nature or information provided to the Council on the condition it is kept confidential).

22. AUDIT PANEL CHAIR'S ANNUAL REPORT 2017-18

This item is to be considered at a closed meeting of the Council by authority of the Local Government (Meeting Procedures) Regulations 2015 Regulation 15(2)(g) (Information of a personal and confidential nature or information provided to the Council on the condition it is kept confidential).

23. NOTICES OF MOTIONS – QUESTIONS ON NOTICE / WITHOUT NOTICE (CLOSED)
