

COUNCIL AGENDA

MONDAY, 29TH MARCH 2010



GLENORCHY CITY COUNCIL

* *The General Manager certifies that the reports contained in this Agenda have been written by qualified persons under Section 65 of the Local Government Act 1993.*

Hour: 6.00 p.m.

Present:

In attendance:

Leave of Absence:

Workshops held since last Council Meeting

Date: Sunday, 14th March 2010

Purpose: To discuss:

- Strategic Plan Review Update
- Update on Financial Model
- Strategic Issues

Date: Monday, 15th March 2010

Purpose: To discuss:

- Derwent Estuary Program
- Establishing a Glenorchy Community Fund
- Planning Scheme Review
- Sustainability
- General Business

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1. APOLOGIES

2. CONFIRMATION OF MINUTES

That the minutes of the Council Meeting held on 1 March 2010 be confirmed.

3. ANNOUNCEMENTS BY THE CHAIR

4. PECUNIARY INTEREST NOTIFICATION

**5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS
TAKEN ON NOTICE**

6. PUBLIC QUESTION TIME (15 MINUTES)

7. PETITIONS/DEPUTATIONS

SOCIAL

8. PROVISION OF CRIME STATISTICS BY TASMANIA POLICE

Author: Manager - Community Development (Narelle Calphy)

Qualified Person: Manager - Community Development (Narelle Calphy)

File Reference: Crime Statistics

Community Plan Reference:

A Safer Community

1.2.2 Ensure accurate and adequate provision of crime statistics.

Strategic or Annual Plan Reference:

3.1.1 Increased community awareness and understanding of crime and crime prevention.

3.1.2 Partnership programs and initiatives are in place which respond to identified risk factors related to violence and crime.

Reporting Brief:

A presentation on crime trends will be given by Inspector John Arnold of Glenorchy Police.

Proposal in Detail:

A presentation of crime trends will be given by Inspector John Arnold of Glenorchy Police.

Consultations:

No consultations have been required to produce this report.

Human Resource / Financial and Risk Management Implications:

None envisaged.

Community Consultation and Public Relations Implications:

None envisaged.

Recommendation:

That Council receive the presentation by Inspector John Arnold of Glenorchy Police on crime trends in the Glenorchy Local Government area.

Attachments/Annexures

Nil.

ENVIRONMENT

9. UPDATE ON REVIEW OF COASTAL POLICY

Author: Co-ordinator Planning Services (Kylie Williams)
Qualified Person: Co-ordinator Planning Services (Kylie Williams)
File Reference: 03960

Community Plan Reference:

4.2.5 Advocate for a regional and state strategic planning and policy framework within which economic growth in Glenorchy can develop.

Strategic or Annual Plan Reference:

4.2.5 Advocate for a regional and state strategic planning and policy framework within which economic growth in Glenorchy can develop.

Reporting Brief:

To provide Aldermen with an update on the review of the State Coastal Policy and to amend the relevant Council Policy with a reference to this review.

Proposal in Detail:

In June 2009 the Premier, the Hon David Bartlett, MP, directed the Tasmanian Planning Commission (previously the Resource Planning and Development Commission) to prepare a report on the Draft State Coastal Policy 2008. The development of the Draft Policy was co-ordinated by the Department of Premier and Cabinet.

Background

The State Coastal Policy was introduced in 1996 and was the first State Policy declared under the State Policies and Projects Act 1993.

Its three policy principles are:

1. Natural and cultural values of the coast shall be protected.
2. The coast shall be used and developed in a sustainable manner.
3. Integrated management and protection of the coastal zone is a shared responsibility.

Each of these policy principles is explained in more detail within the policy and is followed by defined outcomes for the coast.

In June 2002, the Supreme Court found the State Coastal Policy was “ultra vires” (outside of its powers) because its definition of the coastal zone was not sufficiently clear. In March 2003 the State Government introduced legislation to validate the State Coastal Policy, which included a definition of the coastal zone to include all land 1 km inland from high water mark.

The review of the State Coastal Policy was announced in September 2004. Council has endorsed a submission in respect to the earlier stage of the review in December 2006.

Consultations:

Natural Resource Officer.

Human Resource / Financial and Risk Management Implications:

None at this stage.

Community Consultation and Public Relations Implications:

The draft Policy will be subject to a further and extensive public consultation period when the Commission invites representation on it and the associated Implementation Guide in the near future. The documents will be on exhibition for 8 weeks for comment.

Recommendation:

That the information contained in the report be noted and the Attached Policy be updated accordingly.

Attachments/Annexures

- 1** Implementation of the State Coastal Policy

Implementation of the State Coastal Policy

Policy Manual Number: 11-4

Council Minutes Ref:

File Ref:

02602 & 03777

Background

The State Coastal Policy came into effect under the State Policies and Projects Act 1993 on 10th October, 1996 a review of the Policy was announced in September 2004 and in June 2009 the Premier directed the Tasmanian Planning Commission to prepare a report on the Draft State Coastal Policy 2008. Notwithstanding this the 1996 policy is still in force and is based on the following three principles:

- Natural and cultural values of the coast shall be protected.
- The coast shall be used and developed in a sustainable manner.
- Integrated management and protection of the coastal zone is a shared responsibility.

It is an offence to contravene the State Coastal Policy. The policy places obligations on Council both as a regulator and as a service provider.

This statement is intended to outline how Council will meet those obligations in respect of the Glenorchy Planning Scheme 1992

This policy statement provides measures for dealing with land use and development under the State Coastal Policy. It also identifies the objectives for co-ordinating other Council activities in furtherance of the policy.

Policy Statement

1. Aim

This policy outlines a process for implementation of the State Coastal Policy to ensure that Council meets its statutory obligations under the Tasmanian Resource Management and Planning System.

2. Coastal Zone

For the purposes of the State Coastal Policy, the Coastal Zone is defined to include state waters and all land to a distance of one kilometre inland from the high water mark.

3. Control (Measures)

The following measures will be taken to ensure that proposals for the development/use of land will be in accordance with the State Coastal Policy:

- a) Any application for the use/development of land within the Coastal Zone shall be subject to a preliminary assessment of its potential impact on the coast. In instances where use or development occurs within established settlements the Policy may defer to the Planning Scheme.
- b) Any application determined to have an impact inconsistent with the State Coastal Policy shall be treated as a discretionary application in accordance with clause 7.5 of the Glenorchy Planning Scheme 1992.
- c) In determining the application, Council shall have regard to the provisions of the State Coastal Policy and the Glenorchy Planning Scheme 1992.
- d) Where any provision of the Planning Scheme is inconsistent with the State Coastal Policy, Council shall give preference to the State Coastal Policy.

- e) Authority for the determination of matters described above is delegated to the Senior Planner on the same terms as other delegated authority under the Glenorchy Planning Scheme 1992.

4. Co-ordination of Council Roles

- a) Council recognises that it has a range of roles in relation to the management of the coast, including:
- regulation of development/use and building;
 - environmental monitoring;
 - management of foreshore reserves and other Council properties;
 - management and maintenance of infrastructure (sewage treatment plants, drainage systems, roads, etc.);
 - facilitating community involvement in management of the local environment.
- b) In undertaking these responsibilities, Council will ensure that:
- information-sharing and consultation between Council program areas will occur to ensure that activities are co-ordinated;
 - management plans for major reserves and facilities will take proper account of the State Coastal Policy;
 - works carried out by Council within the coastal zone will be done in accordance with the performance criteria established for each precinct;
 - the community will be involved in decision-making in relation to Council activities within the coastal zone.

Review October 2006

Reviewed 19 March 2010

<i>Status:</i> <i>Current</i>

POLICY DOCUMENT CONTROL SHEET**Policy Name:** Implementation of the State Coastal Policy**Policy Manual Number:** 11-4**Department:** Environment Planning and Development**Date Policy Approved by Council:** 8th October 2001

Reviewed by (Name and Job Title of officer)	Nature of Amendment (List changes made to Policy)	Date Council Endorsed Amendment
Tony McMullen Senior Planning Officer	Review	8 th October 2001
Tony McMullen Senior Planning Officer	Review-new definition for coastal zone.	13th October 2003
Kylie Williams Co-ordinator Planning Services	Review- update to recognise progress of Draft State Coastal Policy 2008.	

ORGANISATION

10. MONTHLY FINANCIAL PERFORMANCE STATISTICS

Author: Corporate Accountant (Colette Usher)

Qualified Person: Corporate Accountant (Colette Usher)

File Reference: Traffic Lights

Community Plan Reference:

Not mentioned specifically.

Strategic or Annual Plan Reference:

These performance statistics are provided to Council in accordance with Strategy: GCC.0.1.5 – Manage risk throughout the organisation; GCC.0.2.7 – Produce useful and easy to understand Strategic and Annual Plans, and performance reports; and GCC.0.3.7 - Implement financial systems that create timely stakeholder reporting that drives accountability and is compliant with applicable standards and legislation.

Reporting Brief:

To present the financial performance statistics as at the end of February 2010 for Aldermen's information.

Proposal in Detail:

Each month relevant financial performance statistics are presented to Council for their information. These performance indicators cover areas such as income, capital, and operating expenses by Department, as well as providing specific data on the OH&S, human resources, insurance, and cash flow.

The performance for February 2010, known as traffic lights are attached (“**Attachment 1**”) along with Appendix B (“**Attachment 2**”). Appendix B outlines expected year to-date variances within the various Capital Works programs for this financial year.

The colour of the traffic light indicates the degree of concern that the Executive Leadership Team has placed on each indicator and a brief explanation has been provided against the charts themselves.

For February month end we have presented:

- Four red lights relating to capital expenditure: Property, Stormwater, Roads, and Total Capital. There is some concern regarding completion of the overall capital program. Two major projects in the Stormwater program are running behind schedule and are expected to be carried forward into the next financial year.
- Two yellow lights relating to Lost Time Injuries. The indicators record a significant rise compared to the year end statistics for the last three financial years.

Consultations:

Relevant Corporate Services Staff.
Executive Leadership Team.

Human Resource / Financial and Risk Management Implications:

Stated within the February Monthly Performance Statistics Report.

Community Consultation and Public Relations Implications:

None at this point.

Recommendation:

That the information provided by the Monthly Financial Performance Statistics for February 2010 be accepted.

Attachments/Annexures

1 Attachment 1

2 Attachment 2

Placeholder for Attachment 1

MONTHLY FINANCIAL PERFORMANCE STATISTICS

Attachment 1

Pages

11. SOUTHERN TASMANIAN COUNCILS AUTHORITY - SHARED SERVICES

Author: General Manager (Frank Pearce)
Qualified Person: General Manager (Frank Pearce)
File Reference: Southern Tasmanian Councils Authority

Community Plan Reference:

This item discusses a corporate management/governance issue. Since the Community Plan is outwardly focussed, there is no applicable reference to this matter.

Strategic or Annual Plan Reference:

Ensure that all Council programs meet a defined user need and are provided at the best value.

Reporting Brief:

The purpose of this report is to seek Council's views in relation to a proposal by the Southern Tasmanian Councils Authority (STCA) to pursue the establishment of shared services arrangements in the southern region.

Proposal in Detail:

Discussions on shared services have been occurring at General Manager level within the South of Tasmania for some time, and while there is general agreement that the concept sounds interesting, agreement has not been achieved on how it might be progressed and how it might be structured. Some GM's have argued that the resources that have been put into water and sewerage reform have meant that there is little capability left to consider the level of structural reform that might be necessary for shared services.

GCC has raised the matter through the STCA but concerns by some member councils about the potential for shared services to be interpreted or perceived as amalgamation by stealth have effectively precluded consensus.

Subsequently, ongoing regular discussions on the potential of shared services have been occurring amongst the GM's of Glenorchy, Hobart, Clarence and Kingborough councils. Again, while there is agreement on the concept generally, the devil is in the detail.

The STCA's 2009/10 Annual Plan includes the following:

- Strategic Theme – Intra-Regional Co-operation
- Desired Outcome – Increased opportunities for cost saving and improved service delivery by Inter-regional cooperation and resource sharing
- Strategies - Identify and pursue opportunities for cooperation and resource sharing projects, including joint tendering and cooperative service delivery.
- Actions - Consider the establishment of a common services corporation for the southern region by no later than 31 December 2009.

The requested paper was provided to the STCA at its February 2010 meeting at which time it was determined:

That each Council be asked to provide a formal answer to the following questions:

1. *For which of the following functions would your council be prepared to cede part or all of its operational responsibilities to a shared services arrangement assuming that a robust business case could be put before you:*
 - a. *Financial services*
 - b. *Human Resources Services*
 - c. *IT services*
 - d. *Records Management services*
 - e. *Land use Planning services*
 - f. *Building regulation services*
 - g. *Construction and maintenance services (roads, buildings and facilities)*
 - h. *Engineering design services*
 - i. *Community development services*
 - j. *Environmental health service*
 - k. *Waste Management*
 - l. *Other?*

2. *Which models of shared service provision would be of interest to your council for each of those areas identified in question one:*
 - a. *A single council provides the services to other councils – where our council was the service provider.*
 - b. *A single council provides the services to other councils – where our council was the receiver of services.*
 - c. *A service provider established as a joint authority or as a private company owned by a number of councils.*
 - d. *Other?*

3. *Is your Council prepared to invest resources, either cash or in-kind, for the preparation of a business case to develop a shared services arrangement for the services identified above involving some or all councils in Southern Tasmania?*

A copy of the shared services report which was tabled at the last STCA meeting is attached to this report – Attachment 1. It outlines the background including:

- the desire to ward off potential or perceived threats,
- the desire to grasp an opportunity or a strategic advantage,
- the desire to meet community expectations,
- the desire to retain and foster staff, and
- the desire to become more sustainable.

In relation to the questions raised by the STCA it is suggested that Council take the following approach:

1. Shared services have the potential to support Council's financial sustainability objective. As a general principle Council should be prepared to consider pretty much anything and everything that it does as a shared services opportunity subject to:
 - a. a business case demonstrating that there would be financial, customer service and/or skills shortages benefits to the Council;
 - b. no financial detriment to the Council; and
 - c. the protection of staff at least to the same extent as offered in the water and sewerage reforms.
2. Council should favour an approach to shared services whereby something like a common services joint authority provides services to member councils and distributes dividends from profits to its member councils on an agreed equitable basis. A common services joint authority could comprise all southern councils or just some, depending on which councils want to be involved. A common services joint authority could cover all shared services, or there could be a number of joint authorities specialising in particular shared services.
3. Council shouldn't agree to a common services corporation (as distinct from a joint authority) because as owners (eg of Southern Water - and even more removed, Onstream) we have little or no control over the day to day operations and performance of a corporation.
4. Council would have to acknowledge the need for proper business planning to evaluate the potential for shared services to proceed, and accept that Council would need to make an in-kind and/or financial contribution commensurate with our relative involvement. The extent of any such financial commitment would be subject to the detail of which councils are interested and which services and structural model are being considered.
5. Onstream was created as part of the water and sewerage reform and promotes itself as a vehicle for the delivery of the following services:
 - Procurement
 - Payroll and human resources
 - IT platforms, hardware and software
 - Secretariat and governance
 - Financial services
 - Business and economic analysis

Council should not support a model that involves Onstream providing services to Glenorchy City Council on a commercial/profit basis because:

- a. we ought to be able to do most things that we are currently doing cheaper in-house or through alternative shared service arrangements because we don't have to make a profit;
- b. although indirectly owned by the southern councils, we cannot be certain that the current basis for distributing Onstream profits and dividends to the

water and sewerage corporations and then to shareholder councils (based largely on water and sewerage asset equity) will be relevant to the equity position that would be applicable in relation to other shared services.

- c. we are also already seeing a significant degree of political intervention in the financial position of the water and sewerage corporations - and there is no reason to think that a future State Government wouldn't restrict water and sewerage pricing and revenue increases even further – and hence our dividends from Southern Water - if it thought that there were extra profits for Southern Water coming out of Onstream.
6. Some councils currently provide services externally to their operations. In the main it could be argued that most of the arrangements in place are more “payment for services” rather than true “resource sharing”. Council should generally not support a model that involves another council providing services to Glenorchy City Council on a commercial/profit basis, because:
- a. we ought to be able to do most things that we are currently doing cheaper in-house because we don't have to make a profit;
 - b. other councils profiting off Glenorchy doesn't seem to be "shared" services; and
 - c. such services are probably already available from existing private sector providers or Onstream in some cases.
7. Having said that:
- a. if other councils want us to, Glenorchy should be prepared to gear up its capacity to provide services to those other councils on a commercial basis; and
 - b. if Council were to consider purchasing any of its current activities on a commercial basis, and if Onstream were competitive, we could consider using Onstream first in preference to other private sector or local government suppliers because we could expect at least some equity based return on its profits.

If one aim of shared services is to ward off potential or perceived threats of future enforced local government reform the question needs to be asked “does such an action merely delay the inevitable and should the bigger picture of the long term future and sustainability of local government throughout the State be considered in an objective and independent review?”

In relation to that question and consistent with the STCA's annual plan, the STCA has submitted a \$150,000 grant application to the Commonwealth Local Government Reform Fund to “utilise an independent and expert panel to undertake a review of the future structural options for local government in Southern Tasmania that goes beyond the simplistic “amalgamation” solution and adds to, and broadens the debate, by developing alternate, workable options for effective local government futures”. The outcome of the grant application is yet to be announced.

Consultations:

STCA
Other General Managers
ELT

Human Resource / Financial and Risk Management Implications:

This report in itself does not commit the Council to any in-kind or financial expenditure, but it does indicate a willingness to incur such costs to further evaluate shared services opportunities. No provision is currently in the 2009/10 budget, nor are there plans for provision in the 2010/11 budget at this stage. Particular proposals will need to come back to Council for approval.

Depending on the model, moving to shared services has the potential to very significantly alter the structure of the Council's operations. It could involve a common services joint authority taking on a wide range of service provision on behalf of and in accordance with the specifications of individual member councils. Alternatively it could involve individual councils or joint authorities specialising in the provision of particular services on behalf of the region. No doubt there are other models as well.

In any event, there is the potential for major structural reform, and this would be likely to generate significant up front investment as well as disruption not dissimilar to the impact of water and sewerage reform.

Community Consultation and Public Relations Implications:

There should be minimal community concern in relation to shared services provided that:

- local representation and democracy is maintained;
- locally determined standards for service delivery can continue to be set and delivered;
- there are demonstrable financial, customer service and/or skills shortages benefits to the Council;
- there is no financial detriment to the Council or the Glenorchy community;
- local employment within Glenorchy is not significantly affected (the Council is currently a significant employer); and
- affected staff are protected at least to the same extent as offered in the water and sewerage reforms.

Recommendation:

That Council advises the STCA that:

1. As a general principle Council is prepared to consider any of its activities and services as a shared services opportunity subject to:
 - (a) a business case demonstrating that there would be financial, customer service and/or skills shortages benefits to the Council;
 - (b) no financial detriment to the Council; and
 - (c) the protection of staff at least to the same extent as offered in the water and sewerage reforms.
2. Council favours an approach to shared services whereby something like a common services joint authority provides services to member councils and distributes dividends from profits to its member councils on an agreed equitable

basis. A common services joint authority could comprise all southern councils or just some, depending on which councils want to be involved. A common services joint authority could cover all shared services, or there could be a number of joint authorities specialising in particular shared services.

3. Council will not agree to a common services corporation (as distinct from a joint authority) because as owners we have little or no control over the day to day operations and performance of a corporation.
4. Council acknowledges the need for proper business planning to evaluate the potential for shared services to proceed, and accepts that Council may need to make an in-kind and/or financial contribution commensurate with our relative involvement. The extent of any such financial commitment will be subject to the detail of which councils are interested and which services and structural model are being considered.
5. Council does not support a model that involves Onstream providing services to Glenorchy City Council on a commercial/profit basis.
6. Council does not support a model that involves another council providing services to Glenorchy City Council on a commercial/profit basis.
7. Having said that:
 - (a) if other councils want us to, Glenorchy is prepared to gear up its capacity to provide services to those other councils on a commercial basis; and
 - (b) if Council were to consider purchasing any of its current activities on a commercial basis, and if Onstream were competitive, Council would consider using Onstream first in preference to other private sector or local government suppliers because we could expect at least some equity based return on its profits.

Attachments/Annexures

- 1** Shared Services Arrangements - STCA Report

4. Shared services report

Purpose

The purpose of this report is to provide the STCA Board with an option to establish the level of interest in the establishment of shared service arrangements in the southern region.

Background

The impetus for seeking to look at options for local government sharing services are varied. They include:

1. The desire to ward off potential or perceived threats:
 - local government reform by other tiers of government, often without proper regard for either councils or their communities, is a constant concern to Councils (Water and sewerage reform is one example, other obvious examples are land use planning, waste management, roads, environmental health)
 - the creation of a state wide common services corporation (Onstream) has established a precedent and a vehicle for sharing services in Tasmania (The state government's original intention was for the common services corporation established for water and sewerage to service all of local government not just the water and sewerage corporations)
2. The desire to grasp an opportunity or a strategic advantage:
 - councils in the south are already looking at or have begun to utilise service sharing models (Brighton Council has been providing consulting/shared services to other councils for some time now)
3. The desire to meet community expectations:
 - new technologies and a changing financial environment are putting pressure on all tiers of government to review, rationalise and improve service delivery
 - the community has a growing awareness of the capacity of new technologies to create efficiencies in service delivery
 - the constant pressure from the community for councils to do more with what they already have
4. The desire to retain and foster staff:
 - professional and technical staff are becoming more difficult to recruit and more expensive to pay. They are looking for opportunities to enhance their career paths and offer better services in an increasingly complex environment
5. The desire to become more sustainable:
 - the costs and complexity of providing services to the community is increasingly challenging those councils with a limited rate base

4. Shared Services Report

4.1

It has no doubt occurred to many in the southern Tasmanian Community that the level of duplication of activity in the twelve southern councils must be significant. Some "back of the envelope" calculations give an indication of the type and magnitude of cost duplication of positions and systems in the region:

- 12 General Managers + STCA CEO - \$2 million per annum (estimated)
- 12 Corporate Services Managers - \$1.2 million per annum (estimated)
- 12 Council financial systems - \$7 million (estimated)

Each Council has their own finance systems. They all have their own senior management teams. They all vie for the same limited pool of professional staff (and push up salaries as a consequence). They all do their own individual purchasing and all invest in different training to support the different systems and processes they have adopted.

As a consequence of this duplication, in Tasmania, amalgamation is often seen as a way to "improve local government". An alternative solution has, however, begun to be discussed more widely and that is the formal sharing of resources amongst a group of Councils. These shared services models have the advantage of offering potential economies of scale and increased efficiency in specific areas of local government activity without the loss of autonomy, independence and community engagement that is often a consequence of amalgamation of Councils.

There are at least five examples of formalised shared services arrangements already operating in southern Tasmania:

1. Southern Water
2. Onstream
3. Brighton Council
4. Southern Tasmanian Councils Authority
5. Southern Waste Strategy Board

The recent creation of the three water corporations and their common services corporation, "Onstream" has created added focus on this area of structural reform. Onstream's websites states that:

"Onstream is a vibrant new professional services firm offering advice and assistance with your IT, procurement, billing, payroll, public relations and secretariat needs. Whether your organisation is in the public, private or not-for-profit sector, if you need to achieve cost savings or minimise your business risks, Onstream may have a range of solutions for you."

Onstream's website also provides a range of services that they intend to offer:

- Procurement

4. Shared Services Report

4.2

- Payroll and human resources
- IT platforms, hardware and software
- Secretariat and governance
- Financial services
- Business and economic analysis
- Marketing communications and public relations

Brighton Council has, for a number of years, been providing services to Councils, both in the Southern region and further afield, providing another example of a model for common service provision.

Southern Water is an example of a shared service provider model where all assets and staff have been transferred to a single corporate entity.

The STCA and SWSA are examples of shared service arrangements where councils have agreed to cooperate on particular issues and provided both resources and a governance structure to do so using the Joint Authority model.

The following discussion is provided as a summary of the shared service delivery options that are available to Councils in the region and some of the issues that need to be considered.

Discussion

In considering significant structural change it is important, from a strategic perspective, to ask the question "why should we do this?" Unfortunately the answer may well be different for each Council that considers it. The range of responses to this question may include:

Rejection of the idea as the Council:

- sees itself as financially sustainable and operating effectively
- wants to retain its autonomy and or its existence
- wants to retain employment in its local area
- wants to provide career paths for staff within its own organisation
- sees any change in this direction as a threat to its Councils existence
- sees this as leading to a reduction in the services provided to their own community

Acceptance of the idea as:

- a way of reducing the risk of amalgamation or forced restructuring by the state government.

4. Shared Services Report

4.3

- an opportunity to be entrepreneurial and increase the viability of the Council by providing services to others
- a way of local government providing a better service to the broader community
- a way of ensuring survival of their own organisation

Should a Council accept that the creation of some sort of shared service provider is worth considering then there are two key questions that need to be discussed:

1. What services should be provided? and,
2. What organisational structure should be adopted to provide those services?

Options for Council service delivery

The range of service delivery options available for a shared services arrangement fall in to two main categories:

1. Those services which can be rationalised, providing direct cost savings in staff and capital expenditure.
2. Those services that can be combined to provide enhanced and improved service delivery.

Rationalised services

Typically these type of services include a range of corporate services such as:

1. Finance
2. Human Resources
3. IT
4. Records management

The rationale behind creating a shared services corporation for rationalised services is the savings that can be gained through the reduction in duplication in such areas as staff, expensive software systems and office accommodation, while maintaining the level of service that is currently experienced by the best providers in the industry.

An example of a rationalised service provider is Onstream, where the intention was to reduce the cost to the three water corporations of their Corporate Services.

Combined services

Typically these types of services include a range of technical and professional services such as:

4.4

4. Shared Services Report

1. Land use Planning services
2. Building regulation services
3. Construction and maintenance services (Roads, buildings and facilities)
4. Engineering design services
5. Community development services
6. Environmental health services
7. Waste Management

The rationale behind creating a shared services model for combined services is the benefits that accrue from creating a specialist provider of services that can offer enhanced staff training, opportunities and career prospects and ultimately provide a better, more consistent standard of service to the public.

An example of the combined services provider model is Southern Water where the intention was to combine the resources of all Councils to provide an organisation with a greater specialist focus and resources.

Structural options

The options for structures to support either rationalised services or combined services can be divided into a number of categories:

1. Ownership.

The options for ownership include:

1. A single Council
2. A sub-regional grouping of Councils
3. A regional grouping of councils
4. A statewide grouping of councils
5. State Government
6. Private sector

2. Governance

The options for governance structures include:

1. A single Council
2. A Board made up of council representatives (Elected or unelected)

4. Shared Services Report

4.5

3. An independent Board
3. Financial structure
- The options for financial structures include:
1. Profit based organisation - where the intention is derive a profit and the profit id distributed to the shareholders
 2. Cost sharing organisation - where the intention is to share costs and the owners contribute on the basis of an agreed cost sharing arrangement

Examples of these various arrangements are shown in the table below.

	Ownership				Governance			Dividends				
	Single Council	Group of Councils	State Gov't	Private Sector	Single Council	Board comprising reps from a Group of Councils	Independent Board	No dividends - costs shared	Dividends to a single Council	Dividends to a group of Councils	Dividends to State Gov't	Other
Onstream		X					X					X
Brighton Council's contracting	X				X				X			
Southern Water		X					X			X		
STCA		X				X		X				
SWSA		X				X		X				

Staffing impact on Councils

If a rationalised service model was adopted then it is highly likely that there will be some staff losses throughout the region given the aim to reduce duplication of common services. This is less likely under the combined service model where the aim is to maximise the resources that are available to local government in the South to provide improved service delivery.

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4. Shared Services Report

Income

Most of the services that Councils would consider in the common services framework would be cost sharing rather than income or profit generating. In most cases income would come directly from Councils payment for services. Unless there is an external income source - such as providing services to the general public or state government, it is unlikely that dividends and the distribution of profits will be an issue. Waste management would however be one notable exception.

Other considerations

It is not necessary for a common service corporation to be established as a separate organisation. A distributed model may be an option, where different councils take on different functions, thereby distributing the common service providers around individual Councils. For example, HCC could house the Planning function for the region, GCC the Environmental Health Function, Kingborough the Building function etc.

Consequences

As seen through the councils experience in the Sewerage and Water reform process there are a range of negative consequences that occur when structural reform occurs, including such issues as:

- Loss of staff
- Loss of horizontal economies of scale where, for example, there is no longer sufficient work for a position because part of a job has gone.
- Disruption and uncertainty for staff in councils
- Confusion for the community
- Inability to influence some areas of strategy, for example, the loss of water and sewerage infrastructure impacting on Councils influence over future land use planning

Conclusions

For most of the larger Councils in the southern region, that are financially viable and well resourced, there is little if any motivation, from an organisational perspective, to change how they operate.

For the smaller Councils in the region, that are struggling financially and for resources to serve their community, the option of shared service arrangements, might be a solution to many of their issues.

4. Shared Services Report

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For any council with robust systems there is an opportunity to provide services to other councils. Such an opportunity may provide additional income for use within their own communities or provide opportunities to increase the range and opportunity for staff in their own organisation, thereby increasing their overall organisational capacity.

For the Southern Tasmanian Community, the creation of shared service arrangements might mean more cost effective local government across the region or an improvement in the level or quality of services available to them without the loss of identity that would be brought about by amalgamation.

One of the key difficulties is that, in general, it is the smaller councils that are most likely to benefit from the creation of shared service arrangements but the larger councils that have the resources to make shared service arrangements a reality.

The threshold questions are not whether a shared services model can be made to work, the threshold questions to be answered are:

1. Which councils are prepared to be part of a shared services arrangement - and which service would they be prepared to have provided.
2. What models of service provision would be acceptable to councils within the region.
3. Which councils are prepared to put resources, either cash or in-kind, into building a business model for shared service arrangements in the Southern region?

If Councils in the Southern Region do not want to develop a shared service model, there is already an alternative owned by Local Government, Onstream, that will no doubt be marketing its services vigorously to councils in the near future.

Recommendation

That each Council be asked to provide a formal answer to the following questions:

1. For which of the following functions would your council be prepared to cede part or all of its operational responsibilities to a shared services arrangement assuming that a robust business case could be put before you:
 1. Financial services
 2. Human Resources Services
 3. IT services
 4. Records Management services
 5. Land use Planning services
 6. Building regulation services
 7. Construction and maintenance services (Roads, buildings and facilities)

4. Shared Services Report

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- 8. Engineering design services
 - 9. Community development services
 - 10. Environmental health services
 - 11. Waste Management
 - 12. Other?
2. Which models of shared service provision would be of interest to your council for each of those areas identified in question one:
- 1. A single council provides the services to other councils - where our council was the service provider.
 - 2. A single council provides the services to other councils - where our council was the receiver of services.
 - 3. A service provider established as a joint authority or as a private company owned by a number of councils.
 - 4. Other?
3. Is your Council prepared to invest resources, either cash or in-kind, for the preparation of a business case to develop a shared services arrangement for the services identified above involving some or all councils in Southern Tasmania?

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4. Shared Services Report

12. MINUTES OF SOUTHERN TASMANIAN COUNCILS AUTHORITY MEETING - 18TH FEBRUARY 2010

Author: General Manager (Frank Pearce)

Qualified Person: General Manager (Frank Pearce)

File Reference: STCA

Community Plan Reference:

This item discusses a corporate management/governance issue. Since the Community Plan is outwardly focussed, there is no applicable reference to this matter.

Strategic or Annual Plan Reference:

The strategic and annual plans are based upon the Community Plan which is outwardly focussed. Since this item discusses a management/governance issue there is no applicable reference to this matter.

Reporting Brief:

To receive the minutes of the Southern Tasmanian Councils' Authority meeting of 18th February 2010 that may be presented at a Council Meeting that is open to the public.

Proposal in Detail:

The Southern Tasmanian Councils' Authority (STCA) is a "joint authority" formed under section 30 of the *Local Government Act 1993*. The Local Government Board has recommended that the minutes of the STCA Meetings should be provided for consideration at Council meetings.

The minutes of the STCA meeting of 18th February 2010 have been provided and those matters that may be received at the part of the Council meeting that is open to the public are included as Attachment 1.

Consultations:

None required.

Human Resource / Financial and Risk Management Implications:

None.

Community Consultation and Public Relations Implications:

None.

Recommendation:

That the minutes of the Southern Tasmanian Councils' Authority meeting held on 18th February 2010, that have been provided for the part of the Council meeting that is open to the public, be received.

Attachments/Annexures

1 Draft STCA Minutes - 18th February 2010

DRAFT**Minutes of a Meeting of the Southern Tasmanian Councils Authority held on Thursday 18th February commencing at 2.00 p.m. in the Court Room, Hobart Town Hall.****Present:**

- Brighton Council –Mayor T Foster
- Central Highlands Council – Mayor D Flint and Ms L Eyles
- Clarence City Council –Mr A Paul
- Derwent Valley Council – Mayor M. Evans and Mr S Mackey
- Glamorgan Spring Bay Council –Mayor B Cadart
- Glenorchy City Council – Mayor A Taylor and Mr F Pearce
- Hobart City Council – Lord Mayor R Valentine (Chairman) and Mr N. Heath
- Huon Valley Council –Mayor R Armstrong and Mr G Doyle
- Kingborough Council – Mayor G Bury and Mr P West
- Sorell Council –Mayor C Torenius and Mr W Costin
- Southern Midlands Council –
- Tasman Council –Mayor J Barwick and Ms W Hunter

- Mr D Hunn – Joint CEO, STCA
- Mr D Lovell – Joint CEO, STCA

Apologies

- Brighton Council –Mr R. Sanderson
- Central Highlands Council – Mayor D Flint and Ms L Eyles
- Clarence City Council – Mayor J Campbell
- Glamorgan Spring Bay Council –Mr D Metcalf
- Southern Midlands Council – Mayor A Bisdee and Mr T. Kirkwood

The Chairman welcomed Wendy Hunter, newly appointed General Manager of Tasman Council..

1. Confirmation of the minutes of the ordinary meeting on the Southern Tasmanian Councils Authority held on 10th December 2009, and of the minutes of the special meeting on the Southern Tasmanian Councils Authority held on 14th January 2010.

Moved: Mayor Flint

Seconded: Mayor Cadart

That the minutes of the ordinary meeting on the Southern Tasmanian Councils Authority held on 10th December 2009 and the minutes of the special meeting on the Southern Tasmanian Councils Authority held on 14th January 2010 be confirmed as a true record of those meetings.

Carried.

2. Matters Arising

- a. **Issues for State Government Election 2010 – Campaign Messages and Methodology.** It was reported that three member Councils of the Authority had not approved the methodology and content of a proposed pre-Election Campaign. The Chairman in consultation with Mr Lovell had resolved that pending the outcome of the current meeting all preparations for the campaign should cease.

Moved: Mayor Flint

Seconded: Mayor Evans

That the campaign not proceed.

Carried.

b. Southern Waste – review of roles, responsibilities and outcomes.

Mayor Bury as chairman of a meeting of representatives of Councils as members of the Southern Waste Strategy Authority that had been held on 19th January 2010 gave a brief report on the outcomes of that meeting.

He reported that the meeting had resolved in relation to the waste levy:

- that the SWSA authorise its CEO to negotiate the best outcome possible within the process established through the Waste Advisory Committee bearing in mind the decision of all of its member Councils; and
- that any proposal that the SWSA had in regard to the Waste Levy for 2010/11 be forwarded to Councils with justification for the proposal and a description of the likely impact of the proposal on each Council.

In relation to establishing the most efficient and effective governance structure for the SWSA and waste management in Southern Tasmania, it had resolved:

- that it recommend to the SWSA Board that it commission a structural and governance review of waste management in Southern Tasmania to present Councils with a viable, sustainable structure that will provide the most environmentally effective and economically efficient outcome for the people of Southern Tasmania that is capable of meeting National waste management objectives - the Review to be completed by the end of November 2010 and that a Steering Committee be formed that was broadly representative of Councils in the Region to draft the Terms of Reference and oversee the progress of the Review with the objective a final draft being referred to all Councils for comment in early December 2010; and
- That it recommend to the Councils that they provide input into the SWSA action plan for the forthcoming financial year.

c. Change to Rule 24 of the Rules of the Authority. An up to date report on the decision of member Councils on this issue will be tabled.

It was reported that a majority of Councils had agreed to the proposed change in the Rules and that, the STCA CEO having compiled the required information, the General Manager of Huon Valley Council had been requested to notify the Director of Local Government accordingly.

3. Southern Tourism Review

A report was considered on the findings and recommendations of a project that has been undertaken by the Joint CEOs into Regional Tourism in the South of the State.

This review had been undertaken to comply with requirements contained in the STCA Annual Plan, the Contract that the Board has with Hunn and Lovell Consulting and a Minute from STCA meeting of 20.8.09

The joint CEOs had invited General Managers to submit names of officers whom they considered would be suitable for membership of a Steering Committee to guide the Review. Those who were suggested joined the Joint CEOs in the Steering Committee that met for the first time on Friday 4th December 2009. Its members were:

Glenn Doyle – General Manager, Huon Valley Council

Ian Brown – Project Manager, Valley Vision, Derwent Valley Council and member Hobart and Surrounds Zone Marketing Group.

Tim Short _ Manager Economic Development; Hobart City Council

David Hunn – Joint CEO STCA

David Lovell – Joint CEO STCA

Ian Brown was replaced as a member of the Steering Committee by Jo-Anne O'Brien,

Manager Tourism Development with Glamorgan Spring Bay Council during the conduct of the review because Mr Brown had resigned his position with Derwent Valley Council.

Bearing in mind the requirements of the Board in conducting the Review set out in the documents referred to the Steering Committee resolved that the Objective of the Review would be to recommend:

- what Councils should do regionally to maximize their investment in Tourism; and
- whether or not there are any regional actions that need to be taken, and if so, are those actions best undertaken through Tasmania's South Regional Tourism Association, also known as "Totally South"?

A questionnaire was drafted and approved by the Steering Committee for use when conducting interviews with Council Representatives and was an attachment to the report.

Interviews had been conducted with representatives of Councils as follows:

- Brighton Council;
 - Janine Banks, Manager Governance and Human Services (telephone)
- Central Highlands;
 - Cr. Deirdre Flint (Mayor) and
 - Cr. Andrew Downie (Deputy Mayor)
- Clarence City Council;
 - Andrew Paul, General Manager and
 - Greg Walker, Economic Development Officer
- Derwent Valley Council;
 - Ian Brown, Project Manager Valley Vision.
- Glamorgan Spring Bay Council;
 - David Metcalf, General Manager and
 - Jo-Anne O'Brien, Manager Tourism Development
- Glenorchy City Council;
 - Frank Pearce, General Manager
- Hobart City Council;
 - Gary Randall (Director Strategy and Governance) and
 - Tim Short (Manager Economic Development)
- Huon Valley Council;
 - Michelle Oddie (Tourism Development Officer)
- Kingborough Council;
 - Tony Ferrier (Director Community Planning and Development) and
 - Malcolm Wells (Consultant and Chair of Hobart and Surrounds Zone Marketing Group)
- Sorell Council;
 - Bill Costin, (General Manager)
- Southern Midlands Council;
 - Damian Mackey (Manager, Development and Environmental Services)
- Tasman Council;
 - Dave Moser (Councillor),
 - Wendy Hunter (General Manager) and
 - Kate McCarthy (Tourism and Economic Development Officer)

Interviews were conducted with and information obtained from:

- Tourism Tasmania;
 - Claire Ellis, Director, Infrastructure and Industry Development; and
 - Deb Lewis, Head of Insights and Destination Development
- Tasmania's South Regional Tourism Association (Totally South)
 - Ian Rankine; Chair
 - Jude Franks, Richard Metcalf and Vin Barron (Directors)
 - David Rose CEO

Notes of Interview have been prepared and are available in confidence to STCA Board Members.

It was a matter of regret that shortage of time and the fact that preparation of the report had been conducted at a time of year when tourist operators were most busy had meant that obtaining first hand information from some groups most notably operators had been limited.

Other Research included

- Reference to websites including those of T.T., Totally South, TICT.
- Production of Fact Sheets:
 - Tourism Tasmania ; and
 - Totally South including an analysis of the contractual arrangements that Totally South has with Tourism Tasmania.
- In addition, the Board of Totally South had produced a proposal to reform that organisation that was attached to the report.

Having considered the material that had been gathered as part of this Review, the Steering Committee reached a number of conclusions that were, in turn, reflected in its Recommendations.

In drawing these conclusions, the Steering Committee had in mind that the objective of this review was to recommend:

- what Councils should do regionally to maximize their investment in Tourism; and
- whether or not there are any regional actions that need to be taken, and if so, are those actions best undertaken through Tasmania's South Regional Tourism Association, also known as "Totally South".

It also had in mind that expenditure of public monies to support private sector activities may only be justified in the event of market failure.

Conclusions:

1. Any proposal to initiate or maintain actions at a regional level must be based upon clear deliverable objectives.
2. Those objectives must directly or indirectly lead to an increase in overnight stays or increased expenditure by tourists and visitors as widely distributed across the Region as possible.
3. As illustrated in Table 3 that follows, few of the activities and services that are not funded by Tourism Tasmania and that are undertaken by Totally South meet that test.
4. The Authority cannot support a regional funding agreement of Totally South; this implies that individual councils may continue to contribute on an individual basis at their own discretion.
5. The introduction of Zone Marketing has effectively changed the boundaries for tourism marketing so that the traditional geographical/political regions have little meaning for this purpose.
6. Without doing anything regionally, Councils make a significant contribution to tourism and visitor services generally although not exclusively working through Local Tourism Associations, through a Council's varied roles:
 - a. As an employer in the Southern Region of about 32 full-time equivalent people performing roles directly related to the tourism industry.
 - b. Promotion and Marketing through:
 - i. Creation and marketing of the five touring routes in the Region;
 - ii. Managing, coordinating or supporting Visitor Information Centres
 - iii. Creating and maintaining Council specific websites with links for visitors to those of the LTAs and Touring Routes; and
 - iv. Assistance to industries that are complementary to Tourism such food and wine in the production of brochures, advertising materials and signs.
 - c. Tourism industry development by;
 - i. the facilitation of new products for tourists and visitors through such means as the publication of investment opportunities
 - ii. bringing together organisations that jointly could invest in or improve new or existing product;
 - iii. organisation or facilitation of events; and
 - iv. providing taxation or other incentives.

- d. Provision of key Infrastructure
- e. Planning and Development regulation.
7. As a key player in Tourism in the Region the Councils must engage with Tourism Tasmania to resolve how tourism should be managed at the Regional level to provide a strategically coordinated regional tourism structure to replace the structure that has been lost through the unilateral introduction of Zone Marketing by the State Government through Tourism Tasmania.
8. Representation of the STCA on the Steering Committee for the Statewide Review of Regional Tourism should continue with the objective of resolving the issues contained in conclusion 7.
9. Meaningful participation and representation of the many small operators who together make up a large part of the industry in the State should rest with the Local Tourism Associations, facilitated by single or sub-regional groups of Councils as appropriate.
10. Relevant sub-regional groups of Councils should take responsibility for ensuring that the Touring Routes are maintained and the significant investment in the marketing collateral is not lost.
11. Training of operators and other industry players that is necessary as a consequence of State Government/Tourism Tasmania initiatives (e.g. Tas e-Connect) is the responsibility of the State.
12. Councils should be given the opportunity to take advantage of the leadership role that Hobart City Council's Tasmanian Travel and Information Centre is prepared to play in increasing the quality of information to Visitors to the Region.
13. Means of sharing of knowledge and expertise among Council-employed Tourism Development Officers, Economic Development Officers, Managers of Visitor Information Centres and others would yield positive outcomes in relation to the objective of the current Review.
14. The changes implied by these conclusions will need to be revisited once the Statewide Review of Regional Tourism has been completed.
15. The Board of Totally South's Strategic Focus, which it is noted has been devised without reference to Local Government stakeholders, should be the subject of engagement between the Totally South Board and the Councils as part of the exercise foreshadowed in Conclusion 14.
16. If Councils do not contribute to the activities of Totally South, it is inappropriate for them through the STCA to continue to appoint members of the Board of that organisation.

In relation to the Objectives of this Review, the resolutions reflected a determination by the Steering Committee that:

- there are things that Councils should do regionally to maximize their investment in Tourism; and
- that there would be no benefit to Councils in having those actions undertaken by Tasmania's South Regional Tourism Association, also known as "Totally South".

Moved: Mayor Bury

Seconded: Mayor Armstrong

1. **The Authority inform its member Councils that it withdraws its support for a regional funding model of Totally South from July 2010;**
2. **Through the Statewide Review of Regional Tourism, the Authority engages with Tourism Tasmania to resolve how tourism should be managed at the Regional level to give a strategically coordinated regional tourism structure following the introduction of Zone Marketing and that it communicates this resolution to Tourism Tasmania as soon as possible;**
3. **Relevant sub-regional groups of Councils, in conjunction with Local Tourism Associations, take responsibility for ensuring that the Touring Routes are maintained and the significant investment in the marketing collateral is not lost;**
4. **The Joint CEOs be commissioned to set up a network of Council-employed Tourism Development Officers, Economic Development Officers, Event Coordinators, Managers of Visitor Information Centres and others with the purpose of:**
 - a. **sharing knowledge, expertise and initiatives;**
 - b. **ensuring that the touring routes continue; and**
 - c. **considering how visitor information services in the Region could take advantage of the leadership role that Hobart City Council's Tasmanian Travel and Information**

Centre is prepared to play in increasing the quality of information services to visitors in the Region;

5. *The network described in recommendation 4 meet twice annually in April and October 2010 and April 2011;*
6. *A levy of \$500 p.a. be made on Councils to defray the costs of running the network;*
7. *The Authority engage further with the Board of Totally South regarding its Strategic Focus which, it is noted, has been devised without reference to Local Government stakeholders;*
8. *The Authority receives a further report on the issues covered by the current report and recommendations in February 2011 or as soon as possible after the publication of the report of the Statewide Review of Regional Tourism - whichever occurs sooner;*
9. *The Authority notifies Tasmania's South Regional Tourism Association that with withdrawal of funding, it is inappropriate for Southern Councils through the STCA to continue to appoint members of its Board and that it communicates this resolution to Totally South as soon as possible; and*
10. *At the appropriate time, a submission be made to the Statewide Review of Regional Tourism based upon the material contained in and the approach taken by this report as well as calling upon the State Government to continue its support for Regional Tourism.*

Carried.

4. Shared Services.

A report was considered whose purpose to provide the STCA Board with an option to establish the level of interest in the establishment of shared service arrangements in the southern region.

The report suggested that the impetus for seeking to look at options for local government sharing services included the following:

1. The desire to ward off potential or perceived threats:
 - local government reform by other tiers of government, often without proper regard for either councils or their communities, is a constant concern to Councils (Water and sewerage reform is one example, other obvious examples are land use planning, waste management, roads, environmental health); or
 - the creation of a state wide common services corporation (Onstream) had established a precedent and a vehicle for sharing services in Tasmania (The State Government's original intention was for the common services corporation established for water and sewerage to service all of local government not just the water and sewerage corporations).
2. The desire to grasp an opportunity or a strategic advantage:
 - Councils in the south were already looking at or had begun to utilise service sharing models (Brighton Council had been providing consulting/shared services to other councils for some time).
3. The desire to meet community expectations:
 - new technologies and a changing financial environment were putting pressure on all tiers of government to review, rationalise and improve service delivery;
 - the community had a growing awareness of the capacity of new technologies to create efficiencies in service delivery; and
 - the constant pressure from the community for councils to do more with what they already have.
4. The desire to retain and foster staff:
 - professional and technical staff were becoming more difficult to recruit and more expensive to pay. They were looking for opportunities to enhance their career paths and offer better services in an increasingly complex environment.
5. The desire to become more sustainable:
 - the costs and complexity of providing services to the community were increasingly challenging those councils with a limited rate base.

It was likely that the level of duplication of activity in the twelve southern councils must be significant. As a consequence of this duplication, in Tasmania amalgamation was often seen as a way to "improve local government". An alternative solution was, however, being discussed more widely - the formal

sharing of resources amongst groups of Councils. Such shared services models had the advantage of offering potential economies of scale and increased efficiency in specific areas of local government activity without the loss of autonomy, independence and community engagement that was often a consequence of amalgamation of Councils.

There were at least five examples of formalised shared services arrangements already operating in Southern Tasmania:

1. Southern Water
2. Onstream
3. Brighton Council
4. Southern Tasmanian Councils Authority
5. Southern Waste Strategy Authority
6. Copping Refuse Disposal Site Joint Authority

It was suggested that the range of service delivery options available for a shared services arrangement fell into two main categories:

1. Those services which could be rationalised, providing direct cost savings in staff and capital expenditure; and
2. Those services that could be combined to provide enhanced and improved service delivery.

Rationalised services included:

Finance
Human Resources
IT
Records management

Such rationalisation could achieve reduced duplication in such areas as staff, expensive software systems and office accommodation, while maintaining the level of service that was currently experienced by the best providers in the industry.

Combined services included:

Land use Planning
Building regulation
Construction and maintenance (Roads, buildings and facilities)
Engineering design
Community development
Environmental health
Waste Management

Combining such services could lead to benefits that accrued from creating a specialist provider that could offer enhanced staff training, opportunities and career prospects and ultimately provide a better, more consistent standard of service to the public.

The options for structures to support either rationalised services or combined services could be divided into a number of categories:

Ownership by:

A single Council
A sub-regional grouping of Councils
A regional grouping of councils
A statewide grouping of councils
State Government
The private sector

Governance structures included:

A single Council
A Board made up of council representatives (Elected or unelected)
An independent Board

Financial structural options included:

Profits maximised for distribution to the shareholders
Costs shared with owners contributing on the basis of an agreed arrangement.

If a rationalised service model were adopted, it was likely that there would be some staff losses

throughout the region given the aim to reduce duplication of common services. This was less likely under the combined service model where the aim was to maximise the resources that were available to local government in the South to provide improved service delivery.

Most of the services that Councils would consider in the common services framework would be cost sharing rather than income or profit generating. In most cases income would come directly from Councils paying for services. Unless there was an external income source - such as providing services to the general public or state government, it was unlikely, with the possible exception of Waste Management, that dividends and the distribution of profits would be an issue.

It was not necessary for a common service corporation to be established as a separate organisation. A distributed model could be an option, where different councils took on different functions, thereby distributing the common service providers around individual Councils. For example, HCC could house the Planning function for the region, GCC the Environmental Health Function, Kingborough the Building function etc.

In conclusion, it was suggested that for most of the larger Councils in the southern region, that were financially viable and well resourced, there could be little if any motivation, from an organisational perspective, to change how they operated.

For the smaller Councils in the region, that were struggling financially and for resources to serve their communities, the option of shared service arrangements, might be a solution to many of their issues.

For any council with robust systems there was an opportunity to provide services to other councils. Such an opportunity could provide additional income for use within their own communities or provide opportunities to increase the range and opportunity for staff in their own organisation, thereby increasing their overall organisational capacity.

For the Southern Tasmanian Community, the creation of shared service arrangements might mean more cost effective local government across the region or an improvement in the level or quality of services available to them without the loss of identity that would be brought about by amalgamation.

One of the key difficulties was that, in general, it was the smaller councils that were most likely to benefit from the creation of shared service arrangements but the larger councils that had the resources to make shared service arrangements a reality.

The threshold questions were not whether a shared services model could be made to work, but rather:

1. Which councils were prepared to be part of a shared services arrangement - and which services would they be prepared to have provided?
2. What models of service provision would be acceptable to councils within the region?
3. Which councils were prepared to put resources, either cash or in-kind, into building a business model for shared service arrangements in the Southern region?

If Councils in the Southern Region did not want to develop a shared services model, there was already an alternative owned by Local Government, Onstream, which would, no doubt, be marketing its services vigorously to Councils in the near future.

Moved: Mayor Taylor

Seconded: Mayor Bury

That each Council be asked to provide a formal answer to the following questions:

1. *For which of the following functions would your council be prepared to cede part or all of its operational responsibilities to a shared services arrangement assuming that a robust business case could be put before you:*
 - a. *Financial services*
 - b. *Human Resources Services*
 - c. *IT services*
 - d. *Records Management services*
 - e. *Land use Planning services*

- f. Building regulation services*
 - g. Construction and maintenance services (Roads, buildings and facilities)*
 - h. Engineering design services*
 - i. Community development services*
 - j. Environmental health services*
 - k. Waste Management*
 - l. Other?*
2. *Which models of shared service provision would be of interest to your council for each of those areas identified in question one:*
 - a. A single council provides the services to other councils - where our council was the service provider.*
 - b. A single council provides the services to other councils - where our council was the receiver of services.*
 - c. A service provider established as a joint authority or as a private company owned by a number of councils.*
 - d. Other?*
 3. *Is your Council prepared to invest resources, either cash or in-kind, for the preparation of a business case to develop a shared services arrangement for the services identified above involving some or all councils in Southern Tasmania?*

Carried.

5. Support for the development of biodiversity offset guidelines for local government.

A report was considered whose purpose was to seek the Board's support for a regional project to develop biodiversity offset guidelines for local government.

It was reported that biodiversity offsets were an emerging planning tool used in environmental impact assessment and management in Australia. They were used to objectively calculate compensation for impacts on biodiversity values where a development would go ahead despite the assessed impact.

Two recent examples were provided to highlight the use of biodiversity offsets in local government within Tasmania

Whilst one-off vegetation and habitat losses that occur through large scale activities such as forestry could be offset under existing policies at a State Government level, offsets were currently applied in an ad-hoc manner within Local Government in Tasmania as there was no mechanism to mitigate biodiversity losses at this level of government. Over time Local Government planning approvals were leading to significant incremental loss of threatened native vegetation and threatened species habitat. Therefore, there was an increasing need to put in place a tool that would assist in mitigating these impacts. Such a tool would have the benefit of providing consistent provisions for developers in addressing biodiversity impacts when preparing development applications.

The need for a consistent set of guidelines for applying biodiversity offsets had become apparent from the experience of several council officers in the southern Tasmanian region when making provision for biodiversity offsets in permit conditions. Kingborough Council was the first of the southern councils to produce a draft biodiversity offsets policy with the aim of providing some consistency in the use of biodiversity offsets as planning tool. In the development of that policy, Kingborough officers recognised that to be effective, biodiversity offsets needed to be developed and applied beyond their municipal boundaries.

A Biodiversity Offsets Working Group (BOWG) was then formed with membership from a number of southern council's natural resource management and planning officers.

The Group made an application to the Australian Government for funding under a 'Caring for Country' grant round to assist in the development of Biodiversity Offset Guidelines. That application was unfortunately not successful.

When the Kingston By-pass was proposed, the proponent agreed to fund the Biodiversity Offsets Guidelines Project as one component of the offset package for clearing 4.37 hectares of Black Gum Forest. The planning permit for the Kingborough By-pass (granted on 28 September 2009) stated that a financial contribution of \$40,000 was to be made to the Kingborough Council for the development of Biodiversity Offsets Guidelines. The decision to grant planning permit was appealed to the Resource Management and Planning Appeal Tribunal (RMPAT). Agreement was subsequently reached between the parties and on 11 December 2009 the decision of the Kingborough Council to approve the Bypass subject to conditions was affirmed by RMPAT. At its meeting on 21 December 2009, the Kingborough Council agreed to provide that financial contribution to the STCA for the purposes of administering the project to develop the Biodiversity Offsets Guidelines.

On 3 September 2009, the STCA hosted a forum attended by over forty stakeholder representatives to discuss biodiversity offsets and the development of the guidelines.

The purpose of the project would be to develop a set of guidelines for applying biodiversity offsets at the Local Government level in Southern Tasmania. The guidelines would primarily assist planners in determining and applying appropriate mitigation measures for development proposals and would also help to ensure that consistent advice is provided to developers regarding offset requirements.

The project would help foster a common understanding of the significance of incremental vegetation, habitat and threatened species loss within local government and the wider community. The development of offset guidelines for local government would make a strong positive contribution to biodiversity conservation in southern Tasmania by facilitating an increase in the area of land in private reserves, planting programs and/or contributing to improved management of current reserve systems.

To ensure that biodiversity offsets could be legally required, it was critical that the use of offsetting mechanisms developed for Local Government could be adequately supported by legislation and statutory controls (such as the *Land Use Planning Approvals Act 1993* and Planning Schemes). This was particularly important for situations where proposed offsetting might be negotiated off-site. The project would also investigate potential legal impediments to the application of biodiversity offsets and recommend measures to address these impediments.

In summary, the main objectives of the project would be to:

- Achieve a net gain in the extent and quality of threatened native vegetation and threatened species habitat that was securely protected and effectively managed in southern Tasmania.
- Provide a tool which would assist planning officers across the twelve southern councils to negotiate appropriate offsets to ensure that unavoidable impacts were mitigated appropriately.
- Achieve an equitable and streamlined offset process for developers working across multiple Local Government municipal areas.

The BOWG considered that the STCA was the most appropriate regional agency to host this project as it is the regional organisation for the twelve Southern Councils with its main role to improve the ability of Councils to address regional issues.

Kingborough Council had agreed to provide the funding obtained from the Kingston By-Pass to the STCA for the purpose of hosting a project Manager and engage a consultant to develop the guidelines.

It was proposed that the structure would conform to the structure normally adopted by the STCA, with the STCA providing governance and management support and a Project Manager to manage the day to day operations. The BOWG with representation from each of the 12 councils and technical advice from the Department of Primary Industries, Parks, Water and the Environment, Forest Practices Authority, Tasmanian Land Conservancy and NRM South would provide advice and guidance to the Project Manager.

Moved: Mayor Burt

Seconded: Mayor Flint

That the STCA:

1. *supports the regional project to develop guidelines for applying biodiversity offsets in Local Government in Southern Tasmania.*
2. *hosts the Project Manager to undertake the project, with funds provided by Kingborough Council.*

Carried.

6. Other Business

a. Midland Highway.

Mayor Foster (Brighton) expressed disappointment that as a result of the decision not to proceed with pre-Election campaign, an opportunity had been missed to promote a two-carriageway Midland Highway.

b. The Role of Local Government concerning General Practitioner services.

Mayor Cadart (Glamorgan Spring Bay) indicated that his Council wished the Authority to pursue the issue of Councils taking on responsibility for funding General Practitioner services and for the employment of General Practitioners. There was a concern that in responding to the needs of their respective communities, Councils felt an obligation to undertake functions that should be provided by other spheres of government.

There was general agreement that this was an ongoing concern notwithstanding that Local Government expenditure on Health and Welfare services was generally lower in Tasmania than in other States.

It was suggested that, initially, the Authority do some work on collecting information on this and related issues concerning the roles and functions of the three spheres of Government with a view to producing a report for the Authority's consideration.

7. Date of next Meeting.

The next meeting will be held on Thursday 15th April at 2 p.m.

Closure

The meeting concluded at 3.15 p.m.

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

13.1 NOTICE OF MOTION - ALDERMAN L. MARTIN

Author: General Manager (Frank Pearce)

Qualified Person: General Manager (Frank Pearce)

File Reference: Notice of Motion

Community Plan Reference:

Strategic or Annual Plan Reference:

Reporting Brief:

To consider a notice of motion submitted by Alderman L. Martin in accordance with the requirements of Section 16 of the *Local Government (Meeting Procedures) Regulations 2005*.

Proposal in Detail:

The following notice of motion was submitted by Alderman L. Martin (Attachment 1).

1. That Glenorchy City Council acknowledges the significant concern in the Glenorchy community about the impact problem gambling is having on many individuals, families, businesses and community organisations within our City.

Notes that our Council is already working to reduce the prevalence of problem gambling in our community, through research currently being undertaken by Council's Youth Participation Officer in partnership with Anglicare Tasmania, on an early intervention approach to reducing the incidents of problem gambling among young people.

2. That while acknowledging gaming policy and regulation is a State Government responsibility, Glenorchy City Council recognises the issue of problem gambling is a public health concern for our community and therefore resolves to undertake the following measures:
 - i. Directs the Mayor to write to the Minister responsible for Gaming requesting that the terms of reference for the Tasmanian Government's next independent study into the Social and Economic Impact of Gambling in Tasmania be revised to include a specific focus on the impact of gambling on the City of Glenorchy.

- ii. Commits to developing a Glenorchy City Council Policy on Gambling to determine Council's role and responsibilities in working to further reduce the impact of problem gambling in our community.
- iii. Ensures this policy is based on a practical public health approach to reducing the impact of problem gambling in our community following consultation with representatives of the Tasmanian gambling industry, the Tasmanian Gaming Commission, Community and Government gambling support service providers and the general Glenorchy community.
- iv. Requests that a draft Glenorchy City Council Policy on Gambling be presented to a full Council workshop for consideration within 6-months of this resolution.

Consultations:

Human Resource / Financial and Risk Management Implications:

Community Consultation and Public Relations Implications:

Recommendation:

1. That Glenorchy City Council acknowledges the significant concern in the Glenorchy community about the impact problem gambling is having on many individuals, families, businesses and community organisations within our City.

Notes that our Council is already working to reduce the prevalence of problem gambling in our community, through research currently being undertaken by Council's Youth Participation Officer in partnership with Anglicare Tasmania, on an early intervention approach to reducing the incidents of problem gambling among young people.
2. That while acknowledging gaming policy and regulation is a State Government responsibility, Glenorchy City Council recognises the issue of problem gambling is a public health concern for our community and therefore resolves to undertake the following measures:
 - i. Directs the Mayor to write to the Minister responsible for Gaming requesting that the terms of reference for the Tasmanian Government's next independent study into the Social and Economic Impact of Gambling in Tasmania be revised to include a specific focus on the impact of gambling on the City of Glenorchy.
 - ii. Commits to developing a Glenorchy City Council Policy on Gambling to determine Council's role and responsibilities in working to further reduce the impact of problem gambling in our community.
 - iii. Ensures this policy is based on a practical public health approach to reducing the impact of problem gambling in our community following consultation with representatives of the Tasmanian gambling industry, the Tasmanian Gaming Commission, Community and Government gambling

support service providers and the general Glenorchy community.

- iv. Requests that a draft Glenorchy City Council Policy on Gambling be presented to a full Council workshop for consideration within 6-months of this resolution.

1 Notice of Motion - Alderman L. Martin

Frank Pearce
General Manager
Glenorchy City Council
Main Road
Glenorchy TAS 7010

Via email: f.pearce@gcc.tas.gov.au

March 15, 2010

Dear Frank,

Re: Problem Gambling Motion

Please find attached a motion to be included as an agenda item for the Glenorchy City Council meeting on Monday, 29 March 2010.

I believe it is timely and appropriate for Council to develop a policy on the issue of problem gambling. The State Election campaign has again heightened public awareness of the issue of problem gambling and particularly the impact of gaming machines in our community. I am sure our ratepayers and residents would welcome Council taking a greater interest in this issue.

State Government figures indicate that the City of Glenorchy has the highest gambling participation rate of any Tasmanian local government area. While the overwhelming majority of people gamble responsibly, there remain a small but significant percentage of people in our community who experience significant problems with gambling. Indeed, the Tasmanian Government-commissioned independent study into the Social and Economic Impact of Gambling in Tasmania indicated that as much as 40% of all money lost through gaming machines in Tasmania is lost by people experiencing gambling problems.

The devastating impact gambling addiction has on individuals, their families and dependents are well documented. Less understood is the broader impact problem gambling has on the community through increased demand for gambling and other support services; the impact of theft, fraud and other criminal activity as a direct result of gambling addiction; and lost productivity in our workforce and economy.

I believe a Glenorchy City Council Policy on Gambling should look at this issue from a public health point of view and consider what practical role Council has in seeking to reduce the harm caused by problem gambling in our own community. The policy should consider this issue both from a planning perspective and a community development approach in identifying what appropriate gambling support services are available in the Glenorchy area and how Council can better support their work. I do not believe the policy should consider the broader issue of gambling policy and regulation in Tasmania and how it impacts on our City, as this is clearly a State Government responsibility.

In specific reference to my motion, I also propose that the Mayor write to the Minister responsible for Gaming requesting that the terms of reference for the Tasmanian Government's next independent study into the social and economic Impact of gambling in Tasmania be revised to include a specific focus on the impact of gambling in the City of Glenorchy.

The Tasmanian Government's previous Social and Economic Impact Study completed in 2008 and undertaken by Flinders University, recommended that any future study should include a specific focus on those local government areas that exhibit high gambling participation rates particularly in regard to electronic gaming machine. As the City of Glenorchy has the highest gambling participation rate of any local government area in Tasmania, it is an appropriate area for this research to be undertaken.

The Government this month released the draft terms of reference for the second Social and Economic Impact Study and they do not include any focus on how gambling impacts on any specific geographical area. If this motion is adopted by Council it is important an approach be made to the Minister as soon as possible.

I have proposed that a draft Glenorchy City Council Policy on Gambling be presented to a Council workshop for discussion within 6-months of this resolution being adopted. This timeframe ensure Council officers in developing the draft policy are able to consider the findings of all relevant research available on this issue, including the findings of the second Social and Economic Impact Study.

It also allows for appropriate consultation to be undertaken with the Tasmanian gaming industry and gambling support service providers working in the Glenorchy area, as well as the broader community.

Yours sincerely,

Ald Luke Martin

Problem Gambling

Moved by Ald. Luke Martin

1. That Glenorchy City Council acknowledges the significant concern in the Glenorchy community about the impact problem gambling is having on many individuals, families, businesses and community organisations within our City.

Notes that our Council is already working to reduce the prevalence of problem gambling in our community, though research currently being undertaken by Council's Youth Participation Officer in partnership with Anglicare Tasmania, on an early intervention approach to reducing the incidents of problem gambling among young people.

2. That while acknowledging gaming policy and regulation is a State Government responsibility, Glenorchy City Council recognises the issue of problem gambling is a public health concern for our community and therefore resolves to undertake the following measures:
 - i. Directs the Mayor to write to the Minister responsible for Gaming requesting that the terms of reference for the Tasmanian Government's next independent study into the Social and Economic Impact of Gambling in Tasmania be revised to include a specific focus on the impact of gambling on the City of Glenorchy.
 - ii. Commits to developing a Glenorchy City Council Policy on Gambling to determine Council's role and responsibilities in working to further reduce the impact of problem gambling in our community.
 - iii. Ensures this policy is based on a practical public health approach to reducing the impact of problem gambling in our community following consultation with representatives of the Tasmanian gambling industry, the Tasmanian Gaming Commission, Community and Government gambling support service providers and the general Glenorchy community.
 - iv. Requests that a draft Glenorchy City Council Policy on Gambling be presented to a full Council workshop for consideration within 6-months of this resolution.

**CLOSED TO MEMBERS OF THE
PUBLIC**

14. APPLICATIONS FOR LEAVE OF ABSENCE

INFRASTRUCTURE

15. CIVIC CENTRE

This item is to be considered at a closed meeting of Council by authority of the Local Government (Meeting Procedures) Regulations 2005 Section 15(2)(d).

ORGANISATION

16. CHILD CARE CONNECTIONS

This item is to be considered at a closed meeting of Council by authority of the Local Government (Meeting Procedures) Regulations 2005 Section 15(2)(b).

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