1. NOTICE OF MEETING

A meeting of the General Management Committee was held on 12 August 2009 at the Brighton Civic Centre, 25 Greenpoint Road, Bridgewater, commencing at 3.00pm.

IN ATTENDANCE:

Mayor Barry Easther President
Mayor Deirdre Flint Southern Region
Mayor Graham Bury Southern Region
Deputy Mayor Eva Ruzicka Hobart City Council
Mr Allan Garcia LGAT
Dr Katrena Stephenson LGAT
Ms Christine Agostinelli LGAT

APOLOGIES:

Lord Mayor Rob Valentine Hobart City Council
Mayor Kevin Hyland West - North West Region
Mayor Lynn Laycock West - North West Region
Mayor Albert Van Zetten Northern Region
Mayor Robert Legge Northern Region

As there was not a Quorum all matters were Noted only on the day.

A circular resolution was forwarded to all Committee Members following the Meeting for Items that required a decision. Those items are recorded in the Minutes as ‘Carried by Circular Resolution’.
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* Denotes Attachment
1.1 SUBJECT: CONFIRMATION OF MINUTES *

That the Minutes of the meeting held on 7 May 2009, as circulated, be confirmed.

To be Confirmed at the 2 October 2009 Meeting

Minutes of the meeting held 7 May 2009 are at Attachment to Item 1.1.

1.2 SUBJECT: BUSINESS ARISING *

That the Committee receive the report on business arising from the previous meeting.

Update of Policy items from the last meeting - not covered in this Agenda are at Attachment to Item 1.2.

1.3 SUBJECT: PRESIDENT’S REPORT

Decision Sought

That the President’s report be received.

The President reported that he had attended two meetings with Treasury in relation to Water and Sewerage Reform and had briefed the Legislative Council on Water and Sewerage Reform and Fluoridation.

Articles had also been submitted for the LGAT News Magazine and Local Government Focus.

1.4 SUBJECT: CHIEF EXECUTIVE OFFICER’S REPORT

Decision Sought

That the Committee note the Chief Executive Officer’s report.

Interface with external bodies
  – Quadrant Board and Committee Meetings
  – CMP Board Meeting
  – Forest Practices Advisory Council Meeting
  – Attendance at FIAT Meeting to discuss LG engagement
  – CEDA Forum – water reform
  – UTAS – Planning Accreditation Meeting
  – U-Turn Graduation Ceremony
  – Australia Post – Postal Stakeholders Consultative Council
− Elizabeth College Careers Event
− GHD – Group Consulting Proposal
− Property Council – Planning Reform
− Volunteering Tasmania – interface with Local Government

Local Government Forums
− Water and Sewerage IJSC meeting
− General Managers’ Workshop
− Road Summit – Launceston PLGC Officials Meeting
− Attended regional forums re planning reform
− Bushfire Planning
− ALGA Board Meeting
− ALGA Board Meeting via video conference
− Asset management/Financial Planning regional forums
− Water and sewerage Funding Proposal Meeting
− Women in Local Government Forums
− PLGC Officials meeting
− Chairman W&S Corporations

State Government Meetings
− Meeting with Secretary DOTAF re Water and Sewerage legislation
− Meeting with Aurora Energy re National Broadband Network Rollout
− Secretary DIER re Roads Forum follow up actions
− NRM Council Meeting
− EPA Stakeholder roundtable
− Briefing of Leg Council re Water and sewerage
− Building Industry Reference Group
− DoJ – Planning Legislation
− LGD – Compulsory Voting Steering Committee
− Skills Tasmania – Regional Skills Development priorities
− Local Government Division – regular monthly meetings and various meetings re dog control, financial sustainability of councils, Local Government Board and Stronger Councils project

Media
Water and sewerage CSO progress

Amalgamations/Mergers general comments around east Coast merger process
Provision of “think piece” for Examiner re mergers

Announcement of Retirement of President and Acting President
Announcement of new President
2. POLICY

Policy Items for Discussion & Decision.

2.1 SUBJECT: LEGISLATION ROUND UP

That the Committee note the following report.

Noted

Background:
In December 2008 the GMC agreed the following process for dealing with legislation.

1. Legislation which is clearly inconsequential is dealt with by the LGAT Policy Director in consultation with the CEO.
2. If there is any ambiguity LGAT will make informal contact with one or more members of the Legislation Committee for advice.
3. Where legislation is clearly significant LGAT will consult with councils as appropriate (using for example email, written correspondence, workshops and so on).
4. Key legislative issues will be reported on to GMC at least biannually. This includes issues put forward by councils.

This is the first biannual report, however it should be noted that a number of pieces of legislation have been reported on more extensively as full GMC or General Meeting Items.

Intended legislation for which there is not yet a draft Bill for formal consultation

1. Cat Management
   Refer the General Meeting agenda item for 12 August 2009. A Draft Bill is anticipated soon. Some issues have been canvassed with a virtual working group with feedback to State Government. Lack of budget commitment for implementation remains a concern.

2. Cultural (Historic) Heritage
   Refer the General Meeting agenda item for 12 August 2009. Further working group meeting on 12 August. Drafting of Bill has commenced. A lack of budget commitment for implementation remains a concern.

3. Aboriginal Heritage
   In late May LGAT was advised that drafting instructions had been issued to the Office of the Parliamentary Council in anticipation of consultation in July with the Bill going to Parliament in October/November this year. The first milestone of consultation on a draft bill has already been missed. Again there has been no firm budget commitment from the State Government and this will influence the stages of legislative reform.

To date, the Aboriginal Heritage Tasmania (AHT) team has been trying to limit the impact on councils and the process they are suggesting is broadly as follows: prior to submitting a planning application to council the proponent will have first had to deal with AHT (although it is likely there will be exempted categories/activities) with a planning approval unable to be provided without formal advice from the ABO. Proponents may be given the go ahead or may require a permit or master plan to be approved, (ie Duty of Care up front). Under this scenario there would be three types of permits with a works permit most relevant to Local Government.
There had been some suggestion that this approach may change, with some discussion within State Government about an EMPCA variation whereby the local council treats an application similarly to how it does under EMPCA – that is refers it off to AHT if it meets certain criteria or if it thinks it might result in damage etc to heritage. In this case, the assessment process would be conducted by AHT and THC but rather than issuing a permit those processes result in a direction to refuse or a set of conditions to attach to the LUPAA permit. The idea behind this approach is to have a single permit process for all those things not exempted from LUPAA.

An Aboriginal Heritage Council is to be formed which will be a decision making council. Dispute resolution will occur through RMPAT. There will be timeframes for approvals (eg 21 days for approval of master plan).

Mapping of key areas is not likely to be progressed but there will likely be some broad criteria (eg coastal zones, tributaries and disturbance levels).


The Department of Primary Industries, Parks, Water and Environment (DPIPWE) has sought input from the Association following the recent release of its ‘Review of Survey Co-ordination Act 1944 Discussion Paper.’ DPIPWE advises that while the basic principles underlying the 1944 Act, such as principles relating to survey data standards, and information collection, management and dissemination, remain valid, it is now operating in a technological and systemic environment that is vastly different from that of the 1940’s.

A number of key issues of relevance to Local Government are discussed in the paper. They include the confusion of roles regarding the Nomenclature Board and Local Government in the naming of streets; the surveying of infrastructure, particularly issues relating to spatial datums; and the relevance of the current system of permanent survey marks into the future. LGAT is currently consulting councils for their views in relation to the discussion paper and has sought feedback to enable a whole-of-local-government response to be collated and submitted to DPIPWE within the relevant timeframes.

5. **Right to Information**

There has been recent correspondence to councils on this, particularly as relates to closed meetings. LGAT and other Local Government representatives have been involved through a working group and are generally supportive of the direction and contents of the legislation. The Bill will be going to Parliament 6 October and Justice propose to meet with LG FOI group to go through draft Bill. The Act will be proclaimed 1 March 2010.

6. **Review of the Crowns Land Act**

LGAT sought comment from councils and provided consolidated feedback on the discussion paper on 21 May. Further, LGAT met with DPIPWE to progress a component issue related to reserve roads, which is being progressed ahead of the broader review. A discussion paper was circulated for comment in July and meetings between councils and DPIPWE will occur mid August.

7. **Review of the Sewers and Drains Act**

LGAT is on the Steering Committee but at this stage only a draft project business plan has been completed.
8. Environmental Management and Pollution Control (Waste Management) Regulations

The State Government sought the Association’s preliminary views in relation to a proposal to replace the Environmental Management and Pollution Control (Waste Management) Regulations 2000 (the regulations). The regulations, which were made under section 102 of the Environmental Management and Pollution Control Act 1994 (EMPCA), are due to be automatically rescinded on 1 January 2010 under the provisions of the Subordinate Legislation Act 1992 (SLA).

The primary issue for Local Government concerned a possible amendment to the regulations to enable the Director, Environment Protection Authority (EPA) to restrict the form of approval of the management of a particular class of waste or particular waste management activity.

In the Association’s view, this requires some certainty (perhaps through the development of guidelines) as councils and developers will not, as a matter of course, seek approval from the Director in respect of Level 1 activities. Approvals may be issued by councils and the approval acted upon, notwithstanding the possibility that the Director may wish to exercise his discretion with respect to that activity.

LGAT provided feedback on planned consultation.

Legislation on which consultation is substantially complete

1. Traffic (Road Rules) Regulations

The Association’s views were sought in relation to a review of the Traffic (Road Rules) Regulations 1999 (Rules) for those areas regarded as particularly relevant to Local Government, namely Parts 22-24 and Schedules 5 and 6.

Feedback was received from a small number of councils with most indicating agreement. However, the view was also expressed that Local Government should not be responsible for issuing and administering temporary disabled parking permits and this issue should be the responsibility of one authority, namely the State Government.

2. Planning Reform

This has already been reported on extensively at previous GMC and General Meetings.

The Premier used the State of the State address to highlight intended changes to the Land Use Planning and Approvals Act 1993 (LUPAA) arising from the State Government’s review which commenced in March 2008. The Communication and Consultation to date in relation to this matter has been as follows:

- Local Government representation on the Review Steering Committee, Andrew Paul, General Manager of Clarence City Council, has been the LGAT representative
- Public submission process to Review
- Briefing of LGAT (President, Policy Director, PLGC Representative, Steering Committee Representative) one day prior to the State of the State Address
- Presentation to General Managers at Workshop (18/19 March) by Peter Fischer
- Discussion at General Meeting following presentation by Greg Alomes, RPDC
- Release of a principles document
- Regional consultation forums
- Call for response submissions.
The (former) President and CEO of the Association met with Minister Llewellyn to express concerns raised in the regional forums about the proposed amendments to planning legislation and the timeframes for consultation which were subsequently extended.

The Association provided a written submission in consultation with councils.

The first Bill (May) encompassed the Tasmania Planning Commission provisions and adjustment to section 59. The second Bill focused on Projects of Regional Significance (PORS). LGAT made submissions on both. In the main, the State Government does not support the position of Local Government. The third Bill will focus on call in powers and improved enforcement provisions. Comments are currently being sought. At Attachment to Item 2.1 is a copy of an email forwarded to all General Managers detailing present positions and activities.

3. Water and Sewerage – Community Service Obligation

This is the subject of a separate report.

4. Dog Control

This has been the subject of previous reports and pertains to:

- Controls for keeping and restraining restricted breed dogs.
- Mandatory de-sexing of restricted breed dogs and dogs declared dangerous.
- Restrictions on selling and exchanging restricted breed dogs and dogs declared dangerous.
- Compulsory micro-chipping of dogs.
- Abatement notices
- Dealing with dogs at large

LGAT has been involved in the Working Group and coordinated a whole of Local Government response to the 2007 issues paper.

In February 2008, the Local Government Division released proposals for the implementation of the proposed reforms. LGAT raised a number of issues with these proposals, primarily seeking to clarify the extent of Council’s responsibilities and powers.

In December 2008, a draft Bill was released. LGAT has worked with the Local Government Division on the Bill to clarify and correct some drafting matters and to ensure the Bill reflects agreed positions.

The major overarching concern for Local Government continues to be the onus on councils of implementation. Clearly, these provisions will place additional responsibilities on councils, for General Managers or their delegates, administration staff and for Animal Control Officers. The implementation of some will be challenging. It has been clear through the development of these amendments that there are very strong, and differing, positions taken by different parts of the community. It would be most unfortunate if the prospect of protracted and costly arguments with dog owners resulted in reluctance by councils to use these provisions to their full extent.

LGAT considers that for these provisions to be implemented successfully it is essential that:

- a comprehensive public education program be undertaken; and
- a training program be provided to assist Animal Control Officers with identification of restricted breed dogs.

LGDT are to convene a meeting to discuss these issues in the near future.
Legislation which has been passed
This is not a complete list of legislation passed which LGAT has provided input on. It primarily relates to areas where consultation is ongoing regarding implantation or where consultation was finalised in the last 6 months.

This legislation was the subject of a special PLGC meeting on 20 March, 2009 with the Premier highlighting that existing planning approval processes would be a major barrier to meeting the Commonwealth’s timeframes for construction to commence social housing and infrastructure projects funded under the National Partnership Agreement (NPA) and that a failure to meeting the conditions of the NPA will result in withdrawal of funding and, potentially, the reduction of an equivalent amount of future Commonwealth funding (e.g., GST payments) to states. The legislation exempts social housing and school infrastructure projects from the Land Use Planning and Approvals Act 1993 (LUPAA).

The proposed communication strategy and supporting materials to be produced by DPAC have been lacking and some councils have experiences difficulties with non government proponents.

Issues have been raised with the relevant officers in State Government and through PLGC officials.

2. Dangerous Substances (Safe Handling) Regulations 2008
The Association made a detailed submission on the final draft of the Dangerous Substances (Safe Handling) Regulations 2008.

The draft Regulations sought to incorporate two important national standards and codes of practices for the regulation the storage and handling of dangerous substances (and the control of larger facilities such as a ‘dangerous substances location’ (DSL) and a ‘major hazard facility’ (MHF). The Regulations also set out the powers and rights of councils in respect of blasting in municipal areas.

LGAT consulted councils and while generally supportive there were some concerns expressed by a small number of councils in relation to blasting in municipal areas.

Two matters arose in particular: first, in relation to the issue of ‘notification’ to councils in respect of blasting in a municipal area and secondly, the extent to which councils should get involved in assessing the plans and their powers and rights to issue directions or injunctions in respect of the blasting. Significantly, advice given to the Association from Civic Mutual Plus (CMP) which provides insurance cover to all Tasmanian councils regarding the draft regulations was that, from an insurance and risk perspective, Tasmanian Local Government should not have any role to play in relation to blasting. The Association conveyed the abovementioned concerns, together with CMP’s advice, to WST.

Consequently WST proposed amendments to the draft regulations which both councils and CMP found acceptable. Subsequent feedback to the Association from councils indicates positive support for the resolution reached in relation to the draft regulations. For example, one Council stated that the proposal was a “Great outcome… We have a great deal of blasting in our area and I wasn’t looking forward to the proposed changes…”

3. Carbon Pollution Reduction Bill
The Federal Government exposure draft Bill has been the subject of previous reports. LGAT provided feedback on the submission made by ALGA on behalf of all Associations. The main issues of concern related to landfill and where noted and responded to positively by the Australian Government.
4. Local Government Board

This has been the subject of a previous GMC report.

In May 2006, the Local Government Division established a Steering Committee to oversee a review of the Operations and Functions of the Local Government Board. The Steering Committee was made up of staff of the Local Government Division, two representatives of LGAT and a representative of LGMA. An issues paper was prepared and workshops were conducted over 2006-07.

In September 2008, the Steering Committee was advised of the preferred option of the Local Government Division and the intention to recommend to the Minister that this be considered by Cabinet. There was general verbal agreement that this option was consistent with most of the views of the organisations represented on the Steering Committee.

The Association submitted nominations for the Board.

LGAT had limited opportunity to formally consider the outcome of the review of the Local Government Board.

5. Water And Sewerage

Various legislation related to water and sewerage reform has been reported on previously and for which submissions were made.

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2.2 Subject: General Policy Discussion

That Committee members note the intent of this session and contemplate any matters they consider worth raising.

Background

This is a standing agenda item intended to allow members the opportunity to raise any matters of strategic policy not addressed elsewhere in the agenda.
3. PROJECTS & SERVICES

Projects & Services Items for Comment and Decision.

3.1 SUBJECT: Elected Member Allowances

That the Committee note the following report.

Noted

Background
The last review of elected member allowances concluded that future regular reviews were not warranted and that the application of the annual Wage Price Index (WPI) should be applied on an ongoing basis to ensure that allowances kept in step with relevant remuneration movements elsewhere in the economy.

This conclusion was based on the fact that the general view of those participating in the review was that the balance and levels of allowances between mayors and councilors/aldermen, the categories of councils and the broad fit with external remuneration influences was about right as a result of the most recent review. The Review Committee did not envisage major changes to these factors or significant responsibility shifts that would warrant another full scale review in four years' time. Further, the overall interest and submissions to the review process were minimal suggesting the propositions put forward were within the acceptable parameters of most parties.

Two issues arise in relation to this proposal to annually adjust allowances by the WPI on an ongoing basis. The calculations for the allowances are based on a formula that relates to the size of the council. In the event of growth, it is possible for a council to move into another category, thereby triggering an adjustment of remuneration for its councillors. There is presently no mechanism to allow this flow on payment to occur.

The other circumstance arises in the event of a merger. The new council will be of a different size and likely has moved to another category but no provision exists to deal with this issue.

Both of these circumstances would likely warrant a limited review to assess and sanction any changes to the present arrangements.

The issues to consider, therefore, are whether it is generally accepted that the annual adjustment to allowances by the WPI is reasonable and that a full scale four yearly review isn't warranted and whether there needs to be a mechanism to consider the implications that arise for elected members' allowances in the event of mergers or the increased size of councils.
3.2 **SUBJECT:** COUNCIL CERTIFICATES

That Members note that LGAT is currently in the process of negotiating a new Service level Agreement with the Department of Primary industry, Parks, Water and Environment for the continuance of the Section 132 and 337 council certificates service.

Noted

**Background**

In late 2008, concerns were raised by a small number of Councils about the billing and payment process provided by the Department of Primary industries, Parks, Water and Environment (DPIPWE) in relation to the section 132 and 337 Council Certificates service. These concerns centered on delays in receiving payment.

After consulting Councils for their views about this service, LGAT sought to canvass improvements to the remittance/invoicing process with the Information and Land Services Division (ILS) of DPIPWE. ILS subsequently provided its response. It proposed a new draft 2009 Service Level Agreement (SLA) with LGAT.

It is appropriate to briefly go back to the original service level agreement. The 2004 agreement between LGAT and the DPIPWE had the following fees:

- $10,500 Contract Fee for a period of three years (used to maintain and develop the service)
- $6,000 Contract Fee for the provision of financial information and debt recovery.

ILS advised that the following charges proposed in the new 2009 SLA were altered to represent the actual cost in providing the service:

- $10,500 Contract Fee for a period of three years (same as before)
- $13,069 yearly fee for the provision of financial management and debt recovery (this is 0.25 of an FTE to perform the required duty)

ILS advised that this equates to $16,500 pa which is based on last year’s transaction levels and represents a service fee of .69 cents. ILS thinks this is an appropriate and legitimate user payer charge and does not involve the preparation of the invoice nor any debt recovery. ILS says the yearly fee for financial services is necessary and if the proposed option of introducing an administration fee per transaction were to be introduced, this yearly financial fee ($13,069) and the 3 year Contract Fee can be removed.

LGAT again consulted Councils for their views. The majority of councils responded to the issue indicating a willingness to continue the present arrangements so long as participation by councils remained at the approximate levels that now exist. Councils did not express any major concerns about the proposal to proceed to a new charging regime for this service.

The Association is currently in preliminary discussions with representatives of the ILS Division with a view to negotiating the continuation of this service based on an equitable pricing structure for Local Government.

**Budget Implications**

It is proposed that the only costs associated with the continuation of the service will be incurred up-front for the first year of the proposed new SLA. These costs will then be recovered from Councils at the end of the first financial year based upon advice from DPIPWE regarding the number of transactions each Council has processed during the financial year. Any future costs will be sheeted back to the user of the service.
Current Policy
The examination of issues associated with the continuation of the council certificates service falls within the remit of the Association.

### 3.3 SUBJECT: GM’S PERFORMANCE APPRAISAL *

That the Committee note the following report.

Noted

Background
Following a request arising out of the last Mayor’s meeting, the Association commissioned a paper by the TCCI to assist councils in relation to the process of undertaking performance appraisals of General Managers.

A copy of the document is at Attachment to Item 3.3 and is presented in the context of “road testing” its contents to ascertain the extent to which councils may require additional or more comprehensive guidance in the broad conduct of this activity.

It is considered worthwhile conducting a full day training session for elected members on this matter and in the event that GMC is supportive of this proposal, efforts will be made to access an appropriate provider to undertake such an activity.

### 3.4 SUBJECT: ALGA GENERAL ASSEMBLY

That the Committee note the following report.

Noted

Background
Disappointingly only thirteen participants from Tasmania attended the ALGA General Assembly this year.

Focusing on constitutional recognition, finance and infrastructure, the program had substance and targeted those items of highest significance to councils around the country.

The speakers were of a high quality and given the nature of the topics under discussion, all sessions were held in plenary so that attention wasn’t diverted or messages were not dissipated through attendance at concurrent sessions and workshops.

The timing of the General Assembly did not assist Tasmanian participation with the Local Annual Conference and the national LGMA Conference all being held with a period of four weeks. At the time the ALGA determined to shift its Assembly from the traditional November date to a mid year time slot, the LGAT representatives made it clear that it would impact on Tasmanian participation due to the proximity of the local event.
3.5 SUBJECT: 2009 LOCAL GOVERNMENT CONFERENCE

That the Committee note the following report.

Background
Delegates, trade exhibitors and sponsors reported a high level of enjoyment and value was derived from their involvement with the 2009 Local Government Conference, held at Wrest Point from 10-12 June. Feedback in relation to the speakers’ presentations was particularly pleasing.

This year, there was a $9,275 fall, when compared to 2008 figures in the level of sponsor and trade funding secured for the event. The decrease in sponsorship dollars, most likely an outcome of the global financial crisis, has been offset to a certain extent however, by an increase of in-kind services provided for the event.

Six days prior to the conference dinner, the event had to be relocated from the Hobart City Hall to the Derwent Entertainment Centre when it was announced unexpectedly that the City Hall would be converted to a swine flu clinic. While the move did not detract in any way from guests’ enjoyment of the evening, it resulted in a significant increase in costs associated with the staging of the event at the new venue.

The Hobart City Council had quoted LGAT $1,748.00 (incl GST) for use of the City Hall. By contrast, the DEC charged us more than eight times this amount - $15,047.70 (incl GST), which incorporated a $4,336.00 surcharge for utilising an external caterer who we had a prior contractual arrangement with. LGAT has disputed aspects of the account with the DEC, but to no avail.

The winners of the 2009 Local Government Awards for Excellence were announced at the conference dinner on 11 July by the Hon Jim Cox MP. The winners were:

**Delivering Excellence for our Communities Award:**
Brighton Council - *Brighton Alive*

**Delivering Excellence in Natural and Built Environments:**
Clarence City Council - *Climate Change Impacts on Clarence Coastal Areas Report*

**Demonstrating Operational Excellence:**
Kingborough Council - Paperless Building Application Processing

In total, 22 entries were received from 15 councils across the state. No eligible entries were received for the *Delivering Excellence for our People* category. LGAT hopes to see a higher level of participation in 2010 Local Government Awards.

Throughout conference funds were raised for the Salvation Army Blanket Appeal. Delegate contributions were topped up with a donation from LGAT, in lieu of purchasing speaker gifts. A total of $2,000 was raised, sufficient to purchase 100 single, woollen blankets for needy Tasmanians. The cheque will be presented to the Salvation Army at the upcoming sponsor appreciation event.

Feedback from the Partner’s Tour of the Huon Valley was very pleasing and the Moving Moments sessions (introduced in 2008) continued to be a popular addition to the conference program. A satisfactory level of radio and press coverage was also gained for the event, with the support of Beyond PR.
The dates, venue and theme for the 2010 Local Government Conference are to be advised.

**Budget Implications**
Despite a $9,275 drop in income raised through sponsorship and trade compared with 2008 figures, the conference was on target to deliver a modest return to LGAT to cover event administration. However, as a consequence of the enforced change of dinner venue and the exorbitant fees charged by the Derwent Entertainment Centre, the conference will run at a $4,878.00 loss this year and there are insufficient funds for distribution to our conference partners.

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3.6 **SUBJECT: EAST COAST AMALGAMATION SUBMISSION** *

That the Committee note the following report.

**Background**
The Local Government Board has sought submissions on the above matter from interested parties and the Association has been approached seeking advice as to its intent to submit material. It is proposed to submit a high level document that focuses on key strategic elements of the merger deliberations and the types of matters that should be taken into account.

The Board also proposes developing some guiding principles for those considering mergers and the Association has been requested to provide input to that process as well. It would seem that the Board has stolen a little of the Association’s thunder in this regard having already foreshadowed this activity in a LGAT News article earlier in the year, refer **Attachment to Item 3.6**.

The article by the CEO highlighted some of the issues requiring consideration when contemplating a merger and elements of it will be used in response to the Board’s requests.
3.7 SUBJECT: NATURAL RESOURCE MANAGEMENT UPDATE

That the Committee note the following report.

Noted

Background
In October 2005 the Natural Heritage Ministerial Board approved an extension of funding of the National Local Government NRM Facilitator Network for the period October to June 2008.

In May 2008 LGAT formally wrote to the Australian Government requesting to roll over residual operational and salary budget for the Local Government Natural Resource Management Facilitator position until the end of 2008 and subsequently the end of the 2008 – 2009 financial year.

The residual budget was to be used to:
- equip councils in understanding and meeting Federal Government objectives under Caring for Our Country;
- assist councils in gaining access to funds for activities that will contribute to national priorities;
- build better linkages and partnerships between and across the spheres of government and other relevant stakeholders; and
- progress Local Government climate change agenda

LGAT has submitted the final report and acquittal for the program. A copy is available from Christine Materia.

Budget Implications
Does not apply.

3.8 SUBJECT: AUSTRALIAN COUNCIL OF LOCAL GOVERNMENT

That the Committee note the following report.

Noted

Background
Mayors and Shire Presidents from Australia's 565 councils met with the Prime Minister, Cabinet Ministers and other Members of Parliament as part of the second meeting of the Australian Council of Local Government (ACLG).

The meeting followed the National General Assembly of Local Government (NGA). A Communiqué summarising the positions reached at the NGA was unanimously adopted by the more than 650 delegates.
The President of the Australian Local Government Association (ALGA), Cr Geoff Lake, presented the Communiqués to the Prime Minister at the beginning of the ACLG meeting calling for:

- inclusion of Local Government in the Australian Constitution;
- more ambitious targets for the Carbon Pollution Reduction Scheme;
- all levels of government to work together to develop and improve climate change mitigation and adaptation strategies;
- national action to provide water supply certainty throughout Australia utilising ecologically sustainable measures;
- entrenching the successful Community Infrastructure Program payments under the stimulus packages as an ongoing annual program;
- an increase to the base funding for Financial Assistance Grants paid by the Australian Government to Local Government each year for recurrent expenditure; and
- a permanent framework to address cost-shifting between the levels of government.

Key announcements from the meeting included a further $245 million to Local Government for community infrastructure and $25 million to fund reform initiatives including asset management reform across Local Government and shared services.

It is not known at this time how the $25 million will be allocated across states and the relative allocation between the asset management initiative and the other elements.

### 3.9 SUBJECT: LOCAL GOVERNMENT REPRESENTATIVES

<table>
<thead>
<tr>
<th>Committee</th>
<th>Representative</th>
<th>Elected Member/Officer</th>
<th>Coordinating Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Marine Pollution Committee</td>
<td>Mr Frank Henderson</td>
<td>Officer</td>
<td>DPIPWWE</td>
</tr>
<tr>
<td>Local Government Award Modernisation National Working Group</td>
<td>Mr Peter Rodwell</td>
<td>Officer</td>
<td>MAV</td>
</tr>
<tr>
<td>State Fire Management Council</td>
<td>Dr Stephen Bresnehan</td>
<td>Officer</td>
<td>State Fire Commission</td>
</tr>
</tbody>
</table>
4. FINANCES

Financial Items for Discussion & Decision.

4.1 SUBJECT: PROFIT AND LOSS REPORT *

That the Profit and Loss report to 3 August 2009, be received.

Background
At Attachment to Item 4.1, is a print out of a Profit and Loss Report to 3 August 2009.

Budget Implications
Does not apply.

Current Policy
Does not apply.

4.2 SUBJECT: CASH FLOW STATEMENTS ***

That the Committee receive the reports for the months of April, May & June 2009.

Background
It is considered appropriate that the Committee should have access to information relating to the cash position of the Association detailing cash on hand, reserves, amounts held for projects and expenditures and revenues pending.

Detailed cash flow statements have been prepared for the information of the Committee and are at Attachment to Item 4.2

Budget Impact
As above.

Current Policy
The Association has a responsibility to manage the assets of the organisation in a responsible and transparent manner.
4.3 SUBJECT: 2008/2009 AUDIT

That the Committee note the following report.

Noted

Background
Accounts for the 2008/2009 financial year have been forwarded to the Association’s accountants, Wise Lord and Ferguson, for the preparation of a signed, unaudited financial statement to be provided to the Audit Office by 31 August 2009, as per the requirements of the Local Government Act.

Final audit testing will be carried out in the first two weeks of September with the view that the Audit will be completed and Financial Statements provided by early October.

4.4 SUBJECT: ESTABLISHMENT LOAN – WATER CORPORATIONS

That the Committee note the following report.

Noted

Background
Following the reluctance by owner councils to guarantee the water corporations in terms of accessing funds to establish the businesses, the Association canvassed with council members the possibility of providing a short term loan from its resources to meet these funding requirements.

Councils subsequently supported this measure and a loan of $1 million with the option of accessing a further $1 million was promulgated with the water corporations. The term of the loan involved repayment by 30 September 2009 or within 10 business days of the corporations receiving alternative finance from Tascorp, whichever is earlier.

The funds were repaid in full on 31 July 2009 with interest due.
4.5 Subject: Glenorchy City Council - Notice of Intention to Resign from LGAT

That the Committee note the following report.

Background
Formal advice has been provide by the Glenorchy City Council of its intention to resign from the Local Government Association of Tasmania for budgetary reasons.

A copy of the Council's letter is at Attachment to Item 4.5 for reference.

The impact of this action is that Glenorchy City Council remains a member of the Association until 30 June 2010. You will note in its letter that it has reserved the right to reverse its decision to withdraw pending an improved financial outlook for the following financial year. The Council, its elected members and employees will continue to have access to all Association services during that period and the relationship will remain professional and cordial.

To the extent that Glenorchy determines not to continue its membership of the Association there are a number of implications. The most obvious for the Association is the financial implication of losing a significant subscriber with the revenue downturn likely to be in the order of $50,000 per annum. From the perspective of Glenorchy Council it would not continue to have privileges of membership. These range from communication and consultation on legislative and policy issues, advocacy services, broad communication of activities across Local Government, access to ALGA, access to training and development for elected members and membership on working groups, committees and steering committees. There are also implications at a financial level. By virtue of its membership of the Association, Glenorchy has access to the mutual insurance fund subscribed to by Victorian and Tasmanian councils.

Recent withdrawals from Association membership in Victoria have resulted in premium penalties via the mutual and it is expected that the same would be applicable to Tasmanian councils. Another implication is the ongoing access by council employees to the loans facility offered via LGAT Assist. Employees who are employed within the Local Government sector and are members of Quadrant Superannuation may access LGAT Assist for personal loans and miscellaneous grants (including funeral grants). LGAT Assist exists by virtue of its relationship with the Association and this facility is another benefit of Association membership. While present loan holders would not be penalised, future applications by employees of non-member councils would be jeopardised.

As indicated, it will be business as usual in terms of membership and interaction for the coming twelve months and it is hoped that Glenorchy’s circumstances are such that at the time that it needs to review its ongoing membership it can continue to participate as a member of the Association.
4.6 SUBJECT: LGAT ASSIST INTEREST RATE

That the Committee endorse the resolution of the LGAT ASSIST Board that the loan interest rate for 2009/2010 for General Purpose loans and for Special Assistance loans be set at 9.5%.

Carried By Circular Resolution

Background
Under the Loans Policy the LGAT Assist Board set the interest rate for loans annually. The policy reads –

“Section 1.8 Interest Rate
The reference interest rate is the Statutory Fringe Benefits Tax Interest Rate. This will be set annually at the first GMC meeting after the LGAT Annual Conference.
The loan rates will be set by the Board from time to time to reflect market conditions provided the rate is not less than the “reference interest rate”. The loan rates will be offered on the basis of them being per annum, compounding daily on the reducing balance with interest being applied at the end of the month on a retrospective basis.
The loan rates, as set, will be published in the first LGAT newsletter after any amendment”.

The reference interest rate for the fund is the Statutory Fringe Benefits Tax interest rate. The Australian Tax Office have set the benchmark interest rate for the fringe benefits tax for 2009/2010 to 9.45% per cent.

Budget Implications
Does not apply.
5. ADMINISTRATION

Administration Items for Discussion & Decision.

5.1 SUBJECT: QUADRANT SUPERANNUATION

That the Committee note the intention for the Quadrant Superannuation Board to reduce in size from its present membership of ten to seven directors, with each category of director (employer, employee and trustee) being reduced by one.

That the Committee note that during the transition phase, GMC will be requested to consider the reduction of the present four employer directors down to three with a subsequent appointment term for two years commencing March 2010.

That the Committee note the proposal to establish a Nominations Committee thereafter, which would include the President of the Association, to shortlist potential candidates for nomination to the GMC of employer directors following the initial transition phase.

Background
The Quadrant Trustee Board is responsible for the management and operation of the Quadrant Superannuation Scheme. The Scheme is a public offer superannuation fund with around $400 million dollars of funds under management and 6,500 members.

The Quadrant Superannuation Scheme is the local government superannuation industry scheme in Tasmania with around 3600 active members employed in local government in Tasmania including around 1050 members in defined benefits funds operated for local government.

The Scheme is operated in accordance with its Registrable Superannuation Entity Licence issued by the Australian Prudential Regulation Authority and its Australian Financial Services Licence issued by the Australian Securities and Investments Commission.

The Directors of the Quadrant Trustee Board are appointed in accordance with the Governing Rules of the Scheme and the relevant law including the Superannuation Guidance Note on Fit and Proper, issued by the Australian Prudential Regulation Authority. The Superannuation Guidance Note on Fit and Proper provides, amongst other things, for the prohibition of the appointment of disqualified persons or persons who do not possess the relevant character, competence and experience for being a Director and the requirement that the Trustee Board as a whole has the necessary educational and technical qualifications and skills relevant to the duties and responsibilities to be discharged.

It is proposed that the size of the Quadrant Trustee Board be changed from the current ten Director Board to a seven Director Board. It is also proposed that the composition of the Quadrant Trustee Board be changed from four Member Directors, four Employer Directors and two Trustee Directors to three Member Directors, three Employer Directors and one Trustee Directors with appointments to be made through a Nominations Committee.

The current Member Directors are Nick Heath, Tony Bailey, Narelle McAllister and Sue Buckland. The current Employer Directors are Brent Armstrong (Chairman), Lynn Mason, Allan Garcia and Brian May. The current Trustee Directors are Stewart Wardlaw and Frank Barta.
Proposed Quadrant Trustee Board Size and Composition
The proposed size and composition of the Quadrant Trustee Board and transitional arrangements to ensure that the Trustee Board continues to meet the Superannuation Guidance Note on Fit and Proper includes:

− three Member Directors elected for a four year term from 1 March 2010 in accordance with the Rules for Election;
− three Employer Directors appointed by LGAT for a two year term from 1 March 2010 from the current four Directors with four year terms appointed by the General Management Committee in accordance a Nomination Committee process thereafter; and
− one Trustee Director appointed by the new Trustee Board from the current two Trustee Directors for a two year term from 1 March 2010 with appointment by the Trustee Board in accordance with a Nomination Committee process thereafter.

The Three Member Directors are to be directly appointed by an election by the membership. The three Employer Directors and the Trustee Director will provide an opportunity to ensure the Quadrant Trustee Board as a whole possesses the necessary skills and experience to discharge the relevant duties and responsibilities.

The proposed approach to the appointment of Employer Directors after the transition is for a Nomination Committee to be formed by the Quadrant Trustee Board. The Nomination Committee would undertake the selection process for Employer Directors so that it can nominate the selected candidates to the General Management Committee for appointment for a four year term.

The proposed composition of the Nomination Committee for the appointment of Employer Directors is the Chairman and another Director of the Quadrant Trustee Board together with the Chief Executive Officer of Quadrant and the President of the Local Government Association of Tasmania or the Deputy President of the Association on the nomination of the President.

The proposed transitional arrangements are that the Local Government Association of Tasmania is to select three Employer Directors from the current four Employer Directors for a two year term prior to the end of the current terms of office on 28 February 2010. The curriculum vitae of current Employer Directors would be submitted for consideration together with any assistance which is required.

The transitional arrangements are proposed to ensure the ongoing stability and continuity of the Quadrant Trustee Board in the short term and to implement a staggering of the terms of office of Member Directors and Employer Directors which will underpin stability and refreshment for the Quadrant Trustee Board going forward.

The future selection of Employers Directors by the Local Government Association of Tasmania after the transition period would then be based upon the recommendation of the Nomination Committee which would take into account the detailed selection criteria developed by the Quadrant Trustee Board to ensure the Superannuation Guidance Note on Fit and Proper is met.

Next Steps to be Undertaken
It is proposed that the Governing Rules of the Scheme be changed by the Quadrant Trustee to implement the new size and composition of the Trustee Board together with the proposed transitional arrangements.

The General Management Committee would then be requested as part of the transitional arrangements to select three Employer Directors from the current four Employer Directors based upon curriculum vitae to be submitted and any required assistance.
The President of the Association would then subsequently be invited to participate in the Nomination Committee to formulate recommended candidates for appointment as Employer Directors prior to the end of the transitional term of office on 29 February 2012. The selection process would be undertaken in accordance with the process and detailed selection criteria formulated by the Quadrant Trustee Board to ensure the Superannuation Guidance Note on Fit and Proper issued by the Australian Prudential Regulation Authority is met.

The Quadrant Trustee can provide any assistance required by the Association in the selection process of Employer Directors as required.

5.2 SUBJECT: CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE REVIEW

That the General Management Committee note that the annual review of the performance of the Chief Executive Officer is now due and that a Committee be appointed to oversee and conduct the review process.

Carried By Circular Resolution

Background
The provisions of the contract under which the Chief Executive Officer is employed requires that a performance review be undertaken at least once in each contract year by a committee of up to 3 members of the General Management Committee. Provision also exists for the engagement of an independent facilitator but given that this is the first year completed under the renewed 5 year contract, such a resource is not considered necessary at this juncture.

The review is to be undertaken in accordance with the performance criteria forming part of the contract, with the Committee required to provide the Chief Executive Officer with comments in writing about his performance against the criteria and any directions relating to future performance.

Prior to the performance review, the Committee is to consult with any members of the GMC not appointed to the Committee to seek input regarding the performance of the Chief Executive Officer over the preceding 12 months.

The remuneration package of the Chief Executive Officer is to be reviewed annually by the Committee in recognition of the responsibilities, workloads and hours of duty necessary to adequately fulfil the roles and duties of the position, taking into account the overall performance of the Chief Executive Officer.
5.3 **SUBJECT: DATE OF NEXT MEETING**

That the Committee meet on 2 October 2009, following the PLGC meeting to be held in Launceston.

A list of the meeting dates for 2009 is detailed below-

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
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<tbody>
<tr>
<td>12 August</td>
<td>General Meeting</td>
<td>Brighton Civic Centre</td>
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<td></td>
<td>GMC</td>
<td>Brighton Civic Centre</td>
</tr>
<tr>
<td>2 October</td>
<td>PLGC Meeting</td>
<td>Launceston Country Club Casino</td>
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<td></td>
<td>GMC</td>
<td>Launceston Country Club Villas</td>
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<tr>
<td>10 – 13 November</td>
<td>2009 National Roads Congress</td>
<td>Mackay</td>
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<tr>
<td>18 November</td>
<td>General Meeting</td>
<td>Burnie</td>
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<td></td>
<td>GMC</td>
<td>Burnie</td>
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<tr>
<td>19 November</td>
<td>Mayor’s Workshop</td>
<td>Burnie</td>
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<tr>
<td>15 December</td>
<td>GMC</td>
<td>TBC</td>
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<td></td>
<td>PLGC</td>
<td>TBC</td>
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<tr>
<td></td>
<td>Premier’s Dinner</td>
<td>TBC</td>
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5.4 **SUBJECT: OTHER BUSINESS & CLOSE** *

At **Attachment to Item 5.3** is a copy of a letter from Mayor Mike Gaffney, forwarded during his role as President of the Association.

There being no further business, the Meeting was declared closed at 3.40pm.

**CONFIRMED AS A TRUE AND CORRECT RECORD**

Dated this day of 2009

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**PRESIDENT**