



ANNUAL GENERAL MEETING

AGENDA

To be submitted to the
ONE HUNDRED AND FOURTH SESSION OF THE ASSOCIATION

Will be held on
26 July 2017

To Commence Immediately
Following the Conclusion of the
General Meeting

Wrest Point Casino
Hobart



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* Denotes Attachment

FORMAL NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT

**The Annual Conference of
Local Government in Tasmania
will be held
commencing
Wednesday 26 July, 2017**

**NOTICE IS ALSO GIVEN THAT THE
Association's General Meeting
will be held at
Wrest Point
Hobart
commencing at
11.00am
on Wednesday 26 July, 2017**

**To consider
Local Government Policy and Motions
from Member Councils**

**NOTICE IS ALSO GIVEN THAT
One Hundred and Fifth Annual General Meeting
of the Association
will be held at
Wrest Point
Hobart**

**Commencing immediately following the
Conclusion of the
General Meeting
on
Wednesday 26 July, 2017.**

**Katrena Stephenson
CHIEF EXECUTIVE OFFICER**

2017 CONFERENCE PROGRAM


Local
Government
Conference

WEDNESDAY 26 JULY 2017

11.00am	General Meeting	
	AGM	Commences immediately following the conclusion of General Meeting
12.30pm	Lunch	With thanks to Telstra
1.30pm	Meetings continue	
5.30 6.30pm	Welcome Reception	

THURSDAY 27 JULY 2017

8.00am	Registration Desk Opens	
8.45am	Welcome and Opening	
9.00am	Dr Anton Kriz	
9.45am	Laughter Yoga	
9.55am	Travis Tiddy	
10.30am	Morning Tea	With thanks to Jardine Lloyd Thompson
11.15am	Dr Greg Moore	
12.00	Mayor David O'Loughlin, ALGA President	
12.30pm	Lunch	With thanks to Jardine Lloyd Thompson
1.30pm	Workshop Program	
3.00pm	Afternoon Tea	With thanks to Commonwealth Bank
3.30pm	Panel Discussion	
4.30pm	Happy Hour	With thanks to Commonwealth Bank
7.30pm	MAV Insurance Conference Dinner	

FRIDAY 28 JULY 2017

9.00am	Workshop Program	
10.30am	Morning Tea	With thanks to Dial Before You Dig
11.15am	Local Government Awards for Excellence	
11.45am	Laughter Yoga	
11.55am	Clr Emilia Sterjova	
12.50pm	Conference wrap up	
1.00pm	Lunch	With thanks to Dial Before You Dig

2017 ANNUAL GENERAL MEETING

The President, Mayor Doug Chipman, will welcome Members, declare the Annual General Meeting open and accept apologies.

1 MINUTES OF 104TH ANNUAL GENERAL MEETING *

Decision Sought

That the Minutes of the 104th Annual General Meeting, held 20 July, 2016 be confirmed.

The Minutes of the 104th Annual General Meeting of the Local Government Association of Tasmania, held in Hobart on 20 July, 2016 as circulated, are submitted for confirmation.

The Minutes are at **Attachment to Item 1.**

2 PRESIDENT'S REPORT

Decision Sought

That the President's report be received.

The President will present his report to the 2017 Annual General Meeting.

3 FINANCIAL STATEMENTS TO 30 JUNE 2016 *

Decision Sought

That the Financial Statements for the period 1 July 2015 to 30 June 2016 be received and adopted.

The General Management Committee recommends consideration and adoption of the Association's Financial Statements for the period 1 July 2015 to 30 June 2016, an abridged version of which are included at **Attachment to Item 3.**

A full version is available from the Association's offices.

A copy of the Association's Profit and Loss report for the period 1 July 2016 to 23 June 2017 is also included at **Attachment to Item 3** to provide members with an indication of the current financial position of the Association.

At the time of preparation of this report one week remained to the end of the financial year with year end adjustments also pending. It is anticipated that there will be a surplus with items below being of note –

- Interest from term deposit investments due at 30 June is not reflected as yet but overall interest will be below budget due to reducing interest rates across the year however, successful workshops including Regional Breakfasts, Audit Panels, Change Management and Crucial Conversations have helped to offset this.
- Income from commissions related to insurance and procurement have exceed budget expectations and reflects the LGAT activity in this area.
- Additional staffing were incorporated into the budget for 2016/17 but with application processes and lag in start dates, a full year was not been worked. Some leave without pay arrangements were also agreed to enable Defence Reserves participation, all of which has shown a reduction in overall salaries and the superannuation paid.
- At the request of the Tasmanian Audit Office, a formal valuation of the LGAT premises has been undertaken which resulted in an adjustment to the land and building breakdowns and a reduced depreciation requirement. The Audit office has been advised that future valuations will only be undertaken as per the requirements of the Valuer Generals office, every 6-7 years.

4 BUDGET AND SUBSCRIPTIONS 2017/18 *

Decision Sought

That the Meeting adopt the Budget and Subscriptions as presented.

Subscriptions

LGAT has applied a general 2.2% increase in line with the consumer price index (CPI). The Annual percentage change for Hobart as reported by Treasury in March was 2.3%. CPI has not been applied to the community satisfaction survey and Better Councils components which are set around likely actual costs.

Three councils have moved up categories in the payment structure based on Total Assessed Revenue as determined by the States Grant Commission (with application of the Council Cost Index - decision AGM 2010) and as a consequence they see a significant shift in contribution required. These councils were advised of the likely impact ahead of setting their budgets. Two councils moved down a category.

A copy of the Budget and Subscriptions are at **Attachment to Item 4** for reference.

Budget

There are no strongly significant areas of variation to the budget this year.

There are some relatively minor variations including to staffing as the significant reform agenda being prosecuted across several Local Government areas, by a new Government, continues to stretch the Association. All staff have increased productivity and in recognition of that and the large workload predicted for next year, a 2% pay increase has been budgeted for across staff in line with most council EBAs.

As with last year there are two projects which, while core business for LGAT, are accounted for separately for transparency reasons. These are the Better Councils Better Communities promotion project which includes the television advertising and the Community Satisfaction Survey which is to be conducted in the year preceding Local Government elections.

Given this an election year, and noting that there may be an increased communications task related to TasWater, LGAT anticipates requiring all these funds again next year. If in future years, based on feedback from the sector, we determine no television presence is required, we will wind this ask back significantly. The direct cost of airing the commercial this year was \$50,000.

In relation to the Community Satisfaction Survey, we collect a proportion each year based on the cost estimated from the previous process. In this transition period, we have not collected enough to cover the cost of the survey, but have sufficient funds to draw on to cover the difference. This should not be an issue for future surveys. The collection of a portion of funds each year reduces the impact for councils in a survey year.

The HR Toolkit Project is complete so this stand-alone \$90,000 does not need to be collected anymore.

We have continued to focus on generating our own income and while it remains a relatively small component as compared to subscriptions it is increasing. A steady increase in income is predicted in relation to our events and procurement activity.

We have adjusted estimated interest earnings down based on the outcomes this year as there is limited likelihood of a significant increase in this regard, although we hope changing the nature of our investments may assist to boost this income stream.

There are no significant building maintenance works scheduled for this year.

5 PRESIDENT AND VICE PRESIDENT HONORARIUMS

Decision Sought

That the President's and Vice President's allowance for the period 1 July 2017 to 30 June 2018 be adjusted in accordance with the movement in the Wages Price Index.

The Rules of the Association provide that the Annual General Meeting will grant an annual allowance to the President and Vice President.

In the past an independent review of allowances was undertaken in the same financial year as the review of allowances for Local Government Elected Members, with the last review undertaken in 2009. The result of that review was to retain the basis of the present allowances unchanged for the two positions with movements to be in conjunction with the wages price index. This brought the escalation factor for allowances in line with Elected Member allowances across councils.

The escalation factor used for elected member allowances remains the wages price index and it is deemed appropriate that the President and Vice President Honorariums continue to escalate on the same basis.

A review of Elected Member allowances will be undertaken in the 2017/18 Financial Year. If the review determines that the escalation of Elected Member Allowances should alter, the Honorariums will be reviewed accordingly.

The resultant application of the wages price index has meant allowances for 2016/17 were:

- President allowance \$46,286 per annum.
- Vice President allowance \$11,572 per annum.

6 RULES OF THE LOCAL GOVERNMENT ASSOCIATION OF TASMANIA *
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6.1 Subscription Modelling

Decision Sought

That the Members note the report on the subscription modelling undertaken.

That Members agreed to the formula outlined as Option 21 namely, a flat fee of 40 per cent, and population and revenue fees of 30 per cent each; 8 revenue categories and 8 population categories; and a 10 per cent collar and cap.

That Members agree to the amendment of the Rules allowing application of the new formula from 2018/19.

Background

Pursuant to feedback through the General Meeting and General Managers' workshop, LGAT agreed to undertake modelling in relation to possible changes to our subscription formula with the goal of reducing year on year movement between categories but continuing to ensure an equitable contribution basis.

It was agreed that we would look to using the following elements:

- A flat fee component (40% of total required revenue required divided by all members);
- A population based component (30% of total required revenue distributed across population bands) and
- An expenditure based component (30% of the total required revenue distributed across expenditure bands).

It was also agreed there would be consideration of a cap similar to that used in South Australia where no Council pays more than three times the average or a five per cent increase related to population and revenue changes in any year.

Preliminary analysis considered those three elements only which in themselves could provide infinite variation. LGAT was unable to find a model which, when compared to current subscriptions, did not cause significant variations across most councils from -15% to +63%. The skills set at LGAT did not lend itself to more sophisticated modelling. Consequently, in March 2017, LGAT sought further feedback from General Managers on the following:

1. In the current climate and emerging priorities, do you still want LGAT to pursue reviewing the subscription formula?;
2. If yes, explore the formula in totality or only the application of a cap?; and
3. If yes, do you have someone with expertise in such modelling that you would be willing to 'lend' to LGAT to assist, noting this was starting to get beyond the skills available in house?

Based on the feedback LGAT continued the modelling work, engaging a skilled casual to pursue more complex modelling. The outcome of the works is that LGAT has identified a formula based on the agreed components that is likely to reduce movement between categories of subscription and through the use of a cap and collar approach, dramatically reduces the initial impact for most councils, a copy of the full report is at **Attachment to Item 6.1** for reference.

It should be noted however that for some councils, the initial impact is significant, at the full cap amount of \$10,000. Without the collar and cap applied, using last years subscription data for comparative purpose, decreases would range from \$11,828 to \$1,252 and increases from \$287 to \$8,068. With a cap and collar however, decreases range from \$4,787 to \$1,252 and increases from \$287 to \$5,984. Without the collar and cap percentage swings range from -39.4% to 17.8%.

LGAT provided the modelling to General Managers in May seeking feedback as to whether General Managers were sufficiently comfortable with the recommended option for it to progress to the AGM for consideration. Subsequently LGAT provided some further information on the categories as applied (see Rule Amendments). While not all councils replied, predominantly the feedback received indicated LGAT should proceed to the AGM however one council did not support on the basis of the scale of their likely increase in subscriptions in the first year.

Two General Managers sought clarification on the relationship between voting categories and subscription categories. While we initially tried to align the use of our population categories in the subscription modelling with the voting categories, they bare no relationship under the Rules of the Association and are entirely separate. One does not influence the other.

For the modelling, we have ended up using a greater array of population categories with the aim of smoothing transitions between categories and population as just one component of the formula.

Amendment to the LGAT Rules would be as follows:

SUBSCRIPTIONS

- (a) Every Member shall pay such annual subscriptions as are set and determined in accordance with these Rules.
- (b) The amount of subscription to be paid annually to the Association by each Member is as follows:
 - (i) Each Council will pay an equal share as a flat fee, with the total to be equal to 40% of the Associations total annual subscriptions, as determined by the budget adopted at the Annual General Meeting.
 - (ii) Each Council will be placed within the appropriate population category as reported by the ABS annually. Each Council will pay an equal share of the category's percentage, with the total to be equal to 30% of the Associations total annual subscriptions, as determined by the budget adopted at the Annual General Meeting.
 - (iii) Each Council will be placed within the appropriate total assessed revenue category, as reported in the Annual Report of the State Grants Commission. Each Council will pay an equal share of the category's percentage, with the total to be equal to 30% of the Associations total annual subscriptions, as determined by the budget adopted at the Annual General Meeting.
 - (iv) At the absolute discretion of the General Management Committee, rounding up or down of the percentages referred to in Rule 45(b)(ii) may occur in the development of the budget for approval at the Annual General Meeting.
 - (iv) The assessed annual revenue category parameters are to be adjusted in line with the annual Council Cost Index as set by the Association.
- (c) The subscriptions formula as set out above and the average percent payable by each category shall apply as of 1 July 2018.
- (d) The annual subscription is due and payable at the office of the Association on the first day of July in the financial year to which it relates. The subscription must be paid within one month after a written notice specifying the amount payable has been delivered or sent by post to the General Manager of the Member.

Population Categories

Population	Category number	Percentage
<1000	1	0
1,000 to 4,999	2	0.5
5,000 to 9,999	3	2.5
10,000 to 14,999	4	3.0
15,000 to 24,999	5	4.5
25,000 to 34,999	6	5.5
35,000 to 54,999	7	6.6
55,000+	8	7.6

Revenue categories

Revenue range		Category number	Percentage
\$0.00	\$4,999,999.00	1	0.8
\$5,000,000.00	\$7,999,999.00	2	2.0
\$8,000,000.00	\$9,999,999.00	3	3.4
\$10,000,000.00	\$14,999,999.00	4	3.5
\$15,000,000.00	\$24,999,999.00	5	4.8
\$25,000,000.00	\$34,999,999.00	6	5.8
\$35,000,000.00	\$59,999,999.00	7	6.8
\$60,000,000.00	and above	8	7.0

LGAT Policy

Complies with position agreed through the General Meeting process.

Budget Impact

Casual employment was covered through surplus salaries related to resignations and refill lag.

6.2 Term of Office of President

Decision Sought

That Members note the concerns relating to the Rules as they currently provide for vacation of the office of the President.

That Members agree to the amend the rules such that –

and if the office of President becomes vacant more than six months before the next AGM where a President is due to take up office in accordance with Rule 27(a), a new President shall be elected in accordance with the procedures in Rule 26.

Background

In 2016, following a motion from Members the LGAT Rules were amended with respect to a the vacation of the office of the President.

The amendment allows that if the office of the President becomes vacant more than 12 months before the next elections, a recount is taken.

The amendment followed the death of Mayor Barry Jarvis, not long after his election to President and seemed a sensible approach in light of those circumstances. No legal impediments were found in relation to the change however more recently LGAT has received advice from the Electoral Commissioner that the process outlined in the Rules is not best or even common practice.

The Electoral Commissioner has advised:

I am not aware of any rules for conducting a recount for single member elections. While you could attempt to use the same process as a recount for a multimember election, it is not designed to be used this way and may provide results that do not reflect the will of the electors.

For all Parliamentary and most Local Government single member elections in Australia, a preferential (majority) system is used to count the votes. As you are aware this system uses elector preferences to distribute the ballot papers between candidates until one candidate receives a majority of the formal votes.

Single transferable vote (STV) counting systems, such as Hare-Clark and the Senate system, are used for most Australian multi-member elections. Under STV, a candidate is elected when she/he receives the required proportion of the vote, representing that proportion of the voting electors.

Some multi-member elections, such as the House of Assembly and Tasmanian Local Government councillor elections, fill a vacancy by conducting a recount. Conducting a recount from an STV election enables the proportion of electors represented by the vacating member to directly choose a replacement.

In the case of a House of Representatives, Legislative Council or a council Mayor position, a vacancy is filled by conducting a by-election.

Single member elections generally have smaller fields with candidates representing different sectors or political philosophies within the division. For single member elections, a recount to replace the vacating member may stand for very different things to the vacating member. For example, if US President Trump resigned and the recount system was used to fill the vacancy, Hilary Clinton would likely be the replacement.

On the basis of the advice, LGAT suggests reverting to the practice mapped in the Rules prior to 2016, namely that “if the office of President becomes vacant more than six months before the next AGM where a President is due to take up office in accordance with Rule 27(a), a new President shall be elected in accordance with the procedures in Rule 26”.

Proposed Amendment

27 TERM OF OFFICE OF PRESIDENT

- (a) Subject to Rule 27(d), the President shall take up office at the conclusion of the Annual General Meeting following his or her election and shall hold office for a two year term concluding at the end of the relevant Annual General Meeting.
- (b) The office of the President shall be vacated if the President:
 - (i) resigns by notice in writing addressed to the Chief Executive Officer;
 - (ii) is absent without leave for three consecutive meetings of the General Management Committee;
 - (iii) ceases to be a Councillor or Alderman; or
 - (iv) has not been lawfully nominated as a candidate for election as President in accordance with Rule 26,

and if the office of President becomes vacant more than twelve months before the next Annual General Meeting where a President is due to take up office in accordance with Rule 27(a), then Rule 27(g) applies.

- (c) If the President gives notice in writing to the Chief Executive Officer that he or she:
 - (i) intends to resign as President; or
 - (ii) intends to cease being a Councillor or Alderman,

~~and if the effective date of such resignation or cessation will be more than twelve months before the next Annual General Meeting where a new President is due to take up office in accordance with Rule 27(a), then Rule 27(g) applies.~~

and if the office of President becomes vacant more than six months before the next AGM where a President is due to take up office in accordance with Rule 27(a), a new President shall be elected in accordance with the procedures in Rule 26.

- (d) Where a President is elected in an election held by operation of Rule 27(b) or 27(c), they shall take up office at the time of declaration of their election or at the date the office of President is vacated, whichever is later.
- (e) If the office of President becomes vacant within twelve months of the next Annual General Meeting where a President is due to take up office in accordance with Rule 27(a), the Vice President shall assume office as President until a new President is elected at that Annual General Meeting in accordance with Rule 26.
- (f) The term of office of the President may be extended by any Meeting of the Association for such periods as it determines.

~~(g) — Where this Rule 27(g) applies, a recount of votes for the election of the President shall be held to fill the vacancy of President. If there are no votes to count, a new President shall be elected in accordance with the procedures in Rule 26. If, as a result of the recount or the election in accordance with Rule 26, the Vice President is elected as President, that person will resign as Vice President and the General Management Committee will appoint a new Vice President under Rule 28(a).~~

LGAT Policy

Does not apply.

Budget Impact

Does not apply.

7	REPORTS FROM BOARD REPRESENTATIVES *
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<p>Decision Sought</p> <p>(a) That the reports from representatives on various bodies be received and noted.</p> <p>(b) That Conference acknowledges the time and effort put in by all Association representatives on boards, working parties, advisory groups and committees etc.</p>

Listed below are the bodies on which the Association had statutory representation in the 2016/2017 financial year.

Representatives on Bodies are requested to provide a report for Conference and are also requested to provide regular reports back to the Association during the year.

- **Animal Welfare Advisory Committee**
Mr David Moser
- **Community Review Committee - Threatened Species Protection Act 1995**
Ms Liz Quinn, Kingborough Council
- **LGAT Assist**
Mr Kay Reeves
- **Local Government Board**
Mrs Elizabeth Gillam
- **State Fire Commission**
Mr Rod Sweetnam, Launceston City Council, Clr Hannah Rubenach, Break O'Day Council
- **State Fire Management Council**
Ms Belinda Loxley, Kingborough Council
- **State Grants Commission**
Mr Grant Atkins and Mr Rodney Fraser
- **State Marine Pollution Committee**
Mr Andrew Brown, Clarence City Council
- **Tasmanian Heritage Council**
Ms Danielle Gray, Kingborough Council; Ald Robin McKendrick, City of Launceston
- **Tasmanian Library Advisory Board**
Ald Sandra French, Burnie City Council, Clr Dick Adams, Northern Midlands Council; Ald James Walker, Clarence City Council; Ms Amanda Davison, Waratah Wynyard Council
- **Tasmanian Planning Commission**
Mr Michael Stretton, Waratah Wynyard Council

The reports received for presentation are at **Attachment to Item 7**.

8	CLOSURE
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