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* Denotes Attachment
A meeting of the General Management Committee was held on Monday 21 June, 2010 in the LGAT Board Room, 34 Patrick Street, Hobart and commenced at 11.10am.

The President welcomed Mayor Don Thwaites to his first meeting and Mayor Jock Campbell on his return to the Committee.

IN ATTENDANCE:

<table>
<thead>
<tr>
<th>Mayor Barry Easther</th>
<th>President</th>
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<tr>
<td>Lord Mayor Rob Valentine</td>
<td>Hobart City Council</td>
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<tr>
<td>Mayor Don Thwaites</td>
<td>West - North West Region</td>
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<tr>
<td>Mayor Albert van Zetten</td>
<td>Northern Region</td>
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<tr>
<td>Mayor Robert Legge</td>
<td>Northern Region</td>
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<tr>
<td>Mayor Deirdre Flint</td>
<td>Southern Region</td>
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<td>Mayor Jock Campbell</td>
<td>Southern Region</td>
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<tr>
<th>Mr Allan Garcia</th>
<th>LGAT</th>
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<tr>
<td>Dr Katrena Stephenson</td>
<td>LGAT</td>
</tr>
<tr>
<td>Ms Christine Agostinelli</td>
<td>LGAT</td>
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BY PHONE

| Mayor Lynn Laycock | West-North West Region |
1.1 CONFIRMATION OF MINUTES *

Mayor Deirdre Flint/Mayor Robert Legge

That the Minutes of the meeting held on 10 March and 12 May 2010, as circulated, be confirmed.

Carried

Minutes of the meetings held on 10 March and 12 May 2010 are at Attachment to Item 1.1.

1.2 BUSINESS ARISING *

That the Committee receive the report on business arising from the meetings held in March and May 2010.

Resolved

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

1.3 PRESIDENT’S REPORT

That the President’s report be received.

Resolved

Since the meeting in May 2010 President has represented the Association

Meetings
ALGA Board Meeting
National General Assembly of Local Government
Bryan Green MP, Minister for Local Government
ACLA Steering Committee

Events
Visited Dorset, Glenorchy City and Glamorgan Spring Bay Councils
Represented ALGA on the Judging Panel of the National Local Government Awards
1.4 **CHIEF EXECUTIVE OFFICER’S REPORT**

That the Chief Executive Officer’s report be received.

**Resolved**

**Meetings**
- Property Council
- Compulsory Voting Steering Committee
- TCCI
- Productivity Commission
- Dale Archer re systems
- Drains Act Review
- State Coastal Policy
- Residential Code
- MOU’s for Procurement
- ALGA
- Senator Eric Abetz

**Local Government Forums**
- Environment Awards
- Dorset, Glenorchy City and Glamorgan Spring Bay Councils

**Media**
- Glenorchy City Council withdrawal
- State Budget
- Hobart City Council notification
- Amalgamations
- Auditor General’s Report

**State Government Meetings**
- Brian Green MP, Minister for Local Government
- Valuation and Ratings
- Elise Archer MP
- Carol Bacon MRT
2. POLICY

2.1 GENERAL POLICY DISCUSSION

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

Noted

Population Growth That an item be included on the next agenda in relation to council’s population growth and the impacts on councils by way of service provision etc.

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.
The General Manager of Hobart City Council wrote to the Association on 2 June 2009 indicating that Council was in the process of reviewing its representation at state and regional levels. He advised that Council was seeking to create a stronger voice for the larger councils within both the Association framework and that associated with the Southern Tasmanian Councils Authority. Advice was sought from the General Manager on how this might be achieved or advanced at the Association level.

On receipt of the correspondence, a number of conversations took place with the General Manager in an effort to determine the scope and type of activities that such a grouping would seek to progress and the eligibility criteria for involvement within this grouping.

A formal response was provided to the General Manager on 29 June 2009 highlighting that there was no encumbrance to establishing such a grouping within the Rules of the Association and that there was a willingness to progress the matter and activate debate within the membership of the Association. It was advised that the large majority of issues prosecuted and progressed by the Association were sectoral by nature and did not discriminate in terms of size or type of council. It was requested of the General Manager that in terms of taking the matter forward, it would be of assistance to have Council provide robust examples of the types of activities, issues or circumstances that were contemplated under the proposed arrangements in order to develop a proposal that could be fully considered by the membership.

Subsequent correspondence received on 22 October 2009 from the General Manager reiterated Council’s desire for the matter to be progressed and requested that other cities and larger metropolitan councils be canvassed to determine views on the matter and if there was general support, then the matter could be formalised. Follow up discussions with the General Manager revealed that Council had not detailed any particular activities or actions that it wished this group to pursue.

In order to seek to have the matter addressed in the first instant, the issue was listed on the agenda of the General Management Committee meeting held on 16 December 2009. It was considered that there was a necessity to consider all aspects of the proposal at GMC level in relation to potential resourcing, scope and governance. The Lord Mayor was invited to address the meeting and outline the concerns of Council. GMC was concerned at the lack of robust and detailed examples and resolved the following:

*That the Association notes and acknowledges the merits of large (and/or small) councils working together on particular issues and should encourage those relationships and alliances to the fullest extent possible. However, GMC is of the view that these matters are likely to be issues based and councils should pursue these alliances in their own right. The Committee considered that a structural response to this was unnecessary but that where the Association could assist/facilitate with lobbying or research capability, it would endeavour to support such activities*
A letter was subsequently received from the Lord Mayor dated 23 December 2009, indicating that at the closed meeting of Council held on 14 December, two days before the GMC meeting, Council resolved to give immediate notice of its intention to resign its membership of LGAT. The reasons cited were the delivery of services by LGAT, particularly in respect of water and sewerage reform and the lack of action on the larger councils grouping. This matter was not mentioned at the GMC meeting.

In a follow up letter to the Lord Mayor on 13 January 2010, it was proposed that a comprehensive dialogue on the matters of concern expressed by Council occur and that a meeting with full Council by the CEO and President take place to explore any differences and to gain greater insight into the expectations of Council with regard its larger council group.

Subsequent correspondence received from the Lord Mayor dated 19 April 2010 advised that Council had, at its meeting on 12 April, established some criteria/benchmarks that outline the issues of concern to Council, the appropriate response required and the outcome sought. It was Council’s wish that the criteria/benchmarks be referred to the next occurring General Management Committee meeting for consideration and endorsement. The letter sought a response from GMC by the end of October/early November, in order that a final position on continued LGAT membership could be considered at its December meeting.

That the Association provide detailed information to Elected Members on the activities undertaken on behalf of Member councils.

Resolved

ISSUES

LACK OF SUPPORT FOR THE ISSUES AFFECTING LARGER URBAN COMMUNITIES

Council wishes LGAT to investigate the establishment of a major cities group within the LGAT governance structure. The benchmark established by Council for this issue is a formal discussion at a General Meeting and the establishment of a Major Cities Group.

There is no impediment to the establishment of such a group nor is there any problem with canvassing it among members. The limitation to date has been a fundamental lack of input from Council regarding what it is seeking this group to do. The Association proposes to develop a detailed discussion paper outlining the scope of such a body and will attempt to develop a series of examples of issues that will allow discussion among the membership. The group needs to be portrayed as an opportunity rather than a threat and it will be important to ensure that there is no perception of us and them. Its charter will be to consider and progress, through the LGAT governance structure, those issues that are limited to or mainly affecting larger urban councils.
While not limited to urban councils there are a number of planning challenges which are likely to arise in the context of discussions and negotiations around the COAG requirement for metropolitan strategies to be developed for capital city areas. A metropolitan grouping within the Association could provide a robust mechanism to further this strategy in conjunction with the State Government and could seek to address such issues as:

- Population growth and ageing population
- Increasing rates of urbanisation
- Climate change hazards
- Housing affordability and ageing housing stock
- Maintaining and enhancing liveability against a backdrop of declining workforce and significant infrastructure gaps
- Infrastructure planning and provision, particularly transport
- Housing density
- Social housing
- Cooperative funding arrangements
- Anti-social behaviour, and
- The structure of cities

An important consideration will be to determine which councils would be eligible for membership of this grouping. Although Hobart Council has constantly referenced a major cities group, the likelihood is that the membership would include non-city metropolitan councils. This is not a significant matter and is considered easily resolved.

Frequency of meetings and resourcing of the group would need to be determined but this will largely depend on scope of activities and the extent of work required to prosecute particular positions on matters arising. It is considered that this could appropriately be managed within current resources and to the extent that additional resourcing was needed, this could be factored into future budget and subscription deliberations.

**Mayor Deirdre Flint/Mayor Don Thwaites**

That a detailed and comprehensive discussion paper be put to the next General Meeting supporting the formation of a metropolitan councils group within the structure of the Association.

Carried
FAILURE TO ACT IN THE INTERESTS OF THE LARGER METROPOLITAN COUNCILS (EG WATER AND SEWERAGE)

Council is seeking greater engagement with councils on significant issues and a more representative approach to dealing with reforms. The benchmarks for this issue are that individual council positions on significant policy issues are determined and understood by LGAT and that all councils are aware of respective positions and able to formally opt out of industry view and pursue own approach.

It is unclear as to how the Association failed with regard to this matter. In forming a team to have the initial discussions regarding how to respond to the State Government’s water and sewerage reform agenda and to consider a negotiation strategy, the CEO, following consultation with the President, determined to invite the respective General Managers of Hobart, Glenorchy, Launceston and Burnie City Councils. It was considered that the issues relating to the reform were best understood by the major councils and regional impacts and communication were further important considerations. The Association could not have been more inclusive of the metropolitan councils in this process. It was not until such time as the implementation elements of the reform came into play that the group was extended to smaller councils.

The Association was charged by member councils to negotiate and prosecute an outcome for water and sewerage that retained ownership with Local Government, was based on a regional structure, retained dividends and tax equivalents within the sector and ensured the ongoing security of Local Government employees. It was also resolved that Tasmanian Councils should be left in a financial state that maintained their viability following the reform process. At the General Meeting where these instructions were provided to LGAT, only two councils were not supportive of the regional structure and believed that a statewide structure presented a more sustainable outcome. All major councils supported the suite of demands.

The meeting clearly expressed its displeasure at the reform itself and the processes that had been in place that sought to keep Local Government at arms length in relation to consultation or any input to the policy formulation. The meeting acknowledged that the reform was going to happen with or without the consent of Local Government and it was likely that there was more to be gained from prosecuting a preferred position than fighting against the reform itself. The representatives of Hobart and Glenorchy were supportive of this position at that and subsequent meetings.

A number of councils took individual positions during the various stages of the reform process and while it was considered that there was much to be gained from solidarity on most issues, there was no rebuke by the Association in relation to any statement or action taken by individual councils. It was well understood how strongly councils felt about particular matters but ultimately the legislative provisions and governance structures would embrace all councils because that was what LGAT was instructed to deliver on the negotiations. The governance structure didn’t meet the absolute ideal of all councils, nor was it favoured by the LGAT, but it was the outcome that was achievable from maintaining ownership of the function and the entities charges with its delivery.
From the perspective of addressing this particular concern of Hobart City Council, it is considered that some effort needs to be put into providing all members with details of the function and role of the Association and the endeavours that are made to achieve a sector wide response on particular matters. In doing so, the individual positions of councils are respected and the pursuit of individual outcomes is acknowledged as being the prerogative of councils. The Association cannot bind members but acts in such a way as to achieve broad agreement on sector wide issues. Where councils have significant differences of view, LGAT will not seek to speak on their behalf on particular issues and will highlight that there are councils that hold contrary or completely different views. It is not, nor has it ever been, the Association's role to speak on behalf of any council that does not support a particular position and it is clearly within the rights of individual councils to pursue their own outcomes. This assumes that members are clear with their positions on issues and don’t seek to opt out of arrangements that they have previously agreed to or sought the Association to progress on their behalf.

Mayor Deirdre Flint/Mayor Robert Legge

That the Association clarify with member councils, the absolute sovereignty of councils in being able to pursue their own outcomes on issues of significance to them.

Carried

LACK OF SUPPORT FOR LARGER CITIES AND METROPOLITAN COUNCILS IN INFLUENCING LGAT POLICY

Hobart Council is seeking a review of the weighted voting system to provide for a more balanced response across the industry. Its benchmark on this matter is for the review to have been undertaken.

This proposal implies that LGAT policy and policy responses are derived only from the conduct of General Meetings. This is the only place where the weighted system of voting applies. Motions put forward from councils to a General Meeting are voted upon utilizing the weighted voting system. Similarly, key matters of policy are placed before General Meetings where it is considered that a sector wide position on a particular issue is warranted or necessary. In reality, much of the policy considerations of the Association are dealt with outside the General Meeting process. Responses to legislation, the development of positions in informing policy and inputs via working groups and steering committees are generally achieved in consultation with councils through circulation of correspondence, proposals, legislation and discussion papers. The Association formulates positions on matters on the basis of the inputs it receives from members. Some issues are relatively minor and can be extrapolated from the responses provided quite easily and without significant contention.

Other matters can be quite complex and may require additional effort in the policy development process. This can include the establishment of committee or working group structures and may take many months to formulate a position. In such cases, there is likely to be ongoing dialogue with councils which may, or may not, require an ultimate determination at a General Meeting. Certainly, matters of high significance or that are likely to be controversial will be dealt with via a General Meeting, if the timing for the conduct of such an event occurs.
In general terms, there have been very few matters in recent years where it could be reasonably argued or demonstrated that the issues dealt with at General Meetings or raised in council motions were city or rural based. The vast majority of matters generated by the Association, the State Government and councils themselves are sectoral based in nature. That said, with the proposed establishment of a group that focuses on issues impacting on larger councils will likely obviate the need for any significant review of the present voting structure.

At the present time the voting arrangements are largely based on representation. Population is the basis for the four category voting structure.

<table>
<thead>
<tr>
<th>Population of the Council Area</th>
<th>Number of votes entitled to be exercised by the voting delegate</th>
<th>Colour placard to be raised by the voting delegate when voting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 10,000</td>
<td>1</td>
<td>Red</td>
</tr>
<tr>
<td>10,000 – 19,999</td>
<td>2</td>
<td>White</td>
</tr>
<tr>
<td>20,000 – 39,999</td>
<td>3</td>
<td>Blue</td>
</tr>
<tr>
<td>40,000 and above</td>
<td>4</td>
<td>Green</td>
</tr>
</tbody>
</table>

13 are red, 8 are white, 4 are blue and 4 are green votes, representing a total of 57 votes. It could be argued that in cases where larger councils sought to vote on block, they would not quite have the voting allocation to achieve a majority, only being able to attain a maximum of 28 of the 57 votes on offer. It is reiterated that this has not been an issue at General Meetings and the usual absence of councils also skews this probability. The recent withdrawal of Glenorchy City Council will in fact reduce the larger council vote to 24 out of a possible total of 53 votes.

Indeed a number of councils that only receive two votes on the basis of population but pay relatively higher subscriptions, consider that the weighted voting system does not adequately address their financial contribution to the activities of the Association and that if a review of voting is to occur, it should more appropriately reflect the level of support they provide to the Association.

Mayor Lynn Laycock/Mayor Don Thwaites

That the Association prepare a detailed discussion paper on the weighted voting system, that considers the arrangements in this State and in other jurisdictions that can be presented to the next General Meeting for consideration. It should be noted that on the basis of the current weighted voting arrangements, consideration of a weighted voting system becomes a difficult debate to have in light of the inherent interests of all involved.

Carried
**STATE AND LOCAL GOVERNMENT COMMUNICATION AND CONSULTATION AGREEMENT**

Council has highlighted the need for the State Government to be held accountable for performance in satisfying the timeline provisions of the Communication and Consultation Agreement. The measure of success is the extent to which those timelines are met.

The Communication and Consultation Agreement was an initiative of the Association. It grew out of a significant dissatisfaction with State Government agencies merely informing Local Government of policy and legislative provisions that would impact on their operations with little or no consultation. In many cases, LGAT was advised of pending legislation only days before it was to be introduced to the Parliament, despite the several months that would have been required to develop and adopt the policy supporting the legislation.

The Association brokered an agreement that sought to engage Local Government on matters of legislation and policy that impacted on the operations of Local Government. The State Government was also to be informed and included by councils on decisions they took that would impact on the operations of State Government agencies. The benchmarks that were established included a 5 week period for consultation on policy and legislation where Local Government was aware of the issue and 10 weeks where there was no prior knowledge of a particular matter. The 5 week period was intended to provide councils with the opportunity to consider a matter at a council meeting, if necessary, while the 10 week period was aimed at allowing some research and development of positions before being put to a council meeting.

In the main this arrangement has worked significantly in the favour of Local Government. The majority of issues that impact on Local Government meet the agreed timeframes and Local Government is far more involved in the policy development stages of issues management than it was a decade ago. Instead of imposing outcomes on councils, the Association has worked strenuously to ensure that councils are part of the solution and that those developing the policy and legislation have a full understanding of the impacts and issues associated with implementation. While not all concessions requested are given, the process is significantly distant from the past arrangements of non-engagement.

While the communication and consultation agreement has been in place for several years, there are times when it has not been adhered to. Several instances arose during the water and sewerage reform process where outrageous turn around times were imposed, the worst case being a 48 hour deadline. Despite the acknowledgement by all that these types of deadlines are impossible to meet and do nothing to enhance either working relationships or best practice policy processes, they result from political or parliamentary imperatives and are often difficult, if not impossible, for the Association to prosecute. In each case where these deadlines have been set, the association has strenuously and vigorously made representations on behalf of councils highlighting the impost on councils and the disregard for the agreement. In some cases, extensions of time have been granted, in others, the timetable has been enforced. The Association is always anxious to ensure that these agreed timeframes are adhered to and will make representations to Ministers and Heads of Agency. At the end of the day, it is in the best interests of Local Government to have such an agreement as it is the one most deprived if the previous system were to prevail.

It should also be acknowledged that the Agreement imposes certain obligations upon councils which are not always adhered to. These lapses are often presented to the Association at times of complaint in relation to State Government shortcomings.
In recent times, the Association has placed the State Government on notice on a number of policy and legislative matters that would otherwise have sought to circumvent the agreed consultation timeframes. Intervention on the part of the Association has seen these timeframes adhered to and councils provided with the appropriate opportunity for input. In situations where there are major infringements of the Agreement, the matters are drawn to the attention of the Department of Premier and Cabinet at officer level with major matters escalated to the PLGC.

Mayor Jock Campbell/Mayor Robert Legge

That the matter be raised again at PLGC level with a view to ensuring ongoing and future adherence and that mechanisms be put in place at both State and Local Government levels that ensure that agencies and councils are aware of their respective obligations under the Agreement.

Carried

POOR JUDGEMENT BY THE LGAT CEO IN MAKING NEGATIVE REFERENCES TO ALDERMEN IN THE MEDIA AND IN ENDORSING A CANDIDATE FOR THE LOCAL GOVERNMENT ELECTION

Council is seeking specific dismissal provisions in the CEO’s contract in the event of poor judgement being exercised in the future.

Despite several attempts to address the matter relating to Hobart Aldermen that was reported in the media, the concerns remain. At the time the CEO was interviewed in relation to the remuneration process for elected members, the issue arose as to the practice of Hobart City Council granting past alderman access to an allowance for petrol for private use in recognition of past service to council and the community. The CEO has advised on several occasions that his comments were taken out of context and that the particular reference was not his view of the councilors but how the community may perceive particular decision making processes. The language was unfortunate and the attribution of the comments directly to the CEO was inappropriate on the part of the reporter. Despite efforts to have the story reported correctly, a decision was take by the CEO to offer a public apology to the Council in an effort to reduce fallout.

With regard to support for a candidate at the last Hobart City Council election, the position has been put in the past that there was not an endorsement but a testimonial provided for use on a web site. The CEO requested the candidate to withdraw the testimonial having reflected on the merits of this action and this was done in advance of the media raising the issue. The CEO has acknowledged that his actions were not appropriate. This matter has previously been considered by GMC with appropriate action taken and reported to Hobart City Council.
With regard to the inclusion of a specific provision that would allow for dismissal on the basis of poor judgement, this is a matter for the Committee to consider. The present Contract of Employment provides ample capability for the Association to manage the employment of the CEO. Annual performance reviews and regular exchanges between the President and the CEO allow for the appropriate execution of the terms of employment and any deficiencies in performance.

Any variation to the terms of the contract would need to be signed by both parties, in accordance with the present provisions of the contract.

Table: 

| That Hobart City Council be advised that action had already been taken in regard to this matter as per the previous correspondence provided to council and that the President discuss with the CEO the issue of seeking to differentiate between operation and political issues when making public and media comments, acknowledging that the nature of the Association and its operations is effectively an advocacy body. |
| Resolved |

**FAILURE TO ENGAGE COUNCILS OVER LONG TERM SUSTAINABILITY**

_Council has proposed that LGAT needs to work with councils, the Office of the Auditor General and State Government to develop long term sustainability indicators for Local Government. The benchmark is that those indicators are developed._

It is not clear as to how this matter has arisen. The Association was the catalyst for the initial suite of Key Performance Indicators developed almost a decade ago. While they largely represent lag indicators and are not true indicators of sustainability, they represented the first effort in capturing data relating to the financial and operating efforts of councils on an independent basis and one which would allow councils to compare their own data and that of other councils.

The Association also championed and led the review into council sustainability commissioning Access Economics to undertake an evaluation into the financial sustainability of Tasmanian councils. This work followed a previous study commissioned by the Association into the renewal gap of council assets across the broad range of council asset categories. Since the completion of the Access Economics work, the Association has been pursuing implementation of the recommendations and development of specific strategies in relation to particular findings. Additional analysis of the requirements and characteristics of long term financial planning and asset management frameworks that comply with the national framework efforts in these areas has been undertaken and a business case developed from the findings to fund a major application for funding under the Australian Government’s Local Government Reform Fund.

In undertaking the above works the Association has strongly lobbied for a shift in council performance measurement away from the traditional data collection to a collection that focuses on the future sustainability of councils. The State Government has supported this shift and the Association has been part of a Steering Committee evaluating the most appropriate measures to be utilized. The Auditor General has been publishing a detailed report for the past few years assessing sustainability factors of Tasmanian Councils. It is important that in the development of the suite to be utilised in the State Government process that there is some consistency with the work of the Auditor General and also with indicators being proposed for the national frameworks. The Association has been particularly active on this committee and a significant contributor to the body of work undertaken to date. Reports on progress have been provided to General Managers and have been the subject of reports to General Meetings and GMC.
A detailed discussion paper was released at the General Meeting of the Local Government Association of Tasmania on 12 May and is now available online. A consultation paper will be released shortly, after which regional workshops will be held and written submissions invited.

**Mayor Deirdre Flint/Mayor Don Thwaites**

That Hobart City Council be provided with a comprehensive report on the activities of the Association to date and the status of activity in this area.

Carried

### 3.2 Glenorchy City Council Withdrawal from the Local Government Association of Tasmania

**Mayor Jock Campbell/Mayor Robert Legge**

That the Committee note the contents of this report and acknowledge that the short fall in funding of subscriptions for the 2010/2011 financial year will be managed by the Association using reserve funds.

Carried

A number of members of GMC have sought details on the circumstances regarding the withdrawal of Glenorchy City Council from the Association. This summary seeks to provide details of the circumstances associated with the withdrawal, commencing with the initial notification through to the formal withdrawal.

The Association was initially notified of Council’s intention to withdraw on the day of a council meeting in June 2009. The matter had been listed on the agenda of a Council meeting and the General Manager forwarded a copy of the agenda item in the event that the matter was raised in the media the following day. The CEO responded to the General Manager expressing disappointment at not having had the opportunity to input or assist in the development of the agenda item but provided some details of the importance and worth of the Association to Council and some major recent achievements. An offer of support to Council was provided in terms of further information, explanation or other assistance that Council might require of the Association. A formal notification was received from Glenorchy Council on 24 June 2009 advising their intention to withdraw as at 30 June 2010 but that the matter would be considered in more detail at the time of budget deliberations for 2010/11.

The General Manager had indicated that the critical issue with Glenorchy was associated with finances. Their financial situation resulted from pressures imposed by the withdrawal of water and sewerage activities. Unlike the majority of councils in the State, Glenorchy had an extremely high charging regime for water and sewerage services. While GPOC had long advised councils that they should seek to increase prices for these services, Glenorchy was one of the few councils that progressed their pricing structure with any vigour. In taking this action, it tended to either maintain or reduce in real terms its revenue from general rating. Its relative general rate was far lower than the many larger councils across the state. In essence, their water and sewerage charging was cross subsidizing their normal rating revenue. The reform decision left a significant hole in their revenue unless the returns previously received from water and sewerage could be guaranteed via the water corporations.
The water corporations were not in a position to give such guarantees. Glenorchy constantly lobbied the State Government on this issue. Their situation was quite unique and while the Association also sought to have their particular situation resolved, it was equally important that all members of the Association were not put to further detriment. The Association sought to negotiate a number of arrangements in terms of guarantees, interest free loans, etc but these were largely unacceptable to Glenorchy and other councils. During the election campaign, Glenorchy met with the Liberal Party and it indicated that it would provide a guarantee of interest free loans to assist Glenorchy with any dividend shortfall. It is understood that Council was intending to run full page advertisements prompting residents to vote Liberal if they wished to have the water and sewerage issue addressed. Of course when faced with bad publicity, the Treasurer met the terms of his counterparts.

During a meeting with Glenorchy Council and the President, Aldermen were critical of the fact that the Association was unable to achieve a similar outcome for them. They felt that their own lobbying had netted them an outcome that we should have been able to deliver. This criticism was unreasonable given all that the Association had achieved in this space. Glenorchy had not sought any particular advice/support from the Association during this interface with the political parties and when it effectively “forced” the Government into a deal, was critical of the fact that the Association had not congratulated them for their efforts and considered that other councils should also be extremely thankful for the Mayor’s efforts but that they too had not bothered to thank Glenorchy.

The meeting with council was the first time this matter had been raised. Up until that juncture the issue had always been portrayed as an issue related to funding.

It must be said that it is very difficult to deal with a circumstance when there is no knowledge of the specific problem. At no time did the Mayor or General Manager contact the Association and seek specific assistance, advice or support. It was clear that there was a financial shortfall but the Association had not contemplated lobbying via the election to resolve the specific Glenorchy issue. The Association’s focus remained on ensuring that commitments to fund the corporations for the shortfalls in revenues that would accrue from price capping was progressed and that big holes did not start to appear in the revenues of all Association members.

Formal notification of withdrawal by Glenorchy Council was received on 25 May 2010. A subsequent response expressing disappointment was forwarded.

In an unfortunate epilogue to this process, public comments made by the Mayor suggested that the Association did not seek to engage Council until the last moment and that had the Association been more forthcoming, circumstances may very well have been different.

In a response to the Mayor following advice of her resignation from GMC, it was highlighted that the CEO had corresponded with the General Manager on a number of occasions offering any support or assistance Council may require in relation to its ongoing relationship with and membership of the Association. Informal contact was also maintained with the General Manager on this matter with ongoing offers of support. It was not until a formal invite was offered to a Council workshop in April 2010 that the extent of the concerns of Council were known.

The budget impact as a result of Glenorchy City Council’s withdrawal is $54,097.00 representing $47,499.00 in direct subscriptions and a further $7,458.00 contribution towards career development activities as agreed at the March 2010 General Meeting. In preparing the budget, subscriptions were maintained at the same levels with a balanced budget proposed for the 2010/11 financial year.

It is not proposed to make a further call on remaining member councils to make up the shortfall but instead to meet any end of year shortfall from reserves. There is adequate capacity within Association reserves to meet this shortfall.
Budget strategies will have to be considered for future years to meet any recurrent shortfall. The Association has already put into place MOU's with LGAQ and MAV to participate in aggregated procurement arrangements for trucks, office supplies and vehicle batteries and tyres. These arrangements will provide significant savings to member councils and provide LGAT with a new source of income via supplier commissions/rebates.

It is also intended to explore additional procurement opportunities and the conduct of events and seminars with a view to increasing income and reducing reliance on subscriptions. Opportunities also exist in the areas of increased sponsorship and profit sharing arrangements for publication of the Association's magazine. Some of these ventures are quite easily progressed while others involve significant effort and resourcing to implement. All opportunities will be considered in an effort to increase income and to improve the financial sustainability of the Association.

### 3.3 LOCAL GOVERNMENT REPRESENTATIVES

**Decision Sought**

That the Committee note the following Local Government Representative appointments.

<table>
<thead>
<tr>
<th>Committee</th>
<th>Representative</th>
<th>Elected Member/ Officer</th>
<th>Coordinating Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasmanian Suicide Prevention Committee</td>
<td>Mark Joseph</td>
<td>Youth Programs Coordinator</td>
<td>DHHS</td>
</tr>
</tbody>
</table>
4. FINANCES

4.1 PROFIT AND LOSS REPORT *

Mayor Deirdre Flint/Mayor Robert Legge

That the Profit and Loss report to 15 June 2010 be received.

Carried

Background
At Attachment to Item 4.1, is a print out of the Profit and Loss Report to 15 June 2010.

Budget Implications
Does not apply.

Current Policy
Does not apply.

4.2 CASH FLOW STATEMENTS *

Mayor Robert Legge/Lord Mayor Rob Valentine

That the Committee receive the reports for the months of February, March and April 2010.

Carried

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 LGAT ASSIST INTEREST RATES FOR 2010/2011

Mayor Deirdre Flint/Mayor Robert Legge

That the committee endorse the resolution of the LGAT Assist Board that the loan interest rates for 2010-2011 for Special Assistance loans be set at 6% and for General purpose loans be set at 8%.

Carried

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 rates 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 LGAT newsletter after any amendment”.

The reference interest rate for the fund is the Statutory Fringe benefits Tax interest rate. The Australian Tax Office has set the benchmark interest rate for the fringe benefits tax for 2010-2011 to 5.75%.

Budget Implications
Does not apply.

Current Policy
As per Association Rules.

4.4 2009/10 AUDIT

That the Committee note the following report.

Resolved

Background
As per the requirements of the Local Government Act, unaudited Financial Statements are to be provided to the Audit Office by 31 August 2010.

A timeline for the 2009/10 Audit of the Association has been agreed with the Tasmanian Audit office in order to meet this obligation with final audit testing to be carried out late September and the Financial Statements completed and signed off by mid October 2010.
5. ADMINISTRATION

Administration Items for Discussion & Decision.

5.1 DATE OF NEXT MEETING

That the Committee meet on Wednesday 29 July 2010, immediately following the conclusion of the PLGC Meeting in Launceston.

Resolved

A list of the meeting dates for 2010 is detailed below:

2010

- 23 July: General Meeting, Launceston
- 29 July: PLGC Meeting, Launceston Country Club Franklin Room
- GMC Meeting, Launceston Country Club Norman Lindsay Room
- 23 September: PLGC Meeting, TBC
- 20 October: GMC Meeting, Launceston
- 17 November: General Meeting, Launceston
- 16 December: GMC Meeting, Hobart
- PLGC Meeting, Hobart

Due to the August General Meeting being brought forward to July, the date for the Mayors Workshop, which was scheduled for 12 August, is currently being reviewed.

5.2 OTHER BUSINESS & CLOSE

There being no further business the President declared the meeting closed at 1.00pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

Dated this day of 2010

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PRESIDENT