



General Meeting

Agenda

12 February 2016

**The Tramsheds
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Launceston**

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**PROCEDURAL MATTERS.
RULES REGARDING CONDUCT OF MEETINGS**

13. WHO MAY ATTEND A MEETING OF THE ASSOCIATION

- (a) Each Member shall be entitled to send a voting delegate to any Meeting of the Association, such voting delegate exercising the number of votes determined according to Rule 16(a).
- (b) After each ordinary Council election, the Chief Executive Officer shall request each Member to advise the name of its voting delegate and the proxy for the voting delegate for Meetings of the Association until the next ordinary Council elections.
- (c) Members may change their voting delegate or proxy at any time by advising the Chief Executive Officer in writing over the hand of the voting delegate or the General Manager prior to that delegate taking his or her position at a Meeting.
- (d) A list of voting delegates will be made available at the commencement of any Meeting of the Association.
- (e) Members may send other elected members or Council officers as observers to any Meeting of the Association.

14. PROXIES AT MEETINGS

- (a) Up to 1 hour prior to any Meeting of the Association, a Member may appoint another Member as its proxy.
- (b) The form of the proxy is to be provided by the Chief Executive Officer and is to be signed by either the Mayor or General Manager of the Council appointing the proxy.
- (c) The Chair of the meeting is not entitled to inquire as to whether the proxy has cast any vote in accordance with the wishes of the Member appointing the proxy.
- (d) Proxies count for the purposes of voting and quorum at any meeting.

15. QUORUM AT MEETINGS

At any Meeting of the Association, a majority of the Member Councils shall constitute a quorum.

16. VOTING AT MEETINGS

- (a) Voting at any Meeting of the Association shall be upon the basis of each voting delegate being provided with, immediately prior to the meeting, a placard which is to be used for the purpose of voting at the meeting. The placard will be coloured according to the number of votes to which the Member is entitled:

| Population of the Council Area | Number of votes entitled to be exercised by the voting delegate | Colour placard to be raised by the voting delegate when voting |
|---------------------------------------|--|---|
| Under 10,000 | 1 | Red |
| 10,000 – 19,999 | 2 | White |
| 20,000 – 39,999 | 3 | Blue |
| 40,000 and above | 4 | Green |

- (b) The Chairman of the meeting shall be entitled to rely upon the raising of a coloured placard as the recording of the vote for the Member and as evidence of the number of votes being cast.
- (c) Except as provided in sub-rule (d), each question, matter or resolution shall be decided by a majority of the votes capable of being cast by Members present at the Meeting. If there is an equal number of votes upon any question, it shall be declared not carried.
- (d) (i) When a vote is being taken to amend a Policy of the Association, the resolution must be carried by a majority of the votes capable of being cast by Members, whether present at the Meeting or not.
 (ii) When a vote is being taken for the Association to sign a protocol, memorandum of understanding or partnership agreement, the resolution must be carried by a majority of votes capable of being cast by Members and by a majority of Members, whether present at the Meeting or not.
 (iii) When a vote is being taken to amend the Rules of the Association, the resolution must be carried by at least two-thirds of the votes capable of being cast by Members, whether present at the Meeting or not.

Table of Contents

| | |
|---|-----------|
| 1. GOVERNANCE | 5 |
| 1.1 CONFIRMATION OF MINUTES * | 5 |
| 1.2 BUSINESS ARISING * | 5 |
| 1.3 CONFIRMATION OF AGENDA..... | 5 |
| 1.4 FOLLOW UP OF MOTIONS* | 6 |
| 1.5 CEO REPORT..... | 6 |
| 1.6 PRESIDENT REPORT | 8 |
| 1.7 MONTHLY REPORTS TO COUNCILS* | 9 |
| 2. ITEMS FOR DECISION | 10 |
| 2.1 RATING OF RESIDENTIAL PROPERTIES OWNED BY CHARITIES..... | 10 |
| 2.2 FEDERAL ELECTION | 13 |
| 2.3 REGIONAL LOCAL GOVERNMENT AUTHORITIES* | 15 |
| 2.4 DEDUCTIBILITY OF ELECTION EXPENSES/LIMITS ON ELECTION EXPENDITURE | 18 |
| 2.5 MEMBER ALLOWANCES AND SUPERANNUATION | 19 |
| 3. ITEMS FOR NOTING | 24 |
| 3.1 STRATEGIC AND ANNUAL PLAN* | 24 |
| 3.2 STATE AND FEDERAL BUDGET SUBMISSIONS* | 25 |
| 3.3 PLANNING REFORM..... | 27 |
| 3.4 BUILDING REGULATORY FRAMEWORK | 29 |
| 3.5 POLICY UPDATE..... | 31 |
| 3.6 PARTNERSHIP BETWEEN LGAT AND MAV | 39 |
| 4. ITEMS FOR DISCUSSION | 41 |
| 4.1 POKER MACHINES AND THE GAMING ACT | 41 |
| 4.2 BED AND BREAKFAST ACCOMMODATION | 41 |
| 4.3 COUNCILLORS DECLARATION OF OFFICE | 43 |
| 5. Other Business & Close | 43 |

* Denotes Attachment



GENERAL MEETING SCHEDULE

- 10.00** **Coffee on arrival**
- 10.30** **Meeting commences**
- 11.00** **Marta Hodul Lenton**
Executive Officer, Recognise
- 12.00** **Wendy Spencer**
Director, Tasmanian Climate Change Office
- 12.30 pm** **Approximately, lunch will be provided**
- 1.30** **Christine Gray,**
Media and Communications Officer, West Coast Council
West Coast Community Plan 2025

1. GOVERNANCE

1.1 CONFIRMATION OF MINUTES *

Decision Sought

That the Minutes of the meeting held on 29 October 2015, as circulated, be confirmed.

Background:

The Minutes of the General Meeting held on 29 October 2015, as circulated, are submitted for confirmation and are at **Attachment to Item 1.1**.

1.2 BUSINESS ARISING *

Decision Sought

That Members note the information.

Background:

At **Attachment to Item 1.2** is a schedule of business considered at the previous meeting and its status.

1.3 CONFIRMATION OF AGENDA

Decision Sought

That consideration be given to the Agenda items and the order of business.

Background:

Delegates will be invited to confirm the agenda for the meeting and the order of business.

1.4 FOLLOW UP OF MOTIONS*

Decision Sought

That Members note the report.

Background:

A table detailing action taken to date in relation to motions passed at previous meetings is at **Attachment to Item 1.4.**

1.5 CEO REPORT

Decision Sought

MThat Members note the report on activity since the last General meeting.

Key meetings and events.

- 2IC Forum
- Acting CEO Integrity Commission
- ALGA Board Meeting
- Audit Office re Local Government Report
- Bob Rutherford, State Growth regarding Economic Development partnerships
- Continuous Improvement Project Advisory Committee Meeting
- Council visits (Glamorgan, Hobart, Waratah-Wynyard, Central Coast, Burnie, Devonport, Brighton, Southern Midlands, Dorset, Georgetown, Kentish/Latrobe, Clarence).
- Executive Chair of the Planning Taskforce re future work plan
- Engineers Australia – Joint Event
- Further briefing of the Legislative Council on the LUPPA Amendment Bill
- GMC
- Launch of 26TEN Strategy
- LGMA (Tas) re joint officer
- Local Government Managers Australia (LGMA) Tasmania Board, AGM (presentation), conference and MOU signing, meeting with the Minister for Local Government
- MAV Insurance Board Meeting
- Mayor's Professional Development Day
- Meeting of Regional CEOs to map activity and gaps
- Meeting with the Local Government Division regarding Code of Conduct implementation
- Minister regarding State Budget Submission
- Monthly meetings Local Government Division
- Planning Institute of Australia (PIA) Tasmania Awards
- Planning Reform Taskforce

- PLGC
- PLGC Officials
- Regional Breakfasts
- Regional CEOs re State Budget Submission
- Regular meetings with the President
- Speaker at the Australian Institute of Governance Tasmania Conference
- STCA AGM
- Strategic Action Plan Implementation Committee (Role of LG Project)
- TasCOSS and other peaks regarding budget submission
- TasPlan CEO regarding LG representation

Strategic and Policy Activity

- Initial preparation for Federal Election submission, review of ALGA documents
- Initial research regarding allowances/superannuation
- Input into resource sharing review being undertaken by ACELG
- Papers for PLGC
- Review of draft Model Code of Conduct and template administration documents
- Strategic/Annual Planning
- Submission for State Budget
- Submission with ACELG for workforce development grant
- Terms Of Reference Review of LG Act

Media and Messaging

- By Laws
- FAGS
- Interview Business View Magazine
- LGAT Annual Report
- Magazine article, newsletter articles (including support for President's articles).
- Media Release - Paris
- Media Release – Audit Report
- Planning/LUPPA
- Public Meetings
- TasWater Communications
- Cats
- NSW Amalgamations
- Airport Rates
- Financial Assistance Grants

Organisational

- Commissioned Anderson Morgan to undertake an information technology audit ahead of future Information and communication technology needs.

Planning

- Discussion re hosting STCA CEO at LGAT
- Improving uptake of magazine advertising – review meeting
- LGAT Annual Report Completed
- Progression of joint LGMA/LGAT position/hosting.
- Strategic planning session with GMC
- Strategic Plan review completed, Annual Plan developed.

1.6 PRESIDENT REPORT

Decision Sought

That Members note the report on activity since the last general meeting.

Meetings

- Twelve Council Visits
- ALGA Board Meeting: Met and discussed a number of issues that overlap with LGAT priorities including building a strategic approach to freight issues nationally; the need for disaster funding to be maintained; protection for liability to be addressed the Federal Budget submission; and the election framework
- GMC including review of LGAT Strategic Plan
- Legislative Council regarding Planning Legislation - We indicated our broad support for the Bill and noted there were a few areas where later amendments could be made to improve the function of the Bill, but that we would like to see the current 28-day timeframe remain as a priority. Ultimately we were successful in having this concern addressed in the legislation.
- Minister regarding budget submission
- Premier's Local Government Council
- Weekly meetings with the LGAT CEO
- CEO Performance Review Committee (Probation Review)

Appointments

- Appointed to the ALGA Board National General Assembly (NGA) Sub-Committee which is responsible for the review and consideration of the Notices of Motions that are put to the NGA each year.
- Representative for ALGA at the Environment Ministers' Meeting.
- Along with the LGAT CEO, will participate on the Steering Committee charged with the oversight of the review of the Local Government Act.

Events

- Regional Breakfast Forums
- LGAT Christmas Event for key stakeholders

Media/Communication

- TasWater communications (Radio, Television, Print)
- Fortnightly editions of The Pulse

- The December LGAT News Magazine

1.7 MONTHLY REPORTS TO COUNCILS*

Decision Sought

That Members note the reports for October and November 2015.

Background:

Monthly reports to Councils that briefly outline Association activities and outcomes for the previous months are at **Attachment to Item 1.7.**

2. ITEMS FOR DECISION

2.1 RATING OF RESIDENTIAL PROPERTIES OWNED BY CHARITIES Contact Officer - Katrena Stephenson

Decision Sought

1. That Members note recent case law which suggests that although a property may be owned by a charitable institution, occupancy by private residents is not a charitable purpose; and
2. That Members agree to take a common and equitable approach to the rating of independent living units which takes as a core assumption that private residential occupancy is not a charitable purpose and is not exempt from general rates.

Background

Late in 2015 there was media commentary about the intent by Hobart and Clarence City Councils to rate residential properties owned by charities, including independent living units attached to not for profit aged care providers.

In doing so, councils must first consider whether the properties are eligible for a General Rate exemption under the Local Government Act, after then the issue is how it is dealt with. Some providers claim that because they are charitable they are therefore exempt from rates, however the Act requires land to be owned and occupied exclusively for charitable purposes in order for that exemption to apply.

- A. Local Government Act: S 87 “(d) land or part of land owned and occupied exclusively for charitable purposes”; [is exempt]
- B. The Charities Act 2013 (Cth) lists twelve charitable purposes – aged care is not specified. Supported aged care and homelessness care are charitable subtypes.
- C. The Aged Care Act 1997 (Division 41, section 3) defines the meaning of residential aged care but does not define the place in which this care is offered, other than as a 'residential facility'. The Act defines residential aged care as follows:
 - (1) Residential care is personal care or nursing care, or both personal care and nursing care, that:
 - (a) is provided to a person in a residential facility in which the person is also provided with accommodation that includes:
 - (i) appropriate staffing to meet the nursing and personal care needs of the person;
 - (ii) meals and cleaning services;
 - (iii) furnishings, furniture and equipment for the provision of that care and accommodation; and
 - (b) meets any other requirements specified in the Residential Care Subsidy Principles.

The Act also defines what is not residential care:

- (2) Residential care does not include any of the following:
 - (a) care provided to a person in the person's private home;
 - (b) care provided in a hospital or in a psychiatric facility;
 - (c) care provided in a facility that primarily provides care to people who are not frail and aged; and
 - (d) care that is specified in the Residential Care Subsidy Principles not to be residential care.

Legal advice suggests that although a property may be owned by a charitable institution, occupancy by private residents is not a charitable purpose.

Meander Valley Council (MVC) have been to The Magistrates Court, Administrative Appeals Division twice over this issue following a process under section 123 of the Act – Objections to rates notice.

The first in 2002/2003 was a charitable trust set up to provide affordable home ownership for individuals. The Magistrate's decision in Council's favour was appealed to the Supreme Court but dismissed as incompetent having been prepared by the appellant who wasn't a legal practitioner.

The decision of *Roman Catholic Church Trust v Meander Valley Council (2012)* re: 65 William Street made it clear that if a property is occupied for residential purposes s87(1)(d) of the Local Government Act will not be satisfied because it requires the two parts of s87(1)(d) to be met that is owned and occupied exclusively for charitable purposes. This decision referred to the ability of the tenants to restrict the rights of the owner to enter the property as a factor in determining that the properties were occupied for residential purposes, not charitable purposes.

The second, in 2011 was the Roman Catholic Church Archdiocese of Hobart objecting to General Rates on their twelve (Centacare) units at 65 William Street, Westbury for housing low income residents (generally on Centrelink benefits). The Presbytery and the Nun's house at the Westbury Catholic Church were also included in this action.

The Magistrate decided in the Church's favour on the two houses but more importantly found in Council's favour on the 12 units, supporting the legal advice that private residential occupancy is not a charitable purpose. Both parties chose not to appeal either decision.

While neither cases are retirement village scenarios, the principles are the same and also would apply in relation to community housing and the transfer of public housing to charitable organisations (Housing Tasmania currently pays rates).

The conclusion that is drawn from the recent case law is that a property will be occupied for residential purposes, and therefore ineligible for the charitable rate exemption, where the terms of the occupation allow the residents to restrict the owner's access/right of entry.

In other words it will depend on the nature of the agreement between the owner and the resident as to whether the charitable exemption applies. If there is a substantial level of control by the owner, then the owner will also be the occupier for the purposes of section 87(1)(d).

Based on the Meander Valley Council decision independent living units are occupied by the residents (not the charity) for residential purposes. In making that decision councils need to be satisfied that this is the case by viewing residence or similar agreements between the tenant and the charity.

Standard residents agreements may have privacy clauses and assume that the use of the independent living units is subject to the Retirement Villages Act 2004 (Tas). That legislation applies to “retirement villages” which is comprised of “residential premises” which are defined in s.4 as: premises, or a part of premises, in a retirement village designed for separate occupation as a place of residence.

This also supports the view that independent living units are used for residential not charitable purposes.

The villages set up by, for example, Southern Cross Care, Glenara Lakes at Youngtown, are an example of the Church arguing for the charitable exemption. Launceston City Council (LCC) dealt with this issue a few years ago following similar legal advice. They had a significant number of “units” in various villages or properties run by charitable institutions, some attached to nursing homes/aged care facilities.

These hadn't been rated by LCC for General Rates in the past having been considered “exempt” by LCC on the charitable basis. However with legal advice that they were not eligible LCC proposed to apply the General Rate and received a fair bit of objection and adverse publicity from the various institutions. One ill-informed journalist ran an unbalanced fear campaign.

LCC had been concerned about the incorrect application of this “exemption” under the Local Government Act. An incorrect application of the Act could cause the validity of the rating resolution to be called into question. LCC now levies the rates according to the provisions of section 87 and provide a discretionary remission under section 129 to those properties that were previously treated as exempt.

Legalities aside, the debate rests largely with considerations of equity. “Is it equitable that these “village units” (some are three bedroom houses, some residents are well off and many certainly not needing “charity”) do not pay rates and therefore do not contribute to the services and facilities of their respective cities or towns while young family, battler and pensioner home owners and other residential villages do pay and in fact are subsidising those that don't?” Worse, these groups are effectively paying a subsidy to the Independent Living Units (ILU) occupants.

By way of context, Clarence City Council (CCC) advise they have received criticism because a proportion of ILU residents are not well off, including full pensioners with limited capacity to pay. This is true, but CCC currently has five and a half thousand properties eligible for pensioner rates remission across the city. Those pensioners have to pay full rates.

Advice from State Revenue is that the pensioner remission applies to ILU residents in the same way as private property owners. They would need to apply, and provide (each year) evidence of the amount passed on to them in rates by the operator. This would normally be an invoice, letter, or similar.

Thus by not levying rates councils are enabling a cost shift from other levels of government that results in pensioner living in their own home subsidising those who live in retirement villages.

The individual financial impact will vary depending on valuations (and it should be noted that the Valuer-General's solution to providing split valuations has yet to be implemented or tested) but may be in the order of seven hundred and fifty to one thousand dollars in Clarence.

Councils also have the option to may make a policy decision to apply a differential rate to this category of ratepayer. The financial impact is also dependent on how individual operators apportion the cost to residents when a single rates notice is issued for a major complex with a single title.

The income to Clarence City Council is relatively low – likely 0.35-0.5% of rate base. The policy position of the Council is that the additional money will not be a windfall to council but will reduce the overall rating burden across the community.

The City of Hobart's view is that generally nursing homes owned by charities remain exempt from the General Rate pursuant to s87(1)(d) of the Local Government Act. The entitlement to the charitable exemption under s87(1)(d) will always depend upon the specific factual circumstances in each case.

Council services benefit the community as a whole and land owners in the municipal area are required to pay rates in accordance with the Local Government Act. The General Rate exemption has never applied to independent living units not owned by a charity and indeed retirees who choose to live in their own home are required to pay all rates. This is an equity issue.

The number of properties impacted by this matter in Hobart was less than twelve and in some cases only part of the property was affected i.e. the exemption remained on part of the property. The City gave twelve months notice of its intention to remove the exemption from properties no longer eligible.

The application of the new legal advice is not yet consistently being applied across the sector.

Current Policy

Does not apply.

Budget Impact

Does not apply.

2.2 FEDERAL ELECTION

Contact Officer - Katrena Stephenson

Decision Sought

That Members discuss and agree priorities for LGAT's Federal Election Submission.

Background

At the last General Management Committee meeting it was agreed that LGAT should prepare a Federal Election Submission aligned with that of the Australian Local Government Association (ALGA) but identifying specific Tasmanian priorities.

It is likely the Federal Election will be in September/October 2016 but could be as early as March, which means we need to start planning and preparing now.

LGAT has provided input into the ALGA submission being developed. It will concentrate on the following priorities:

- Restoring the indexation of Financial Assistance Grants (FAGs)
- Increasing in the quantum of FAGs to at least one per cent of Commonwealth taxation
- Ensuring direct funding of Local Government can continue through legislative or administrative reform
- Reviewing the FAGs indexation methodology
- Developing a Freight Strategy to increase productivity through targeted investment
- Permanent doubling of Roads to Recovery funds
- Restoring fairer roads funding for South Australia
- Community Infrastructure funding
- Supporting councils to work with local businesses and communities to implement local and regional Climate Change Plans
- Maintenance of Natural Disaster Relief and Recovery support and a program to mitigate natural disasters.
- Reviewing the impacts of the new arrangements for funding municipal services in Indigenous communities.
- Ensuring councils have access to adequate general funding, through untied grants, to meet the human service needs of their local community.

A submission from the Tasmanian Local Government sector could align with these national priorities in relation to specific possible projects in Tasmania. One such example, might relate to an investment in Water and Sewerage infrastructure under the heading "Community Infrastructure Funding".

Similarly, bridge or roads assessed as being high priority in terms of the heavy vehicle network but which are currently not of a standard/capacity to meet requirements, could be bundled as a request under "Strategic Regional Roads".

Some possible elements have been already flagged in our State Government Budget submission – for example:

- Support TasWater in lobbying the Federal Government for funding of the Launceston Sewerage Improvement Project;
- Continued investment in improved educational completion and attainment;
- Support for community infrastructure projects of state significance including the Copping C-Cell and addressing the waste tyre legacy; and
- Support Local Government to address the infrastructure upgrades and replacements identified through the recently completed Local Bridge Assessment Project, including joint advocacy to the Federal Government.

Budget Impact

Does not apply.

Current Policy

Does not apply.

Decision Sought

1. That Members note the work being undertaken between LGAT and the Regional Authorities to clarify roles and responsibilities and identify opportunities to collaborate for the benefits of members.
2. That Members highlight issues for consideration in clarifying and enhancing the respective roles of the organizations.

Background

The Local Government Association of Tasmania (LGAT) is established under the *Local Government Act 1993* to represent the interests of councils in Tasmania; promote efficient and effective Local Government and to provide services to our Members. LGAT is governed by an elected Board – the General Management Committee (GMC).

Each of the three Tasmanian regions have established a body to represent the respective regional interests. The principle objectives and governance of these organisations is different.

Recently, each of the organisations have undergone change in leadership and it was agreed that it was an opportune time to review the respective roles and relationships between the organisations. The objective was to explore and eliminate areas of possible duplication in function and identify opportunities for improving the offering to councils.

Each of the organisations has an important role in supporting the role and responsibilities of councils. LGAT provides a formal function for interaction between Councils and State Government whereas the regional bodies provide a voice and vehicle for activities on a regional scale.

The CEOs of the organisations agree that there is a compatible and constructive functionality between them, however opportunities exist to improve the delivery of their services for the benefit of the councils.

There have been two meetings between all four CEOs to date, with a third scheduled for 11 February 2016.

At the second meeting on 24 November 2015 the agenda included:

- Regional/organisational updates;
- Mapping our respective structures (governance, funding, staffing, functions);
- Undertaking a SWOT analysis when considering us as a collective; and
- Identifying actions to move forward in delivering enhanced value to our Members.

We also took some time to discuss the State Budget process and Federal Election Agenda. An extract from LGAT's budget submission is at **Attachment to Item 2.3A**.

There is significant variance between the organisations scale, funding and governance arrangements as well as staffing and functions. Although common to the three regional organisations is a focus on regional cooperation and engagement, regional advocacy and regional development (in varying forms). A summary of the organisations is at **Attachment to Item 2.3B**.

A SWOT analysis was undertaken, considering all four organisations as a whole, and is summarised below.

Strengths

- Economic Development Focus existing in North and North/West
- New dialogue between the four Local Government organisations
- History/longevity, reasonable degree of acceptance by councils
- Many achievements
- Regional identity supports resource sharing
- A lot of resources sitting in councils in relation to Economic Development/Tourism

Weaknesses

- Lack of integration/co-operation historically
- Dependent on subscriptions
- Difficult to articulate the value proposition for State plus Regional
- Regional bodies not recognised by the State Government (not in legislation)
- Role clarity is weak
- Lack of consistency of approach
- Parochialism can push against a common understanding of regional value
- Different funding, governance and staffing models
- Lack of universal commitment to the models and organisations (including funding)
- Hard to articulate achievements at an individual council level

Opportunities

- Period of review for sector and organisations – opportunities around resource sharing?
- Communities are thinking bigger about Local Government
- Can build recognition and use by the State through review of Local Government Act
- Can build best practice – eg governance model review Cradle Coast Authority
- In the South there is opportunity to build Economic Development focus
- Link into Premiers Local Government Council umbrella/Role of Local Government Project
- State is focussed on increased economic activity – ties in with the Government's agenda
- Better coordinate the resources in councils

Threats

- Member withdrawal
- Financial pressures on councils
- Lack of State Government resources in Economic Development/Regional Development space – not coordinated
- Been around, perhaps not seen as dynamic organisations
- Local Government Reform around resource sharing and amalgamation might lessen the need for regional bodies
- Potential loss of regional autonomy if one organisation

Early actions identified include:

1. Promote joint approaches and conversations. For example:
 - a. Budget
 - b. Land use planning
 - c. Regular meetings to explore opportunities
 - d. Communications between member bodies (eg updates to member meetings, attendance at each other's events/meetings)
 - e. Seek opportunities for joint advocacy on issues
 - f. Promote good news from regional authorities through LGAT Magazine/Newsletter
2. Review of the Local Government Act – opportunity for role clarification/status building
3. Role of Local Government Project – Strategic Action Plan, linking economic development initiatives with regional programs/thinking. Integrate hierarchies and conversations
4. Linkages across organisational work plans

During visits by the LGAT CEO and President to Councils, it has become clear that for a number of councils, across all three regions, there are questions about the ongoing role of the Regional Authorities as there is with LGAT at times from various member councils.

Influencing the discussions are a number of changes and activities underway in each region.

For example, the CEO (and sole employee) of the Southern Tasmania Councils Authority (STCA) has commenced renting space at the LGAT offices, providing opportunity to further strengthen the relationship and reduce duplication of effort.

The Cradle Coast Authority has commissioned Adjunct Professor Mr Graham Sansom to undertake a review of regional governance including the role of the Cradle Coast Authority.

Northern Tasmania Development (NTD) is undertaking a review of regional bodies in Northern Tasmania in partnership with Tourism Northern Tasmania (NTN) and National Resource Management (NRM) North, along with input from the Launceston Chamber of Commerce and a representative from a community non-profit.

The review will inform the Position Description for the new Chief Executive Officer (the position is currently vacant), and will also identify options for NTD/TNT/NRM governance that enables the private sector to grow the region, explore strengths and weaknesses, and deliver regional priorities.

The Minister for Local Government has indicated he would be interested in feedback on the Regional Bodies in relation to the Review of the Local Government Act which is targeted at improving clarity around roles and responsibilities.

Budget Impact

Does not apply.

Current Policy

Does not apply.

2.4 DEDUCTIBILITY OF ELECTION EXPENSES/LIMITS ON ELECTION EXPENDITURE

Contact Officer - Katrena Stephenson

Decision Sought

- 1. That Members note the Report; and**
- 2. That Members agree that mapping a sectoral position in relation to any changes to election expenditure be done as part of the broader review of the Local Government Act.**

Background

At the October 2015 General Meeting, in addition to a discussion on allowances, matters relating to election costs and expenses were raised. In July 2012 the following motion was carried and similar motions have been passed at the National General Assembly of the Australian Local Government Association (ALGA).

That the Local Government Association of Tasmania request that the Federal Government:

- Review the current maximum thresholds set for Local Government candidate election expenses which it recognises as a legitimate deduction for income taxation purposes; and further,
- Consider the introduction of a suitable indexation mechanism to enable currency of the revised threshold to be maintained.

LGAT has pursued this matter collectively through ALGA after direct attempts to engage the Federal Government failed. An update on the Australian Local Government Association (ALGA) activity is provided.

ALGA is currently trying, on behalf of state associations, to persuade the Australian Government to remove the cap of one thousand dollars on the deductibility of election expenses for candidates in Local Government elections.

The Commonwealth Treasury indicated in November 2015 that the issue might be able to be progressed independently of any Taxation review but that there would need to be a costing provided to the Federal Cabinet of the removal of the cap.

In order to estimate the cost to the Federal Budget of any increased tax expenditures from removing the cap the Treasury is looking for a range of data.

In December, ALGA sought feedback from Associations in relation to the data requirements, which LGAT has provided. Information required included the number of elected position holders, the election cycle and terms of office, the number of candidates contesting elections historically, any existing regulations or restrictions on the ability of elected office holders to earn income while carrying out the functions of the office and typical election spends.

LGAT will continue to keep Members advised of progress.

At the October 2015 General Meeting, an item of topical discussion was a suggestion that expenditure of Local Government elections be limited to one thousand dollars. This was not particularly supported but it was suggested that current expenditure limits on advertising and campaigning for Local Government Elections were unrealistic and that they do not take into account localities, populations, urban/rural areas etc. While it was agreed an item would be tabled at the next General Meeting there was a lack of clarity on the direction for this paper.

LGAT suggests that this matter might most appropriately be dealt with in relation to the Review of the Local Government Act, along with donor disclosure. This would allow LGAT to canvass the broad views of Councils prior to formulating a position for the sector to endorse.

2.5 MEMBER ALLOWANCES AND SUPERANNUATION

Contact Officer - Katrena Stephenson

Decision Sought

That Members agree LGAT should seek from the State Government, an independent review of Elected Member Allowances.

Background

Prior to 2000, Tasmanian councils set their annual allowances within limits decided by the Government and set in the Local Government Regulations 1994. Each council made a decision on the allowances to be paid up to a maximum amount prescribed by regulation.

In 1999, the Tasmanian Government and LGAT agreed to establish an independent process to determine the appropriate level of remuneration for councillors in Tasmania. The Local Government Act 1993 was amended to remove the requirement that councils be responsible for setting their councillors' allowances up to a maximum amount prescribed by regulation.

It was agreed that allowances arising from the reviews should have effect for a period of four years. Reviews have now been conducted in 2000, 2004 and 2008. Elected Member Allowances were last independently reviewed in 2008.

The Board of Inquiry comprised members of the Tasmanian Industrial Commission. The Board of Inquiry considered matters such as the formula for council categorisation; the workload reasonably expected (as distinct from the commitment that might be provided by individuals); the relativities of the Mayor, Deputy Mayor and councillors; cost impact of allowances and the adjustment mechanism.

The following was noted in their report:

- Historically council representation has been driven by the notion of community service with candidates largely motivated to contribute to the community rather than being driven by remuneration. Allowances were designed to reimburse expenses reasonably incurred.
- The Board considered that the notion of community service will always have a place in Local Government but that this does not mean councillors should be expected to serve for little or no financial recompense beyond reimbursement of expenses.
- Council service requires elected members to deal with a complexity of issues and a significant workload beyond that of most voluntary roles. Councillors are also subject to significant public scrutiny.
- Councillors should continue to receive an allowance rather than remuneration because it is a different type of accountability to that which typically applies to an employer/employee relationship. The capacity to control and direct does not apply in Local Government.
- Evidence suggests that Local Government representation is heavily skewed against younger employer persons and females generally. However there are other factors than the allowance that contribute to this imbalance.
- Councillor responsibilities have increased in complexity over time.
- The workload for councillors is significant and typically ten to twenty-five hours per week. Individual examples which fall outside this range are most likely a matter of personal choice.
- It is universally accepted that Mayors carry a heavier workload and level of responsibility.
- There is no logical reason for a wide disparity in ratios from large to small councils in relation to the Mayor/Councillor relativities.
- A case for a capital city loading was not established.

Superannuation for Elected Members

The 2008 report does not explicitly refer to superannuation but the 2004 review led to a one off adjustment of nine per cent to compensate for the absence of superannuation.

Currently:

- If councils resolve unanimously to be an 'eligible local governing body' (under section 12-45(1)(E) of Schedule 1 of the Taxation Administration Act 1953) then under the Taxation Administration Act, councillors are regarded as employees and superannuation guarantee contributions must be paid (nine point five per cent).
- If they don't make that resolution it is up to the council to decide whether it will make super contributions for a councillor.
- Additionally councillors may enter agreements with councils to sacrifice their remuneration into super so they are treated as employer contributions and taxed at fifteen per cent (based on ATO advice from 13 August 2007). That is, the allowances are not treated as income for the purposes of the Income Tax Assessment Act 1997.
- However, the choice of fund rules do not apply with such agreements and Council can disagree with the choice of fund. The arrangements are purely voluntary.
- Councillors are encouraged to seek professional advice based on their individual circumstances.

Other States

New South Wales

The NSW Local Government Remuneration Tribunal decides each year the annual fees for Councillors, as well as the categories of councils and mayoral offices. Minimum and maximum annual fee amounts are provided. The tribunal gives consideration to both Consumer Price Index (CPI) and Wage Price Index when determining increases.

Remuneration for 2015 ranges from \$11,010 for a rural councillor up to \$27,550 for a councillor in a major city (when the maximum level is considered). The additional fee for the Mayor ranges from \$24,000 (maximum) to \$80,260 (maximum).

The 'Principal' city attracts a higher maximum allowance level of \$36,720 for a councillor and \$201,580 for the Mayor. Councillors are paid a fee, not a salary and it is subject to tax.

Victoria

Councillors receive an allowance which is determined by each council within limits set by the Victorian Government. The limits vary depending on the revenue and population base of each council.

There are three broad categories. For 2015 Councillors in Category One received between \$7,900 and \$18,878 and the Mayor received up to \$56,402. In Category Two, the range for councillors is \$9,788-\$23,539 with the Mayor up to \$72,834 (eg Ballarat, Warrnambool). Category Three, which includes Bendigo, Monash and Port Phillip has a range of \$11,771-\$28,202 for councillors and up to \$90,081 for the Mayor.

Allowances for the City of Melbourne and Greater Geelong are fixed by Order in Council and annually adjusted. Melbourne City Councillors receive \$42,302 and the Lord Mayor \$180,163. The allowances were adjusted by two point five percent in 2015.

South Australia

Determined by the Remuneration Tribunal every four years prior to each election. There are five council categories and the allowances for councillors range from \$5,700 to \$21,500. There are additional allowances for Mayors (four times their base allowance) and Deputy Mayors (one and a quarter times) and Committee Chairs (one and a quarter times) and a travel time allowance for non-metro councils who reside more than fifty kilometres away from the Council office.

Adelaide City Council is determined separately by the Tribunal and councillors in 2014 were provided \$24,000 per annum. The Lord Mayor receives \$165,000 per annum. The Deputy Lord Mayor receives one and a half times the annual allowance for a councillor.

Western Australia

The Salaries and Allowances Tribunal considers both CEO and Elected Member payments. Both are banded by council size. Elected members receive meeting attendance fees that apply to council meetings, committee meetings, WALGA meetings etc.

Meeting fees are also banded and range from a maximum of \$232 to \$773 for a councillor and \$477 to \$1,159 for a Mayor or President. Councils may decide by absolute majority to pay an annual fee rather than meeting fee. In this case, the bandings are also applied and the annual a fee ranges from a minimum/maximum \$3500-\$9270 to \$24,000/30,900 for a Councillor and \$19,055 to \$46,350 for a Mayor.

The Mayor receives an additional allowance above the meeting fee or annual fee ranging from a \$500-\$19,570 to \$50,000-\$87,550.

Queensland

The Local Government Act 2009 (section 183) provides the tribunal with jurisdiction for Local Government remuneration matters for all Queensland Local Governments, except the Brisbane City Council. The tribunal must review Local Government categories once during each Local Government four-year term.

For 2015 Category One (e.g. Charters Towers, Winton) councillors receive \$49,829 and Mayors \$99,638. Category Four councillors receive \$84,308 and Mayors \$145,624 (e.g. Gladstone and Rockhampton) and Category Eight (Gold Coast) receives \$141,791 and \$237,597 for councillors and the Mayor respectively.

Northern Territory

The maximum allowable remuneration is determined by the Minister for Local Government and elected members are entitled to a base allowance, electoral allowance, extra meeting allowance and professional development allowance. Broadly allowances range from \$4000 to \$20,000 for a councillor and from \$22,000 to \$111,000 for Mayor (equivalent).

A summary is provided in the table below.

| | Councillor | | Mayor | | Note |
|----------------------|------------------|-------------------|--------------------------|-----------------------------|---------------------------------|
| | Smallest Council | Largest Council | Smallest Council | Largest Council | |
| TAS | \$8,726 | \$34,002 | \$21,813 additional | \$85,007 additional | |
| Vic (Min-Max) | \$7,900-\$18,878 | \$11,771-\$28,202 | \$56,402 | \$90,081 | Excluding Melbourne and Geelong |
| Qld | \$49,829 | \$84,308 | \$99,638 | \$14,5624 | Excluding Brisbane |
| NSW | \$11,010 | \$27,550 | \$24,000 additional | \$80,000 additional | Maximums presented only |
| WA (Min-Max) | \$3,500-\$9,270 | \$24,000-\$30,900 | \$19,055 +\$500-\$19,570 | \$46,350 +\$50,000-\$87,550 | |
| SA | \$5,700 | \$21,500 | \$22,800 | \$86,000 | Excluding Adelaide |
| NT | \$4,000 | \$20,000 | \$22,000 | \$111,000 | |

Review cycle

In July 2008, the PLGC agreed that there would continue to be a review of councillor allowances every four years and that indexation would be aligned with the Wage Price Index.

In 2012 when the review was due, it was determined, in consultation with Mayors and General Managers, that on the basis that very little had changed in relation to roles and responsibilities and that the general quantum generally met expectations, then the ongoing indexation was adequate. Particularly given the movement of water and sewerage functions.

On that basis LGAT advised that a review was not necessary. Similarly, Members advised in 2014 that a formal review was not required.

However, in light of the fact that we are now approaching eight years since the last formal review of elected member allowances, the discussion at the last general meeting regarding attracting potential future candidates, issues related to elected members with caring responsibilities, the level of engagement required of Mayors in particular, and general concerns in relation to parity across roles and council types it would seem to be timely to seek that the Government implement a review.

3. ITEMS FOR NOTING

3.1 STRATEGIC AND ANNUAL PLAN*

Contact Officer - Dion Lester

Decision Sought

That Members note the report.

Background

On the 28 October 2015 the GMC and LGAT staff undertook a review of the LGAT 2012 – 2017 Strategic Plan. This session involved a review of the last strategic planning process and the outcomes from the LGAT Member survey, an assessment of gaps and priorities in the current strategic plan, an overview of the 2014 - 2015 Annual Plan and outcomes, and a mapping exercise for the next Annual Plan period.

A new Strategic Plan will be prepared for the next five year period in 2017, so it was determined that only minor amendments were required to pick up any changes in context since the Plan was prepared in 2012.

The key areas where the GMC determined amendments or additions were required to the six existing Priority Areas in the Plan were:

- Priority Area One (Strategic Relationships) – aim to maintain 100% Council membership and increase emphasis on councillor engagement;
- Priority Area Two (Sector Profile and Reform) – update context about working collaboratively with State Government;
- Priority Area Three (Financial Sustainability) – promote procurement; and
- Priority Area Five (Land Use Planning) & Six (Environmental Sustainability) - roll together, introduce a new strategy related to emergency management and better reflect the government's current policy approach to climate change.

More generally, the following changes were also suggested:

- Include a greater emphasis on 'core business', such as advocacy;
- Explore new resource sharing opportunities;
- Include new policy areas related to sectoral reform, economic growth, and Parks & Wildlife roads; and
- Capture collaboration with other bodies, such as Local Government Professionals TAS (formerly Local Government Managers Australia TAS) and the three regional bodies.

The updated Strategic Plan then informed the preparation of the 2015-16 Annual Plan which include:

- Picking up the key priorities for this year;
- Differentiating ongoing core activities and those activities that are specific only to the current Annual or Strategic Plan period; and
- Outlining internal LGAT or 'business improvement' activities, which are being undertaken to improve how the LGAT secretariat fulfils its strategy and implements future Annual Plans.

A copy of the Strategic and Annual Plans are at **Attachment to Item 3.1**.

Budget Impact

Some of the planning/scoping activity may have budgetary impacts to be considered in setting next year's budget.

Current Policy

Does not apply.

3.2 STATE AND FEDERAL BUDGET SUBMISSIONS*

Contact Officer - Katrena Stephenson

Decision Sought

That Members note the report.

Background

State Government

LGAT was required to make a submission to the State Budget process by 2 December 2015 with significantly truncated timeframes compared to previous years, limiting the breadth of consultation that could be undertaken.

However, following consultation with GMC, General Managers, the Regional Authorities and other peak bodies as well as consideration of priorities in our strategic plan and motions from General Meetings, a submission was finalised. The inclusion of statements from other key Local Government bodies as well as consideration of broader community issues was a new approach and will be further refined in future. A key driver was recognising that the current economic climate is not one that is conducive to ambit claims for funding and so we looked to focus on a submission that sought a range of investments that will serve the State well in increasing productivity and securing the wellbeing of all communities.

The Submission outlined some priorities in the areas of Local Government Reform, Land Use Planning, Infrastructure and Better Communities.

Commitments sought included:

Priority

- Fully resourcing the Planning Schemes Online Project to support implementation of the Tasmanian Planning Scheme
- Continued co-funding feasibility studies related to voluntary mergers and strategic resource sharing

Critical

- Adequate resourcing of the Local Government Division
- Resourcing the completion and implementation of the Tasmanian Planning Scheme and associated policies, communications, tools, and training
- Investment in the development of State Policies to provide the overarching direction for sustainable land use and development
- Resourcing of a separate Planning Policy Unit

- Clarification of the uncertainty around future ownership, maintenance and upkeep of former Forestry Tasmania roads (now managed by Parks) through the audit of roads being undertaken by Infrastructure Tasmania, without significant new and unfunded infrastructure burden placed with Local Government
- Support Local Government to address the infrastructure upgrades and replacements identified through the recently completed Local Bridge Assessment Project, including joint advocacy to the Federal Government

Significant

- Commitment to fund future transactional costs of voluntary mergers
- Commitment to fund future transformation costs of mergers identified as meeting the agreed principles and delivering good outcomes for communities
- Resourcing further legislative review aimed at improving planning outcomes
- Maintain current State road maintenance funding levels and ensure appropriate funding to upgrade State roads, particularly those linked to popular tourist routes
- Support and work with Local Government on the development and implementation of a regionally integrated freight and transport strategy
- Support for community infrastructure projects of state significance including the Copping C-Cell and addressing the waste tyre legacy
- Communication and collaboration, with Local Government, on education reform activities at a local and state-wide level
- Progression of projects identified in the Role of Local Government Project Strategic Action plan which support improved economic development outcomes
- Involvement in mapping and supporting the ongoing role for Local Government's regional authorities as relate to economic development and tourism

Important beyond Local Government

- Make changes to the water and sewerage regulatory framework (in line with TasWater's submissions) to allow pricing outcomes to be linked to TasWater's long term infrastructure and financial planning
- Support TasWater in lobbying the Federal Government for funding of the Launceston Sewerage Improvement Project
- Continued investment in improved educational completion and attainment
- Improved collaboration in relation to tourism strategies; developing private investment opportunities; assisting with marketing and events development; education and training and appropriate funding
- Support for collaborative building of Age Friendly Cities
- Immediate development of the five year strategic plan for Preventative Health in Tasmania, accompanied by an increase in the preventive health budget

A copy of the submission is provided at **Attachment to Item 3.2**

Federal

LGAT has provided input into and feedback on the Australian Local Government Association's (ALGA) Federal Budget Submission. This is nearing the final stages of completion and will be available on the ALGA website in due course (www.alga.asn.au).

The submission will seek the following commitments for 2016-17:

- Restoration of the indexation of Financial Assistance Grants;
- A funding program directed at regional road projects to ensure that first mile/last mile and freight connectivity issues are addressed to improve national productivity;
- That the Bridges Renewal Program be made permanent;
- Funding for community infrastructure to stimulate growth over the longer term and build community resilience;
- Funding to support Local Governments' capacity to manage their own unique climate risks; and
- Funding of a targeted disaster mitigation program.

Beyond 2016-17 ALGA is seeking the following:

- Returning the quantum of the Financial Assistance Grants to a level equal to at least one per cent of Commonwealth tax revenue and implementing a revised indexation methodology which better reflects the cost increases faced by councils;
- Provide appropriate resources to aid in the prevention of cost shifting, including working towards a renewed Inter-governmental Agreement;
- A permanent doubling of Roads to Recovery funding; and
- A Review of the new arrangements for funding municipal services in indigenous communities to ensure that services are meeting the needs of communities and that there has not been a shifting of responsibilities and costs on to Local Government.

Budget Impact

Does not apply.

Current Policy

Aligns with current priorities and motions but does not seek to address all issues raised by the sector, rather focuses on those with the broadest reach.

3.3 PLANNING REFORM

Contact Officer - Dion Lester

Decision Sought

That Members note the progress of the State Government's planning reforms and the key issues for the Local Government sector.

Background

Prior to the last State Government election, the Liberal party committed to the introduction of a single planning scheme for Tasmania under the guise of a faster, fairer, cheaper and simpler planning system.

A Planning Taskforce was established in 2014 and the LGAT CEO is a member of this taskforce.

In 2015 LGAT successfully advocated for the establishment of a technical reference group, comprising nine Local Government planners and LGATs Policy Director, which first met in July 2015.

Members also agreed to co-fund a secondee to the drafting team from Local Government. While the long term future or form of the Taskforce is still unclear, the Minister has indicated that he wants Local Government at the table.

In parallel to the Taskforce processes, the Department of Justice developed amendments to LUPAA to support the future implementation of a Tasmanian Planning Scheme. LGAT consulted with members and made a sectoral submission on the Amendment Bill.

The overarching message in our submission was that the Local Government sector supports in principle the development of a single planning scheme for the state, provided there is still the ability for councils and communities to be able to respond to local issues of importance.

The amendments also sought to reduce Permitted application timeframes from 28 days to 21, however LGAT successfully lobbied the Legislative Council to retain the current 28 day timeframe.

In late December the Taskforce completed the draft of the State Planning Provisions (SPPs) of the Tasmanian Planning Scheme, which the Minister then provided to Local Government for an initial review and comment period, concluding on 5 February 2015.

This initial period was to highlight any significant or major flaws, with a more comprehensive consultation period of 60 days to occur once the Tasmanian Planning Commission (TPC) advertises the SPPs for comment (expected to commence in late February / early March 2016).

The statutory consultation period will be followed by hearings and a report from the TPC on any recommended changes. The Minister is expected to declare the State Planning Provisions in July 2016, with Councils then required to prepare Local Provisions in the second half of 2016 for the TPC to exhibit and assess.

The Minister is targeting early to mid 2017 for the Tasmanian Planning Scheme to be fully operational.

Key Issues:

- LGAT is unique in that among the peak bodies in the Taskforce, the others have all advocated for changes similar to the Government's agenda whereas Local Government is having the change thrust upon them despite the positive planning statistics in this state.
- Local Government will bear the brunt of implementation and community angst in relation to the new provisions.
- While consultation has been widespread in terms of peak/industry groups, the level of detail that needs to be considered by Local Government is different and there are likely a number of issues that LGAT will need to bring to the attention of Government on behalf of our Members.

What planning reform does Local Government want?

At the December 2015 GMC Meeting it was moved that LGAT develop a whole of sector planning reform position.

The current State Government planning reform agenda (and indeed all the recent reform from previous governments) tends to:

1. Have excessive focus on the assessment or regulatory aspects of our planning system;
2. Be ad hoc in its nature – Government picks ‘bits and pieces’ of the planning system to reform with little consideration of the system and overall governance as a whole;
3. Create a negative public perception of the planning system – which by association includes Local Government’s performance in delivering it;
4. Ignores policy development - more State Policies are proposed as part of the current reform agenda, however there has been no progress to date; and
5. Be top down and imposed on Local Government, despite the fact that far greater expertise in planning rests in our sector than the entire State Government.

This has resulted in Local Government being reactive to the various reforms, both from a resource and communication perspective and has meant that some of the critical aspects of the planning system (that many argue require reform) have been ignored to date.

Planning reform will be a significant and ongoing part of the State Government agenda for the next few years. As a sector we need to determine and clearly articulate to the State Government what we believe are the important reforms and lead the discussion accordingly.

Over the coming months LGATs Policy Director will engage with Councils in order to develop a sector wide position on what areas future planning reform really needs to focus on.

Budget Implications

Being undertaken within current resources, noting this currently forms a significant workload.

Current Policy

Strategic Plan Priority Area 1: Strategic Relationships

Strategic Plan Priority Area 2: Sector Profile & Reform

Strategic Plan Priority Area 5: Land Use Planning & Environmental Sustainability

3.4 BUILDING REGULATORY FRAMEWORK

Contact Officer - Dion Lester

Decision Sought

That Members note the report on the Tasmanian Building Regulatory Framework

Background

In November 2015 the State Government released details of proposed changes to the Tasmanian Building Regulatory Framework; this was after substantial consultation with Local Government.

There are four Bills that will make up the new regulatory framework for building and plumbing work:

- Building Bill (New Bill)
- Occupational Licensing Amendment Bill
- Residential Building Work Contracts and Dispute Resolution Bill (New Bill)
- Building and Construction Industry Security of Payment Amendment Bill

The major changes to the Framework are contained in the Building Bill, with the other three Bills in the review being ancillary legislation that will support the proposed framework. The intention of the review is to reduce red tape and costs associated with building and plumbing work by categorising work by level of risk, which then determines what level of approval or notification, is required.

For building work it proposes four categories:

1. Work an owner can do (minor maintenance or repairs or small structures)
2. Work that can be done without a permit, by a licensee (Low Risk Work)
3. Work that does not need a permit but Council must be notified (Notifiable Work)
4. Work that needs a permit issued by Council (Permit work)

Plumbing work is essentially the same, with the exception that for work that is Category three work – “notifiable plumbing work”, it involves a process where Council must be advised before work is commenced and that work is actually assessed by Council before it issues a Certificate of Likely Compliance.

The table below provides some examples of the differences proposed by the Bill.

| Current Act | New Building Bill |
|---|---|
| Minor works - Value of works < \$5,000 - Shed < 18 m ² | - Value of works < \$12,000 - Shed < 36 m ² |
| Building Permit - Value of works > \$5,000 | Notifiable works - Work that does not need a permit, but Council must be notified by the building surveyor - Examples include new residential buildings, extensions and alterations to residential, and minor alterations to commercial buildings |
| | Permit works - All new and large additions to commercial and industrial buildings, - Changes of uses involving building works - Large residential buildings |

The role of the Permit Authority (Local Government) now involves:

- Granting of permits for works requiring a permit (high risk development);
- Assessment of notifiable plumbing works;
- Receipt of records for notifiable building works; and
- Compliance and enforcement.

The changes and potential risks for Local Government are:

- An increase in the work undertaken without Council approval and therefore a reduction in the building fee income.
- Councils will be unaware of much of the building work that has taken place in its municipal area.
- Any compliance activities that involve property owners who have not complied with the new requirements, for example having category three work carried out without sign off from a building surveyor, will fall to Council. This will require investigative resources and currently there is no provision for these costs to be funded.
- The reduction in “regulated building work” will mean that Council will not be notified of often significant renovations which have the capacity to result in a supplementary valuation. As an example a deck with a constructed value of less than \$20,000 but which may substantially increase the value of a home need not be notified to Council.

Budget Impact

The proposed changes will likely have an impact on Councils building fee income.

Current Policy

Strategic Plan Priority Area 1: Strategic Relationships

3.5 POLICY UPDATE

Contact Officer - Dion Lester

Decision Sought

That the Members note the report on current policy activity and in particular:

- 1. There will be a 'Round Three' of the Bridges to Renewal Program announced in 2016;**
- 2. LGAT will soon be contacting councils on a regional basis to discuss the potential for a broader role out of the Northern Councils Street Lighting Project; and**
- 3. The Working Group formed to look at waste tyre storage in Tasmania has provided its initial report to Minister Groom.**

Background

Federal Bridges to Renewal Program: Round Two Successful Projects Announced

The Federal Government announced the successful projects from the Bridges to Renewal Program (Round Two) on 18 January 2016. Round Two of the Bridges Renewal Programme was open only to Local Government, with up to \$100 million in funding available.

This funding round saw a total of 270 applications being submitted nationally, seeking around \$220 million in Australian Government funding. Of the applications, 141 were successful. In Tasmania, six councils were successful in their applications for matched funding for a range of bridge infrastructure programs.

The following table provides a summary of the funded projects within the State.

| Council Name | Project Name | Project Description | Federal contribution | Total Project Cost |
|---------------------------|---|--|-----------------------------|---------------------------|
| Break O'Day Council | Cornwall Road Bridge Replacement | Replace a one lane timber bridge with a two-lane concrete bridge. | \$110,000 | \$220,000 |
| Break O'Day Council | Golden Fleece Rivulet Bridge Replacement | Replace Bridge No 1941, a single- lane timber bridge with a two- lane concrete bridge. | \$682,000 | \$1,364,000 |
| Burnie City Council | Tittie Gee Creek Bridge, Upper Natone Road, Ridgley | Replace a single lane timber bridge with a two lane concrete bridge. | \$121,500 | \$243,000 |
| Derwent Valley Council | Tyenna and Newbury Road Bridges Replacement | Replace two single lane timber bridges with single lane concrete bridges. | \$270,000 | \$540,000 |
| Dorset Council | Dead Horse Hill Road (Bridge 1614), Ringarooma | Replace a single lane timber and concrete bridge with a single lane concrete bridge. | \$221,000 | \$442,000 |
| Meander Valley Council | Union Bridge, Union Bridge Road, Mole Creek | Replace a single lane timber bridge with a dual lane concrete bridge. | \$1,110,000 | \$2,200,000 |
| Northern Midlands Council | Lake River Bridge, Macquarie Road, Delmont | Replace a single lane timber bridge with a two lane concrete bridge. | \$719,500 | \$1,439,000 |
| Total | | | \$3,234,000 | \$6,448,000 |

It is understood that there will be a likely 'Round Three' of the Bridges to Renewal Program announced in 2016. It is anticipated that Tasmanian councils will be well placed to take advantage of the third round.

The work undertaken in 2015 by council road managers in collaboration with the Department of State Growth to better understand the condition and load bearing capacity of local bridge infrastructure will provide a very solid evidence base for any future applications under the Bridges to Renewal Program, and will assist councils in prioritising their forward work programs.

Northern Councils Energy Efficient Street Lighting Project

Work is continuing on the energy efficient street lighting project. Driven by the City of Launceston, the project is investigating models for the replacement of 'old technology' street lights with LED.

Energy efficient street lights (e.g. LED) can use up to 77% less energy than the current inefficient technology.

City of Launceston has contracted Ironbark Sustainability to assess a number of models and report on the potential savings to replace:

1. All street lights across Tasmania; and
2. Minor road lights in Launceston.

LGAT is playing a coordination and liaison role between Ironbark Sustainability, TasNetworks and LGAT members, with the support of City of Launceston, to assist all LGAT members to be in a position to determine if there is a valid business case to undertake an LED replacement program for public lighting in their municipality.

Working on a regional scale will significantly improve bargaining power with key stakeholders, such as TasNetworks, and potentially enable economies of scale in regards to purchasing.

A number of northern Tasmanian councils have provided in principle support to move the project to the next phase. This project has been named "Northern Lights".

Following further analysis, other regional projects will be defined, and relevant councils contacted in due course.

LGAT has obtained a data set of the number and type of streetlights by each municipality. The next phase of the broader project is to establish costs for the development of a business case on an individual council and regional basis. LGAT will be contacting councils on a regional basis in regards to this shortly.

LGAT is liaising with the Municipal Association of Victoria (MAV) as they have undertaken similar projects on efficient street lighting. Recently, LGAT partnered with MAV Procurement to extend MAV procurement's Public Lighting Contract to include Tasmania.

While this process is still in train, it is hoped that it will potentially enable public lighting goods and services to be purchased at a lower cost for LGAT members.

Budget Implications

- Replacement of old technology with new will require some capital investment to "pay out" any residual asset value.
- Models of financing such an investment are being investigated including the use of the extra Roads to Recovery (R2R) funding that all Tasmanian Councils will receive over the next two financial years to pay the capital costs for the replacement project. The use of R2R funding is likely to place time constraints on the project of using the R2R funds within the funding allocation period. Therefore, the project needs to get up and running quickly and will be conducted on a "opt in" basis.
- A fee for service may be applicable for the purchasing of "business case" modelling from a consultancy firm, LGAT will advise on this shortly.

Climate Change Update

The Tasmanian Government has recently released "Embracing the climate challenge: Tasmania's draft climate change action plan 2016-2021" for public consultation.

The Tasmanian Climate Change Office has advised that the plan focuses on sensible and practical actions to help Tasmania capture the opportunities, better manage change, and reduce future impacts and costs.

The Plan outlines actions the Tasmanian Government will take to respond to the opportunities and challenges of climate change in a way that enhances the State's prosperity and resilience.

The Government is seeking public and stakeholder views on Tasmania's advantages in the context of a changing climate and transition to a low carbon economy. The purpose of the draft action plan is to seek input from stakeholders and the general community.

The plan provides a framework for the Government's ongoing response to climate change over a five-year period through to 2021. It sets policy directions and priorities for managing risks and adapting to climate change within Tasmania.

The draft action plan is framed around four focus areas, namely:

1. Meeting the climate challenge
2. Maximising our energy advantage
3. Maximising our business advantage
4. Maximising our liveability advantage

The Government anticipates that the new climate change action plan will be finalised by mid-2016. This timing will allow for extensive stakeholder and community consultation; an opportunity to better understand national and international priorities, and an opportunity to incorporate findings of the review of the Climate Change (State Action) Act 2008 which will be undertaken in the first half of 2016.

The intention is for the final climate change action plan to then be reviewed again every five years on a rolling basis.

Waste Tyres

On 13 November 2015 at a meeting with the Northern Midlands Council, the Minister for Environment, Parks and Heritage, the Hon. Matthew Groom MP, agreed to establish a Working Group to consider the issue of waste tyre management in Tasmania.

The Working Group consisted of:

- Sarah Courtney, Member for Bass (Chair);
- John Mollison, Deputy General Manager, Environment Protection Authority Division;
- Matt Genever, CEO, Tyre Stewardship Australia;
- David Downie, Mayor, Northern Midlands Council;
- Dion Lester, Policy Director, Local Government Association of Tasmania; and
- Brad Arkell, Senior Policy Officer, EPA Division [executive support]

The Terms of Reference for the Group were to provide its findings to the Minister on:

- How to deal with the legacy waste tyre stockpile near Longford;
- How waste tyres should be managed into the future; and
- What regulatory reform is needed to tackle this issue.

The Waste Tyre Working Group met on three occasions during late November and early December and prepared an interim report that summarised the discussions of the Group and presented those findings for consideration by the Minister.

The Longford stockpile was a key focus of the Group's deliberations and the history of the stockpile and its short and long term future were discussed.

The Group noted that the stockpile had grown to its current large size and become a potential risk, through:

- The poorly developed nature of the waste tyre industry in Australia (particularly in Tasmania);
- A decision by a key business to pursue a particular reuse option for waste tyres that has failed to eventuate;
- That business's failure to comply with the Council's permit conditions; and
- The initial low awareness of the Northern Midlands councillors to the size and nature of the stockpile.

It is only relatively recently that there has been any real policy focus on addressing the problem of waste tyres across Australia and those jurisdictions adjusting their policy settings on tyres have only done so in the past twelve to eighteen months.

Council has recently sought to rectify the non-compliance of the existing operator and prevent future stockpiling at the site via an Environment Protection Notice (EPN). The operator has appealed the EPN and it is currently before the Tribunal.

The Longford stockpile is not unique. In other jurisdictions across Australia market conditions, lack of clarity on regulation, and a lack of awareness amongst tyre retailers and the wider community, have led to increased waste tyre stockpiling.

As the Northern Midlands Council is responsible for regulating the site, it has advocated a range of policy responses, such as a state-based and government-regulated disposal levy.

The options considered by the Group to be most feasible included:

- Working with Tyre Stewardship Australia to assist the roll-out of the national Tyre Product Stewardship Scheme (TPSS);
- Regulating to restrict stockpiling and landfilling of tyres to underpin market development; and
- Developing markets for tyre-derived products to be sold into.

Northern Midlands Council also advocated for a tyre disposal levy, either government regulated (State based) or voluntary.

Any immediate solution to address the Longford stockpile would require an injection of capital and that the pending closure of the site will have significant ramifications for the tyre industry in Tasmania. The closure is considered to be the most pressing issue to address in the coming months.

The Group agreed that the long-term solution should be industry led, but with the support of a suitable regulatory framework to facilitate it. While the Group has had extensive informal discussions with industry, it agreed that structured and formal engagement is required as part of any regulatory response by Government.

At the time of writing no response had been received from the Minister.

Rating of Airports

Airports on Commonwealth land are exempt from paying municipal rates as required under State legislation. However, Commonwealth owned airport operators are required, under the terms of their Commonwealth leases, to pay Councils a 'rate equivalent' payment.

It has been practice that the Valuer-General has valued revenue raising sections of airport land (those parts of the airport which are sub-leased to tenants or where trading operations are undertaken, such as retail outlets), and that is used to calculate the ex-gratia rate payment to be made by the airport to Council.

The airports have paid rates under this rating structure for many years. However, in the past two years Launceston and Hobart airports have not paid the amount levied by Northern Midlands and Clarence City Councils, but have made reduced payments.

The affected councils have no legal standing in seeking to enforce 'rate equivalent' payments and is reliant on the lessor, the Australian Government, to enforce compliance with the airport leases.

The amounts in question are considerable and particularly impact Northern Midlands where airport rates equivalents represent six per cent of council's rate income for the year.

It has been difficult to get the matter heard at a Federal level. LGAT has raised this issue with State Government through the Premiers Local Government Council and Federal Government through ALGA, with the President Troy Pickard very proactive in this regard.

In Clarence the airport is disputing the valuation, whereas in Northern Midlands the airport is disputing the valuation and also the rateable areas.

Northern Midlands Council understand that the valuation objection dispute between the Launceston Airport operator and the Valuer-General is currently before the Courts. The Launceston Airport has sought to pay significantly less than the valued amount as the final settlement, however Council advised it only accepts these payments as part payment of the outstanding debts owed and expects that the full amount due will be paid forthwith.

Council has offered an adjustment or refund if it is determined that the Valuer-General has incorrectly calculated the values of each tenancy.

Council sought Commonwealth Department support to ensure compliance by the operator of the Launceston Airport with its lease agreement to pay ex-gratia rates, however the Department responded by urging the airport to continue efforts to constructively engage with Council to develop a process to settle the differences, including perhaps the use of a mediator if necessary.

Lobbying has been undertaken by the council, ALGA and the Australian Mayoral Aviation Council (AMAC) with Federal MPs, the Minister and the Head of Agency. Despite assurances from the Department, the matter has not been resolved.

Clarence Council have also undertaken numerous meetings with both the Federal Department and the Airport, including a mediation session. The Australian Government have proposed the engagement of an independent valuer to determine land valuations at the airport.

The success of this course of action is dependent on the airport agreeing to such a valuation being binding with regard to rate equivalent payments.

The Deputy Secretary, Department of Infrastructure and Regional Development, Andrew Wilson has also indicated that he would be seeking to rewrite those sections of the leases pertaining to rates and land tax as “in the current form they are unworkable”.

He also advised that a number of airports are refusing to pay land taxes on the same basis.

Local Government SES Volunteer Funding Model

In July 2015, the Chief Fire Officer Mike Brown approached the LGAT CEO in relation to progressing discussions around future funding models for State Emergency Service (SES) volunteer assets and resources.

A working group chaired by the Tasmanian Fire Service (TFS), and involving members from LGAT, TFS, SES and TFS Corporate services has been established to explore options for the centralisation of SES volunteer services and the funding of these services.

The working group has engaged Wise, Lord and Ferguson (WL&F) to audit the current funding for SES volunteer units, including council cash and in-kind contributions, and to get a clear understanding of the value of the capital assets.

It is likely that the Audit will be completed by the end of January 2016.

Councils have been very receptive to the requests from WL&F and they have now received the required data to undertake the analysis. The audit will provide the working group with a firm understanding of the current cost of running the volunteer SES units and will provide valuable information to inform future funding model options.

In parallel to this project, the parliament is undertaking an Inquiry into the Tasmania Fire Service budget (the inquiry).

The inquiry will investigate the impact on the Tasmania Fire Service of the transfer of the SES reporting responsibility to the State Fire Commission and the funding of the SES among other things.

LGAT has provided a submission into the inquiry. It is understood that hearings for the inquiry are likely to occur in February 2016 and that the inquiry has to report to Government by the end of April 2016.

At this stage, it is not fully understood what impact the inquiry will have on the Local Government SES volunteer funding project, however, the project will continue to be progressed.

Councils will continue to be consulted on the project and will be informed about the findings of the Audit. Communication about progress on the project will be regularly reported to councils, the General Management Committee and through General Meetings.

LGAT Professional Development Program

In June 2014 LGAT launched its annual professional development program for members. Since its inception LGAT has delivered a significant number of Local Government targeted programs to elected members and council officers.

In 2015 LGAT delivered over 22 sessions to approximately 500 elected members/staff.

These programs included:

- Planning for elected members
- Managing contracts
- General Scene Management
- Operational skills
- Healthy communities
- Roads
- Healthy change
- Good governance
- LGAT breakfast series
- Workshops for General Managers and 2IC's
- Elected member weekends.

A number of offerings are planned for 2016. These include Governance Essentials for Local Government, 2016 Regional Breakfast Series, Procurement training, disability access forum(s), healthy communities, asset management, road management and a suite of training from the EPA, among other things.

In addition, LGAT is employing a new staff member, in partnership with the Local Government Managers Association (LGMA), as a dedicated events and professional development officer. This will increase LGAT's ability to deliver a broader and more extensive program for our members.

We are still encouraging councils to use the LGAT brokering service to assist councils in sourcing professional development programs and accessing critical numbers to make professional development programs cost effective whilst also meeting council's specific learning and development needs.

Please contact LGAT if you have a training need.

Cat Management Plan

The Tasmanian Government has committed to developing a Tasmanian Cat Management Plan. DPIPW have been tasked with developing the plan and in order to do this a reference group has been established. LGAT is represented on the Group.

The Reference Group members along with representatives of Local Government and scientific experts have met on several occasions to discuss issues associated with feral cats and socialised cats and have identified a range of priority actions to be included in the plan.

The plan aims to outline ways that cats can be better managed in Tasmania. Issues to be examined include, existing legislation, as well as roles and responsibilities, and identifying the necessary resources (public and private) to achieve effective outcomes.

Key areas of focus will be domestic, stray and feral cats, and will cover the breeding of cats, cat-borne diseases, environmental, agricultural and human health impacts.

The plan is likely to focus on:

- Knowledge gaps and priorities for research in relation to feral cats;
- Options for improving the effectiveness of the legislation;
- Roles and responsibilities for the different levels of government; and
- Options for ensuring sufficient funding and resources are available to enable the sustainable and effective management of cats to occur.

DPIPWE have supplied a brief to the Minister requesting support for the proposed content of the plan. Once supported by the Minister, it is proposed that a working group be established including Local Government, State Government, RSPCA and the Tasmanian Cat Centre to discuss the roles and responsibilities of the different parties in the Management of Cats.

Budget Impact

Being undertaken within current resources

Current Policy

Does not apply

3.6 PARTNERSHIP BETWEEN LGAT AND MAV

Contact Officer - Deborah Leisser

Decision Sought

That Members note the following report.

Background

LGAT is working in partnership with the Municipal Association of Victoria (MAV) in order to provide Tasmanian Councils with increased direct access to a broader range of goods and services through approved provider panel arrangements.

Increasing council access to aggregated purchasing opportunities is a key procurement focus area for LGAT.

LGAT is an active partner in the National Procurement Network (NPN) a not for profit, informal arrangement of Local Government Association procurement areas across Australia. This is currently the main mechanism LGAT uses to provide councils with access to aggregated purchasing opportunities.

Use of available NPN contracts/panels is optional, but there are significant benefits for councils if they use them.

These include:

- Greater cost savings are delivered by aggregating expenditure
- Being able to ensure probity and minimal risk through a fair and transparent procurement process while complying with the Local Government Act 1993
- Reduced council administration and tendering costs
- Innovative technology tools that help simplify purchases
- Contracts managed by procurement specialists for the life of that contract

According to the Local Government Act 1993 Councils must go to tender if the provision of goods and services exceed \$200,000 over a contract term, however they don't need to go to tender on their own if they make use of NPN or other LGAT facilitated contracts.

LGAT is now also working in partnership with MAV in order to provide Tasmanian Councils with increased direct access to a broader range of goods and services through approved provider panel arrangements. These goods and services will start to be made available in 2016.

An initial project under the Partnership is the inclusion of Tasmania in the refresh of MAV's Public Lighting Contract. The joint Public Lighting Contract will potentially enable LGAT members to purchase public lighting goods and services at lower cost and will likely be accessible for LED replacement projects. The contract is currently in the process of being finalised, submissions have been received and providers are being assessed.

Additional contracts that will be explored as part of the partnership includes goods and services such as HR Support Services Tender (including Employee Assistance Program services); Parks and Playground Equipment and Asphalt.

Other contracts may be negotiated on an as needs basis.

Budget Impact

A number of Tasmanian Councils made sufficient savings when purchasing through the NPN over the past 12 months, with many, more than offsetting LGAT membership fees for the period.

While the NPN is a not for profit arrangement, a rebate is generated on sales (payable by the manufacturer). In the 12 months to end September \$23,800 was returned to LGAT through sales rebates. These funds support LGAT procurement activity.

Current Policy

Strategic Plan Priority Area 2: Ensure Financial Sustainability

4. ITEMS FOR DISCUSSION

4.1 POKER MACHINES AND THE GAMING ACT **Council - Brighton**

Presentation on concerns about Poker Machines and the Gaming Act in the community by Mayor Tony Foster and Margie Law from Anglicare.

Background

Mayor Tony Foster will provide an outline of Brighton Council's concern regarding poker machines, the Gambling Act, and his thoughts on Council involvement in the issue. He will then introduce Margie Law of Anglicare to speak. She is a local expert on the poker machine industry and the issues associated with it. She is also a key driver of the local coalition of organisations concerned about poker machines, which Brighton Council has become a member of.

In 1997, Brighton Council refused a planning application for poker machines on the basis of negative impacts to the local community and economy. The Tribunal ruled that this was reasonable under the Land Use and Planning Approvals Act, but that Section 9 of the Gaming Act means that the right to operate poker machines under that Act overrides all other Acts.

Since that time, there is now a much better understanding of the impacts (positive and negative) of poker machines. Some data is publically available, other data for smaller municipalities is with-held unacceptably.

A November EMRS poll of 1000 adults found that 84 per cent of respondents disagree that the Tasmanian community benefits from having poker machines in hotels and clubs, 66 per cent of whom strongly disagreed.

Further, 82 per cent of respondents want fewer poker machines in their communities: 32 per cent of respondents want a reduction in numbers while a further 50 per cent said that poker machines should be removed completely.

Councils and LGAT need to consider their position on the issue. Over 40 Victorian councils and VLGA have joined the Gambling Reform Alliance due to similar issues and concerns.

4.2 BED AND BREAKFAST ACCOMMODATION **Council - Kingborough**

Some 15 years ago accommodation was licensed under the State Licensing Commission. This was disbanded and handed to Local Government.

The present State Government appears to want to reduce 'red tape' and to get behind the B&B industry as a necessary provider of accommodation, that otherwise would turn tourists away from much of Tasmania due to reported otherwise accommodation shortages.

B&B accommodation has been with us for many years, however "AirB&B" has brought a new focus to the B&B industry.

As a State, we need quality accommodation, and as individual Municipality's, we all need the same quality of accommodation being provided to tourists within our local areas. Quality accommodation attracts and adds to the visitor experience.

The B&B industry appears to have little regulation, and each facility determines its own destiny, ie to register with Local Government or otherwise.

Is there a level playing field applying to the B&B industry?

Is there a level playing field for B&B's opposed to say a Hotel or tourist complex? Should there be?

On 1 July 2015, Kingborough Council moved from AAV to CV for rating assessments. At the same time we introduced a 'commercial' Land Use Code, which in summary passed a small savings to residential property owners.

One residential property owner late last financial year, became a B&B accommodation facility and has dedicated three rooms within the family home for B&B purposes. He has followed the correct procedure and made all the applications necessary.

The Valuer-General rated his property under a commercial code within the Land use Category, resulting in Council rate increase from \$2,000 pa (residential) to \$3,500 (commercial).

On the above information, it is clear that other B&B establishments will not follow suit quickly.

For the B&B establishments that do not advise Local Government, there are no application fees, increased rates or building modifications carried out.

There is however the question that many owners may have avoided to obtain, the clarification of buildings and contents insurance and public liability insurance, that could prove onerous in the event of damage to the property or injury/loss of life to a paying guest.

We need to consider a number of issues, but not necessary limited to the following;

- Rates for part house / whole house.
- Rates for whole/part homes that are seasonally part of B&B accommodation, eg 1 or 2 months only per annum.
- Homes / part homes that are B&B utilised up to 40-50 weeks per year, as opposed to those in other locations that may only attract usage spasmodically, say 10-15 uses per annum
- Turnover/usage of B&B accommodation
- Hotel/tourist complex in immediate area
- Etc

B&B accommodation is throughout the state and affects every Council. As an industry it is time that we formed a common policy to deal with B&B rate incomes, then seek the Valuer-General's assistance by introducing one or more B&B accommodation Land Use Categories to overcome an ad hoc arrangement.

4.3 COUNCILLORS DECLARATION OF OFFICE **Council - Kingborough**

Background

After each Council Election we undertake a “Declaration of Office”. Councillors have discussed various means of education for new and re elected Councillors, the last being at the Annual Conference in 2015.

For discussion, the following points are raised:

- New and re elected Councillors can lack knowledge and have differing understandings of their legal obligations.
- In an endeavour to overcome misunderstandings and conflicts, should pre reading information be provided to each elected Councillor prior to Declaration of Office?

At Declaration of Office, should each Councillor be required to sign off that:

- They have read, understood contents;
- Sought clarification where necessary;
- State that they understand the Local Government Act and Regulations;
- Will undertake programmed learning sessions (LGAT/Council); and
- Will act at all times in accordance with the Code of Conduct.

5. OTHER BUSINESS & CLOSE
