



ATTACHMENTS

ORDINARY COUNCIL MEETING

Oatlands Municipal Offices
71 High Street, Oatlands
Wednesday 11th December 2024
2.00 p.m.

Item 5.1	Draft Council Meeting Minutes (Open) – 27 th November 2024
Item 5.2.1	Campania Recreation Ground Management Committee Minutes Lake Dulverton & Callington Park Management Committee Minutes
Item 5.3.1	STCA AGM Minutes – 28 th November 2024
Item 5.3.2	STCA Annual Report 2023-2024
Item 16.1.1	Bagdad Community Club Precinct Redevelopment Business Case
Item 17.1.2	Tasmanian Audit Office - Report of the Auditor General No 3 of 2023-2024 (Private Works undertaken by councils)
Item 17.2.1	Code of Conduct Determination Report



MINUTES

Campania Recreation Ground Management Committee

Tuesday, 19th November at 6.30 p.m
Campania Recreation Ground

COMMITTEE MEMBERS:

Council Representatives:	Mayor, Edwin Batt General Manager, Tim Kirkwood Manager Community & Corporate Development, Wendy Young
Campania Cricket Club:	Ben Sinitt Simon Tapp
Campania Football Club:	Jeff Beven Sam Medhurst Joe Chivers
Campania District School:	Principal, Angela Burbury
Campania Community:	Jarrold Beven Robin Howlett

1. PRESENT:

Mayor Edwin Batt, Tim Kirkwood, Wendy Young, Simon Tapp, Jeff Beven, Joe Chivers, Kerry Edwards, Jarrold Beven, Robin Howlett

2. APOLOGIES:

Angela Burbury, Sam Medhurst and Ben Sinnitt

3. CONFIRMATION OF MINUTES:

Minutes of the previous meeting held Tuesday 19th September, 2023 (attached) are submitted for confirmation.

RECOMMENDATION

THAT the Minutes of the Meeting held 19th September, 2023 be confirmed as a true and correct record of proceedings.

DECISION

THAT the Minutes of the Meeting held 19th September, 2023 be confirmed as a true and correct record of proceedings.

4. BUSINESS ARISING FROM THE MINUTES:

General review of issues contained within the Minutes with outstanding items discussed below.

4.1 Ground Lights

Jarrold has forwarded two contacts – RBD Electrical and Contact Electrical. Wendy to organise quote.

Wendy to find out original installers and get a quote to adjust the lights.

5. NEW BUSINESS:

5.1 Capital Improvements

The General Manager provided an update on capital improvements planned for the Recreation Ground.

Election commitments have been secured. Awaiting grant deeds.

1. Electronic Scoreboard

The State Government have committed \$35,000 and a contribution of \$12,870 by Council. The scoreboard will be located in the same location as the current scoreboard. It will be up to Council and the Club for the installation. Some voluntary input will be required.

2. All Ability Carpark

\$18,000 has been promised by the State, with Council contributing \$8,750. This will need to be put on hold until Council receives correspondence in relation to the Open Spaces Grant Program Round 2.

3. Landscaping, Tiered Seating and Drainage

The State has provided \$200,000, Council \$70,000 to undertake landscaping and provide tiered seating at the northern end of the ground. This project will also need to be put on hold until the outcome of the Open Spaces Grant Program Round 2.

4. Upgrade to the Changerooms

Council did receive advice that they have been successful in securing funds out of the Open Spaces Grant Program Round 2. An amount of \$400,000 was applied for however only an amount of \$147,000 was allocated. The balance of \$253,000 being deducted as this was the amount received through election commitments.

The Open Spaces Grant Program was for upgrade to the changerrooms – as opposed to the other projects funded by the election commitments.

This was identified as an outcome of the Community Infrastructure Plan. Philip Lighton was engaged to do a design, which included expanded change rooms, medical rooms, cubicle style showers and toilets. The grant was for \$400,000 with Council contributing the balance of \$700,000. The General Manager has been

corresponding with the State Government to secure the balance and is awaiting a response.

If successful in receiving the full amount, the Campania Football Club would like to be included in the final design.

5.2 Bookings

Just a reminder to include Wendy in booking emails.

5.3 Cricket Pitch

A request to cover the cricket pitch as soon as practicable, as usually Clubs play practice matches at Campania. It was advised that the pitch will be covered in early March.

5.4 Other Business

5.4.1 Top Dressing of the Ground

If the ground could be top dressed to repair damage particularly behind goals northern end of the ground.

5.4.2 Stopping Access to the Ground

It was noted that recently someone had been reported as tearing up the perimeter of the ground. Both Kerry and Wendy looked at it the next morning, minor damage done. Erecting chains to stop anyone from entering the ground to be considered.

7. NEXT MEETING:

Next meeting to be advised – March 2025

8. CLOSURE:

The meeting closed at 7.10 pm

LAKE DULVERTON & CALLINGTON PARK MANAGEMENT COMMITTEE

MINUTES

Monday 25th November 2024

Council Chambers

Oatlands

1.30 p.m.

TABLE OF CONTENTS

1. ATTENDANCE	1
2. APOLOGIES	1
3. CONFIRMATION OF MINUTES.....	1
4. BUSINESS ARISING FROM PREVIOUS MEETING	2
4.1 CALLINGTON PARK – UNISEX ACCESSIBLE TOILET + BABY CHANGE TABLE – PROPOSAL.....	2
4.2 FISHERS ON THE LAKE FORESHORE.....	2
4.3 PROPOSED DOG EXERCISE PARK AREA – LAKE DULVERTON FORESHORE.....	3
4.4 FORMAL RECOGNITION OF AN EXISTING USE OF A SITE – DOGS ON LAKE FORESHORE.....	3
4.5 1980 LAKE DULVERTON MANAGEMENT PLAN & MANAGEMENT STATEMENT PROPOSAL	4
5.0 TREASURER’S REPORT.....	5
6.0 OTHER MATTERS	8
6.1 FORMER CATTLE SALE YARDS AT CALLINGTON PARK – GENERAL MAINTENANCE.....	8
6.2 MAV INSURANCE – SOUTHERN MIDLANDS 2023-2024 REPORT- CALLINGTON PARK	8
6.3 GEESE AND MALLARD DUCKS AT LAKE DULVERTON	9
6.4 DRONE SURVEY OF CUMBUNGI IN AND AROUND LAKE DULVERTON.....	9
6.5 WATER MILFOIL (BROWN FLOATING PLANT IN LAKE DULVERTON).....	10
7.0 NEXT MEETING.....	10

LAKE DULVERTON & CALLINGTON PARK MANAGEMENT COMMITTEE

MINUTES

Monday 25th November 2024

1.30 p.m.

Council Chambers
Oatlands

MEMBERS:

Chairman: Councillor Don Fish (Clr K Dudgeon – proxy)

Parks & Wildlife Rep: Brian Campbell or Jerard Flakemore, (Proxy rep:)

Resident Representatives: Mrs Maria Weeding, Mr Athol Bennett, Dr Robert Simpson, Mrs/Clr Karen Dudgeon, Ms Helen Geard, Mrs Jenni Muxlow, Grant Wilson

The meeting opened at 1.35 p.m.

1. ATTENDANCE

Councillor Don Fish, Athol Bennett, Maria Weeding, Jenni Muxlow, Helen Geard, Marta Piech (Parks & Wildlife Rep), Grant Wilson, Karen Dudgeon.

2. APOLOGIES

Nil

3. CONFIRMATION OF MINUTES

The Committee to confirm the 9th September 2024 minutes.

RECOMMENDATION

That the Committee confirm the minutes of the Lake Dulverton & Callington Park Management Committee meeting held on 9th September 2024.

SUB COMMITTEE RECOMMENDATION TO COUNCIL:

MOVED Mrs Jenni Muxlow

SECONDED Mr Athol Bennett

THAT the Committee confirm the minutes of the Lake Dulverton & Callington Park Management Committee meeting, held on 9th September 2024.

CARRIED

4. BUSINESS ARISING FROM PREVIOUS MEETING

4.1 CALLINGTON PARK – UNISEX ACCESSIBLE TOILET + BABY CHANGE TABLE – PROPOSAL

Since the last meeting the following has occurred:

- Protech recommenced works on Monday 30th September after having some difficulties initially with accessing the sewer pit line at the toilet block site on the foreshore. Works to install the line from the pit on the foreshore to cross the road and then link to the toilet block building site in Callington Park, and the roadway resealed were completed by Monday 14th October.
- Works to construct the toilet block commenced on Tuesday 15th October.
- As at 18th November, the slab has been completed and most of the brickwork walls have been built. There has been a wait for the bricklayer to return due to other work commitments. It has now been decided that Council's stonemason Simon Bryant will complete the remaining brickwork, so that the project can continue to progress.
- The screens for the toilet block building: information from Decorative Screens Direct indicated that the screens are now made and are getting the final powder coat, and should be in transit to Tasmania later this week.
- All other components, such as wall tiling, access doors, the toilet, a baby change table, hand basins, air hand drier, signage etc have been ordered. Most of the plumbing related products have arrived. Still waiting on the doors, screens, baby change table and signage.
- The aim is to have the toilet block finished before the Christmas break.

It was noted that there is now a number of families with children coming to Oatlands for weekend stays (or day visits), to go to the pool and the playground as a planned outing. The new toilet block is a much-needed addition to the park area. There is a noticeable increase in the number of people using the park in particular.

RECOMMENDATION

That the Committee note the information and the works continue to progress.

SUB COMMITTEE RECOMMENDATION TO COUNCIL:

RESOLVED

THAT the information be noted and the works continue to progress.

4.2 FISHERS ON THE LAKE FORESHORE

The Dulverton Anglers had a tagged trout day in the Fountain Zone area in early October 2024. Grant reported that the day went well. 75 people came for the day. 250 fish were put in the lake just prior to the event, - 200 x 1 pound and 50 x 3 pound fish. No fish were actually caught on the day!

RECOMMENDATION

That the Committee note the information.

SUB COMMITTEE RECOMMENDATION TO COUNCIL:

RESOLVED

THAT the information be noted.

4.3 PROPOSED DOG EXERCISE PARK AREA – LAKE DULVERTON FORESHORE

Update: Recap- A group of local residents have indicated a desire to develop a fenced dog park at the Flax Mill area. Parks and Wildlife responded with a letter from the Parks & Wildlife (P&W) Southern Regional Manager – Ashley Rushton, that permission to use the Flax Mill site would be not granted for such an activity.

Following on from the last meeting of the Lake Dulverton & Callington Park Management Committee, the dog park proponents (represented by Julia Jabour) were informed of this decision (email 16.09.24). A copy of the P&W letter was forwarded to them whereby the information was noted by the group. There has been no further correspondence directly to the Committee from the group. The group representative is now Jennifer Johnson, who spoke to directly Council at the September Council meeting in regard other site options.

RECOMMENDATION

That the Committee note the information.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

RESOLVED

THAT the information be noted.

4.4 FORMAL RECOGNITION OF AN EXISTING USE OF A SITE – DOGS ON LAKE FORESHORE

The second part of the Parks & Wildlife (P&W) Southern Regional Manager – Ashley Rushton letter (dated 4th September) reveals that dogs in any capacity in a Conservation Area will need approval by the Parks & Wildlife Southern Tasmanian Regional Manager. Parks recognise that the community have been walking their dogs in this location for decades, however Council need to apply to have the activity approved and formalised.

As per the decision from the last Committee meeting, a draft letter to the Regional Manager was initially sent to Brian Campbell for a review/comment. The draft letter and accompanying map outlined how it is proposed that Council manage the requirements of the designated Conservation Area and current community use of the area. The draft letter included the suggestion of a change in current practice, whereby there would be a need for all dogs to be on a lead within the Conservation Area.

Brian Campbell replied to the draft letter last week via email, with a couple of minor changes suggested. The draft letter showing the changes was tabled at the meeting. Marta (representing

P&W at the meeting) also mentioned that a discussion with Brian just prior to the meeting had added in another change to the draft letter. This was to include the Mahers Point area and the Flax Mill area on the map to show that dogs were not permitted within 30 M of the foreshore, even though the walking track path does not follow the foreshore lines at both these locations. This was discussed by Members and it was agreed that an additional dot point be added to the draft letter to include both these locations as no go zones for dogs and the maps to be adjusted accordingly. It was also noted that dogs would not be permitted to be walked along either of the bund walls.

It was agreed that the draft letter be altered as discussed and the letter be sent to Ashley.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

RESOLVED

THAT the information be noted, the draft letter be updated and the map slightly altered. The letter to then be sent to Ashley Rushton, the Parks & Wildlife Regional manager (South).

4.5 1980 LAKE DULVERTON MANAGEMENT PLAN & MANAGEMENT STATEMENT PROPOSAL

Recap information: At the February Committee meeting, it was noted that the Lake Dulverton Wildlife Sanctuary Management Plan 1980 (1980 Plan) is the legal document that prescribes how the Lake Dulverton water is to be managed and any subsequent management documents can only be implemented if consistent with 1980 Plan.

It was suggested by Parks that the way forward may be to progress with a Management Statement for the area, which would incorporate aspects of the 1980 Plan and the 2002 Lake Dulverton Management Strategy. The Statement would then become the guiding document for the ongoing management of the area.

Brian from Parks thinks that the Management Statement may need to be developed first before the 1980 Plan can be denounced. Brian was to investigate further and report to the next meeting.

At the July meeting Jerard (P&W Rep) indicated that he would try and get an example of a Management Statement for the Committee to see what was involved. Currently there is one for the Meehan Ranges and Gordons Hill Reserve.

An update was provided to the September meeting by Brian. Brian said he had sought some information but what had been provided to him was insufficient, so he needed to do more 'homework'. Apparently, Parks would normally do the Management Statements internally, but they do not have the resources to do one for this area. There are only a few areas in Tasmania that have a Management Statement. Brian said he needed to formally ask the Parks service as to what is the process for a Council to do /develop the Statement. Brian said that once we have a Management Statement then he felt that seeking to have the 1980 Management Plan rescinded would be relatively easy, even though it has to go through both houses of Parliament to achieve such.

Marta is familiar with P&W Management Statements and will endeavour to provide a sample Management Statement or template to the Committee by Christmas 2024.

SUB COMMITTEE RECOMMENDATION TO COUNCIL:

RESOLVED

THAT the information be noted. Marta will endeavour to provide a sample Management Statement or template to the Committee by Christmas 2024.

5.0 TREASURER’S REPORT

A statement detailing the Receipts and Expenditure for the 2024/2025 financial year to date was tabled at the meeting.

RECOMMENDATION

The statement detailing the Receipts and Expenditure for the 2024/2025 financial year to date be received and noted. It was noted that \$45,000 allocated to the dog park needs to be removed.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

MOVED Clr Karen Dudgeon

SECONDED Mrs Jenni Muxlow

THAT the statement detailing the Receipts and Expenditure for the 2024/2025 financial year to date be received. Noting that the \$45,000 allocated to the dog park needs to be removed.

CARRIED

SOUTHERN MIDLANDS COUNCIL
LAKE DULVERTON MANAGEMENT COMMITTEE

2024/25 STATEMENT OF RECEIPTS AND PAYMENTS
For the period 1st July 2024 to 24th November 2024

RECEIPTS	\$	PAYMENTS	\$	COMMENTS
Opening Balance 01.07.23 Commonwealth Bank Account	46,689.57			
Capital				
Callington Park - Toilet	203,000.00	Project C4070055	66,100.51	Additional \$45K budget - election commitment \$25,275.57 expenses c/f
Oatlands Off-lead Dog Park	45,000.00	Project C4080002	0.00	
Operating				
Callington Park - Repairs to well	2,000.00	Project 302 - 7053	0.00	
Lake Dulverton foreshore	-	Project 302 - 5015	0.00	
Solar Lights	1,800.00		0.00	
Lake Dulverton - Committee Budget	2,000.00	Project 302 - 7053	32.50	Postage
Tas Irrigation - Water Operational Costs	26,273.00	Operational Charge	0.00	
		Asset Renewal Levy	0.00	
		Water Usage	0.00	
Interest	0.00	Bank Charges	0.00	
Donations	-0.00			
		Total Expense to date	<u>\$ 66,133.01</u>	
		Funds on hand	260,629.56	
	<u>\$ 326,762.57</u>		<u>\$ 326,762.57</u>	

Funds on hand are represented by:

Comm. Bank Account No.06 7004 28003859 - 30.06.24

Special Projects - Unexpended Budget

46,689.57

213,939.99

\$ 260,629.56

Attachment 2 AGENDA ITEM 5.2.1

Callington Park Toilet (C4070055)

			\$
13/12/2022	Duo Design	Planning Drawings Stage 2	1,520.00
13/12/2022	Duo Design	Administration Project Co-ordination	200.00
13/12/2022	Duo Design	Concept Layout Stage 1	1,500.00
7/03/2023	Survey Plus	Survey for Hydrology	1,850.00
EXPENSES CARRIED FORWARD 2022/23			5,070.00
15/08/2023	Utility Detection	Services location	1,250.00
18/09/2023	Ceeds Property	Hydraulic Design	5,200.00
17/10/2023	SMC	Planning Application	818.18
5/01/2024	SMC	Partial Refund - Planning Application	-668.18
23/02/2024	TasWater	Developer Charges Water & Sewerage	1,757.00
15/03/2024	TasWater	Certificate Certifiable Works & Compliance	384.09
14/04/2024	TasWater	100mm Sewerage Connection	4,760.00
16/05/2024	Duo Design	Working Drawings Callington Park Disabled Toilet	2,010.00
27/05/2024	Saltmarsh and E	Structural Design & Certification Callington Park Toil	1,500.00
19/06/2024	Leon McGuinness	Building Surveying, Inspections, Certificates etc per quote	2,400.00
19/06/2024	SMC	Building Administration Fee (CBOS)	110.00
19/06/2024	SMC	Industry Training Levy (BC&ITL)	220.00
19/06/2024	SMC	Notifiable Work Cat 3 Lodgement Fee BP240047	280.00
30/06/2024	SMC	3 Wages plus Oncosts	184.48
EXPENSES CARRIED FORWARD 2023/24			20,205.57
	SMC	Wages and Oncosts	18,685.57
	SMC	Plant	2,161.97
2/07/2024	SMC	Plumbing Permit, Inspections, Certificate of Completion	1,280.00
5/06/2024	Ceeds Property	Design & Inspections	922.10
23/10/2024	Austral Bricks	Overland Rugged Bricks x 3072	7,412.32
23/10/2024	Decorative Screens	Perforated Aluminium Screen Forrest x 2	1,570.80
31/10/2024	Johnson Tiles	Tiles and adhesive	1,029.61
5/11/2024	East Coast Concrete	32mpa Concrete x 14m3	4,410.00
5/11/2024	Noble Concrete	Concrete Pumping 29.10.24	970.00
7/11/2024	Bunnings	Snips Aviation Crescent & Structaflor Yellow	235.62
7/11/2024	Nubco	Reinforcing etc	1,466.65
7/11/2024	Australian Steel Co.	Trench Mesh Clips	186.89
7/11/2024	Brierley	8mm Rope	51.60
13/11/2024	Barwicks Landscapi	Fat Sand	286.36
20/11/2024	Uptons	Gal Mesh & Star Pickets	155.45
EXPENSES 2024/25			40,824.94
TOTAL PROJECT EXPENDITURE TO DATE			66,100.51

6.0 OTHER MATTERS

6.1 FORMER CATTLE SALE YARDS AT CALLINGTON PARK – GENERAL MAINTENANCE

The remaining former cattle sale yards in the overflow Stop Over area of Callington Park are in need of some maintenance, as a number of the posts have nearly rotted off at the base. Maria contacted Alec Dean (via son Andrew Dean) to see if it was possible to get as many as 10 split timber posts for replacement. A message came back that they are looking to get a suitable tree to provide the posts, but nothing was available immediately. Alec said that he would keep Maria informed. Unfortunately it was not definite that the posts could be provided as sourcing the right sort of timber is difficult. If no posts are available, then the only other option is to place steel star dropper posts in immediately beside the current post and screw the post to the dropper.

Either way – the posts or the droppers will need to be purchased. There are some funds available for such that is within the Committee budget.

If the posts become available before the next meeting of the Committee, then it is proposed that a working bee be held to put in some of the posts. This would likely be in late January 2025 as a suggestion.

Committee members were happy to attend a working bee, the date will be set once the availability and type of materials is confirmed.

RECOMMENDATION

That the information be noted, posts and /or steel posts be purchased and a working bee be arranged on a day to be determined, to undertake some maintenance of some sections of the yards.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

RESOLVED

THAT the information be noted and posts and / or steel posts be purchased for the Callington Park yards. A working bee to undertake Callington Park yard maintenance will be organised in early 2025.

6.2 MAV INSURANCE – SOUTHERN MIDLANDS 2023-2024 REPORT- CALLINGTON PARK

The recent report from Council MAV insurance has focused on Callington Park playground as one of the sites for the 2023-2024 review. Three items were identified for consideration by Council.

The Committee was briefed during the meeting on the items and the recommended responses to the items. Committee members were satisfied with the recommended actions as outlined in the risk register. It was suggested during the meeting that Council consider recording the day and time when the Callington Park infrastructure is inspected by Council Officers (understanding this type of recording may already be happening).

RECOMMENDATION

That the information be noted and the recommended response (outlined in the table) be endorsed.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

RESOLVED

THAT the information be noted and the recommended response (outlined in the table) be endorsed.

6.3 GEESE AND MALLARD DUCKS AT LAKE DULVERTON

A member of the public contacted Parks & Wildlife about the Mallard ducks (a domestic duck species), at the Lake. A response was sent from Parks as a reply, with a note that the Committee has discussed this issue in the past. The geese in particular have multiplied in number with the arrival of gosslings in recent weeks.

A member of the Pacific Black Duck Conservation Group has offered to assist with the removal of Mallard ducks and geese around Lake Dulverton. The aim is to re-house Mallard ducks and geese caught from around the Lake. The Conservation Group, with their experience, worked alongside the Glenorchy City Council to remove geese from the Newtown Rivulet in Lutana.

The removal strategy involves feeding ducks and geese in a ‘cage’ (security fencing panels with netting across the top) at the right time the gates will be shut on the feeding ducks and geese. The birds can then be caught in the cage and placed in carriers to be transported to a new home.

A member suggested asking the Conservation Group if they would have a volunteer who may be willing to feed the birds in the cage.

Marta outlined that P&W can provide administrative and technical support to the removal of the ducks and geese exercise but no on-ground staff assistance. Support includes providing the required authority for setting up the ‘trap’ and the catch and release of any native species that may be caught accidentally. Humane treatment of all target and non-target animals is expected.

The Committee gave full support to the Conservation Group and re-homing strategy with the removal of the geese being the first priority.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

RESOLVED

THAT the information be noted and Council endorse the Pacific Black Duck Conservation Group re-homing Mallard ducks and domestic geese living around Lake Dulverton, noting that re-homing the geese is the first priority.

6.4 DRONE SURVEY OF CUMBUNGI IN AND AROUND LAKE DULVERTON

Skyapply, a drone company approached Council offering their services to map assets and vegetation. Each year, Council officers walk the perimeter of Lake Dulverton looking for Cumbungi infestations requiring control. It was suggested, that Skyapply drones could locate and map the Cumbungi more effectively than the Council officers.

Marta noted that a P&W permit would be required to fly a drone over a Conservation Area. Skyapply (or any other company) would need to be familiar with relevant legislation and permit requirements.

The Committee believed the drone proposal was worth exploring and Skyapply will be asked for more information about drone capacity and cost.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

RESOLVED

THAT the information be noted and further information be obtained from Skyapply.

6.5 WATER MILFOIL (BROWN FLOATING PLANT IN LAKE DULVERTON)

There was a discussion about the brown floating plant in Lake Dulverton. The plant is now having a significant impact on the Lake and bird life. The plant is understood to be a native water milfoil - Myriophyllum species.

Marta will ask a P&W biologist to visit the Lake and formally identify the plant. Once it has been formally identified strategies to reduce impact can be considered.

SUB COMMITTEE RECOMMENDATIONS TO COUNCIL:

RESOLVED

THAT the information be noted and that Marta (Parks & Wildlife Officer) ask a Parks & Wildlife biologist to formally identify the ‘brown floating plant’ in Lake Dulverton.

7.0 NEXT MEETING

The next meeting of the Committee was set for Tuesday 11th February 2025 at 1.30 p.m. Council Chambers, Oatlands

The meeting closed at 4.05 p.m.

* * * * *

DRAFT ONLY –

Formatted: Font color: Red

Ashley Rushton
Regional Manger
Parks & Wildlife Service
GPO Box 1751
Hobart TAS 7001

Dear Ashley

Re: Lake Dulverton Foreshore – Exercise of Dogs

Further to your letter of 4 September 2024 and recent conversations with the Southern Central Parks and Reserves Manager – Brian Campbell, we wish to pursue formal recognition by the Parks & Wildlife Service (Parks) of the activity of community members walking dogs, on a lead, along the foreshore.

Prior to asking you to consider this request, it may be prudent to provide a recap of the past:

1. The situation for the last several decades has been the exercising of dogs along the foreshore by the owners/ dog handler of the dog. As far as can be recalled, this activity has occurred without incidents of wildlife being caught, chased or maimed. This very topic of dog activity on the foreshore of Lake Dulverton was discussed at the recent Lake Dulverton & Callington Park Management Committee meeting. Some of the Members at the meeting who frequently use the foreshore for personal recreation expressed the same opinion at the meeting. A check of Council's records, since Council has had a dedicated Dog Control Officer, shows that there has been no incidents whereby wildlife has been lost due to a dog attack or disturbance when dogs have been in the presence of their owner/dog handler.
2. Council developed a Dog Management Policy and at the time the discussion in relation to the Lake Dulverton Foreshore was that there would be recognition of the current regime on the foreshore, with an emphasis that dogs are not permitted to enter the water area. The town end of the lake foreshore reaffirmed that all dogs had to be on a lead, and for the balance of the foreshore area dogs were allowed to be off lead, but had to be under effective control by the owner/dog handler.
3. The Dog Control Act 2000 came into effect. Council has a dedicated Dog Control Officer. The presence of dogs that are found to be roaming free, (be either in or out of the foreshore Conservation area), are secured by the Dog Control Officer as soon as practical after the Officer has been made aware of free roaming dogs.

Commented [BC1]: Note, a member did speak of incidents of dogs not under control

4. Current map of what the community are familiar with in terms of on-lead and off lead areas for dogs in relation to the foreshore component of the Conservation Area. See below.



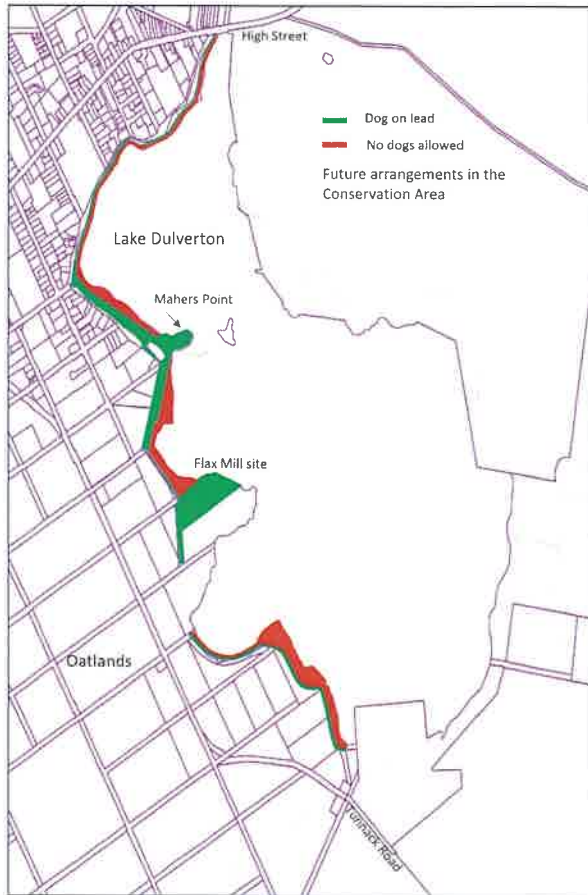
5. As part of 4 September 2024 letter, Parks acknowledged the importance of the Lake foreshore and Esplanade to the community, and that Parks would be willing to consider support for approval of the dog walking activity providing Council demonstrated adequate dog control management. Southern Midlands Council was advised that the activity of dog walking within the Conservation Area will require the Council to submit evidence as to how dogs are being controlled/managed in the area. This evidence will be for the purpose of seeking recognised Parks approval for continuation of the dog walking activity, (with some changes to the existing regime).

The following evidence is submitted for consideration:

6. On Lead /Off Lead/ Dog Prohibited Areas
The current off lead area activity on the foreshore will be discontinued. It is proposed that the existing Walkway Path become the dividing line between Dog Prohibited and Dog on Lead Permitted zones on the foreshore. Specifically, the prohibited area ~~will~~ould be between the path and the water of the Lake for the length of the entire path adjacent to the foreshore.

Commented [BC2]: The foreshore area of Mathers Point, Flax Mill site and end of Hastings St also need to be addressed as dogs prohibited

DRAFT MAP



Changes required:

⇒ Notes from Meeting
25/11/24

Flex Mill site
& Mahers Point
& Bund walls.

30m buffer from edge
of lake water area
around foreshore for Flax
Mill & Mahers Point
AND

Bund walls to be no go.

Above changes to be made

No Dogs Allowed
Areas.

7. Signage

Commented [BC3]: Signs look good

The Dog on Lead area would be defined as the pathway and the area of the foreshore on the NON Lake water side of the path, for the length of the entire path adjacent to the Lake. It is proposed to have small signs made up using recognised symbols and arrows (see attached mock up).



These proposed 'small size' signs would be strategically placed back to back along the edge of the pathway, generally at existing infrastructure points. This would eliminate the proliferation of further posts being installed on the pathway edge. It is envisaged that there would be approximately nine pairs of signs – placed between High Street through to Bellevue, the rural property at the far eastern end of the Lake. See map for updated proposed areas for dog activities.

8. Raising Awareness of the foreshore permitted dog activity – other than the on site signage.

It is proposed that the community initially be given information about the change in use of the foreshore area when it comes to the presence of dogs. This awareness raising would be through the inclusion of the information in an article in the Council's ratepayer newsletter, information on the Southern Midlands Council web site, and if necessary some occasional reminding via the local news – Midlands Monthly.

9. Local monitoring of the area and enforcement / warnings if people are non compliant

Council have staff that frequently pass by the Lake on a daily basis, and if problematic use of the area is detected of people not adhering to the on lead requirement, or allowing their dogs to be in the prohibited zone, then the Dog Control Officer could be engaged to follow up with the offending person. There are other Council staff that regularly work around the Lake area each week, so there are resources on hand should a problem arise. (Given that we see the community generally doing the 'right thing' when it comes to their dogs, it is not expected that this will cause significant work for the Dog Control Officer). As a back up, there is already passive surveillance that exists within the community.

10. Promotion of the Walking Pathway

Council does not actively promote the pathway other than it is a walking track. There is no expectation that the pathway will be promoted in the future beyond the limited acknowledgement of its existence. There is absolutely no expectation that the use of the area of people with dogs will increase as a result of Parks formally recognising the new proposed rules for the foreshore area.

11. Timeline for Implementation

Once Parks has accepted and signed off on the arrangement with Southern Midlands for permitted dog activity on the foreshore of Lake Dulverton, then the following timeline is proposed:

- A) Update existing dog related signage and install the new signage.
- B) Amend the SMC Dog Management Policy to reflect the new situation for the foreshore area of Lake Dulverton in respect to dog activity.
- C) Provide / upload the new information re the foreshore use on to the SMC web site, place an article in the Ratepayer Newsletter, and possibly the [Southern Midlands Regional News, mo](#) Monthly newspaper.
- D) Allow lead time for the community to adjust to the new rules for the foreshore in respect to dog activity.
- E) After A to D completed, revert to active compliance of the new rules.

DRAFT ONLY

Formatted: Font color: Red

MAV Insurance

Liability Mutual Insurance

Reserves & Open Spaces Compliance Review Report

2023 - 2024

Southern Midlands Council

Report Date: 19th August 2024

From: MAV Insurance Risk Management

Report By: Charlie Reardon Risk Consultant

ATTACHMENT 2 – SITE VISIT
Non-Sporting Reserve
Southern Midlands Council

Date of MAV Inspection:	June 3 rd , 2024
MAV Insurance Risk Management	
Consultant:	Daniel Brooks
Sample Selected: (e.g. Customer Request No.)	General Inspection – no applicable sample
Description of defect:	n/a
Council’s recorded actions:	n/a
Location of Selected Asset:	Callington Park, Esplanade Oatlands
Date of Customer Request:	n/a
Reactive Inspection Date:	n/a

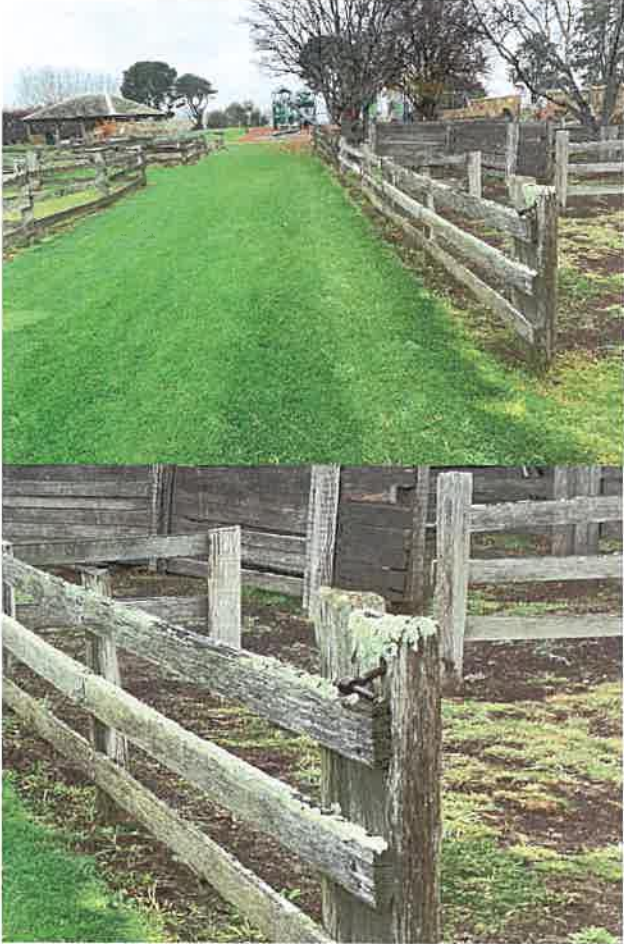
3.0 INTRODUCTION

The purpose of the Site Visit component of the Compliance Review is to assess Council’s practical implementation of actions taken to mitigate the selected defect.

4.0 IDENTIFIED HAZARDS & RECOMMENDATIONS

MAV Insurance Requirement	Finding
No applicable Reactive Requests were received during the specified time period. Instead, two locations were chosen for general site inspections.	n/a

Image(s)	Observations / Recommendations
 <p>Figure 1.</p>	<p><u>Observations:</u></p> <p>Callington Park has a recently upgraded playground with all new playground equipment and soft fall material installed.</p> <p>This playground is separated from the car park by a tall, historical stone wall, and while this includes a gate, this gate is not “self closing”. This creates the potential for children to leave the playground area into the car park.</p> <p><u>Recommendations:</u></p> <p>While by no means a requirement, Council may give consideration to installing a self-closing mechanism to this gate to reduce the potential for unattended children entering the car parking area.</p>
 <p>Figure 2.</p>	<p><u>Observations:</u></p> <p>While much of the playground is surrounded by fencing, there are locations where children may leave this area. Possibly of most concern is the south-eastern side which leads onto a road (albeit one of very low traffic volume) and Lake Dulverton.</p> <p>It is noted that much of this fencing is also very simple post and railing, and as such is unlikely to effectively prevent a child leaving the playground area anyway. It may also be subject to heritage protections prevent any significant changes.</p> <p><u>Recommendations:</u></p>

	<p>Council should consider investigating options to improve the effectiveness of the fencing along the south-eastern side of the playground.</p>
 <p>Figure 3.</p>	<p><u>Observations:</u></p> <p>Callington Park also contains a variety of historical sheep corrals and various other historic equipment.</p> <p>Much of this is likely subject to heritage protections/controls and hence is unlikely to be repaired to a standard that would typically be deemed “acceptable” for a children’s play space. However, it is also noted that children are likely to climb on these fences and/or run through these spaces, exposing them to a variety of potential hazards (e.g. fencing collapse, protruding bolts, etc.).</p> <p><u>Recommendations:</u></p> <p>Council should give consideration to any mitigation measures that may be implemented to reduce the potential risk to children accessing these spaces. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • Removal of protruding bolts, • Signage informing parents that climbing on the fences is not advised / is prohibited, • Parental Supervision signage, • Physical separation of the playground area from the historical structures/equipment.

7.5 SOUTHERN MIDLANDS COUNCIL



RISK REGISTER		Specific Area: Callington Park - Playground Infrastructure										
Item	Description of Risk	Impact on Outcomes	Existing Controls	Likelihood	Consequence	Risk Rating	Treat Risk	Risk Treatment Plan	Review Date	Date Last Reviewed	Responsible Officer	Notes/Comment/Observations
1	Safety of Seats and Tables	Users may be injured if equipment in unsafe condition	Items inspected weekly.	Possible	Minor	Moderate Risk	No	Continue inspection regime.	Jun-25	Jun-24	Manager I&W	
2	Gate into Stop Over Area being left open and an unattended young child going through the gateway. (Identified in MAV Insurance Report 2023/2024 - where identified gate as access to a car park)	Unattended young children may walk into the camping area when vehicles may be moving and the person may be injured	Gate has a chain on to enable closure - as an option for users of the area.	Unlikely	Minor	Low Risk	Yes	Consider placing a Shared Zone sign which incorporates a speed limit sign of 10 KM at the drive in entrance way into the stop over camping area. (the sign includes the representation of people also occupying the area).	Jun-25	Nov-24	Manager NRM	The stop over area is used by campers, and is rarely used as a car park for playground users. There is limited vehicle movement each day. It is common that when moving a vehicle, drivers expect people to be walking in the vicinity by the nature of the use of the area, so drivers are typically on alert for pedestrians. Historic nature of the precinct makes it hard to adjust the current gate latch situation without negatively impacting visually on the precinct.
3	South eastern side of the Callington Park area that includes the playground is post and rail fence and is easy for a child to leave the park area to access the adjacent foreshore roadway. (Identified in MAV Insurance Report 2023/2024. Notes in the report also recognises low traffic volume and heritage values of the area)	Unattended young children may walk onto the roadway where they may be injured by a moving vehicle or access the lake.		Possible	Minor	Moderate Risk	No	In recognition of an unaccompanied child may be "deciding" to walk to the toilet on the foreshore on Lake Dulverton, (could be following an older sibling as an example), a toilet is being constructed in the Callington Park area, directly opposite the playground. This is under construction (as at Oct 2024). This minimises the likely hood of a child leaving the area.	Jun-25	Nov-24	Manager I&W	The roadway is already signposted at a speed limit of 40 KM/Hr. This reduces the risk of serious harm for a pedestrian in terms of impact from a vehicle. The longer term plan (identified in the Oatlands Structure Plan) is to modify the foreshore road area to become a shared zone between people and traffic with a detail on the design to achieve such as something yet to be fully explored).
4	Historical sheep sale yards and other historic items which children may play / climb on and be at risk of incurring an injury. (Identified in MAV Insurance Report 2023/2024).		Area observed frequently for signs of items that may need repair. (Observed when mowing of the grounds takes place, rubbish bins emptied, BBQ hut cleaned)	Possible	Minor	Moderate Risk	No	Continue inspection regime and make good railings and posts as and when required to ensure the yards remain in a state that minimises risk of injury.	Jun-25	Nov-24	Manager I&W	The area is historic and is a designated heritage precinct. The railings and posts on the yards are replaced and or the railings are fixed using modern fixing methods (example: long countersunk screws) to minimise the chance of the railings becoming dislodged).
THE FOLLOWING IS AN EXTRACT FROM THE PARKS & RESERVES section of the SMC Risk Management Plan. The following items relate to Callington Park, and have been repeated here for reference information and noting.												
4	Safety of playground equipment	Users may be injured if equipment in unsafe condition	Equipment inspected weekly.	Possible	Minor	Moderate Risk	No	Continue inspection regime.	Jun-25	Jun-24	Manager I&W	
5	Softfall around play equipment	Personal Injury	Guage on playground equipment showing appropriate depth, inspected weekly.	Unlikely	Minor	Low Risk	No	Continue inspection regime. In high risk areas, replace bark softfall with rubber as budget permits.	Jun-25	Jun-24	Manager I&W	
6	Playground equipment appropriate for use (including being age appropriate)	Users may be injured if equipment does not comply with Australian Standard	Purchase new equipment in accordance with Australian Standard, replace old equipment on a priority basis (10 year plan to replace equipment).	Unlikely	Minor	Low Risk	No	Ensure provision of funding in annual budget. Rolling plan for replacement of equipment.	Jun-25	Jun-24	Manager I&W	
7	Play equipment includes treated pine	Personal Injury	Use of treated pine restricted to uprights for swings. Replace treated pine with suitable alternative material where possible.	Unlikely	Minor	Low Risk	No	Replace remaining treated pine as resources permit	Jun-25	Jun-24	Manager I&W	
8	Compliance with AS regarding entrapments	Injury to user	Equipment inspected weekly. Staff trained in use of playground assessment tools.	Unlikely	Minor	Low Risk	No	Continue inspection regime	Jun-25	Jun-24	Manager I&W	

Jason Graham

Convener Dear members of the Lake Dulverton and Callington Park Management Committee,

My name is Jason Graham and I am writing on behalf of the Pacific Black Duck Conservation Group. We are a volunteer group within Landcare Tasmania, dedicated to the protection of Tasmania's Pacific Black Duck (PBD) population, as well as the conservation and rehabilitation of waterways that have been impacted by domestic ducks and geese. Our focus is the domestic mallard due to the hybridisation threat it poses to the PBD in Tasmania, but we have also assisted in the rehoming of domestic greylag geese in the past.

In 2023, we assisted the Glenorchy City Council in the removal of 59 domestic geese from the Newtown Rivulet in Lutana. These geese had originated from a small number intentionally released by an individual several years earlier. The council found two hobby farms that were able to take most of the flock, and one of our volunteers caught and kept a remaining 5 that the council was unable to catch.

We wish to offer our assistance in the rehoming of the dumped flock of domestic geese at Lake Dulverton. Our group includes a facebook group of over 500 members, with many of these being poultry enthusiasts. I'm confident that within this network, we can put the feelers out to find homes for all the geese currently in Lake Dulverton. I'm already aware of one person who is keen to home geese.

I am also in contact with members of the Southern Tasmanian Poultry club, who regularly hold amnesties for people looking to surrender unwanted poultry in a responsible and legal manner. I am happy to reach out to this club if needed.

In a worst-case scenario, domestic animal rescue organisations such as Small Paws, Eventide Sanctuary, Big Ears Animal Sanctuary or Brightside Farm Sanctuary may be able to take on geese.

We believe it is better to remove these geese from the lake sooner rather than later. As we saw in Lutana, these feral populations can increase rapidly. If the population is left and becomes too large, it will be very difficult to find homes for all of the geese, resulting in more geese being euthanised. Domestic geese are larger and more aggressive than our native waterbirds and can easily outcompete them all for food and habitat. Having a large flock of feral geese would be detrimental to the threatened species that inhabit the lake.

We would also like to assist with the removal of the domestic mallard ducks. While their numbers at Lake Dulverton are low, they appear to be having an impact on the local PBD

population. An increasing number of PBD x mallard hybrids have been reported in the lake in the last year or two and it is likely they these domestic mallards are breeding with local PBDs. These hybrids are fertile and can fly to other PBD populations in the area, spreading mallard genetics further afield. This has occurred in New Zealand to the point that PBDs are expected to go extinct in the near-future, and to the point on Lord Howe and Norfolk islands that PBDs have now been completely replaced by these hybrids. There is now significant concern that Tasmania's PBDs could go the same way.

Due to the low number of mallards currently at the lakeside, we should be able to find homes for these ducks also. Mallards can be more difficult to home because we can only home them with responsible owners who will keep them contained in order to prevent further crossbreeding with PBDs. Geese and muscovy ducks are easier to home because they can be released onto dams or left to free-range, increasing the number of homing options available.

We understand that there may be opposition to the removal of these geese from residents. We recommend working on raising awareness within the community that these are a domestic species, only present due to an individual's cruelty and/or laziness in dumping them and that they are impacting our native species. Some of which have a tiny range compared to the global range of domestic geese. We also recommend raising awareness on the impacts of feeding ducks and geese and the impacts of mallards on PBDs.

If you would like to discuss these issues further, including our suggestions for the most effective and safe methods of removal for the birds, please feel free to contact me.

Kind regards,

Jason Graham

Convener

pacificblackduck@landcaretas.org.au



www.landcaretas.org.au/14043

www.facebook.com/groups/pacificblackduckconservationgroup

www.instagram.com/pacific_black_duck

www.mycause.com.au/p/330897/ducks-of-tasmania-identification-booklet-fundraiser

Maria Weeding

From: Jason Graham <jasongraham@live.com.au>
Sent: Wednesday, 20 November 2024 9:14 AM
To: Maria Weeding
Subject: Re: Catch up
Attachments: IMG_2606.jpeg

Hi Maria,

I'm not sure of the costs involved in hiring temporary fencing. James from Glenorchy City Council advised me that the main cost was the initial set up and removal, but once it was set up it was something like \$20 dollars a week. The PBD Conservation Group would be happy to help cover this and we would be interested in contributing towards the initial costs as well if that helps.

James may be able to provide more information about which company he used and the costs involved:
james.don@gcc.tas.gov.au

I've attached a photo of the "enclosure." The netting was added by the PBDCG to act as a net to stop the mallards and hybrids flying out. The geese were caught without the netting attached.

The geese were already being fed by locals so were hanging around the location of the enclosure next to the rivulet. Once the enclosure was set up, council staff began feeding the geese inside the enclosure until they were all coming in for food. The staff would then wait until as many geese as possible were inside, and then close the enclosure by closing two panels that acted as doors. They couldn't fly, which I think is the case with most domestic geese due to their weight. They are then picked up one by one and placed into large pet packs or cages. They're handled the same way as any other poultry, such as chickens.

Let me know if I can provide any more information. James would be happy to give more info as well.

Cheers,

Jason Graham

From: Maria Weeding <mweeding@southernmidlands.tas.gov.au>
Sent: Tuesday, 19 November 2024 4:26 PM
To: Jason Graham <jasongraham@live.com.au>
Subject: RE: Catch up

Thanks Jason,

That sounds fine. I will table that letter at the meeting.

I know there will be the question of cost raised at the meeting and also method of catching. Are you able to send me any info on these queries please.

Maria

From: Jason Graham <jasongraham@live.com.au>
Sent: Tuesday, 19 November 2024 4:12 PM
To: Maria Weeding <mweeding@southernmidlands.tas.gov.au>; Brian Campbell





MINUTES

of the Southern Tasmanian Councils Authority

Annual General Meeting

11.00am on Thursday, 28 November 2024

Location – Online via Teams

Present:

Brighton Council

City of Hobart

Huon Valley Council

Sorell Council

Southern Midlands Council

Tasman Council

Observers:

Mayor Leigh Gray

Alderman Louise Bloomfield

Mayor Sally Doyle

Mayor Janet Gatehouse

Mr Tim Kirkwood and Mayor Edwin Batt (joined 11:20am)

Mayor Rod Macdonald

Jen Newman, STCA, Adele Fenwick, STRLUS

Apologies: Mrs Kim Hossack and Mayor Loueen Triffitt, Central Highlands Council. Mr Greg Ingham GM and Mayor Cheryl Arnol, Glamorgan/Spring Bay Council, Mr Michael Stretton, Hobart City Council, Mr Blake Repine, Tasman Council, Mr James Dryburgh, Brighton Council and Mr Robert Higgins Sorell Council

1. Meeting opening, Welcome and apologies

Chairman Alderman Louise Bloomfield opened the Annual General Meeting at 11.00am and welcomed everyone online.

2. Apologies

Apologies noted.

3. Acknowledgement of resignation of Glamorgan Spring Bay Council effective 30 September 2024.

The resignation was acknowledged.

4. Acceptance of minutes of previous annual general meeting

MOTION:

That the Minutes of the Annual General Meeting of the Southern Tasmanian Councils Authority (STCA) held on Monday 20 November 2023 be confirmed as a true record of that meeting.

Moved by Mayor Rod Macdonald seconded by Mayor Leigh Gray

CARRIED

5. Receive and approve the authority's accounts and reports for 2023-2024

The 2023-2024 Annual report and financial statements were circulated with the meeting invite.

MOTION:

That the 2023-2024 Annual Report of the Southern Tasmanian Councils Authority, including the end of year financial report and Auditor's report for the year ended 30th June 2024 be approved.

Moved by Mayor Sally Doyle seconded by Mayor Rod Macdonald
CARRIED

6. Appoint auditor and comptroller for 2024-2025

- Appoint the auditor for 2024-2025
- Confirm the Comptroller for 2024-2025 (Clause 30 of Approved Rules to administer fees and finances on behalf of members)

In line with the Local Government Act 1993, the Auditor General (Tas Audit Office) undertakes the audit of the Southern Tasmanian Councils Authority's accounts.

STCA has a current Agreement with Hobart City Council to provide contracted financial services and comptroller function for an annual cost of \$10,380. This Agreement is for a period of 3 years from 14 March 2024.

MOTION:

That the Auditor General be appointed as the Auditor of the Authority's General Purpose Financial Statements and that any annual adjustment of the fee be negotiated.

That Hobart City Council will continue to provide contracted financial and comptroller services for an annual fee of \$10,380 for 2024-2025.

Moved by Mayor Leigh Gray seconded by Mayor Rod Macdonald
CARRIED

7. Consideration of Chairman

The meeting agreed that the Chair did not need to step aside for this discussion.

The Chairman was elected at the July meeting and no timeframe was specified.

Clause 13 of Approved Rules:

- *Chairman is appointed for a term specified by the Board (timeframe was unspecified in the election of current Chairman on 15 July 2024)*

MOTION:

That the current Chairman, elected at the general meeting on 15 July 2024, remain in place until the 2025 AGM or the Authority is wound up, whichever comes first.

Moved by Mayor Rod Macdonald seconded by Mayor Janet Gatehouse

CARRIED

8. Update on the Southern Regional Land Use Strategy

Adele Fenwick, the Southern Regional Planning Coordinator, presented an update of the STRLUS project,

highlighting the current community engagement through community pop-ups and the online survey. Current themes emerging from the consultation include transport availability, local living services and vibrant local towns and centres. Early in 2025, a report will be produced summarising what was heard from the consultation, and this will be integrated into the draft plan.

There are significant challenges and risks for the project. While the south is ahead of the other regions, progress is behind schedule which will have budget and staffing implications.

Questions were raised from members in the discussion that followed, including the status and impact of the Tasmanian Planning Policies.

9. Future southern region collaboration

It was noted that an in-person meeting has been scheduled for 10am Monday 16th December to update members on potential future southern region collaboration. Options may include an expansion of the Strategic Partnership or alternative models such as RDA Tasmania providing a hosting service.

10. Other business

No other business was raised.

11. Meeting close

There being no further business, the meeting closed at 11.38am.

DRAFT



Annual Report 2023-2024

About the Southern Tasmanian Councils Authority

The Southern Tasmanian Councils Authority (STCA) is a regional organisation of councils created to facilitate cooperative working partnerships and to improve the ability of councils to take joint action to address regional development issues and progress sustainable economic, environmental and social outcomes for Southern Tasmania, its local communities and the State.

Member Councils

Brighton Council	Huon Valley Council
Central Highlands Council	Sorell Council
Derwent Valley Council (to May 2024)	Southern Midlands Council
Glamorgan Spring Bay Council (to December 2024)	Tasman Council
Hobart City Council	

The Board

The STCA Board comprises the Mayor or nominee and General Managers from its member councils.

Congratulations to Helen Burnet and Kerry Vincent who were elected to State Government in 2024. Thank you for the time and wisdom you gave to STCA during your tenure. Farewell and thanks also go to Ms Kat Panjari and Mr Jason Browne and to Derwent Valley Council.

The board welcomes our new Chairman, Alderman Louise Bloomfield and Mayor Janet Gatehouse, along with new General Manager members Mr Michael Stretton, Mr Lachlan Kranz and Acting General Manager Mr Stephen Mackey.

1 July 2023

Brighton Council Mayor Leigh Gray and Mr James Dryburgh
City of Hobart Deputy Lord Mayor Helen Burnet (Chairman) and Ms Kat Panjari
Central Highlands Council Mayor Loueen Triffitt and Mrs Kim Hossack
Derwent Valley Council Mayor Michelle Dracoulis and Mr Ron Sanderson
Glamorgan/Spring Bay Council Mayor Cheryl Arnol and Mr Greg Ingham
Huon Valley Council Mayor Sally Doyle and Mr Jason Browne
Sorell Council Mayor Kerry Vincent and Mr Robert Higgins

30 June 2024

Brighton Council Mayor Leigh Gray and Mr James Dryburgh
City of Hobart Alderman Louise Bloomfield (Chairman) and Mr Michael Stretton
Central Highlands Council Mayor Loueen Triffitt and Mr Stephen Mackey
Glamorgan/Spring Bay Council Mayor Cheryl Arnol and Mr Greg Ingham
Huon Valley Council Mayor Sally Doyle and Mr Lachlan Kranz
Sorell Council Mayor Janet Gatehouse and Mr Robert Higgins
Southern Midlands Mayor Edwin Batt and Mr Tim Kirkwood

Southern Midlands Mayor Edwin Batt and
Mr Tim Kirkwood

Tasman Council Mayor Rod MacDonald and
Mr Blake Repine

Tasman Council Mayor Rod MacDonald and
Mr Blake Repine

Key Activities in 2023-2024

STCA has been in a period of transition and has spent time reviewing regional collaboration in southern Tasmania and what model or structure may be most effective.

Regional Collaboration

At the May and July 2024 board meetings, papers were presented and discussed analysing regional coordination, our unique local characteristics and impact of the Greater Hobart Act (2019). The operation of the regional bodies within Tasmania were examined, as well as the G21- Geelong Regional Alliance, which has long been considered an exemplar in terms of regional collaboration.

The Southern Region now has the dynamic of its largest (by rate base) urban councils being committed to participate in and fund the Greater Hobart Committee, Greater Hobart Advisory Group and Strategic Partnership. This has impacted on the resourcing and capacity of STCA. It has resulted in two regional bodies operating in southern Tasmania, one being four metropolitan councils, and the other the eight peri-urban and smaller rural councils.

Work is ongoing to develop an effective model for southern Tasmania.

Southern Tasmanian Regional Land Use Strategy (STRLUS)

[Shaping a Positive Tasmania](#)

STCA is supporting the STRLUS update and the Regional Planning Coordinator, Adele Fenwick. The project is financed by funding from the State Government through Hobart City Council and funding from all southern councils. Southern Tasmania is progressing strongly and is ahead of the other two regions.

The State of Play report was released in September 2024 and the draft Southern Tasmanian Regional Land Use Strategy is expected to be placed on public exhibition in mid-2025. Initial engagement is currently being undertaken on [opportunities and challenges for the region](#) that closes on 18 December 2025.

The project is led by the Steering Committee established by the Grant Deed agreement, and supported by the Advisory Committee that is made up of a planning officer from each of the twelve southern councils. The Steering Committee comprises of two general managers and two mayors from STCA, one mayor and one general manager from either Clarence City, Glenorchy City Kingborough Council, and a manager responsible for the Regional Planning Coordinator within Hobart City Council.

STRLUS Steering Committee

Robert Higgins (Chair) - GM Sorell
Mayor Rod MacDonald – Tasman

Observers:

Adele Fenwick - STRLUS Regional Planning
Coordinator

Cr Daniel Hulme – Clarence
Mayor Leigh Gray – Brighton
Tony McMullen – GM Glenorchy
Neil Noye – Hobart

Jen Newman – STCA Interim CEO
Simon Arnold – State Planning Office
Assistant Director

State Government land use has undergone significant change over the period with the drafting of Tasmanian Planning Policies and the move of the State Policy Office from the Department of Premier and Cabinet to State Growth.

Regional Climate Change Initiative (RCCI)

STCA's Regional Climate Change Initiative (RCCI) continued its work on adaptation strategies for the twelve southern councils. The Local Government Association of Tasmania announced in May 2024 that they have established a Steering Committee and Advisory Group to progress statewide council climate adaption and capacity building.

Southern Tasmanian councils have worked towards completing Climate Adaption Plans through the support of RCCI and Southern Councils Climate Collaboration funding. Thanks are extended to Graham Green for all his work assisting councils across the south.

Southern councils will continue to work with together, with LGAT and the State Government and Renewables, Climate and Future Industries Tasmania (ReCFIT) to support climate change capability and resilience. Thanks must go to all the officers involved in RCCI over the course of the year, particularly those who have hosted and coordinated meetings.

Staffing

There have been several staff changes over the last few years. Thanks go to Angelina Drobina for her role as executive officer through to March 2024. RDA Tasmania is currently providing resources and capacity through their southern staff member, Jen Newman, who is supporting STCA as required through this period of transition.

Summary

Throughout this period of transition, there are many who have contributed to the ongoing work of the STCA. The work being undertaken at a regional scale is important for our communities and where they live. While the current change is disruptive, it also brings opportunity and potential.

Chair



Alderman Louise Bloomfield

Interim CEO



Jen Newman

Attachments following:

- STCA Independent Auditor's Report (Opinion) 30 June 2024 by the Tasmanian Audit Office
- STCA Financial Statements 2023-2024 (signed copy on file)

Independent Auditor's Report

To the Members of the Southern Tasmania Councils Authority

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Southern Tasmania Councils Authority (the Authority), which comprises the statement of financial position as at 30 June 2024 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the Member's declaration.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Members of the Authority for the Financial Report

The Members of the Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the

date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the members with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Martin Thompson
Auditor-General
Tasmanian Audit Office

27 September 2024
Hobart

Southern Tasmanian Councils Authority
Statement of Comprehensive Income
For the Year Ended 30 June 2024

	<u>Note</u>	<u>2023/24</u> \$	<u>2022/23</u> \$
Revenues			
Council Contributions	7	70,065	27,267
Interest		8,857	7,930
Grants	5	-	15,000
		<u>78,922</u>	<u>50,197</u>
Expenses			
Accounting and Administration Services		(16,162)	(14,545)
Audit Fees		(7,000)	(6,360)
Contractors Services		(60,770)	(50,038)
Employee costs	8	(25,299)	-
Grants	6	-	-
Meeting expenses		(580)	-
Mobile Phone Usage		(206)	-
Promotions		-	(11,350)
Website Management		-	(2,909)
		<u>(110,017)</u>	<u>(85,202)</u>
Surplus/(Deficit) for year		(31,095)	(35,005)
Other Comprehensive Income			
Comprehensive Result		<u>(31,095)</u>	<u>(35,005)</u>

The above statement should be read in conjunction with the accompanying notes.

Southern Tasmanian Councils Authority
Statement of Financial Position
As at 30 June 2024

	<u>Note</u>	<u>2023/24</u> \$	<u>2022/23</u> \$
ASSETS			
<i>Current</i>			
Cash	3	202,603	215,745
Receivables	4	-	1,585
TOTAL ASSETS		<u>202,603</u>	<u>217,330</u>
LIABILITIES			
<i>Current</i>			
Payables		(16,368)	-
		<u>(16,368)</u>	<u>-</u>
TOTAL LIABILITIES		<u>(16,368)</u>	<u>-</u>
NET ASSETS		<u>186,235</u>	<u>217,330</u>
EQUITY			
Retained Earnings		186,235	217,330
TOTAL EQUITY		<u>186,235</u>	<u>217,330</u>

The above statement should be read in conjunction with the accompanying notes.

Southern Tasmanian Councils Authority
Statement of Changes in Equity
For the Year Ended 30 June 2024

	<u>2023/24</u> \$	<u>2022/23</u> \$
Balance at Beginning of the Year	217,330	252,335
Comprehensive Result	(31,095)	(35,005)
Balance at End of the Year	<u>186,235</u>	<u>217,330</u>

The above statement should be read in conjunction with the accompanying notes.

Southern Tasmanian Councils Authority
Statement of Cash Flows
For the Year Ended 30 June 2024

	<u>Note</u>	<u>2023/24</u>	<u>2022/23</u>
		\$	\$
<u>Cash Flows from Operating Activities</u>			
<u>Cash Inflows from Operating Activities</u>			
Council Contributions		77,071	29,994
Interest		8,857	7,930
Grants - Other		-	15,000
Net GST		1,414	8,772
		<u>87,342</u>	<u>61,696</u>
<u>Cash Outflows from Operating Activities</u>			
Accounting and Administration Services		-	(16,000)
Audit Fees		(7,700)	(6,996)
Contractors Services		(66,847)	(70,971)
Employee Costs		(25,299)	-
Meeting Expenses		(638)	-
Promotions		-	(4,633)
Website Development		-	(3,600)
		<u>(100,484)</u>	<u>(102,200)</u>
Net Cash Flow from Operating Activities	3b	(13,142)	(40,504)
Net Cash (Used in) Investing Activities		-	-
Net Cash (Used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(13,142)	(40,504)
Cash Held at the Beginning of the Year		215,745	256,249
Cash held at the End of the Year	3a	<u>202,603</u>	<u>215,745</u>

The above statement should be read in conjunction with the accompanying notes.

**Notes to and forming part of the Financial Statements for the year
ended 30 June 2024**

1. Reporting Entity

The Southern Tasmanian Councils Authority (the Authority) was incorporated on 1 July 2006 under Division 4 of the *Local Government Act 1993* (as amended).

The purpose of the Authority is to enable members to work together to facilitate and coordinate agreed regional development strategies and actions to achieve sustainable economic, environmental and social outcomes for the southern region of Tasmania.

2. Summary of significant accounting policies

a) Basis of Accounting

These financial statements are a general purpose financial report that consists of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements.

The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Local Government Act 1993 (as amended).

The Authority has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Authority has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

This financial report has been prepared on the accrual and going concern basis.

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest whole dollar.

This financial report has been prepared under the historical cost convention.

Unless otherwise stated, all material accounting policy information is consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

b) New and revised Accounting Standards and Interpretations adopted in the current period

The Authority has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

AASB 2021-2 Amendments to Australian Accounting Standards –Disclosure of Accounting Policies and Definition of Accounting Estimates

This Standard makes amendments to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements to change the way in which accounting policies are disclosed in financial reports, requiring disclosure of material accounting policy information rather than significant accounting policies.

c) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following summarises those future requirements, and their impact on the Authority:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, applicable to annual reporting periods beginning on or after 1 January 2024

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. The Authority has concluded that this standard will have no material impact on the financial statements.

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants, applicable to annual reporting periods beginning on or after 1 January 2024

This Standard amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The Authority will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities, applicable to annual reporting periods beginning on or after 1 January 2024

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities. It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows. This includes guidance and clarification regarding the determination of an asset's highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values. Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value.

The Authority has assessed the impact of the new standards and concluded that there will be no significant impact upon the Authority.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Authority's activities or have no material impact.

d) Revenue Recognition

Revenue is recognised when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

The Authority recognises untied grant revenue and grant receipts without performance obligations when received. In cases where there is an enforceable agreement which contains sufficiently specific performance obligations, revenue is recognised as or when the performance obligation is satisfied (i.e. when it transfers control of a product or provides a service). A contract liability is recognised for unspent funds received in advance and then recognised as income as obligations are fulfilled.

Interest is recognised progressively as it is earned.

e) Expense Recognition

Expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

f) Cash

Cash consists of funds held in an at call account in the name of the Hobart City Council on behalf of the Authority.

g) Receivables

Receivables are recorded at amortised cost less impairment. For this and future periods the collectability of debts is assessed at year-end and an allowance is made for impairment on an expected credit loss basis.

h) Payables

Payables are recognised for amounts to be paid in the future for goods and services provided to the Authority as at balance date whether or not invoices have been received.

i) Plant and Equipment

The Authority does not currently have any plant and equipment assets.

j) Taxation

The Authority is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. Cash

a) Composition of Cash

Cash is comprised of the following:-

	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
Cash at bank	202,603	215,745

Cash includes grant monies received and unspent at 30 June each year. Refer to Note 5.

b) Reconciliation of 'Net Cash Provided by Operating Activities' to 'Operating Surplus'

	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
Operating Surplus (Deficit)	(31,095)	(35,005)
(Increase) / Decrease in Receivables	1,585	20,907
Increase / (Decrease) in Payables	16,368	(26,406)
Net Cash from Operating Activities	(13,142)	(40,504)

In 2023/24 the Authority has recorded a deficit due to the expending of grant monies received in prior years and the drawing upon of Council Contributions carried forward from 2022/23.

The decrease in receivables reflects a decrease in GST due at 30 June 2024.

The increase in payables reflects an increase in trade creditors at 30 June 2024.

4. Receivables

Receivables	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
GST	-	1,585
Total	-	1,585

5. Grants Revenue

Operational Grants	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
National Disaster Risk Reduction Grant	-	15,000
Total Operational Grants	-	15,000

The Authority did not receive any Grant funding in 2023/24.

As at 30 June 2024 all grant money received from prior periods had been spent.

Details of the grants are:-

<u>Unspent Grants</u>	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
Regional Planning Initiative	-	23,007
Climate Change Adaptation	-	12,427
	-	35,434

6. Grants Expenses

The Authority made no Grant payments in 2023/24.

7. Council Contributions

	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
Operational activities - Member Councils	64,610	21,812
Operational activities - Non-Member Councils	5,455	5,455
Total Council Contributions	70,065	27,267

In 2023/24 the Authority maintained its subscription fee for Member Councils at the same level as the previous year, the total of which was \$21,813.

In addition, Member Councils provided funding to employ an Executive Officer to be engaged on a part time basis. Member Contributions for this role totalled \$42,797.

The contributions from Non-Member Councils represent their participation in the Regional Climate Change Initiative Program.

8. Employee Costs

The Authority hired an Executive Officer on a part time basis in November 2023. The employee resigned in March 2024 and received their entitlements upon termination. The Authority has not yet hired a replacement, with Regional Development Australia (Tasmania) providing Executive Officer support in the interim for which the Authority has been invoiced.

	<u>2023/24</u>	<u>2022/23</u>
	\$	\$
Wages and Salaries	22,007	-
Workers Compensation Insurance	817	-
Superannuation	2,475	-
Total Employee Costs	<u>25,299</u>	<u>-</u>

9. Financial Instruments**a) Financial Risk Management**

The Authority's financial instruments consist of deposits with banks, receivables and payables.

Credit Risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is the carrying amount of recognised financial assets as disclosed in the statement of financial position. The Authority does not have any material credit risk exposure because amounts are owed by owner Councils and Government agencies.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Authority is exposed to is interest rate risk. All cash is subject to variable interest rates. Remaining financial assets and all financial liabilities are non-interest bearing. The Authority's exposure to interest rate risk in relation to cash held at bank is considered to be minimal.

An increase in variable rates of 100 basis points at the reporting date would result in a profit and an increase to equity of \$2,026 (2023 \$2,157). A decrease in variable rates of 100 basis points at the reporting date would result in a loss and a decrease to equity of \$2,026 (2023 \$2,157). This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2023.

Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority manages liquidity risk by monitoring cash flows. Exposure to liquidity risk is considered to be minimal.

b) Net Fair Value

The Authority considers that the carrying amount of its financial assets and liabilities approximate their fair value.

10. Events Subsequent to Balance Date

No events have occurred subsequent to the reporting date that would require adjustment to, or disclosure in, the financial report.

11. Contingent Assets and Liabilities

There were no material contingent assets or contingent liabilities at the reporting date.

12. Key Management Personnel Compensation

Kat Panjari, Head of Intergovernmental Relations & Partnerships City of Hobart, acted in the management role until her departure in December 2023. Kat Panjari did not receive any remuneration for this service. Board members do not receive remuneration.

13. Other Related Parties Transactions

a) Each member council of the Authority appoints a councillor to represent it on the board of the Authority and vote on its behalf at general meetings of the Authority, and thereby hold positions that result in them having an influence over the operating policies of Councils with which the Authority may conduct transactions.

Name	Term Commenced	Term Expired
Brighton – Mayor Leigh Gray	08/2021	
Central Highlands – Mayor Loueen Triffitt	12/2016	
Derwent Valley – Mayor Michelle Dracoulis	02/2022	
Glamorgan/Spring Bay – Mayor Cheryl Arnol	11/2022	
Hobart City – Deputy Lord Mayor Helen Burnet	07/2019	04/2024
Hobart City – Alderman Louise Blomfield	07/2024	
Huon Valley – Mayor Sally Doyle	03/2022	
Sorell – Mayor Kerry Vincent	11/2014	05/2024
Sorell – Mayor Janet Gatehouse	07/2024	
Southern Midlands – Mayor Edwin Batt	11/2022	
Tasman – Mayor Rod Macdonald	11/2022	
Chair of the Authority		
Deputy Lord Mayor Helen Burnet	11/2022	04/2024
Alderman Louise Blomfield	07/2024	
Deputy Chair of the Authority		
Mayor Michelle Dracoulis	11/2022	11/2023
Mayor Kerry Vincent	11/2023	05/2024

Clarence City Council, Glenorchy City Council and Kingborough Council are not members of the Authority, however, they do participate in the Regional Climate Change Initiative program.

b) Transactions with other related parties

During the period the Authority entered into the following transactions with related parties

<u>Nature of Transactions:</u>	<u>Provider</u>	<u>2023/24</u>	<u>2022/23</u>
		\$	\$
Accounting Services	City of Hobart	9,436	10,000
Administrative Services	Brighton	-	4,545
Website Management	Huon Valley	-	2,909

c) Loans and guarantees to/from related parties

The Authority has not entered into any loans or guarantees with related parties.

d) Loans and guarantees to/from commitments

The Authority has not entered into any commitments with related parties.

e) Transactions with related parties that have not been disclosed

The Authority has not entered into any ordinary citizen transactions with related parties.



Southern Tasmanian Councils Authority

Certification

The accompanying financial statements of the Southern Tasmanian Councils Authority are in agreement with the relevant accounts and records and have been prepared in compliance with Australian Accounting Standards and in accordance with:

- Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
- the *Local Government Act 1993*.

I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of the Authority's financial position as at 30 June 2024, and the results of its operations and cash flows for the year then ended.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

(Alderman Louise Blomfield)
Chair

27th September 2024
(Date)



**Southern Midlands Council
Bagdad Community Club Inc.
Precinct Redevelopment
Business Case**

Contents

1. EXECUTIVE SUMMARY	3
1.1. Introduction.....	3
1.2. Project overview (Section 2)	3
1.3. Project budget and funding (Section 3).....	3
1.4. Project risk assessment (Section 4)	4
1.5. Project cost benefit assessment (Section 5).....	4
1.6. Project implementation (Section 6)	4
2. PROJECT OVERVIEW	6
2.1. Project background	6
2.2. Project justification.....	7
2.3. Project proposal.....	10
2.4. Longer term Master Plan	11
3. PROJECT BUDGET AND FUNDING.....	12
3.1. Capital Budget overview	12
3.2. Project funding overview	13
3.2.1.1. Council Cash Contribution.....	13
3.2.1.2. Asset sales.....	13
3.3. Operational budget overview.....	14
3.3.1. Past financial performance	14
3.3.2. Forecast assumptions.....	14
3.3.3. Financial projections	15
3.4. Impact on Council’s LTFP	17
4. PROJECT RISK ASSESSMENT	18
4.1. Approach.....	18
4.2. Risk analysis	18
4.3. Summary of risk analysis.....	20
5. PROJECT COST/ BENEFIT ASSESSMENT	21
5.1. Approach.....	21
5.2. Quantifiable costs and benefits	21
5.2.1. Quantifiable costs.....	21
5.2.2. Quantifiable benefits	21
5.3. Non-quantifiable costs and benefits	23
5.3.1. Non quantifiable costs	23
5.3.2. Non quantifiable benefits	23



5.4. Summary of cost/ benefit analysis	25
6. PROJECT IMPLEMENTATION PLAN	26
6.1. Project Gantt Chart	26
6.2. Detailed task list.....	26

1. Executive Summary

1.1. Introduction

The Southern Midlands Council (SMC) and the Bagdad Community Club Inc. (BCC), the latter being a not-for-profit community organisation, have engaged Intuit Technologies to assist with the preparation of this Business Case as part of the application to pursue \$10.625M of grant funding through the Growing Regions Program – Round 2 (the Program). This funding will go towards the much-needed redevelopment and rejuvenation of the precinct.

This Business Case has been structured in accordance with the Program Guidelines, which specify the business case ‘must include a detailed project budget that shows income sources, and eligible expenditure items, project plan, project risk assessment plans and cost benefit analysis’.

1.2. Project overview (Section 2)

The BCC precinct is a regional area located on the Midlands Highway, some 36 minutes away from Hobart, Tasmania. The BCC currently owns the land and assets on the precinct. The BCC is a major provider of community, sports and recreational services to the lower Southern Midlands region. The proposal for Phase 1 of the BCC precinct redevelopment, for which this grant is being pursued will address 12 of the 53 elements of the Master Plan. The capital cost of approximately \$15.2M and will address several existing issues with the site:

- The infrastructure (buildings, water and sewerage) is ageing and presents some physical risk to users of the facilities.
- The BCC precinct would be enhanced as a social and recreational hub for the community, with a new multi-sport indoor sports centre, new pavilion for the oval and renewed community centre.
- The BCC Inc. will cease trading and ownership of the land titles will be transferred to the SMC within the project period. The SMC will assume full operational responsibility for the precinct and absorb many of the costs incurred by the site into its recurrent operational budget. This will strengthen the governance and financial sustainability of the precinct.

These Phase 1 works lay the foundation for the full redevelopment in accordance with the Master Plan in due course. The SMC will continue to work towards the delivery of the entire Master Plan using its own resources and, if possible other grant funds.

1.3. Project budget and funding (Section 3)

The capital work budget required to deliver the project proposal is summarised in the table below. This scope comprises three main elements as summarised in the table below.

Project component	Cost estimate (ex-GST)
Oval and infrastructure	\$2,524,959
Community Clubrooms	\$2,654,740
Sports Centre	\$9,998,835

Project component	Cost estimate (ex-GST)
Total	\$15,178,534

In order to fund the project proposal, the following funding sources will be utilised. The total funding contribution of SMC and BCC towards the project is \$4,553,561, which represents 30% of the total project cost. The Growing Regions Fund Grant will make up the 70% balance of \$10,624,973.

Funding source	Amount
Cash contribution from Southern Midlands Council	\$3,613,061
Bagdad Community Club Inc.	\$75,000
Sale of land assets held by Southern Midlands Council that are not required	\$865,500
Growing Regions Grant	10,624,973
Total funding required	\$15,178,534

1.4. Project risk assessment (Section 4)

The project risk analysis has considered three categories – construction risks, operating risks and financial risks - at both a gross and net risk levels. Overall, the analysis shows the proposed redevelopment of the precinct is potentially exposed to a range of risks at the gross level, especially around project delivery and capital cost. However, a long list of mitigating actions that can be implemented, have also been identified which materially reduces the net risk to modest levels that are acceptable to the SMC.

1.5. Project cost benefit assessment (Section 5)

Overall, the cost/benefit analysis shows there to be a strong case for the \$15.2M investment and SMC’s annual operating contribution of approximately \$100K p.a. including:

- Quantifiable health and wellbeing benefits estimated to be in the order of \$3.5M p.a.
- Non-quantifiable social and recreational benefits to this growing local community (evidenced by ABS population data) and visitors to the precinct.

This high-level analysis, when considered alongside the project risk analysis suggests the government’s required \$10.6M grant contribution would pose a modest risk with significant net benefits.

1.6. Project implementation (Section 6)

The SMC’s architects have developed a project implementation plan that will deliver the redevelopment over three years, with most of the work undertaken in FY2025/26. This timeline is summarised in the figure below.



BAGDAD CLUBROOMS & MULTI-PURPOSE SPORTS CENTRE
 INDICATIVE EXPENDITURE SCHEDULE

	FY2024-25		FY2025-26		FY2026-27	
Staging						
Planning Permit						
Docurmentation						
Tender						
Construction Start						
Construction						
Practical Completion						
Defects Liability Period						
Totals		5,735,000		6,000,000	3,433,534	\$ 15,178,534
Components						
Clubrooms						\$ 2,654,740
Multi-purpose indoor sports centre						\$ 9,998,835
Oval alignment, waste waste water, lighting						\$ 2,524,959
Total redevelopment cost						\$ 15,178,534

Project overview

1.7. Project background

The Bagdad Community Club Incorporated is located on the Midlands Highway, some 36 minutes away from Hobart, Tasmania. The BCC is a major provider of community, sports and recreational services to the lower Southern Midlands region and adjoining LGAs. It currently provides a variety of services, and / or auspices other community-based organisations which operate from within the Community Club premises and property.

Bagdad Community Facilities	
<ul style="list-style-type: none"> • Bar facilities • Commercial Kitchen • Eight-ball and darts • Community Hall – caters for meetings, functions, fundraising, BINGO, aerobics, educational forums and other activities • Recreation Ground – used for cricket, soccer, school sports and other community recreational activities 	<ul style="list-style-type: none"> • Bagdad Golf Course (9 Hole) • Cricket Nets • Bagdad Education & Care Centre • Bagdad Online Access Centre • Bagdad Volunteer Fire Brigade (TFS) • Public Toilets • Community Barbecue facilities • Playground & exercise equipment • Tennis/Netball/Basketball Court facilities

The BCC is an essential hub for the residents of lower Southern Midlands region. The community groups who currently utilise the facility are listed in the table below.

Bagdad Community Groups	
<ul style="list-style-type: none"> • Bagdad Music Hall • Bagdad Community Singers & Friends • Bagdad Anzac Commemorative Committee 	<ul style="list-style-type: none"> • Bagdad Volunteer Fire Brigade • Bagdad Golf Club • Bagdad Cricket Club • Bagdad Ladies Friendship Group



In June 2022, the SMC engaged Lange Design and LOOP Architects to prepare a Master Plan for the Precinct and more recently engaged Philip Leighton Architects (PLA) to develop concept designs, drawings and capital costings to redevelop all facilities to service the needs of this growing community.

The BCC is managed by volunteers and receives \$15,000 funding p.a. from SMC for routine maintenance. The SMC and the BCC have come together to pursue this grant funding through the Growing Regions Program – Round 2 to go towards the much-needed redevelopment and rejuvenation of the precinct.

1.8. Project justification

The revitalisation of the BCC precinct is seen as an extremely important initiative to both the SMC and BCC. The SMC's Community Infrastructure Plan (March 2024) provides a range of reasons that support the need for investment at the BCC. This infrastructure plan is a strategic document that considers the needs of the community out to 2042.

The report notes that Bagdad is becoming increasingly important as a community and competition hub and delivering the Master Plan is a high priority for the SMC. It goes on to observe that improved basketball, netball and tennis facilities at Bagdad, as part of the Master Plan, would significantly boost the capacity of these sports to better cater to a range of athletes, including juniors and females.

In summary, a range of reasons have been identified to justify the investment and other changes to the BCC – the current inadequate infrastructure, the changing local demographics and growing need for more contemporary facilities and need for changes to the ownership and operating model. These drivers are outlined in further detail below.

Inadequate infrastructure

- The current infrastructure (buildings, water and sewerage) is ageing and presents some physical risk to users of the facilities. For example:
 - The Clubrooms was built in the early 1905 and has an extension that was built in the 1980s. Both buildings have had minimal improvement since constructed.
 - The golf/ cricket clubroom is a simple shed with no change room and no toilet amenities. Participants must use the nearby public toilets within the property. Lighting and heating is in poor repair.
 - The sewage septic system is overloaded, prone to failure and in need of regular maintenance.
 - All internal roadways and car parks have broken surfaces, inadequate sub-surfaces covered with a patchwork of minor repairs.

Equal access to services

- The infrastructure is not fit for purpose in terms of accommodating female sport participation in e.g. there are no separate changerooms.
- The facilities as they are on site have limited accessibility for people with low mobility and/or disabilities, e.g. access ramps, toilet facilities and accessible surface areas

Growing population and demand for the development

- The BCC precinct would be enhanced as a social hub for the community, building upon its status as an important attractor to a range of community groups and sports participants.
- The Bagdad/ Mangalore region has a resident population of approximately 1,867 according to the ABS 2021 Census, comprising 1,432 at Bagdad and 435 at Mangalore. The proposal will improve the desirability of the Bagdad/ Mangalore townships to current and potential homeowners in the region. The Community Infrastructure Plan¹ reports:
 - Recent analysis for Southern Tasmania has indicated that net migration would be the driver of population growth rather than natural growth between 2021 to 2046.
 - Modelling has identified the need for 671 additional dwellings to accommodate projected growth in the Southern Midlands.
 - Bagdad, Campania, Oatlands and Kempton were identified as key towns with the land supply for subdivisions, most of which are concentrated in Bagdad (83 lots), Kempton (63 lots) Campania (60 lots) and Oatlands (14 lots).
- The proposal will attract many more passing motorists to stop at the precinct. The Midlands Highway (known as the Heritage Highway Touring Route) has an average of 6,500 passing travellers per day of which an estimated 25% are local/ national/ international visitors.
- The proposal will provide improved recreational opportunities for all demographic cohorts in particular youth and older people. The region is not currently well served in terms of indoor sporting facilities, with the closest being in Bridgewater (south 25 minutes and at full capacity) and Campbell Town (north 80 minutes).
- The proposal also recognises that the Bagdad/ Mangalore area is not well serviced by public transport, with only two buses each day to/ from the city of Hobart.
- The proposal is estimated to support the employment of 34 FTE over the during construction period and create an additional 2 FTE ongoing jobs in site management and maintenance role.
- The proposal is expected to generate increased participation in all elements of the recreation and services provided at the BCC.

Estimated increases in patronage from the current base case are summarised in the table below. The current patronage data have been informed by analysis of onsite wastewater², (indicated with *) supplemented by informed best estimates where data is not available.

User group	Current patronage per week	Estimated change	Potential patronage per week	Comment
Dining (Commercial Kitchen) and Bar facilities - Eight-ball and darts	1,200*	20%	1,440	The Community Club has scope to attract more patrons with changes to operation
Recreation Ground – used for cricket, soccer, school sports and other community recreational activities	160*	20%	192	The precinct is expected to attract more patrons for ad hoc and planned sport. Soccer – The Bagdad Primary School has been the primary user of the sports ground for soccer in the past. Apart from that, the BCC precinct is not used by other schools or clubs

¹ Inspiring Place: Community Infrastructure Plan

² Rock Solid Geotechnics Pty Ltd; Onsite Wastewater Report – Bagdad Community Centre 18/4/23

User group	Current patronage per week	Estimated change	Potential patronage per week	Comment
				<p>for soccer, but this is expected to expand following upgrade of the Oval. It will also be promoted for use by other male and female soccer clubs.</p> <p>Cricket – there are two Bagdad men’s teams at present, plus two teams participating in the Tasmanian Nepalese Cricket Association. The plan is to also attract an additional female team once the appropriate changerooms/facilities are developed as part of the proposal</p>
Community Hall – meetings, functions, fundraising, BINGO, educational forums and other activities	150*	20%	180	The precinct is expected to attract more visitors due to improved signage/ streetscape/ parking/ beautification/ planting/ etc.
Bagdad Golf Course (9 Hole)	80*	50%	120	The precinct is expected to attract more golfers, as part of the next phase of the Master Plan proposal
Tennis/Netball/Basketball Court facilities	100	200%	300	The precinct is expected to attract more patrons for ad hoc and planned sport
Bagdad Education & Care Centre	200*	0%	200	Patronage/ capacity will eventually double as part of the next phase of the Master Plan proposal
Sundry services and facilities - Playground & exercise equipment, Community Barbecue facilities, Cricket Nets, Public Toilets	100	20%	120	The precinct is expected to attract more visitors due to streetscape/ beautification/ planting etc.
Public toilets*	160	25%	200	This facility is expected to attract more usage due to increased patronage across other parts of the precinct
Bagdad Volunteer Fire Brigade (TFS)	60	0%	60	No material change expected
Bagdad Online Access Centre*	20	0%	30	No material change expected

Improved governance and accountability

Overall, the proposal will generate higher levels of patronage and utilisation of the infrastructure, which will improve the financial sustainability of the precinct and ensure it is not a financial burden to the SMC. New governance will resolve:

- Previous issues with BCC governance and operating model.

- Areas needing strengthening such as precinct maintenance and financial security over its operations.

This series of justifications has led to the need for a total redevelopment of the BCC. The core elements of the proposal are outlined in the following section 2.3. The longer-term ambitions associated with the delivery of the entire Master Plan are also outlined in section 2.4.

1.9. Project proposal

The proposal for Phase 1 of the BCC redevelopment, for which this grant is being pursued lays the foundation for the full redevelopment in accordance with the Master Plan. This first phase of the redevelopment will broadly address 12 of the 53 elements of the Master Plan. The capital cost of approximately \$15.2M comprises the following elements:

1. Formalised 2m wide pedestrian pathway to provide safer travel for pedestrians entering and traversing through the site (MP4)
2. Formalised and safer vehicle entry/ exit points (MP5)
3. Retain existing TasWater mains (MP6)
4. Replace existing non-compliant ramps into the BCC with steps and handles with additional inclusive access made available from the main carpark (MP7)
5. A landscape buffer along the Midland Highway frontage (MP19)
6. A centralised two-way asphalt road providing safe and controlled vehicle access to the main carpark, multi-sport clubhouse and the tennis court (MP25)
7. A designated bus stop bay (MP26)
8. Two-way gravel access to the southern vehicle-based spectator area with bollards to restrict access to adjoining grassed areas (MP27)
9. Multi-purpose sports facility featuring a full-sized multi-sport court, spectator stands, small gymnasium, manager's office, multi-purpose activity room, storage rooms, male/female change rooms, toilet facilities, lounge area and small canteen area for facility users (MP30)
10. Sports oval repositioned 30M to the north to accommodate the revised layout of the precinct (MP35)
11. New centralised single level multi-sport clubhouse with elevated scorers' box, large clubroom overlooking the oval, outdoor spectator area, kitchen and bar space, storage room, male/ female umpire rooms, and inclusive male/ female amenities, two separate male/ female club and visitor change rooms including shower/ toilet facilities and first aid/ massage rooms (MP37)

The ownership of the titles that form the precinct will be transferred from the BCC to the SMC. The BCC will be disbanded and cease trading and will be replaced with a SMC controlled Management Committee (established under the *Local Government Act 1993*). Some former BCC representatives will sit on the Management Committee to provide continuity and collegiality between the parties. This will strengthen governance over the precinct and provide financial security over its operations.

Legal advice has been sought to confirm that there are no legal impediments to the transfer of ownership of property and direct community involvement will be maintained through the establishment of a Special Management Committee under the *Local Government Act 1993*.

1.10. Longer term Master Plan

The redevelopment will ultimately evolve along the lines of the Master Plan, which comprises 53 elements in total. There will remain 41 elements of the Master Plan still to be undertaken over future years, which will be funded by the SMC, augmented by other community development grants as far as possible.

Central to the future ongoing development of the precinct will be the redevelopment of the childcare centre, including its expansion from being able to accommodate 40 up to 80 children. This will go towards meeting much need extra care places in the growing regional community. There are currently 74 children on the waiting list from 66 new families. This will be a joint initiative of SMC and KidBiz Pty Ltd, the current operator.



Current Golf Club Pavilion (shed) to be demolished and replaced as part of new Pavilion (shown as MP37) and in the long run MP50.



Current outdoor tennis/ basketball/ netball court to be fully refurbished (shown in MP21) as part of future longer-term development



Existing playground will be replaced (shown as MP20), as part of future longer-term development.



Sports oval repositioned and re-developed (shown as MP35) as part of current proposed re-development.

2. Project budget and funding

2.1. Capital Budget overview

The capital work budget required to deliver the project proposal is summarised in the table below. This scope comprises three main elements as summarised in the table below.

Project component	Cost estimate (ex-GST)
Oval and infrastructure	2,524,959
Community Clubrooms	2,654,740
Sports Centre	9,998,835
Total	15,178,534

The key features of each of those elements of the development are summarised in the table below. Further details can be found in the accompanying detailed costings provided by the SMC’s consultant architects, Philp Lighton Architects. Those details show floor areas, square meter cost rates and other allowances.

Oval and infrastructure	Community Clubrooms	Sports Centre
<ul style="list-style-type: none"> • Construction of a new pavilion and oval re-alignment • Construction of the new cricket pavilion • New road works and parking for 15 cars • New infrastructure for the pavilion (power sub-station, water, sewer, stormwater and communications) • Furniture and kitchenette equipment • Roof top solar panels • Upgrade the existing oval including tower light stands as an option • Wayfinding signage 	<ul style="list-style-type: none"> • Function Room • Kitchen • Changerooms dry • Washrooms - wet • Stores • Misc • Circulation • Roadworks • External Paving • Roofed area • Solar panels • Services • Site works 	<ul style="list-style-type: none"> • Foyer • Kiosk • Store Pantry • Office • Passage • Multipurpose Room • MP Room Store • Home Changerooms dry and wet • Away Changerooms dry and wet • Officials – change and AMB toilet • Public PWD Changeroom • Public AMB Toilet • Gym, Gym Passage and Gym Changeroom • Multi-purpose Court • Storeroom • Amenities Hall • Male Amenities • Female Amenities • Public PWD Toilet

The project costs include consultant engineering costs and a contingency in the event of possible cost overruns.

2.2. Project funding overview

To fund the project proposal, the following funding sources will be utilised. The total funding contribution of SMC and BCC towards the project is \$4,553,561, which represents 30% of the total project cost.

Funding source	Amount
Cash contribution from Southern Midlands Council	3,613,061
Bagdad Community Club Inc.	75,000
Sale of land assets held by Southern Midlands Council that are not required	865,500
Growing Regions Grant	10,624,973
Total funding required	\$15,178,534

Each of these elements of the project budget are presented in further detail below.

2.2.1.1. Council Cash Contribution

The SMC Audited Financial Statement for the 2023/24 Financial year reports unrestricted and uncommitted cash balances over the last two years of \$16,008,000 (FY23) and \$13,584,000 (FY24). The financial statements also show SMC carries only a modest level of debt totalling \$127,000 as at FY24:

- Current interest-bearing loans and borrowings: \$17,000
- Non-current interest-bearing loans and borrowings: \$110,000

SMC has resolved to commit up to \$4.5M to the project, which would represent a 30% co-contribution. This includes the contribution from the sale of land assets which are no longer required by the SMC. Council has capacity to apply additional cash or take on additional debt to funding the longer-term Master Plan ambitions and, if necessary, fund any unanticipated capital costs for this project proposal.

2.2.1.2. Asset sales

The SMC has identified several parcels of land it owns that would be realised to contribute to the funding of the capital works. These are detailed in the table below.

Details of land	Estimated value
Playground/Reserve – Iden Road, Bagdad (Area of 1,379 m ² — CT 10963/24	Government Capital Value of \$90,000.
Vacant Land – Blackbrush Road, Mangalore (10.24 hectares — CT 123830/1	Government Capital Value of \$354,000 but likely to be worth more than the government valuation as Council is seeking to rezone to rural residential type zone. Market value is estimated to be more than \$600,000. There is also dedicated amounts for Public Open Space contributions received to date from within that area of \$152,500, which is included in Council's current cash

Details of land	Estimated value
	balance and would be part of the cash contribution to the project.
Council has received \$15,500 this year to date for public open space, plus a recently approved rezoning of a property, which will see an additional estimated \$160,000 estimated in public open space contributions.	An estimate of \$160,000 is based on a similar development adjacent to the recently rezoned property. This amount to a total of \$175,500.

2.3. Operational budget overview

The table shown below presents detailed financial analysis comprising:

- The audited operational budget for the BCC for the last two financial years (FY23, FY24), and
- The projected operational budget for the BCC over the next four years (FY25-FY28).
- FY26 and FY27 have been nominated as two years of construction and FY28 has been identified as steady state, by which time, the Phase 1 construction works should be completed.
- A series of assumptions have been documented – during construction and post construction, which explains the expected behaviour of revenues and costs over each of those periods.

The SMC will continue to account for the precinct as a though it was a reporting entity within Council, for a period. This aims to ensure the newly forming Management Committee retains visibility over the financial performance of the precinct as part of its accountability to SMC. Some costs will be absorbed by council during this time and eventually, the financial accounts for the precinct will be fully absorbed into the SMC’s financial statements.

2.3.1. Past financial performance

The financial performance of the BCC over the last two years presents the following key points:

- In FY23 and FY24, revenues grew from \$56.7K up to \$67.5K
- Total expenses grew from \$72.2K up to \$73.6K
- The BCC’s operating loss reduced from \$15.5K to \$6.1K

The BCP’s financial statement as at FY23 showed cash holdings of \$108k and total members funds (equity) of \$1.690M. Overall, the BCP was in a reasonable financial position. However, declining operating results with a backlog of asset renewal works, means that the precinct would not be able to achieve its full potential as a regional community and recreation hub, along the lines envisaged in the Master Plan.

2.3.2. Forecast assumptions

Key points and assumptions to note in relation to the three-year forecast are outlined below. CPI has been factored in at 4% p.a. and applied to both revenues at costs where applicable. Any reduction in CPI towards the Reserve Bank of Australia’s target band of 2.5-3.5% would have a relatively even impact on both revenue and costs, and would immaterial impact in the forecasts.

Revenues

- Various revenue line items have been added post construction to reflect the expected increases in patronage.
- Childcare Centre rent doubles in accordance with the existing agreement.

Fixed costs

- SMC expects to make significant savings of around \$10K p.a. on the insurance, as the precinct will form part of the council's broader insurance portfolio which holds a lower risk profile.
- SMC will fund an initial two new positions post-construction at a cost of \$155.4K p.a. to provide dedicated resources to precinct/ ground maintenance and administration, such as bookings, cash handling, accounts payable/ receivable etc. Additional employment opportunities will be created dependent on demand.

Variable costs

- Power/ electricity charges will grow significantly up to an estimated \$30K for the new pavilion and indoor sports centre.
- Water consumption/ charges are estimated to increase to \$20K to reflect increased patronage and use of showers/ toilets etc.

2.3.3. Financial projections

Overall, the financial projections point to the following headline results:

- During construction in FY26 and FY27, the precinct may achieve a modest surplus of \$16-18K. The disruption during this time may have unforeseeable impacts on this outlooks, which SMC will aim to minimise and absorb if required.
- Post construction, SMC accepts that an operating subsidy of \$90-100K will be foreseeable. SMC accepts that this is an investment it is willing and able to make to achieve the wide range of broader benefits to the community.
- Depreciation of the upgraded facilities have been shown 'below the line' and will be absorbed into the SMC's asset management and financial management strategy.

In summary, the financial projections confirm that the \$15.2M investment in the precinct will yield increases in patronage that will go towards the increase in the precinct's asset and cost base, which can be readily absorbed into the SMC's overall financial strategy.



Southern Midlands Council - Bagdad Community Club Inc. Precinct Redevelopment

Attachment
AGENDA ITEM 16.1.1

Business Case

	FY23	FY24	FY25	FY26	FY27	FY28	Assumption during construction	Assumption post construction
Income			Current year	Construction yr 1	Construction yr 2	Steady state		
Fundraising Income/ Other club income	1,715.99	765.46	796.08	827.92	993.51	1,192.21	Hold steady/ CPI	Increase by 50%
Grants Received		8,727.27					Not required - the BCC auspiced other groups	Not required - the BCC auspiced other groups
Interest received	354.65	2,995.80	3,115.63	3,240.26	3,369.87	3,504.66	Hold steady/ CPI	Hold steady/ CPI
Community Club Rent	26,288.48	26,625.04	27,690.04	28,797.64	29,949.55	31,147.53	Hold steady/ CPI	Hold steady/ CPI
Casual Hire fees -oval						5,000.00	Under construction	\$250 per event / 20 Events per annum
Casual Hire fees -pavillion only						5,000.00	Under construction	\$200 per event / 25 Events per annum
Casual Hire fees -indoor sports centre						56,160.00	Under construction	\$60 per hr/3 hs per day/6 days per week/52 weeks
Casual Hire fees -gymnasium						10,400.00	Under construction	\$10 per week/20 Users /52 weeks
Bagdad cricket club -pavilion charges						7,500.00	Under construction	Additional hire fees
Golf club rent	7,999.92	7,999.93	8,319.93	8,652.72	8,998.83	9,358.79	Hold steady/ CPI	Hold steady/ CPI
Golf club reimbursements (for water used)	6,524.70	7,246.96	7,536.84	7,838.31	8,151.84	8,477.92	Hold steady/ CPI	Hold steady/ CPI
Child care centre rent	9,100.08	9,100.08	18,707.08	19,455.37	20,233.58	21,042.92	Council will earn additional rent from Centre from FY25	Council will earn additional rent from Centre from FY26
Council operating subsidy/ labour cost	4,721.36	4,053.26	4,215.39	4,384.01	4,559.37	-	Remove - SMC to absorb overall cost	Remove - SMC to absorb overall cost
Total Income	56,705.18	67,513.80	70,380.99	73,196.23	76,256.55	158,784.03		
Expenses								
Fixed Costs								
Accountancy	1,040.00	-	-	-	-	-	Remove - SMC will absorb	Remove - SMC will absorb
Audit fees	2,250.00	1,650.00	1,716.00	1,784.64			Remove - SMC will absorb	Remove - SMC will absorb
Depreciation - buildings	1,673.85	1,510.60					Replaced - see result after depreciation	Replaced - see result after depreciation
Depreciation - plant	5,234.09	2,950.73					Replaced - see result after depreciation	Replaced - see result after depreciation
General expenses	68.00						Remove-immaterial	Remove-immaterial
Insurance	18,588.35	19,385.60	20,161.02	20,967.46	21,806.16	11,339.21	Hold steady/ CPI	Reduced by 50% due to being in Council portfolio
Licence Fees	-	532.53	553.83	575.98	599.02	622.98	Hold steady/ CPI	Hold steady/ CPI
Rates & land taxes	13,743.62	12,771.77	13,282.64	13,813.95	14,366.50	14,941.16	Hold steady/ CPI	Hold steady/ CPI
Additional labour						155,350.00	Under construction	\$75K - 1 FTE Wage & \$95K - 0.50 FTE plus 30% On-costs
Total fixed costs	42,597.91	38,801.23	35,713.50	37,142.04	36,771.69	182,253.35		
Variable Costs								
Advertising and promotion	231.82	350.00	364.00	378.56	393.70	409.45	Hold steady/ CPI	Increase by 20%
Grant received outlay		8,727.27					Not required - contra entry for FY24 grant received	Not required - contra entry in FY25
Bank Fees And Charges	377.40	120.00	124.80	129.79	134.98	140.38	Hold steady/ CPI	Hold steady/ CPI
Donations	2,123.14	2,252.00	2,342.08	2,435.76	2,533.19	2,634.52	Hold steady/ CPI	Hold steady/ CPI
Electricity	846.97	1,065.96	1,108.60	1,152.94	1,268.24	30,000.00	Hold steady/ CPI	Council will pay for power for the two new buildings
Office Supplies	53.85		-	-			Remove-immaterial	Remove-immaterial
Postage	70.91	80.91	84.15				Remove-immaterial	Remove-immaterial
Repairs & maintenance	17,777.12	10,619.36	11,044.13	3,445.77	3,583.60	15,000.00	Reduced by 70% during construction	Increased to cover oval maintenance/ materials
Groundsman	2,850.00	150.00					Remove - SMC will absorb	Added to additional labour cost
Water Consumption	5,271.49	11,464.68	11,923.27	12,400.20	13,640.22	20,000.00	Hold steady/ CPI	Increased due to more showers/ patrons etc.
Total variable costs	29,602.70	34,830.18	26,991.03	19,943.03	21,553.93	68,184.36		
Total expenses	72,200.61	73,631.41	62,704.52	57,085.06	58,325.63	250,437.71		
Operating profit/ loss	- 15,495.43	- 6,117.61	7,676.47	16,111.17	17,930.92	- 91,653.68		
Depreciation								
Buildings						240,000.00		
Plant						150,000.00		
Result after depreciation						- 481,653.68		

2.4. Impact on Council's LTFP

In conjunction with preparing this Business Case, the SMC has undertaken a review of its Long-Term Financial Plan (LTFP) to incorporate this major development, together with the financial impacts associated with another application for new pavilion/ change room facilities at Oatlands, also being submitted under the Growing Regions Program – Round 2.

The analysis includes an allowance for growth in the rate base to reflect development that is either occurring or projected across the municipal area. Significant amendments to the LTFP due to this BCC project proposal include:

- Additional operating income
- Additional operating expenses for labour, materials and contracts and other general maintenance costs
- Asset depreciation, both buildings and plant and equipment.

The updated LTFP, forecasts minor operating deficits through to FY32, returning to surpluses post FY32. More importantly, it is noted that budgeted minimum cash and cash equivalent balances over the period do not reduce below \$8.7M indicating council's capacity to address any unexpected events. Finally, it is noted that council's total equity for the 10-year period increases from \$169M to \$195M.

3. Project risk assessment

3.1. Approach

The project risk analysis has been conducted from using the risk framework presented below. The analysis has been approached as follows:

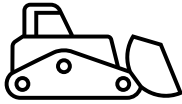
- Project risks have been classified into three categories – construction risks, operating risks and financial risks.
- Gross risks, before any mitigating actions have been rated using the probability/ impact matrix.
- Net risks, post mitigating actions have been rated to illustrate the expected favourable impact of those mitigating actions.

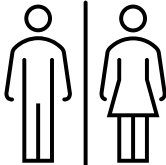
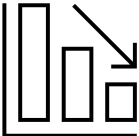
Impact
 How severe would the outcomes be if the risk occurred?

		→				
		Insignificant 1	Minor 2	Significant 3	Major 4	Severe 5
Probability What is the probability the risk will happen?	5 Almost Certain	Medium 5	High 10	Very high 15	Extreme 20	Extreme 25
	4 Likely	Medium 4	Medium 8	High 12	Very high 16	Extreme 20
	3 Moderate	Low 3	Medium 6	Medium 9	High 12	Very high 15
	2 Unlikely	Very low 2	Low 4	Medium 6	Medium 8	High 10
	1 Rare	Very low 1	Very low 2	Low 3	Medium 4	Medium 5

3.2. Risk analysis

The table below presents the risk assessment for the BCC precinct redevelopment project.

Risk category	Risk description	Gross risk	Risk mitigations	Net risk
Construction risks 	Scope creep - Changes to a project's scope after commencement	Medium 9	-Formal change control process -Regular project reviews -Documentation of changes -Continuous monitoring	Low 4
	Project delivery delays - tasks take longer than estimated or delayed	Very high 16	-Detailed project planning -Flexibility in task management -Clear communication channels	Medium 8
	Cost escalation of materials – material price rises due to supply issues and delays	High 10	-Fixed price contracts -Supplier diversification -Early ordering -Market monitoring	Medium 9

Risk category	Risk description	Gross risk	Risk mitigations	Net risk
	Availability of materials – materials are not readily available due to supply issues	Medium 9	-Early procurement -Inventory management -Supply chain monitoring -Flexible material options -Long term contracts	Medium 6
	Availability of skilled contractors/ labour - labour not readily available due to skill and supply issues	Medium 9	-Strong contractor relationships -Contingency workforce plans -Community engagement - Skilled labour becoming available from major projects	Medium 6
	Capital costs exceed funding – costs increase beyond current estimates leaving a funding gap	Medium 6	-Contingency reserves -Regular budget reviews -Fixed-price contracts	Low 3
Operating risks 	Governance – issues with governance of the precinct as part of handover to SMC	Medium 6	-Clear governance framework -Training and capacity building -Documented procedures -Legal advice and oversight	Low 3
	Work health and safety – risks to workers and patrons	Medium 9	-Training programs -Comprehensive WHS policy and practices	Low 3
	Lower patronage – demand estimates are not achieved	Medium 6	-Comprehensive community promotion -Launch and recurrent event hosting -Pricing incentives to promote patronage	Low 3
	Patron expectations not met – the foreshadowed redevelopment does not meet patron needs and expectations	Medium 6	-Comprehensive needs assessment -Transparent communication -Prototyping and feedback	Low 3
	Damage/ vandalism – the precinct attracts unwanted damage through vandalism	High 12	-Security measures -Vandalism reporting system -Youth engagement programs	Medium 6
Financial risks 	Operating deficits – the financial performance of the precinct is not sustainable	Very high 16	-Detailed financial planning -Diversified revenue streams -Performance monitoring -Council capacity to fund deficits proven in LTFP	Medium 6
	High operating costs - the cost to run the precinct exceed forecasts	Very high 16	-Comprehensive budgeting -Regular expense monitoring by SMC	Medium 6
	Lower operating revenue – the forecast revenues are not achieved	Medium 9	-Market research and analysis -Diverse revenue streams -Flexible pricing strategies	Low 3
	Service pricing not appropriate – prices to patrons are not aligned with capacity to pay	Medium 6	-Tiered pricing models -Flexible payment options -Incentives for low-income patrons	Low 3

Risk category	Risk description	Gross risk	Risk mitigations	Net risk
	Depreciation not funded – the ongoing investment in maintenance and renewal of the infrastructure is not provided for in SMC’s works programs	High 12	-Long-term asset management plan -Maintenance in annual budget -Council capacity to fund depreciation proven in LTFP	Medium 6

3.3. Summary of risk analysis

The project risk analysis has considered three categories – construction risks, operating risks and financial risks - at both a gross and net risk levels. Overall, the foregoing analysis shows the proposed redevelopment of the precinct is potentially exposed to a range of risks at the gross level, especially associated with project delivery and capital cost. However, a long list of reasonable mitigating actions has also been identified, which materially reduces the net risk to modest levels that are acceptable to the SMC.

4. Project cost/ benefit assessment

4.1. Approach

In accordance with the Grant Guidelines, the BCC precinct redevelopment project proposal has been assessed on a cost/ benefit basis using a combination of quantitative and qualitative measures and descriptors.

Quantifiable costs and benefits have been drawn from the project budget to show the direct and indirect costs. Quantifiable benefits have been monetised as far as possible using supporting research. Though these costs and benefits have been quantified, they are not necessarily additive and as such a 'total' has not been derived.

Other non-quantifiable (not readily quantifiable) costs and benefits have been identified and rated on a scale of (1 to 5) to illustrate the relative importance/ weighting of those costs and benefits.

Insights from other cost benefits assessments for similar projects have been considered. Though these are much larger in scale, the principles are readily comparable.³⁴⁵

4.2. Quantifiable costs and benefits

4.2.1. Quantifiable costs

Capital construction costs

The Business Case has previously detailed the capital construction costs required to deliver the project proposal. This sums to approximately \$15.2M, which will be invested over an estimated two-year period.

Post-construction operating costs

The Business Case has also previously detailed the recurrent net operating costs required to operate the precinct post-construction. This sums to an ongoing commitment to the SMC of approximately \$100K p.a.

4.2.2. Quantifiable benefits

Health benefits

The project proposal will encourage people to be more active resulting in better health outcomes for the community. Greater sporting and recreational activity participation will be encouraged in several ways as listed below, fostering a culture of physical activity and community engagement:

³ <https://www.barossa.sa.gov.au/assets/downloads/Projects/Lyndoch-Recreation-Park-Precinct-Redevelopment-and-Expansion-Cost-Benefit-Analysis.pdf>

⁴ <https://www.frasercoast.qld.gov.au/downloads/file/1432/fraser-coast-sp-economic-analysis-final-pdf>

⁵ https://pirie.sa.gov.au/_data/assets/pdf_file/0030/165657/NSRF200366_SACES_Cost_Benefit_Report.pdf

- The upgrades will result in access to a variety of facilities for different sports and recreational activities, catering to a broad range of interests and fitness levels.
- New State-of-the-art equipment and well-maintained facilities can attract individuals who are looking for a positive and enjoyable experience.
- The sporting centre will host local sports events, leagues, and competitions, creating opportunities for community members to participate and spectate.
- Community programs will be established for all age groups and skill levels, such as youth leagues, senior fitness classes, and family-oriented activities, encourages widespread participation.
- Coaching and training Programs led by qualified instructors will help individuals improve their skills and confidence in various sports.
- Health and Fitness Workshops can educate people on the benefits of an active lifestyle, proper nutrition, and overall health and wellness.
- Implementing reasonable membership fees or offering discounted rates for local residents will make the sporting centre more accessible to a diverse range of individuals.
- The facilities will be designed to accommodate people with disabilities, making the centre inclusive and welcoming to all members of the community.
- The local community will be actively engaged through promotional events, partnerships with local businesses, and collaborations with schools and community organisations.
- The new sporting centre will be well-maintained, clean, and safe creating a positive and secure environment.

The value of these health benefits has been quantified to be approximately \$2,000 p.a. for people who are overweight and up to \$4,500 for people who are obese⁶. Assuming the precinct will attract approximately 700 users per week (see patronage table) or say 35,000 users p.a. and of those, say 5%⁵ are overweight (not even obese), the health benefit, measured by the savings in health costs p.a., would be \$2.5M p.a.

Amenity benefits to local users:

The AEC Group's analysis of an \$18.9M stage 1 development for the Fraser Coast Sports Precinct applied an amenity benefit of \$27.50 per household per annum (as at 2015) to quantify the social and health benefits of physical recreation, including sporting activity to a local community. This figure was applied to the projected number of households in the catchment and extrapolated out to 2066.⁷

Using a similar but simplified approach to the Bagdad/ Mangalore sub-region, if say 700 households each derived a benefit of say \$30 p.a. for 20 years to 2044, this would amount to an aggregate benefit of an additional \$420,000 over that period. This is conservative as the precinct will attract patrons from the broader Southern Midlands region and adjoining local government areas such as Central Highlands, Brighton and Clarence.

The table below presents the foreseeable costs and benefits to which a value can be reasonably attributed. This high-level analysis suggests that the capital investment of \$15.2M would be paid back in a little over 4 years. The net operating costs are then just 2.84% of the recurrent health benefits and amenity derived by users of the precinct.

⁶ See Lyndoch Recreation Park cited above

⁷ See Fraser Coast Sports Precinct cited above

Cost descriptions	Value	Benefit descriptions	Value
Capital works costs	\$15,200,000 over 2-3 years	Health benefits	\$3,500,000 p.a.
Operating costs (net of revenue)	\$100,000 p.a.	Amenity benefits	\$21,000 p.a.

This analysis also does not even factor in the direct and indirect value added to the local community through the ongoing employment of say 34 FTE during the construction phase and almost additional 2 FTE employed by SMC to maintain and administer the new precinct. These quantifiable benefits are comparatively modest but should not be disregarded as a benefit of this proposal.

4.3. Non-quantifiable costs and benefits

A qualitative assessment has been undertaken to support the cost/ benefit analysis to highlight a range of potential costs and benefits associated with the BCC Precinct Redevelopment project that cannot be assigned a value or easily costed.

4.3.1. Non quantifiable costs

There are some unquantifiable costs that should be acknowledged as part of this business case.

Construction phase impacts: There exists the potential for noise, dust and amenity impacts to negatively affect businesses and residents within and around the BCC Precinct during the construction phase.

Traffic movement impacts: The BCC Precinct is local adjacent to the Midlands Highway, which is a National Highway that links southern Tasmania to the north and northwest of Tasmania. There is a possibility of some increased construction related traffic along this major access routes during the construction phase. There may also be some disruption to other users of this highway. It is anticipated that traffic on these access routes will increase although calculations have not been undertaken.

The Tasmanian Government’s Department of State Growth will require a traffic management plan to be prepared and implemented during the construction phase. Measures will be taken to fully mitigate these impacts/ risks, as outlined in the project risk assessment.

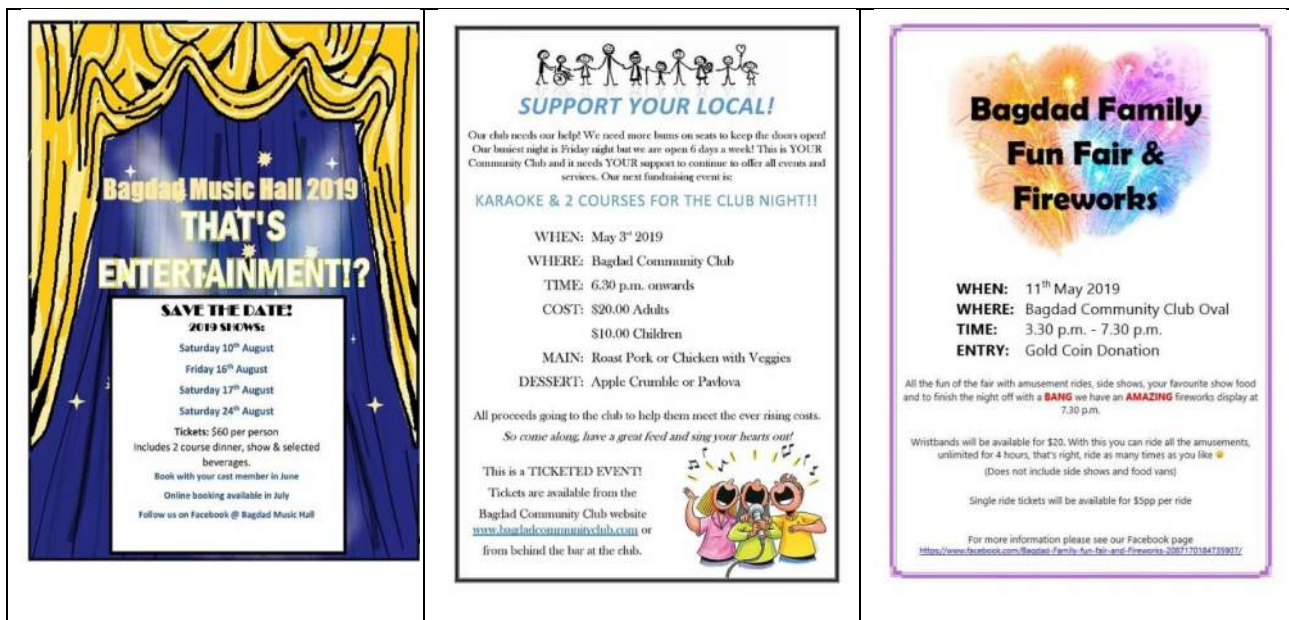
4.3.2. Non quantifiable benefits

A range of other non-quantifiable benefits have been identified in some of the studies cited earlier, which are equally applicable to the BCC precinct redevelopment proposal. Again, these have been drawn from studies cited earlier, and are equally relevant to this BCC precinct redevelopment proposal.

- **Business growth and diversification opportunities:** The redevelopment of the Precinct will help to increase the patronage of local and regional businesses already established within the region and also encourage other developers/ business owners to consider the area as a viable location from which to operate.
- **Developing community pride and wellbeing:** The transformation of BCC Precinct will reinforce the sense of identity of residents, build civic pride and help define the character of the Bagdad/ Mangalore region.

- **Building a stronger community:** Redeveloping the BCC Precinct will help preserve social ties and community networks. These developments will also facilitate the mixing of people of different backgrounds and the formation of more diverse and inclusive social networks.
- **Improved quality of life:** Recreational facilities enhance the overall quality of life in a community. Parks, sports complexes, and other recreational spaces provide residents with opportunities for leisure, socialisation, and community engagement. This can contribute to a sense of community and improve residents' overall satisfaction with their living environment.
- **Eliminating access barriers:** Improving access to sporting opportunities, services and activities will help the region become more inclusive, especially for the elderly, those with young families and female participants.
- **Environmental benefits:** Parks and green spaces contribute to environmental sustainability by providing natural habitats, promoting biodiversity, and helping with carbon sequestration. Well-maintained recreational areas can contribute to a healthier and more sustainable environment for the entire community. The environment will benefit from the upgrade to the current inadequate wastewater system.
- **Crime prevention:** Accessible and well-maintained recreational areas can contribute to crime prevention by providing safe spaces for all community members to gather and engage in positive activities. This can contribute to a general sense of safety and security in the neighbourhood.

Images drawn from the BCC website illustrate the 'vibe' of the current BCC and its importance to the local community. This provides a very solid platform to grow even greater community support for the club and the sporting precinct.



The table below presents a summary of foreseeable qualitative costs and benefits outlined above, to which a value cannot be reasonably attributed. The scale of 5 (high cost/ benefit) to 1 (low cost/ benefit) has been used to provide a sense of the relative importance of each element.

Cost descriptions	Rating	Benefits	Rating
Amenity disruption impacts	3	Business growth and diversification opportunities	2
Traffic movement impacts	3	Developing community pride and wellbeing	4
		Building a stronger community	5
		Improved quality of life	4
		Eliminating access barriers	5
		Environment benefits	3
		Crime prevention	2
Total cost rating	6	Total benefit rating	25

4.4. Summary of cost/ benefit analysis

Overall, the foregoing cost/ benefit analysis shows there to be a strong case for the \$15.2M investment and SMC's annual operating contribution of approximately \$100K p.a. including:

- Quantifiable health and wellbeing benefits estimated to be in the order of \$3.5M p.a.
- Non-quantifiable social and recreational benefits to the local community and visitors to the precinct.

This high-level analysis, when considered alongside the project risk analysis suggests the government's required \$10.6M grant contribution would be a modest risk with significant net benefits.

5. Project implementation plan

5.1. Project Gantt Chart

The project implementation plan has been developed by the SMC’s consulting architects to show that the project can be executed for over a four-year period, as summarised in the table below.

	Year 1			Year 2												Year 3												Year 4							
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27			
Planning Permit	█																																		
Detail Tender Documentation		█	█	█																															
Building & Plumbing Permits			█	█	█																														
Christmas Shutdown				█	█																														
Client Review & Approval					█	█																													
Tender				█	█	█																													
Client Review & Approval					█	█	█																												
Contract Signing						█																													
Pre-Construction Startup							█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Construction								█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Practical Completion																																			
Commissioning & Occupation																																			
Defects Liability Period																																			

5.2. Detailed task list

Additionally, each task has been analysed to establish specific duration in days.

Task Name	Start (Date)	End (Date)	Duration (Days)
Planning Permit	9/10/2024	10/10/2024	1
Detail Tender Documentation	11/10/2024	17/12/2024	67
Building & Plumbing Permits	1/12/2024	11/01/2025	41
Christmas Shutdown	18/12/2024	4/01/2025	17
Client Review & Approval	5/01/2025	10/01/2025	5
Tender	11/01/2025	12/02/2025	32
Client Review & Approval	12/02/2025	12/03/2025	28
Contract Signing	13/03/2025	14/03/2025	1
Pre-Construction Startup	15/03/2025	28/03/2025	13
Construction	31/03/2025	21/05/2026	416
Practical Completion	22/05/2026	23/05/2026	1
Commissioning & Occupation	24/05/2026	12/06/2026	19
Defects Liability Period	23/05/2026	22/05/2027	364

- **Planning Permit:** Ensure that the project aligns with local regulations and set the foundation for the upcoming tasks.
- **Detail Tender Documentation:** Preparation of specifications and drawings, essential for accurate tendering and ensuring that all project aspects are well-documented.
- **Building & Plumbing Permits:** Focuses on the securing of necessary approvals, such as compliance with and regulatory standards.
- **Christmas shutdown:** Scheduled break in the project.
- **Client Review & Approval:** Allows stakeholders to assess and approve the project plans, ensuring alignment with client expectations before proceeding further.

- **Tender:** Selecting contractors for the construction.
- **Contractor Signing:** Finalise with the agreement of the chosen contractors.
- **Pre-Construction Startup:** Final preparations including site setup and coordination of resources.
- **Construction:** Building of the amenities building, carparks, oval construction and wastewater treatment system. Over this period, it will have regular inspections and progress assessments ensuring it is of quality standard.
- **Practical completion:** Construction is completed, with the essential systems operational and building is ready for use.
- **Commissioning & Occupation:** Final adjustments and checks are made to ensure all systems function optimally and official handover of the project to the client.
- **Defects Liability Period:** Ensure that the project meets the expected standards and provides assurance to the client regarding the quality of work delivered.

Contacts for this Business Case

This Business Case has been prepared in collaboration with representatives of the Southern Midlands Council, using information provided by those representatives. Please refer to Southern Midlands Council or the contacts below as required.



Heath Roberts
Senior Executive, Consultancy and Advisory
M: 0422 276 517
E: Heath.Roberts@itechnologies.com.au



David Richardson
Executive Advisor, Consultancy and Advisory
M: 0407 246 164
E: David.Richardson@itechnologies.com.au

This document is strictly private, confidential, and personal to its recipients and should not be copied, distributed, or reproduced in whole or in part, nor passed to any third party.



Tasmanian
Audit Office



**Report of the Auditor-General
No. 3 of 2023-2024**

Private works undertaken by councils

21 May 2024

Our Role

The Auditor-General and Tasmanian Audit Office are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our [reports](#) page on our website.

Acknowledgement of Country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

2023

(No. 24)



2024
PARLIAMENT OF TASMANIA

Private works undertaken by councils

21 May 2024

Presented to both Houses of Parliament pursuant to
Section 30(1) of the *Audit Act 2008*

© Crown in Right of the State of Tasmania May 2024

Auditor-General's reports and other reports published by the Office can be accessed via the Office's website. For further information please contact:

Tasmanian Audit Office

GPO Box 851

Hobart

TASMANIA 7001

Phone: (03) 6173 0900

Email: admin@audit.tas.gov.au

Website: www.audit.tas.gov.au

ISBN: 978-0-6455514-5-7



Level 2, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

21 May 2024

President, Legislative Council
Speaker, House of Assembly
Parliament House
HOBART TAS 7000

Dear President, Speaker

Report of the Auditor-General No. 3 of 2023-24 – Private works undertaken by councils

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of the review was to form a limited assurance conclusion on the effectiveness of councils' management of private works.

Yours sincerely

Martin Thompson
Auditor-General

Page left blank intentionally

Table of contents

Foreword	1
Independent assurance report	3
Executive summary	7
Summary of findings	7
Recommendations	9
Submissions and comments received	9
1. Introduction	15
Context	15
2. Private works policies and processes	18
Chapter summary	18
Councils had largely not established policies to support private works	19
Councils had largely not established effective decision-making processes to manage private works	23
Councils had established, but not fully complied with, dispute resolution processes	25
Councils had established, but not fully complied with, conflict of interest processes	27
3. Compliance with the <i>Local Government Act 1993</i> and the National Competition Policy	31
Chapter summary	31
Councils had not established or consistently applied fee schedules	32
Councils had not considered the Competitive Neutrality Policy	36
Acronyms and abbreviations	41

Page left blank intentionally

Foreword

Councils enable the economic, social and cultural development of municipal areas by providing a range of services. Most of these are core services provided in accordance with legislative requirements, such as planning and waste management services. Some councils provide other services to individuals, community organisations and government entities, at their request. The supply of services and works to external parties at their request is referred to as 'private works.' These occur under section 205 of the *Local Government Act 1993* and can include services to council employees and councillors.

Historically, there has been little transparency on how these services are managed, which could increase the perceived or actual risk of mismanagement and fraud.

In 2018-19, the Integrity Commission considered allegations regarding a council general manager's misuse of public resources for personal gain arising from private works (Investigation Weld). Whilst the Integrity Commission found the general manager had followed correct procedures in all instances, it referred process-related issues to me for examination to increase transparency and accountability for managing private works.¹ In November 2019, the Local Government Inspectorate in Victoria also investigated alleged offences and breaches arising from private works being conducted by staff for cash or in-kind payments.²

Private works undertaken by a council may also have an impact on private contractors and local businesses who may be providing or looking to provide similar services.

As such, the objective of this review was to form a limited assurance conclusion on the effectiveness of councils' management of private works, and to promote transparency and consistency across the local government sector.

In evaluating and examining the management of private works, this report provides information to councils on risks and best practice for the management of private works, and recommendations to increase transparency, compliance, and good governance.

I thank the councils involved, and the Local Government Association of Tasmania, for their cooperation throughout the review.

Martin Thompson
Auditor-General

21 May 2024

¹ IC (Integrity Commission) (2023), [Annual Report 2018-19](https://www.integrity.tas.gov.au/__data/assets/pdf_file/0006/546738/Integrity-Commission-Annual-Report-2018-19.pdf), p62, IC, accessed 1 November 2023.

² LGI (Local Government Inspectorate) (2019), [Protecting Integrity: Yarriambiack Shire Council Investigation](#), LGI, accessed September 2023.

Page left blank intentionally

Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my review of the effectiveness of councils' management of private works.

Review objective

The objective of the review was to form a limited assurance conclusion on the effectiveness of councils' management of private works.

Review scope

The review examined all 29 councils to determine whether their private works processes were transparent and consistent, and whether their charges for private works complied with relevant legislative requirements. The review examined:

- policies and procedures related to the management of private works
- documentation related to private works undertaken in 2021-22
- financial information related to private works undertaken in 2021-22.

Section 21 of the *Local Government Act 1993* establishes council's enterprise power, including the authority to form or participate in corporations, trusts, partnerships or other bodies.³ These were not considered in this review, which was restricted to private works and activities under section 205 of the Act.

Review approach

The review was conducted in accordance the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements* issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a limited assurance opinion. In accordance with the standard, the approach was adapted and supplemented as necessary in the engagement circumstances.

The procedures performed in a limited assurance review vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

I decided to take a limited assurance approach due to the low financial materiality and limited examples of private works in some councils. This approach provides transparency of councils' processes to manage private works, while identifying areas for improvements.

³ Tasmanian Government (2023), [Local Government Act 1993](#), Tasmanian Government, accessed 30 October 2023.

The review evaluated the following criteria:

1. Are private works processes transparent and consistent?
 - Have councils established policies and/or practices to manage private works?
 - Are decisions to undertake private works consistent and/or compliant with policies and procedures?
 - Is a dispute resolution process in place?
 - Do councils manage conflicts of interest in relation to private works?
2. Were councils' private works fees and processes compliant with relevant legislative requirements?
 - Have councils established transparent fees and charges schedules?
 - Have councils complied with the National Competition Policy?

I conducted my limited assurance review by making such enquiries and performing such procedures I considered reasonable in the circumstances. Evidence for the review was obtained primarily through discussions with relevant personnel and examining collaborative documentation. Observations and findings were based on information and evidence obtained primarily through:

- discussions with relevant personnel involved in the administration and delivery of private works, and examining corroborative documentation
- analysing information from councils' financial systems
- reviewing policies, procedures and documentation related to private works.

Responsibility of management

Local government councils are responsible for managing private works in accordance with requirements under the *Local Government Act 1993*. Councils are also required to operate in accordance with Department of Treasury and Finance guidance on the application of the National Competition Policy.

Responsibility of the Auditor-General

My responsibility was to express a limited assurance opinion on the effectiveness of Councils' management of private works.

Independence and quality control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Review of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this review.

Conclusion

It is my conclusion that councils, as measured against the criteria, were not effectively managing private works. This is because they have not established transparent and consistent processes for managing private works or complied fully with relevant legislative requirements.

Martin Thompson
Auditor-General

21 May 2024

Page left blank intentionally

Executive summary

Summary of findings

Private works occur under Division 7 of Part 12 – Special Powers in the *Local Government Act 1993*. While the Act does not use the term ‘private works,’ section 205 allows councils to supply services and to undertake work at a person’s request. Some examples of the types of private works undertaken in 2021-22 included:

- road works on state and privately owned roads
- upgrading and grading of private driveways
- commercial rubbish collection
- cleaning of the Tasman Bridge.

In some instances, private works are isolated and used to resolve ad hoc local issues. The amounts of money involved in private works are relatively small. The total revenue across all councils in 2021-22 was approximately \$3.5m.

Private works policies and processes

Councils had largely not established effective and transparent processes for managing private works in the 2021-22 financial year.

Policies

Only Glamorgan-Spring Bay Council had a policy that was publicly available, had established a transparent private works decision-making process, and gave priority to the council’s own work program. Thirteen councils which undertook private works had other procedures, forms, or other policies for the management of private works, although these did not fully meet our expectations.⁴ Six councils which undertook private works had not established documented private works policies or procedures.⁵ Of the 9 councils which did not undertake any private works in 2021-22, 3 nonetheless had documented private works policies or procedures.^{6,7}

Decision-making processes

Of the 20 councils that undertook private works during 2021-22, only Latrobe and Meander Councils were compliant with their own internal processes for making decisions to undertake private works. Eight councils were not fully compliant with internal or publicised

⁴ The 13 councils were Break O’Day, Central Coast, Central Highlands, Derwent Valley, Devonport City, Dorset, Hobart City, Kingborough, Latrobe, Meander Valley, Northern Midlands, Sorell and Southern Midlands Councils.

⁵ The 6 councils were Brighton, Circular Head, Flinders, King Island, Launceston City, and Tasman Councils.

⁶ The 9 councils were Burnie City, Clarence City, George Town, Glenorchy City, Huon Valley, Kentish, Waratah-Wynyard, West Coast Councils and West Tamar Councils.

⁷ The 3 councils were George Town, Kentish, and Waratah-Wynyard Councils.

decision-making processes.⁸ Ten councils had not established a consistent process for making decisions to undertake private works.⁹ Of these 10, King Island Council had established a debt recovery policy which included some requirements in relation to private works but did not comply with these requirements.

Dispute resolution

Almost all 29 councils established publicly available dispute resolution policies and processes applicable to private works. Launceston City Council had established a Customer Service Charter, but did not outline a complaints management procedure. Only King Island Council had a dispute in relation to private works in 2021-22, and this was not managed in accordance with its publicly available dispute resolution policy.

Management of conflicts of interest

All 29 councils had established publicly available conflict of interest policies applicable to private works. Six undertook private works for Councillors, employees, or related parties. Two – Devonport City and Meander Valley Councils – were fully compliant with their own processes for managing these conflicts. Four – King Island, Tasman, Glamorgan-Spring Bay, and Derwent Valley Councils – were not.

Compliance with the *Local Government Act 1993* and the National Competition Policy

Councils had largely not complied with the 2 key policy requirements relevant to private works in the 2021-22 financial year.

Local Government Act 1993 compliance

The *Local Government Act 1993* requires councils to establish a list of fees and charges for private works, which must be made available for public inspection. Approaches to calculating fees and charges varied significantly. Of the 20 council's that undertook private works, 3 had approved fee schedules which were applied consistently.¹⁰ Eleven had some combination of approved fee schedule or documented method for calculating private works charges, but they were not applied consistently or did not cover all the kinds of private works being undertaken.¹¹ The remaining 6 had no fee schedule or documented method for calculating private works charges.¹²

National Competition Policy compliance

Tasmania's Competitive Neutrality Policy requires councils to consider whether their activities constitute significant business activities. The national competition principles should be applied

⁸ The 8 councils were Break O'Day, Central Coast, Derwent Valley, Dorset, Glamorgan-Spring Bay, Sorell, Northern Midlands and Southern Midlands Councils.

⁹ The 10 councils were Brighton, Central Highlands, Circular Head, Devonport City, Flinders, Hobart City, Kingborough, King Island, Launceston City and Tasman Councils.

¹⁰ The 3 councils were Central Coast, Meander Valley, and Northern Midlands Councils.

¹¹ The 11 councils were Break O'Day, Brighton, Central Highlands, Derwent Valley, Dorset, Flinders, Glamorgan-Spring Bay, Hobart City, King Island, Sorell, and Southern Midlands Councils.

¹² The 6 councils were Circular Head, Devonport City, Latrobe, Launceston City, Kingborough, and Tasman Councils.

to significant business activities unless there is sufficient public interest in not applying the principles. Guidance from the Department of Treasury and Finance (Treasury) requires councils to document their reasoning as to whether an activity could be a significant business activity, given the judgement involved in making this determination. No council had documented its reasoning as to whether its private works were a significant business activity.

Works conducted for other government entities is not 'business' for competitive neutrality purposes. Approximately \$2.4m of the \$3.5m in 2021-22 private works revenue was from works undertaken for other Government entities rather than ratepayers or other private interests.

Recommendations

We recommend:

1. Councils that undertake or may undertake private works establish private works policies that:
 - are publicly available
 - establish clear and transparent decision-making processes
 - outline or reference existing dispute resolution and conflict of interest policies.
2. Councils implement appropriate controls to ensure compliance with private works policy requirements.
3. Councils that undertake or may undertake private works establish a list of fees and charges and make these available for public inspection.
4. Councils apply the Competitive Neutrality Policy and associated guidance to their private works activities. This includes regularly documenting their reasoning as to whether private works is a significant business activity.

Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008*, this report was provided to the relevant Minister, Heads of the audited entities, and other persons who in our opinion had a special interest in the report, with a request for submissions or comments.

Submissions and comments we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response. However, views expressed by the responders were considered in reaching audit conclusions. Section 30(3) of the *Audit Act 2008* requires this report include any submissions or comments made under section 30(2) or a fair summary of them. Submissions received are included below.

Response from Brighton Council

Council acknowledges and accepts the report.

James Dryburgh
General Manager

Response from Burnie City Council

I wish to advise that the Burnie City Council has read the information provided with regards to the audit pertaining to Private Works Undertaken by Councils. We have no feedback to provide and are satisfied with the report.

I would like to take the opportunity to thank the Tasmanian Audit Office for their assistance and support during this audit.

Bel Lynch
Director Corporate and Commercial Services

Response from Central Highlands Council

Council acknowledges and accepts the TAO's findings concerning Central Highlands. We will develop a Private Works Policy which will clearly cover a consistent approach to private works undertaken, include a dispute resolution process, management of conflicts of interest and associated costs. All fees & charges associated with private works will be listed per Section 206 of LGA and hence will be available to the public. Private Works will undertake an annual assessment, of whether it is a Significant Business Activity or not, and this will be provided as part of our annual Auditing of the Financial Statements.

Kim Hossack
General Manager

Response from Clarence City Council

With the undertaking of private works being an exception to our normal business practice, council is in agreement with the stated findings and recommendations. Council also supports the development of a guide or model policy, through the Local Government Association of Tasmania or some other body, to support councils to achieve compliance with legislation and promote consistency across the sector.

On behalf council I would also like to thank those involved in undertaking the review for the efficient and timely manner in which it was conducted.

Ian Nelson
Chief Executive Office

Response from Circular Head Council

Circular Head Council accepts the findings of the report and is taking the following actions:

- A policy to support private works has been drafted and will be adopted by Council in February. It will be publicly available alongside a transparent private works decision-making procedure and process.
- This will include consideration of the Competitive Neutrality Policy and associated guidance prior to undertaking private works and that decisions are documented.
- An associated fee schedule will be published on our website in the same time frame.

Thank you for the opportunity to provide a management response to your draft report.

Vanessa Adams
General Manager

Response from Derwent Valley Council

The Derwent Valley Council does not undertake public works. There were none undertaken in 2022/23 and one minor public works project was undertaken in 2021/22. It is acknowledged that the council was not compliant in managing a conflict of interest in this case.

Ron Sanderson
Acting General Manager

Response from Devonport Council

Devonport City Council is in agreement with the draft report findings and has taken the necessary action to close the gaps identified during the audit. Specifically, a Private Works Policy was adopted, by Council, at the September 2023 council meeting. The policy is now publicly available on Council's website.

Matthew Atkins
General Manager

Response from Flinders Council

Council has appreciated the opportunity to engage in the TAO Review of Private works undertaken by Councils.

Council fully accepts the recommendations of the TAO and welcomes the opportunities for improvement identified during this process.

Council is currently in the advanced stages of developing a Private Works Policy reflecting these learnings.

Warren Groves
General Manager

Response from George Town Council

Our management team have reviewed the report and have nothing further to add.

Shane Power
George Town Council

Response from Glenorchy City Council

Thank you for the opportunity to comment and for responding to Glenorchy City Council's comments earlier in the process.

Council has no further submission to make on the draft report.

Tony McMullen
General Manager

Response from Hobart City Council (City of Hobart)

The City of Hobart acknowledges the recommendations made in the report on private works undertaken by councils.

We will use the recommendations to further enhance our processes and decision making to ensure we effectively manage any future private works.

Neil Noye
Acting Chief Executive Office

Response from Kentish Council

In response to your request for comment, I note that the financial value of private works undertaken by Kentish Council is relatively low was in fact nil during the period covered by the audit.

I further advise that the Kentish Council has no objections to the findings or recommendations of this audits.

Gerald Monson
General Manager

Response from King Island Council

It is noted that we are referenced at several locations in your report and that the scale of our private works activities gives us some prominence in your report. It is the particular circumstances of King Island that give rise to Council's need to be involved in private works at the level referenced in your report. Council will carefully consider the report's final recommendations for improvement with a view to implementing those that are relevant to us. This will be done in a way that is appropriate to our circumstances.

Brian Barret
Acting General Manager

Response from Latrobe Council

In response to your request, I note that the financial value of private works undertaken by Latrobe Council is relatively low.

I further advise that Latrobe Council has no objections to the findings or recommendations of this audit.

Gerald Monson
General Manager

Response from Launceston City Council (City of Launceston)

The City of Launceston acknowledges the findings of the report regarding the shortcomings in respect of its private works documentation.

It is accepted that the relatively small volume of private works undertaken by the City of Launceston does not absolve it of the responsibility to develop, implement and review private works documentation.

The City of Launceston is committed to implementing the recommendations detailed in the Report. In respect of Council establishing and publishing fees and charges for private works, further work is required to determine whether this recommendation can be fully implemented in all instances.

Louise Foster
General Manger Organisational Services

Response from Meander Valley Council

No comments or response on the draft report from Meander Valley.

Jonathan Harmey
General Manager

Response from Northern Midlands Council

We appreciate the opportunity for feedback, but do not have any further comment at this stage.

Des Jennings
General Manager

Response from Southern Midlands Council

Council acknowledges the recommendations and findings provided in the report.

It is confirmed that Council, through its Audit Committee, will proceed to address the recommendations as a matter of priority.

Specifically in relation to the references to the Southern Midlands Council, no further comments are required as the commentary is an accurate reflection of current practices.

Tim Kirkwood
General Manager

Response from Sorell Council

The extent to which Sorell Council has an appetite to engage in private works has been minimal in scope and value for the past 10 years. This position is indicated by the audit findings.

Council will undertake to adopt a private works policy by EOFY 23/24 that further specifies and clarifies the organisation's limited and reducing appetite.

Such a policy will include any necessary procedures, fees and charges.

Robert Higgins
General Manager

Response from Waratah-Wynyard Council

I wish to advise that Waratah-Wynyard Council has reviewed the draft report and has no comment or submission to make.

Shane Crawford
General Manager

Response from West Coast Council

Council acknowledges and accepts the report.

David Midson
General Manager

1. Introduction

Context

- 1.1 Private works occur under Division 7 of Part 12 – Special Powers in the *Local Government Act 1993*. While the Act does not use the term ‘private works,’ section 205 allows councils to supply services and to undertake work at a person’s request.¹³ This is in addition to any other powers to impose fees and charges, such as powers to make and levy rates.
- 1.2 Some examples of the types of private works undertaken in 2021-22 included road works on state- and privately-owned roads; upgrading and grading of private driveways; commercial rubbish collection; and cleaning of the Tasman Bridge.
- 1.3 In some instances, private works are isolated and used to resolve ad hoc local issues. For some councils in 2021-22, this included single instances of coordinating exhumation and reinterment, retrieving a deceased animal from a private creek, and the removal of a dangerous tree over a state-owned road. In other instances, private works were of a more recurrent and regular nature.
- 1.4 The amounts of money involved in private works are relatively small. The total revenue from private works in 2021-22 across all councils was approximately \$3.5m. Approximately \$2.4m of this was from works undertaken at the request of other Government entities, rather than ratepayers or other private interests.
- 1.5 The revenue varied across councils as summarised in Table 1 below.

Table 1: Approximate private works revenue in the 2021-22 financial year

	Council name	Approximate private works revenue in 2021-22
1	King Island Council	\$1,500,000
2	Kingborough Council	\$1,000,000
3	Southern Midlands Council	\$370,000
4	Break O'Day, Central Highlands, Flinders, Hobart City and Northern Midlands Councils	between \$60,000 and \$140,000
5	Remaining councils	between \$0 and \$50,000

Source: Tasmanian Audit Office

¹³ Tasmanian Government (2023), [Local Government Act 1993](#), Tasmanian Government, accessed 30 October 2023. This is in line with the Northern Territory, Queensland, South Australian, and Victorian legislation, which also do not use the term ‘private works’. In contrast, New South Wales’s *Local Government Act 1993* uses the term private works and provides explanatory examples.

Definitional issues

- 1.6 As noted above, section 205 of the *Local Government Act 1993* allows councils to undertake and charge fees for works at a person's request. This power is in addition to any other powers to impose fees and charges.
- 1.7 Seven councils recorded fire abatement and other compliance related works as private works in their ledgers.¹⁴ However, given these works occur under a different section of the Act, they are not considered private works.¹⁵ Revenue from fire abatements and other compliance-related works has been excluded from revenue in this report.
- 1.8 Similarly, 2 councils recorded the installation of stormwater connection points as private works in their ledgers or financial statements.¹⁶ Given these occur under the *Urban Drainage Act 2013*, they are not considered private works. Revenue from the installation of stormwater connection points has been excluded from revenue in this report.¹⁷

Competitive neutrality in private works

- 1.9 The objective of Tasmania's Competitive Neutrality Policy (CNP) is to 'eliminate resource allocation distortions arising out of the public ownership of entities engaged in significant business activities.'¹⁸ It requires the application of a competitive neutrality principle, being 'government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership and should compete on fair and equal terms with businesses in the private and community sector.'¹⁹
- 1.10 The final chapter of this report considers the application of the CNP to private works, given the provision of private works may entail competition with the private sector.

The risks of not managing private works effectively

- 1.11 While the sums of money involved in council private works are often not substantial, there are probity and transparency risks in relation to private works. Failure to adopt a transparent and defensible process can result in reputational damage to or loss of

¹⁴ The 7 councils were Brighton, Circular Head, Hobart, Kingborough, Northern Midlands, Sorell and Tasman Councils.

¹⁵ Section 201 of the Act grants the power for councils to abate public nuisances including fire risks and other nuisances. Where a private property fails to comply with a nuisance notice, councils are entitled to undertake the work themselves or engage a private contractor. Councils are then able to levy charges to abate nuisances in the same manner as rates and charges.

¹⁶ The 2 councils were Glenorchy City and Hobart City Councils.

¹⁷ While stormwater connection *points* are not considered private works, stormwater connections on a private property undertaken by a council at the request of a person would be.

¹⁸ Treasury (Department of Treasury and Finance) (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury accessed 30 October 2023. <https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

¹⁹ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.

<https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

confidence in the council, if it can be shown that a party related to the council (such as a council member, employee, or family associate) received benefits from private works.

- 1.12 In extreme cases, this could result in an investigation from an integrity body or criminal charges. The Integrity Commission inquired into a complaint related to private works in 2018 (Investigation Weld), and referred process-related issues to the Auditor-General to increase transparency and accountability for managing private works.²⁰ In Victoria, Local Government Inspectorate also investigated alleged offences and breaches in November 2019 which identified that private works were being conducted by staff for cash or in-kind payments.²¹ All parties are better protected where there is a well-defined and transparent process.

Better practice

- 1.13 In the absence of existing guidance, 7 councils raised the need for a 'better practice guide' for the management of private works. We engaged with the Local Government Association of Tasmania to discuss the possibility of developing a model private works policy. While councils would not be obligated to adopt this policy, it would provide them with guidance and direction towards developing and adopting a private works policy.

²⁰ IC (2023), [Annual Report 2018-19](#), p62, IC, accessed 1 November 2023.

https://www.integrity.tas.gov.au/__data/assets/pdf_file/0006/546738/Integrity-Commission-Annual-Report-2018-19.pdf

²¹ LGI (2019), [Protecting Integrity: Yarriambiack Shire Council Investigation](#), LGI, accessed September 2023.
<https://www.lgi.vic.gov.au/protecting-integrity-yarriambiack-shire-council-investigation>

2. Private works policies and processes

In this chapter we assess whether councils are effectively managing private works. In making our assessment, we considered whether councils had:

- established transparent private works policies
- complied with decision-making processes and procedures
- established and applied processes for managing disputes and complaints
- established and applied processes for managing conflicts of interest.

Chapter summary

Councils had largely not established effective and transparent processes for managing private works in the 2021-22 financial year.

Policies

Only Glamorgan-Spring Bay Council had a policy that was publicly available, had established a transparent private works decision-making process, and gave priority to the council's own work program. Thirteen councils which undertook private works had other procedures, forms, or other policies for the management of private works, although these did not fully meet our expectations.²² Six councils which undertook private works had not established documented private works policies or procedures.²³ Of the 9 councils which did not undertake any private works in 2021-22, 3 nonetheless had documented private works policies or procedures.^{24, 25}

Decision-making processes

Of the 20 councils that undertook private works during 2021-22, only Latrobe and Meander Councils were compliant with their own internal processes for making decisions to undertake private works. Eight councils were not fully compliant with internal or publicised decision-making processes.²⁶ Ten councils had not established a consistent process for making decisions to undertake private works.²⁷ Of these 10, King Island Council had established a debt recovery policy which included some requirements in relation to private works but did not comply with these requirements.

²² The 13 councils were Break O'Day, Central Coast, Central Highlands, Derwent Valley, Devonport City, Dorset, Hobart City, Kingborough, Latrobe, Meander Valley, Northern Midlands, Sorell and Southern Midlands Councils.

²³ The 6 councils were Brighton, Circular Head, Flinders, King Island, Launceston City, and Tasman Councils.

²⁴ The 9 councils were Burnie City, Clarence City, George Town, Glenorchy City, Huon Valley, Kentish, Waratah-Wynyard West Coast Councils and West Tamar Councils.

²⁵ The 3 councils were George Town, Kentish, and Waratah-Wynyard Councils.

²⁶ The 8 councils were Break O'Day, Central Coast, Derwent Valley, Dorset, Glamorgan-Spring Bay, Sorell, Northern Midlands and Southern Midlands Councils.

²⁷ The 10 councils were Brighton, Central Highlands, Circular Head, Devonport City, Flinders, Hobart City, Kingborough, King Island, Launceston City and Tasman Councils.

Dispute resolution

Almost all 29 councils established publicly available dispute resolution policies and processes applicable to private works. Launceston City Council had established a Customer Service Charter but did not outline a complaints management procedure. Only King Island Council had a dispute in relation to private works in 2021-22. This was not managed in accordance with its generic dispute resolution policies, and an alternative mechanism for managing private works disputes had not been established.

Management of conflicts of interest

All 29 councils had established publicly available conflict of interest policies applicable to private works. Six undertook private works for Councillors, employees, or related parties. Two councils – Devonport City and Meander Valley Councils – were fully compliant with their own processes for managing these conflicts. Six councils – King Island, Tasman, Glamorgan-Spring Bay, and Derwent Valley Councils – were not.

Councils had largely not established policies to support private works

2.1 We expected to find that councils had private works policies in the 2021-22 financial year that:

- were publicly available
- ensured decisions to undertake private works are made transparently, objectively, and consistently
- gave priority to the council's own work program.

2.2 The Department of Premier and Cabinet *Good Governance Guide* states that transparent decision-making and effective planning for the use of resources is a key requirement of the *Local Government Act 1993*. By establishing a policy with these elements as a minimum, councils would improve transparency, consistency, and prioritisation in relation to private works. This is further explored in the case studies included throughout this chapter.²⁸

2.3 We found private works policies and procedures varied significantly, and only one council had established a policy which met all 3 expectations.

Councils with appropriate private works policies

2.4 Only Glamorgan-Spring Bay Council had established a policy which met all 3 expectations in the 2021-22 financial year. This policy was publicised on the Council's website, specified the circumstances in which private works were to be considered

²⁸ DPAC (Department of Premier and Cabinet and the Office of Local Government) (2022), DPAC, [Good Governance Guide for Local Government in Tasmania](https://www.dpac.tas.gov.au/__data/assets/pdf_file/0019/222157/Good-Governance-Guide-4-August-2022.pdf), accessed 30 October 2023.
https://www.dpac.tas.gov.au/__data/assets/pdf_file/0019/222157/Good-Governance-Guide-4-August-2022.pdf

and at whose discretion, and explicitly stated priority would be given to the Council's own work program.

Table 2: Councils with appropriate private works policies in 2021-22

Council Name	Value of private works in 2021-22	Publicly available policy	Public policy set decision-making process	Public policy prioritised council's own work program
1 Glamorgan-Spring Bay	\$39,000	✓	✓	✓
Table Key ✓ Yes to test question. ✗ No to test question.				

Source: Tasmanian Audit Office

Councils with policies or procedures

- 2.5 The 13 councils shown in Table 3 undertook private works in 2021-22 and had procedures, forms, or other policies for the management of private works. However, these did not fully meet our expectations as they were not publicly available policies that clearly documented a transparent decision-making process and prioritised the councils' own work program.

Table 3: Councils with some private works policies or procedures in 2021-22

Council name	Value of private works in 2021-22	Publicly available policy	Public policy set a decision-making process	Public policy prioritised council's own work program
1 Break O'Day	\$87,000	✓	✗	✗
2 Central Coast	\$5,000	✗	✗	✗
3 Central Highlands	\$136,000	✗	✗	✗
4 Derwent Valley	Indeterminate ²⁹	✗	✗	✗
5 Devonport City	\$17,000	✗	✗	✗
6 Dorset	\$33,000	✗	✗	✗
7 Hobart City	\$100,000	✓	✗	✗

²⁹ The value of Derwent Valley's private works is explored further in [Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance](#).

	Council name	Value of private works in 2021-22	Publicly available policy	Public policy set a decision-making process	Public policy prioritised council's own work program
8	Kingborough	\$1,000,000	✘	✘	✘
9	Latrobe	\$12,000	✘	✘	✘
10	Meander Valley	\$800	✘	✘	✘
11	Northern Midlands	\$61,000	✓	✘	✘
12	Sorell	\$4,000	✘	✘	✘
13	Southern Midlands	\$370,000	✘	✘	✘
Table Key					
✓ Yes to test question. ✘ No to test question.					

Source: Tasmanian Audit Office

- 2.6 While not in place in the year under review (2021-22 financial year), Kingborough and Devonport City Councils developed policies which met the 3 expectations during the review. Kingborough Council publicised its policy in August 2023.

Councils without policies or procedures

- 2.7 The 6 councils shown in Table 4 undertook private works but had not established documented private works policies or procedures.

Table 4: Councils without private works policies or procedures in 2021-22

	Council name	Value of private works in 2021-22	Publicly available policy	Public policy set decision-making process	Public policy prioritised council's own work program
1	Brighton	\$47,000	✘	✘	✘
2	Circular Head	\$10,000	✘	✘	✘
3	Flinders	\$98,000	✘	✘	✘
4	King Island	\$1,500,000	✘	✘	✘
5	Launceston City	\$27,000	✘	✘	✘
6	Tasman	\$2,000	✘	✘	✘

Table Key

✓ Yes to test question. ✗ No to test question. N/A Did not undertake private works.

Source: Tasmanian Audit Office

- 2.8 Of the 6 shown in Table 4, 4 had less than \$50,000 in private works revenue in the 2021-22 financial year.

Case Study 1: West Tamar Council Private Works Policy – Example of Non-Compliance

West Tamar Council Private Works Policy

West Tamar Council did not undertake any private works in 2021-22. However, it undertook \$19,000 in private works in the previous financial year 2020-21 and did not have a private works policy in place at that time. The Council had repealed its policy in 2016 following a decision to cease private works. The repealed policy had stated that:

- The Council would encourage landholders to use reputable contractors to carry out works on private property.
- Before any private works were undertaken, the property owner was to sign the necessary authority.
- All private works would be done based on actual cost plus a margin of 15%.

Nonetheless, some private works were undertaken in 2020-21. The Council advised the smallest of these works was authorised by a staff member who was likely unaware of the informal policy to not undertake private works.

This example demonstrates that even councils not planning to undertake private works may benefit from having a policy and processes to enforce the policy in place.

Source: Tasmanian Audit Office

Councils that did not undertake private works

- 2.9 Nine councils did not undertake any private works in the 2021-22 financial year. These were Burnie City, Clarence City, George Town, Glenorchy City, Huon Valley, Kentish, Waratah-Wynyard, West Coast and West Tamar Councils.

- 2.10 Three of the 9 had nonetheless established relevant internal policies and procedures:

- George Town Council had an internal private works form which required signoff by the works area, demonstrating priority for the Council’s own work program.
- Kentish Council had a standard operating procedure and associated authority form requiring different approvals in proportion to the value of the private works project.
- Waratah-Wynyard Council had a quotation procedure, quotation form, and a costing estimate calculation sheet.

- 2.11 Four of the 9 – Burnie City, Clarence City, Waratah-Wynyard, and West Coast Councils – did indicate they may undertake private works in exceptional circumstances.

Therefore, councils who did not undertake private works in the 2021-22 financial year may still benefit from adopting a private works policy. This policy could establish the circumstances in which private works would be considered, and at whose discretion.

Councils had largely not established effective decision-making processes to manage private works

2.12 We expected to find that in 2021-22, councils were compliant with their own private works policies or procedures which established a consistent decision-making process.

2.13 We found decisions to undertake private works broadly took one of 4 forms. Councils either:

- fully complied with an established decision-making process
- did not fully comply with an established decision-making process
- did not have an established decision-making process, or
- did not undertake private works.

Councils that fully complied with an established decision-making process

2.14 Two councils – Latrobe and Meander Valley Council – had established a private works form that outlined who had delegation to approve private works. The forms were consistently completed for all private works projects undertaken in 2021-22. These councils would nonetheless benefit from publicising their decision-making process in a private works policy.

Councils that did not fully comply with an established decision-making process

2.15 Eight councils had established private works decision-making processes but were not fully compliant for various reasons.³⁰

2.16 As noted previously, only Glamorgan-Spring Bay Council had established a publicly available policy which documented how decisions to undertake private works were to be made. However, the Council was not fully compliant with this policy. It required approval by council resolution for projects valued at over \$10,000. There was one project over this value in the 2021-22 financial year. Although councillors were made aware of the project, it was not approved by council resolution in accordance with the policy.

2.17 Break O’Day Council had a policy which required plant hire to be approved by a manager, but it did not outline how decisions to undertake other kinds of private works were to be managed.

³⁰ The 8 councils were Break O’Day, Central Coast, Derwent Valley, Dorset, Glamorgan-Spring Bay, Sorell, Northern Midlands and Southern Midlands Councils.

2.18 Central Coast, Derwent Valley, Dorset, Sorell, Northern Midlands and Southern Midlands Councils had internal forms which were not sufficient for various reasons. While Central Coast, Derwent, and Northern Midlands forms required approval by a council officer, they were not accompanied by a policy outlining who had delegation to approve private works. Dorset, Sorell, and Southern Midlands forms did not require approval. Derwent Valley did not fully complete the form for the one private works project it undertook.³¹ Dorset, Northern, and Southern Midlands did not complete a form for all tested private works projects.

Councils that did not have an established decision-making process

2.19 Ten councils had not established a process for private works decisions. Therefore, it was unclear how decisions to undertake private works were made. These included Brighton, Central Highlands, Circular Head, Devonport City, Flinders, Hobart City, Kingborough, King Island, Launceston City and Tasman Councils.

³¹ This is explored further in [Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance](#).

Case Study 2: King Island Council Private Works Decisions Making – Example of Non-Compliance

King Island Council Private Works Decision Making

While King Island Council had not established a decision-making process related to private works, it did have a debt recovery policy which included relevant private works provisions. It required a 100% deposit, bond or guarantee, or similar appropriate assurance for private works over \$50,000. A 50% deposit was required for works between \$10,000 and \$49,999, and no deposit was required for works under \$10,000.

In December 2020, the Council provided a quotation via email for the construction of a private access road (discussed further in [Non-compliance Case Study 3: King Island Council Dispute Resolution – Example of Non-Compliance](#)). In the absence of an established private works policy, the Tasmanian Audit Office considered whether the debt recovery policy was applied.

The work was originally estimated at over \$140,000, but a deposit was not taken. The Council advised this provision ‘seems to be impractical and with little likelihood of acceptance’ and that it was being reviewed as of November 2023. However, the policy was in place at the time the works commenced, having been adopted in December 2017. The project eventually led to a loss of over \$60,000 to the Council which was accepted by both parties due to complications with the proposed clearing.

The debt recovery policy also required the Council to not carry out private works for entities indebted to Council for private works for an amount exceeding \$500. The Council has not established a process to ensure compliance with this policy provision.

This example demonstrates the need to ensure policies meet current needs, and that there are processes to ensure compliance with the policies.

Source: Tasmanian Audit Office

Councils had established, but not fully complied with, dispute resolution processes

2.20 We expected to find that in 2021-22, councils had established processes to manage disputes and complaints in relation to private works. Councils are required to establish customer service charters by section 339F of the *Local Government Act 1993*. These charters are to specify a procedure for dealing with complaints relating to services provided by the council and be made publicly available.³²

Dispute resolution processes

2.21 We found councils had established and publicised dispute resolution processes that could be applied to private works. The dispute resolution processes covered various

³² Tasmanian Government (2023), [Local Government Act 1993](#), Tasmanian Government, accessed 30 October 2023.

kinds of engagements with councils and were not specific to managing private works disputes.

- 2.22 Almost all policies established complaints management procedures, options for escalation, and references to external oversight bodies who could conduct investigations. Launceston City Council had established a Customer Service Charter, but it did not outline a complaints management procedure.

Compliance with resolution processes

- 2.23 Only King Island Council identified a dispute in relation to private works in the 2021-22 financial year.³³

Case Study 3: King Island Council Dispute Resolution – Example of Non-Compliance

King Island Council 2021-22 Dispute

The King Island Customer Service Charter had established requirements for managing general complaints. Complaints were to be registered in a central complaints database, reported monthly to the Council, and the complainant was to be kept informed of disputes that take longer than 10 days to resolve.

The Council identified one complaint in relation to private works in 2021-22. It related to the same project referred to in [Case Study 2: King Island Council Private Works Decisions Making – Example of Non-Compliance](#), for private access construction. The matter in question was not recorded in the complaints register or reported monthly to the Council as required by the Customer Service Charter. The Council was also not able to provide any evidence the complainant was kept informed past the initial 10 days.

The Council advised the complaints process was not intended to apply to complaints about private works. They further advised that the database was not seen as an appropriate mechanism for this matter, and that senior management was aware of the issue. Finally, they noted it was not realistic for the private works customers to ‘register any issues through our front of office customer service staff’ and that ‘they would raise these issues directly with the management staff.’ However, as noted above, section 339F of the Act requires councils to establish procedures for dealing with complaints relating to services it provides.

The Council therefore was either not compliant with its Customer Service Charter in relation to this complaint or had not established a customer service charter which covered private works. The Council advised that there were no other complaints in relation to private works for several years.

This example demonstrates the importance of establishing or referencing procedures that will be used to deal with private works complaints, and making sure processes meet current needs.

Source: Tasmanian Audit Office

³³ Councils were asked to identify whether there were any disputes in the 2021-22 financial year. An assessment of the efficacy of complaints management procedures to ensure all private works complaints were captured was outside the scope of this review.

2.24 Northern Midlands Council had one complaint in the 2022-23 financial year. This complaint was managed in accordance with its Customer Service Charter, as it was investigated by the relevant Manager and further escalated to the General Manager for resolution.

Councils had established, but not fully complied with, conflict of interest processes

2.25 We expected to find that in 2021-22, councils had established processes to manage conflicts of interest in relation to private works.

2.26 The Department of Premier and Cabinet *Good Governance Guide* states that managing conflicts of interest is a key requirement of the *Local Government Act 1993*. Appropriate conflict of interest policies minimises the risk of misuse of council resources. Establishing a conflict management process and associated controls would improve transparency and ensure the appropriate use of council resources. This is further explored in the case studies included in this section.³⁴

Conflict of interest policies

2.27 All 29 councils had established and publicised appropriate conflict of interest policies which were applicable to private works. Thirteen councils identified ‘performance of private works using Council assets in return for a benefit’ or ‘unauthorised use of Council assets’ as examples of corruption in available policies.³⁵ All councils had a councillor code of conduct specifying that ‘a Councillor must not use Council resources for private purposes except as provided by Council policies and procedures.’³⁶ All councils excluding King Island have an employee code of conduct with a similar provision, 3 of which were publicly available.

Conflict of interest practices

2.28 Six councils, shown in Table 5, provided some works to councillors, employees, or related parties in the 2021-22 financial year. These potential conflicts were largely identified by the councils.

³⁴ DPAC (Department of Premier and Cabinet and the Office of Local Government) (2022), [Good Governance Guide for Local Government in Tasmania](https://www.dpac.tas.gov.au/__data/assets/pdf_file/0019/222157/Good-Governance-Guide-4-August-2022.pdf), DPAC, accessed 30 October 2023.

³⁵ The 13 councils were Break O’Day, Central Coast, Flinders, George Town, Glamorgan-Spring Bay, Glenorchy City, Kentish, Kingborough, Latrobe, Sorell, Southern Midlands, Tasman and West Tamar Councils.

³⁶ Adopting the Minister’s model code of conduct for councillor is a requirement of Division 3A, Subdivision 2 of the *Local Government Act 1993*.

Table 5: Application of conflict-of-interest managements processes

	Council name	Undertook private works for Councillors, employees, or related parties in 2021-22	Approximate value	Was fully compliant with own policies or procedures
1	Devonport City	✓	\$4,000	✓
2	Meander Valley	✓	\$300	✓
3	King Island	✓	\$55,000	✗
4	Derwent Valley	✓	Indeterminate ³⁷	✗
5	Tasman	✓	\$100	✗
6	Glamorgan-Spring Bay	✓	\$30	✗
Table Key				
✓ Yes to test question. ✗ No to test question. N/A Did not undertake private works.				

Source: Tasmanian Audit Office

Councils fully compliant with own conflict of interest processes

Devonport City Council

2.29 Devonport City Council had established an employee code of conduct which required authorisation for the use of council equipment. Approximately \$4,000 of the private works revenue in the 2021-22 financial year was for the hire of equipment to staff. To support this, the Council had established a hire and deduction agreement form. This form required sign off from the staff in the works area to ensure priority was given to use of equipment for council purposes. The forms sampled were all signed by staff and an appropriate delegate.

Meander Valley Council

2.30 Meander Valley Council had also established an employee code of conduct which required authorisation, which was supported by a private works application form. Approximately \$300 of the private works revenue in the 2021-22 financial year was for the hire of equipment to staff. A private works application form was completed for each instance and approved by the works team.

³⁷ The value of Derwent Valley's private works is explored further in [Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance](#).

Councils not fully compliant with their own conflict of interest processes

King Island Council

- 2.31 King Island Council had 4 key documents related to the management of conflicts of interest, including a Related Parties Disclosure Policy. In accordance with this policy, the Council disclosed related party transactions in its 2021-22 financial statements. Seven of these transactions were private works undertaken for related parties. The financial statements noted the charges for these works were based on 'approved fees and charges.'
- 2.32 However, the majority of the works were not covered by the 2021-22 fees and charges schedule. For example, related parties were charged for truck and excavator hire and driveway sealing which were not on the fee schedule. Where the service or product was on a fee schedule, the related party was charged in accordance with it. For example, invoices for the sale of gravel to related parties reflected the fees and charges schedule.

Derwent Valley Council

- 2.33 Derwent Valley Council was not complaint with its processes for managing conflicts of interest.

Case Study 4: Derwent Valley Council Conflict of Interest Management – Example of Non-Compliance

Derwent Valley Council Conflict of Interest Management

Derwent Valley Council had established an employee code of conduct. It required authorisation by a manager or supervisor for the use of council property.

The Council undertook one private works project for an employee in the 2021-22 financial year. The Council was unable to provide an invoice or any other documents relating to this project, other than the private works instruction form. This instruction form was incomplete and did not record a fee. As such, whether the employee was charged, what the overall value of private works was in 2021-22, and whether this project was authorised in accordance with the employee code of conduct could not be established.

This example demonstrates the need for councils to ensure policies and forms are supported by appropriate processes to ensure compliance.

Source: Tasmanian Audit Office

Tasman Council

- 2.34 Tasman Council had established a code of conduct for employees which required authorisation to use council resources. The Council hired equipment to an employee in 2021-22 following a severe weather event, for which they were charged approximately \$100. However, there was no recorded authorisation.

Glamorgan-Spring Bay Council

- 2.35 Glamorgan-Spring Bay Council undertook one very minor private works project valued at approximately \$30 for an employee in the 2021-22 financial year. This was approved by a supervisor in accordance with the code of conduct requirements for the use of Council resources. However, this did not align with the Council's private works policy, which required private works requests from councillors and employees to be approved by the General Manager.

3. Compliance with the *Local Government Act 1993* and the National Competition Policy

In this chapter we assess whether councils were compliant with 2 key policy requirements relevant to the management of private works outlined in Chapter 1. The first is the *Local Government Act 1993*, which establishes councils' power to undertake private works, and requirements in relation to fees and charges. The second is the National Competition Policy, a national framework which was established to ensure publicly owned and private businesses compete on equal terms.³⁸

Chapter summary

Councils had largely not complied with the 2 key policy requirements in the 2021-22 financial year.

Local Government Act 1993 compliance

The *Local Government Act 1993* requires councils to establish a list of fees and charges for private works, which must be made available for public inspection. Approaches to calculating fees and charges varied significantly. Of the 20 council's that undertook private works, 3 had approved fee schedules which were applied consistently.³⁹ Eleven had some combination of approved fee schedule or documented method for calculating private works charges, but they were not applied consistently or did not cover all the kinds of private works being undertaken.⁴⁰ The remaining 6 had no fee schedule or documented method for calculating private works charges.⁴¹

National Competition Policy compliance

Tasmania's Competitive Neutrality Policy requires councils to consider whether their activities constitute significant business activities. The national competition principles should be applied to significant business activities, unless there is sufficient public interest in not applying the principles. Guidance from the Treasury requires councils to document their reasoning as to whether an activity could be a significant business activity, given the judgement involved in making this determination. No council had documented its reasoning as to whether its private works were a significant business activity.

³⁸ OTTER (Office of the Tasmanian Economic Regulator) (2022), [Competitive Neutrality](https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality), OTTER accessed 1 November 2023. <https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality>

³⁹ The 3 councils were Central Coast, Meander Valley, and Northern Midlands Councils.

⁴⁰ The 11 councils were Break O'Day, Brighton, Central Highlands, Derwent Valley, Dorset, Flinders, Glamorgan-Spring Bay, Hobart City, King Island, Sorell, and Southern Midlands Councils.

⁴¹ The 6 councils were Circular Head, Devonport City, Latrobe, Launceston City, Kingborough, and Tasman Councils.

Councils had not established or consistently applied fee schedules

- 3.1 As noted in Chapter 1, section 205 of the *Local Government Act 1993* allows councils to impose fees and charges for services supplied or works carried out at a person's request. Section 206 of the Act states that the general manager is to keep a list of all fees and charges and make the list available for public inspection.
- 3.2 We assessed all 29 councils to determine whether:
- they had established fees and charges for their private works in 2021-22
 - they had applied those consistently in 2021-22
 - their fees and charges would have been available for public inspection.
- 3.3 We found the approach to managing fees and charges for private works varied significantly between councils. Fourteen had some combination of a fee schedule or method for calculating private works charges, which were largely not applied consistently, and did not cover all the kinds of private works being undertaken.

Table 6 summarises overall compliance with the relevant sections of the *Local Government Act 1993*.

Table 6: Private works fee schedule compliance in 2021-22

	Council name	Value of private works in 2021-22	Established fees and charges for all private works which was consistently applied in 2021-22, and would have been available for public inspection
1	Break O'Day	\$87,000	✘
2	Brighton	\$47,000	✘
3	Burnie City	\$0	N/A
4	Central Coast	\$5,000	✓
5	Central Highlands	\$136,000	✘
6	Circular Head	\$10,000	✘
7	Clarence City	\$0	N/A
8	Derwent Valley	Indeterminate ⁴²	✘
9	Devonport City	\$17,000	✘

⁴² The value of Derwent Valley's private works is explored further in [Noncompliance Case Study 4: Derwent Valley Council Conflict of Interest Management](#).

Council name		Value of private works in 2021-22	Established fees and charges for all private works which was consistently applied in 2021-22, and would have been available for public inspection
10	Dorset	\$33,000	✘
11	Flinders	\$98,000	✘
12	George Town	\$0	N/A
13	Glamorgan-Spring Bay	\$39,000	✘
14	Glenorchy City	\$0	N/A
15	Hobart City	\$100,000	✘
16	Huon Valley	\$0	N/A
17	Kentish	\$0	N/A
18	Kingborough	\$1,000,000	✘
19	King Island	\$1,500,000	✘
20	Latrobe	\$12,000	✘
21	Launceston City	\$27,000	✘
22	Meander Valley	\$800	✓
23	Northern Midlands	\$61,000	✓
24	Sorell	\$4,000	✘
25	Southern Midlands	\$370,000	✘
26	Tasman	\$2,000	✘
27	Waratah-Wynyard	\$0	N/A
28	West Coast	\$0	N/A
29	West Tamar	\$0	N/A
Table Key ✓ Consistently applied a fee schedule or method for calculating private works charges which would have been available for public inspection. ✘ Did not consistently apply a fee schedule or method for calculating private works charges which would have been available for public inspection. N/A Did not undertake any private works.			

Source: Tasmanian Audit Office

Fully compliant councils

- 3.4 Three of the councils that undertook private works in 2021-22 had a method for calculating charges that was consistently applied, and would have been available for public inspection. These were Central Coast, Meander Valley, and Northern Midlands Councils. Each had fees and charges schedules or policies which stated private works would be charged at cost plus an administration fee.⁴³ In 2021-22, these fees were consistently applied to tracked project costs.
- 3.5 As previously stated, 9 councils did not undertake private works and were therefore compliant.

Case Study 5: Burnie City Council Private Works Fee Schedule – Example of Better Practice

Burnie City Council Private Works Fee Schedule

Burnie City Council did not undertake any private works in 2021-22. Nonetheless, it had a publicly available private works fee schedule and had recorded how it arrived at these fees. The Council documented known internal costs such as plant and equipment hire costs, labour cost estimates, and material costs. This process supported establishing a 'per metre' costing for works like footpath and kerb reinstatements. The Council then applied a profit margin to these documented internal costs to arrive at its private works fee, which it made publicly available.

This increased the transparency of its private works fee process, complied with the relevant sections of the *Local Government Act 1993*, and was an example of better practice.

Source: Tasmanian Audit Office

Partially compliant councils

- 3.6 The remaining 17 councils that undertook private works in 2021-22 were not fully compliant with section 206 of the *Local Government Act 1993*.
- 3.7 Two councils – Break O'Day and Glamorgan-Spring Bay – had established both a fee schedule covering some private works, and a method for calculating private works fees and charges. However, these were not consistently applied to all projects in 2021-22.
- 3.8 Five councils – Brighton, Central Highlands, Flinders, King Island and Southern Midlands Councils – had established a fee schedule which covered and was applied to some private works projects. However, the schedule did not cover all private works projects. For example, Flinders Council had established and applied a public fee for road grading machine hire, but did not have an established fee for other kinds of private works it undertook, such as safety fence hire and the sale of emulsion. King Island has since established a spreadsheet for developing quotations for these private

⁴³ The administration charge did vary between Councils. Central Coast Council's was 25 per cent, Northern Midlands was 15 per cent, and Meander Valley's was 10 per cent.

works, but were unable to confirm how they arrived at the established fees for job components.

- 3.9 Four councils – Derwent Valley, Dorset, Hobart City and Sorell Councils – had established a method for calculating fees and charges, but this was not applied fully to all projects. For example, Sorell Council had established a private works quotation sheet which required an estimation of costs and the addition of a \$110 administration fee. However, this form was not used for the 2 private works projects undertaken in the 2021-22 financial year.

Case Study 6: Hobart City and Glamorgan-Spring Bay Councils’ Fee Schedule – Example of Non-Compliance

Hobart City and Glamorgan-Spring Bay Councils’ Fee Schedule Compliance
<p>Hobart City Council’s method for calculating private works fees was documented in its private works policy. It required private works charges to include all costs incurred and an appropriate margin. However, the policy did not define an appropriate profit margin. Based on tracked costs for the projects undertaken in 2021-22, margins varied from an approximate 10% loss to an approximate 50% profit. The Council advised that this variance in margin may be due to costs not being captured consistently.</p> <p>Similarly, Glamorgan-Spring Bay Council’s policy required private works fees and charges to be at market prices with a reasonable profit margin. It had also not specified a reasonable margin and had not established a process for determining market prices. Actual profit margins varied between 18% and 25%.</p> <p>These examples demonstrate the value of establishing policies which are specific, reviewed regularly, and supported by appropriate processes to ensure compliance.</p>

Source: Tasmanian Audit Office

- 3.10 Six councils – Circular Head, Devonport City, Latrobe, Launceston City, Kingborough, and Tasman Councils – had no fee schedule for private works or a documented method for calculating private works fees. However, 5 of the 6 councils – Circular Head, Devonport City, Latrobe, Launceston, and Tasman Councils – undertook less than \$30,000 in private works. Devonport City Council began developing a private works policy which defines a method for developing quotations during this review.

Case Study 7: Kingborough Council Fee Schedule Compliance – Context

Kingborough Council Fee Schedule Compliance
<p>As noted above, Kingborough Council was not fully compliant with the <i>Local Government Act 1993</i> as they had not established a fee schedule for private works, or a process for calculating private works fees which would have been publicly available in 2021-22.</p> <p>However, all but approximately \$5,000 of the \$1m in private works revenue was from works for other government entities. These included the Department of State Growth, Tasmania Parks and Wildlife Service, TasWater, and the Huon Valley Council. The Council had documented associated contractual arrangements which established fees and charges, largely in the form of detailed work orders or purchase orders.</p>

Source: Tasmanian Audit Office

Case Study 8: Launceston City Council Fee Calculation – Example of Non-Compliance

Launceston City Council's Fee Schedule Compliance

As noted above, Launceston City Council was not fully compliant with the requirements of the *Local Government Act 1993* as they had not established a fee schedule for private works or a process for calculating private works fees which would have been publicly available in 2021-22.

The Council had established agreements with the business to whom they were providing services. However, in 2021-22, costs were not being recovered for one of the private works services which had been ongoing for approximately 10 years. In response to this review, the Council identified that best practice in terms of competitive neutrality (see below) is to ensure fees for private works reflect all costs to the Council. Given this, it recalculated its fees and charges and increased the costs to the customer.

This example demonstrates the importance of establishing and regularly reviewing rates for private works.

Source: Tasmanian Audit Office

Councils had not considered the Competitive Neutrality Policy

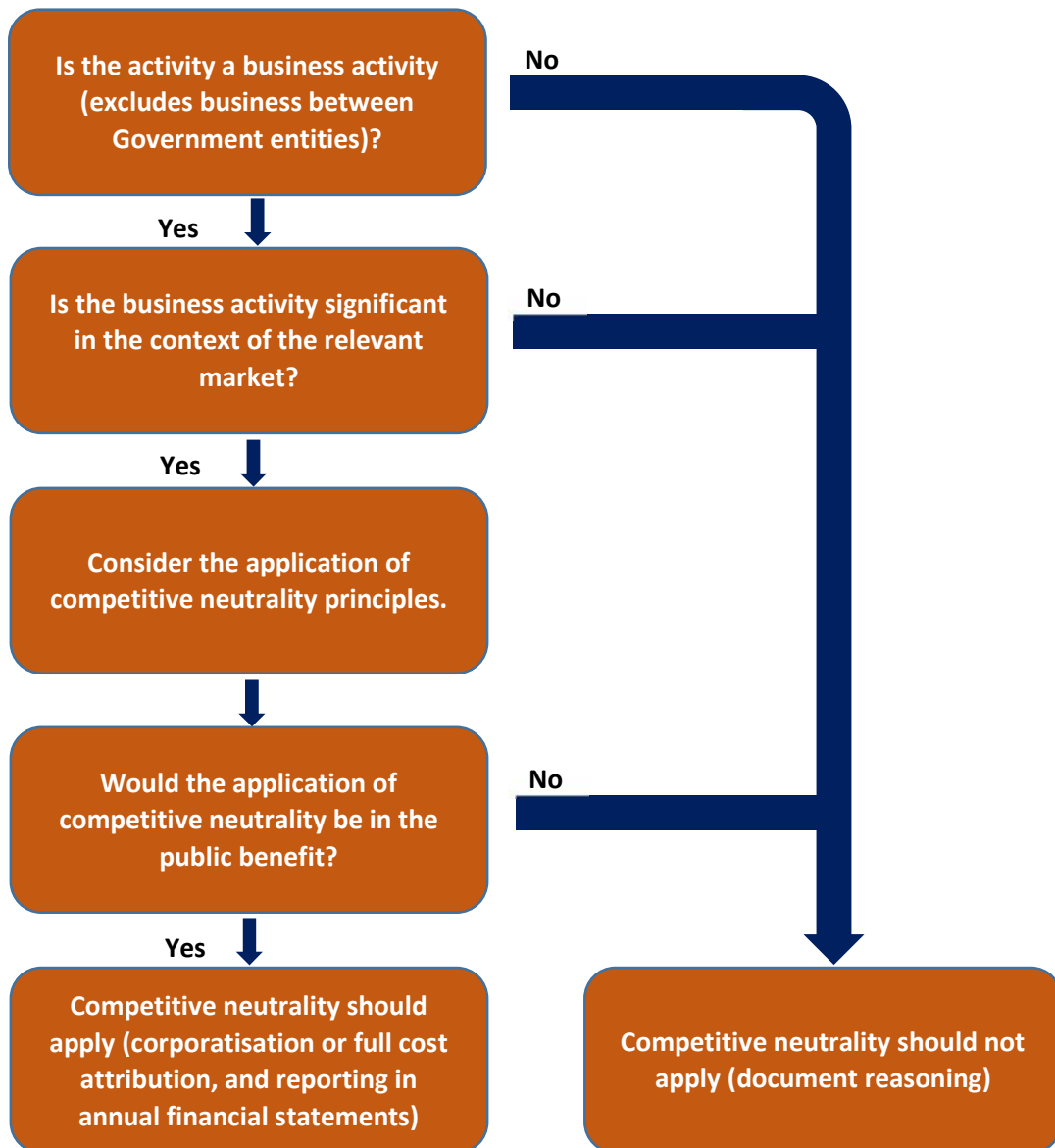
- 3.11 We assessed all 29 councils to determine whether they had applied requirements of the Competitive Neutrality Policy (CNP) to private works activities.
- 3.12 We found that none of the councils that undertook private works had documented their consideration of whether these works constituted a significant business activity.

The Competitive Neutrality Policy

- 3.13 As noted in Chapter 1, Tasmania's CNP is intended to ensure equal competition between publicly owned and private businesses.⁴⁴
- 3.14 Treasury and the Office of the Tasmanian Economic Regulator (OTTER) have publicised guidance for applying the CNP's principles in local government. The chart below summarises the guidance for determining whether the competitive neutrality principles should be applied to an activity.

⁴⁴ OTTER (2022), [Competitive Neutrality](https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality), OTTER, accessed 1 November 2023.
<https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality>

Figure 1: Summary of Competitive Neutrality Policy guidance



Source: Recreated from Treasury and OTTER guidance⁴⁵

3.15 In accordance with this guidance, councils are to identify whether any of its activities constitute a business activity in the first instance. A business activity is ‘one that involves the production of goods and/or services in a market that is, or has the

⁴⁵ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023. <https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>; Treasury (Department of Treasury and Finance) (2013), [Identification and management of significant business activities by local government in Tasmania to comply with competitive neutrality principle](https://www.treasury.tas.gov.au/Documents/SigBusApp-Local-Gov.PDF), Treasury, accessed 21 August 2023. <https://www.treasury.tas.gov.au/Documents/SigBusApp-Local-Gov.PDF>; OTTER (2022), [Competitive Neutrality](https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality), OTTER, accessed 1 November 2023. <https://www.economicregulator.tas.gov.au/other-industries/competitive-neutrality>

potential to be, competitive'.⁴⁶ Importantly for the management of private works, business between government entities is excluded.⁴⁷

- 3.16 Councils must then consider whether it is a significant business activity. The guidance states a defined financial threshold measure like turnover is not a satisfactory indicator of significance. This is because it may not reflect the actual or potential impact of an activity on other businesses, particularly in small markets. In addition, a lack of other available suppliers is an insufficient measure of significance. The guidance instead requires councils to consider if other suppliers would emerge were they to operate differently.
- 3.17 Councils must then apply the competitive neutrality principles to any identified significant business activities, unless the activity provides a net benefit to society.⁴⁸ To apply the principles, the councils must either incorporate all the costs including any additional costs a private sector provider would incur to provide the same services, or corporatise the activity.
- 3.18 The OTTER guidance notes that, given the degree of judgement involved in the above assessment, it is critical for councils to document their reasoning as to whether an activity is a significant business activity. Finally, councils are required to report significant business activities in their financial statements.
- 3.19 On this basis, the primary assessment for compliance with the competitive neutrality principles was whether the council had documented its reasoning and reported any significant business activity.

Compliance with the Competitive Neutrality Policy

- 3.20 We found that, of those councils that did undertake private works, none had documented their consideration of whether their private works constituted a significant business activity.

Entities with lower volumes of private works

- 3.21 As noted above, Treasury guidance states a defined financial threshold is an insufficient measure of significance, given the potential impact in small markets.⁴⁹ Given this, all councils should document their consideration of whether their private works are a significant business activity, including the potential impact on the relevant market.

⁴⁶ Treasury (2013), [Identification and management of significant business activities by local government in Tasmania to comply with competitive neutrality principle](https://www.treasury.tas.gov.au/Documents/SigBusApp-Local-Gov.PDF), Treasury, accessed 21 August 2023.

<https://www.treasury.tas.gov.au/Documents/SigBusApp-Local-Gov.PDF>

⁴⁷ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.

<https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

⁴⁸ The concept of a public benefit is further explored in Treasury's [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy) guidance. It includes, among other things, consideration of ecologically sustainable development, social welfare and equity, and economic and regional development.

⁴⁹ Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.

<https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

3.22 Nonetheless, 12 of the councils that did private works had less than \$50,000 in revenue in the 2021-22 financial year.⁵⁰ These councils advised they refer requests for private works to the market where possible. Evidence of this was only available in 3 instances, which councils consistently advised was because referrals occurred verbally.

Entities with higher volumes of private works

3.23 Eight councils undertook more than \$50,000 of private works. These are shown in Table 7.

Table 7: Higher value private works, by works for government and private entities

	Council name	Approximate private works revenue in 2021-22	Approximate revenue from other government entities	Approximate revenue from private entities
1	Break O’Day	\$87,000	\$62,000	\$25,000
2	Central Highlands	\$136,000	\$7,000	\$129,000
3	Flinders	\$98,000	\$83,000	\$15,000
4	Hobart City	\$100,000	\$78,000	\$22,000
5	King Island	\$1,500,000	\$910,000	\$597,000
6	Kingborough	\$1,000,000	\$1,000,000	\$5,000
7	Northern Midlands	\$61,000	\$47,000	\$14,000
8	Southern Midlands	\$370,000	\$202,000	\$168,000

Source: Tasmanian Audit Office

3.24 As noted above, Treasury guidance excludes business between government entities from the definition of business for the purposes of the CNP.⁵¹ For 5 of the 8 councils, less than \$50,000 of the private work’s revenue was from private entities. Therefore, in 2021-22 only 3 councils had private works revenue over \$50,000 to which the competitive neutrality principles could have applied.

3.25 These councils (Central Highlands, King Island and Southern Midlands Councils) advised that the services they provided were not available from private contractors in the area, or that they referred requests for private works to private contractors where they were available. However, as noted above, the guidance states that ‘the absence of current competition with other providers of the same goods or services does not

⁵⁰ The 12 councils were Brighton, Central Coast, Circular Head, Derwent Valley, Devonport City, Dorset, Glamorgan-Spring Bay, Latrobe, Launceston City, Meander Valley, Sorell and Tasman Councils.

⁵¹ Treasury (Department of Treasury and Finance) (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023. <https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

automatically imply that an activity is not a business activity.’⁵² Councils are therefore required to document their reasoning, including any consideration of whether competitors *would* emerge if they operated differently.⁵³ If competitors would not emerge, it may be the case that the provision of these services is a public benefit, and therefore the competitive neutrality principles should not be applied. However, this reasoning should be documented by the councils in accordance with the relevant guidance.

- 3.26 Hobart City Council has advised that a review of its activities to identify significant business activities – including consideration of private works – is on its forward work plan.
- 3.27 The identification of significant business activities should occur annually, as any identified significant business activity must be reported in councils’ financial statements.

Reporting of significant business activity

- 3.28 As noted above, councils are required to report significant business activity in their financial statements.
- 3.29 Flinders Council was the only Council to report private works as a significant business activity in its 2021-22 financial statements. It originally reported \$123,000 in private works revenue. However, we found that its actual revenue from private works was \$98,000.⁵⁴ When the \$83,000 of that revenue for services to other government entities is removed, only the remaining \$15,000 of the revenue could have constituted a significant business activity. The Council also did not document its consideration as to why this work constituted a significant business activity.

⁵² Treasury (2021), [Competitive Neutrality Policy](https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy), Treasury, accessed 30 October 2023.

<https://www.treasury.tas.gov.au/economy/economic-policy-and-reform/competitive-neutrality-policy>

⁵³ Ibid.

⁵⁴ This does not constitute a material misstatement.

Acronyms and abbreviations

CNP	Competition Neutrality Policy
OTTER	Office of the Tasmanian Economic Regulator
Treasury	Department of Treasury and Finance

Audit Mandate and Standards Applied

Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for one or more of the following purposes:
 - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
 - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
 - (c) investigating any matter relating to public money or other money, or to public property or other property;
 - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
 - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;
 - (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
 - (i) on behalf of the State entity; or
 - (ii) in partnership or jointly with the State entity; or
 - (iii) as the delegate or agent of the State entity;
 - (g) examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act

Standards Applied

Section 31 specifies that:

'The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to -

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.'

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.



*Front cover image: Grading of Prossers Road, Nunamara
Photography: Shaw Contracting*

Hobart Office

Phone (03) 6173 0900

Email admin@audit.tas.gov.au

Web www.audit.tas.gov.au

Address Level 2, 144 Macquarie Street

Hobart, 7000

Postal GPO Box 851, Hobart 7001

Launceston Office

Phone (03) 6173 0971

Address 4th Floor, Henty House

1 Civic Square, Launceston

Section 28ZK (7) of the *Local Government Act 1993* requires that any person who receives a determination report must keep the determination report confidential until the report is included within an item on the agenda for a meeting of the relevant council. Failure to do so may result in a fine of up to 50 penalty units.

Local Government Act 1993

CODE OF CONDUCT PANEL DETERMINATION REPORT
SOUTHERN MIDLANDS CODE OF CONDUCT

Complaint brought by Mr Rick Wilton against Councillor Fraser Miller

Code of Conduct Panel

- Liz Gillam (Chairperson),
- Greg Preece (Local Government Member)
- Don Jones (Legal Member)

Date of Determination: 5 December 2024

Content Manager Reference: C34636

Summary of the complaint

A code of conduct complaint was submitted by Mr Rick Wilton to the General Manager – Southern Midlands Council on 16th July 2024.

The complaint alleges that Councillor (Cr) Fraser Miller breached the Southern Midlands Council Code of Conduct (Elected Members) (the Code) (approved 26 February 2019) at two separate locations on the 26th June 2024 and 28th June 2024.

The Complaint failed to set out which parts of the Code are alleged to have been breached, however it was alleged Cr Miller failed to act in the interests of the community and Cr Miller's behaviour failed to represent the behaviour of a Council representative.

Initial assessment

Following receipt of the complaint, the Chairperson conducted an initial assessment of the complaint in accordance with the requirements of section 28ZA of the Local Government Act 1993 (the Act). Having assessed the complaint against the provisions of sections 28ZB and 28ZC of the Act, the Chairperson determined that:

- in accordance with section 28 ZA(1)(f), that part of the complaint against Cr Miller should be investigated i.e. in relation to Part 7 (1) and Part 8 (7);
- that the remaining clauses of Part 7 & 8 were not pertinent to the behaviour described and would not be investigated;
- the complaint [or the balance of the complaint] should not be dismissed on the grounds that it was frivolous, vexatious or trivial;
- the Chairperson accepted that due to the apparent attitudes of the parties it would have been of negligible effect to require the parties to make any effort to resolve the complaint;
- the complaint does not disclose that an offence may have been committed or that it should more appropriately be dealt with by another person or authority;

- having made enquiries of the Code of Conduct Executive Officer, there was no relevant direction under section 28ZB(2) or 28ZI of the Act that would apply to the complainant and the complaint.

On this basis, the Chairperson determined to investigate part of the complaint. A copy of the complaint was provided to the other members of the Panel appointed to investigate the complaint. The complainant, respondent councillor and the General Manager were notified of the outcome of the outcome of the initial assessment.

Investigation

In accordance with section 28ZE of the Act, the Code of Conduct Panel investigated the complaint.

Prior to embarking on a hearing of the matter issues arose as to the failure by the complainant to properly complete the complaint by not stating the provisions of the Code that the Cr Miller had allegedly contravened in accordance with Section 28V(d).

Section 28V of the Act sets out the requirements for making a complaint alleging breaches of the Code of Conduct of a Council. In particular sub-section (3) provides:

- (3) A complaint is to –*
 - (a) be in writing; and*
 - (b) state the name and address of the complainant; and*
 - (c) state the name of each councillor against whom the complaint is made; and*
 - (d) state the provision of the relevant code of conduct that the councillor has allegedly contravened; and*
 - (e) contain details of the behaviour of each councillor that constitutes the alleged contravention; and*
 - (f) be lodged with the general manager of the relevant council within 6 months after the councillor or councillors against whom the complaint is made allegedly committed the contravention of the code of conduct; and*
 - (fa) be accompanied by a statutory declaration, signed by the complainant or by each complainant, verifying the accuracy of the information contained in the complaint; and*
 - (fb) contain details of all efforts made by the complainant to resolve the issue that is the subject of the complaint; and*
 - (g) be accompanied by any prescribed fee.*

Section 28Y of the Act places an obligation on the general manager of a council on receiving a complaint to assess the complaint to determine whether it meets the requirements of Section 28V.

If the complaint does not meet the requirements of Section 28V the general manager is to return the complaint to the complainant and notify the complainant, in writing within 14 days, that the complaint does not meet the requirements for the reasons set out in the correspondence. Section 28Y(3)(b) provides that the complainant may lodge an amended or substituted complaint without payment of a further fee. Time limits are prescribed for the different actions.

The Panel has seen no evidence that the General Manager issued a notice to the complainant, nor that an amended or substituted complaint has been received.

Section 28X also provides that if a general manager receives a notice amending a code of complaint that has been referred to the Panel, the general manager is to notify the Executive Officer, in writing, of the amendment. In this instance, there is no evidence that the general manager received such a notice nor has the Panel received any information of a written amendment to the Complaint.

Section 28Z(1) provides that, having determined the complaint meets the requirements of Section 28V, the general manager is to refer the complaint to the Executive Officer (see S28Z(1)(a), who is to keep the original complaint or a copy and appoint an initial assessor in accordance with Section 28ZA.

The role of the Executive Officer is set out in Section 28N, which states in part, to provide administrative functions in relation to the Code of Conduct Panel. The Act does not place any responsibility on the Executive Office to check whether the complaint complies with Section 28V, that responsibility lying with the general manager. The role of the Executive Officer is to receive the complaint and to appoint an initial assessor.

Material considered by the Panel

The following documents have been presented to the Panel to consider as evidence in this matter:

- The original and unamended complaint by Mr Rick Wilton, dated 9 July 2024, together with Statutory Declaration
- Response by Cr Miller, dated 17 September 2024
- Statutory Declaration by Cr Miller, dated 25 September, attaching original response and a Statutory Declaration from Melina Nardi.
- Response from Mr Rick Wilton, received on or about 20 October 2024.

Having considered the Complaint as filed, the Panel has found that the complaint is defective.

Determination

For the reasons set out above and below, the Panel has determined that the complaint should be dismissed.

Reasons for determination

It is the view of the Panel that the complaint before it does not comply with Section 28V of the Act in that it does not state the provisions of the Code which the complainant considers have been breached. The complaint alleges that the Cr Miller 'was not acting in the interest of the community' and that Cr Miller's behaviour failed to represent the behaviour of a Council representative. However, these allegations do not relate to any of the provisions in the Code.

Although the complainant advised by email which provisions of the Code he considered had been breached, it is the view of the Panel that this does not amount to an amended or substituted complaint, as required under section 28Y (3) (b) or a notice of amendment under section 28X.

No determination has been made as to whether the conduct alleged breaches the Southern Midlands Code of Conduct.

No determination is made pursuant to S28ZI(3) of the Act, restricting the complainant from making a further complaint.

Timing of the Determination

In accordance with section 28ZD (1) of the Act, a Code of Conduct Panel is to make every endeavour to investigate and determine a code of conduct complaint within 90 days of the chairperson's determination that the complaint is to be investigated.

The Panel was unable to determine the complaint within 90 days, owing to granting extensions of time for responses and commitments of Panel members.

Right to review

A person aggrieved by the determination of the Code of Conduct Panel, on the ground that the Panel failed to comply with the rules of natural justice, is entitled under section 28ZP of the Act to apply to the Magistrates Court (Administrative Appeals Division) for a review of that determination. In accordance with section 17 of the Magistrates Court (Administrative Appeals Division) Act 2001, an appeal must be lodged within 28 days of the date of notification of the determination



Liz Gillam
Chairperson



Greg Preece
Member



Don Jones
Legal Member

DATE :5 December 2024