

Dorset Council

*Improving the quality of life of the people
of the Municipality through services
based on the principles of quality, equity,
value and responsiveness.*



Late Agenda Item

Ordinary Meeting of Council

20 March 2017

3 Ellenor Street SCOTTSDALE
commencing 6.00 pm

TIM WATSON
General Manager

Ref 17/2606

Dorset Council

Qualified Persons Advice

The *Local Government Act 1993*, Section 65, provides (in part) as follows: -

- A general manager must ensure that any advice, information or recommendation given to the Council is given by a person who has the qualifications or experience necessary to give such advice, information or recommendation.
- A council is not to decide on any matter which requires the advice of a qualified person without considering such advice unless the general manager certifies in writing that such advice was obtained and taken into account in providing general advice to the Council.

I therefore certify that with respect to all advice, information or recommendation provided to the Council in or with this agenda:

- a. the advice, information or recommendation is given by a person who has the qualifications or experience necessary to give such advice, information or recommendation; and
- b. where any advice is directly given by a person who does not have the required qualifications or experience that person has obtained and taken into account in that person's general advice the advice from an appropriately qualified or experienced person.



TIM WATSON
General Manager

**50A/17 Admission of Late Agenda Item
Accelerated Local Government Capital Program Approval - \$3.2
Million Loan**

Reporting Officer: Director – Corporate Services, Guy Jetson
Ref: 17/2564 | Notification of Approval: 17/2330 | Application: 17/831

Purpose

The purpose of this agenda item is to authorise borrowings from Tascorp of \$3.2 million under the Accelerated Local Government Capital Program.

Background

In correspondence (copy attached) dated 9 March 2017 Tony Ferrall, Secretary, Department of Treasury and Finance, advised that approval has been given by the Treasurer for borrowing of \$3.2 million in 2016-17 under the Accelerated Local Government Capital Program (ALGCP).

In February 2017 Council applied for funding under the ALGCP for three projects:

Bentley Street Bridport: \$2.1 million to construct 1,400m of new kerb and guttering, footpaths, retaining walls, upgrade stormwater drainage and re-surface the road. This is significant work which will add to the tourism infrastructure of the town, especially as the soon-to-commence Bridport Western Access Road will bring even more visitors into Bridport.

Arthur Street Scottsdale: \$300,000 to construct kerb and guttering, footpaths and re-seal the road surface. The main works will occur between Hedley Street and Ada Street, with minor works between the junction of Arthur Street and the Tasman Highway. This project will add to the residential amenity of Scottsdale.

Elizabeth Street Bridport: \$800,000 to construct footpaths, kerb and guttering and stormwater works. This project will improve the amenity for residents as well as improving the stormwater management and safety of the street.

The approved borrowings of \$3.2 million will enable completion of these works.

Planning, Environment & Statutory Requirements

80. Limit on borrowing

(1) Except with the approval of the Minister, a council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year.

(2) Grants made to a council for specific purposes are to be excluded in calculating 30% of revenue of the council.

Risk Management

N/A

Financial & Asset Management Implications

The Program enables Council to effectively borrow funds for a five year period interest free. It is recommended that Council seek borrowings of \$3.2 million over five years with interest only payments. The State Government will reimburse the interest paid by Council in July and January each year.

This means that Council can access capital funding to bring projects forward in its Long Term Financial Plan without incurring borrowing costs and having no immediate financial impact on Council. At the end of the five year loan term Council can will repay the \$3.2 million.

Community Considerations

N/A

Officer's Comments

The projects identified will be recommended to Council in the 2017-18 Budget Estimates with planning to commence in 2017 and construction completed in 2018.

As required under the ALGCP borrowings will be with Tascorp.

Recommendation

That Council borrow \$3.2 million from Tascorp over five years with interest only payments.

Department of Treasury and Finance

The Treasury Building
21 Murray Street HOBART TAS 7000
GPO Box 147 HOBART TAS 7001 Australia
Telephone (03) 6166 4444 Facsimile (03) 6173 0219
Email secretary@treasury.tas.gov.au Web www.treasury.tas.gov.au



Doc reference 17/38726

Mr T Watson
General Manager
Dorset Council
PO Box 21
Scottsdale TAS 7260

Dear Mr Watson

Accelerated Local Government Capital Program Approval

I refer to your submission to Treasury seeking to borrow \$3.2 million in 2016-17 and to receive an interest rebate on these borrowings under the Accelerated Local Government Capital Program for the five year maximum rebate term.

2016-17 New Money Borrowings

Under the *Financial Agreement Act 1994* and the *Local Government Act 1993*, the Treasurer must approve the Total Borrowings Amount to be undertaken by a Local Government Authority. In order to satisfy these legislative requirements, approval has been given by the Treasurer for the following amounts:

New Money Borrowings:	\$3 200 000
Add Refinancing:	Nil
Total Borrowings Amount:	\$3 200 000

The Total Borrowings Amount represents the maximum amount that may be borrowed by Dorset Council during 2016-17. It is essential that you advise Treasury, as soon as possible, if you anticipate that the required borrowings will change from the approved Total Borrowings Amount above.

Grant Payment of Interest Rebate

The interest rebate is based on the total amount of interest paid on the approved \$3.2 million in subsidised borrowings, subject to a five year maximum rebate term. Your Council will be required to provide Treasury with a copy of the loan repayment schedule prepared by the Tasmanian Public Finance Corporation for each borrowing at the time of drawing down the loan.

Treasury will reimburse the interest paid by your Council to Tascorp half yearly in arrears. It would be appreciated if your Council invoices Treasury in July and January each year for the total interest paid for the six month period. We do not believe that the Council is required to collect GST on the interest reimbursement from Treasury.

Can you please address the invoices to:

Department of Treasury and Finance
Finance-General
GPO Box 147
HOBART TAS 7001

Should you have any queries or require any further information regarding this matter, please contact Sophie Hill on (03) 6166 4197 or email financial.survey@treasury.tas.gov.au.

Yours sincerely



Tony Ferrall
Secretary

9 March 2017