



# H O B A R T



HOBART CITY COUNCIL

Annual Report 2004/2005



# Mission

Our mission is to ensure good governance of our capital city.

# Vision

As the capital City of Tasmania, Hobart will be a vibrant, progressive, prosperous, efficiently managed, human scale city that provides for the best possible lifestyle opportunities.

## Strategic Outcomes and Values

### STRATEGIC OUTCOMES

Hobart will be a city that:

<b><i>A liveable city</i></b>	is a safe and convenient place for people, encouraging creativity and lifestyle opportunities
<b><i>Management of our environment</i></b>	protects and conserves its environment and natural beauty
<b><i>Protection of our heritage</i></b>	conserves and enhances its significant built and cultural heritage
<b><i>Growth of our economy</i></b>	encourages the sustainable growth and prosperity of the community
<b><i>Gateway to Tasmania</i></b>	as the state capital, commits itself to the development of the economic, tourism, cultural and social life of Tasmania
<b><i>Management of our resources</i></b>	prudently manages its affairs and the delivery of quality affordable services

### VALUES

The Council will:

<b><i>Leadership</i></b>	provide effective capital city leadership, integrity and openness in its approach and will advocate the needs and aspirations of the community
<b><i>Equity</i></b>	ensure equity, consistency and co-operation in its dealings with the community and government
<b><i>Community involvement</i></b>	encourage effective democratic involvement by the community in the life of the city through communication, consultation and participation
<b><i>Responsiveness</i></b>	be responsive to the needs and aspirations of the community
<b><i>Quality</i></b>	ensure continuous improvement in the delivery of all its services



*Members of the community are invited to comment on the Annual Report prior to the Council's Annual General Meeting, which will be held in the Council Chamber at 7.30pm on Monday 28 November 2005.*

*Comments and suggestions may be forwarded to the General Manager, Hobart City Council, GPO Box 503 Hobart 7001 by close of business, Friday 25 November 2005.*



# Lord Mayor's Message

It gives me great pleasure to present to you the Hobart City Council Annual Report for the 2004-2005 financial year. In doing so I have highlighted a number of key initiatives that were undertaken during the year in review.

Our community was shocked when news broke about the horrific loss of life from the earthquake and tsunami in Asia. A special meeting of the Council was held to give approval for a \$50,000 donation to help thousands of orphaned children while further funds were raised during the Taste of Tasmania by patrons wanting to help the victims.

A Council initiative, known as the Walking School Bus Project and developed by Council Officers at the South Hobart Primary School, won approval for promotion to all schools throughout Australia.

A unique lighting kaleidoscope on Salamanca Lawns, enjoyed by tens of thousands of people in Sullivans Cove from 1994, underwent a major transformation with the introduction of new 'bud lights'. Now 10 kilometres of new LED bud lights have been installed, together with 30,000 individual lights, re-creating a landmark attraction on the Hobart waterfront.

We thank the State Branch of the RSL who partnered the Council in commemorating the 60th anniversary of Victory in the Pacific and the end of the Second World War. More than a million Australians served during World War II including thousands of Tasmanians. With the financial support of the Australian Government, VP Day involved a special concert and reception at the City Hall on Sunday 14th August and a commemorative service at the Hobart Cenotaph on Monday 15th August with hundreds of Pacific War veterans.

A new marketing initiative was developed for the City promoting prominent precincts such as the city centre, Salamanca, North Hobart and Sandy Bay.

We congratulate the 2005 recipients of the Citizen of the Year Awards. The Hobart City Council Citizen of the Year Award was presented to Robin Wilkinson, an outstanding advocate for people with disabilities. The Young Citizen of the Year Award was presented to Katie Kingshott for her contribution to human rights and the Community Event of the Year was awarded to The Mountain Festival – a celebration of Mount Wellington.

On the organisational side it was a year of outstanding achievement when the Council received the coveted Silver Award in the Australian Business Excellence Awards. The awards are recognised widely as Australia's most rigorous and prestigious business awards. This is a stunning achievement for the Council and our staff, and reassuring for the ratepayers to know that we are setting benchmarks for the rest of the country.

In addition, the top Planning Institute of Australia Award for a young planner in Australia or overseas was won by the Council's Caroline Gifford.

This is just a sample of the Council activities undertaken over the past 12 months and I commend the annual report to you. I would also like to take this opportunity to thank all Aldermen and staff for the significant achievements and progress in building a better community.

Alderman Rob Valentine  
LORD MAYOR





# General Manager's Message

I am again pleased to report that the year in review has seen continued progress of the city in all facets of our operations.

From an operational point of view there has been a steady emphasis in the past years on refining our processes and procedures with the aim of better responding to the needs and aspirations of the Hobart and visitor community. The point was reached this year where we adopted the theme *"planning for the future"*. While in the past our horizon has been limited generally to a five-year time frame, we have now begun the process of extending that to a 20-year outlook in key areas of our activities, which include strategic planning, asset management and financial modelling. These extended plans will begin to come on line in the year ahead.

The Council has endorsed, in principle, the development of a social plan for the city. The first stage of the project, to be undertaken in the 2005/2006 financial year, will be the development of a community profile. Also, we are revising our current approach to the management of risk with the finalisation of an integrated risk management system, which will cover all facets of our operations.



It is pleasing to note the general improvement in our internal performance indicators and in particular I do wish to mention the significant upward trend in the score achieved by the organisation in the externally evaluated Australian Business Excellence Awards carried out in March. The Hobart City Council received a Silver Award in recognition of the progress made since the introduction of the Australian Business Excellence Framework (ABEF) as a formalised improvement process in 1998. The overall purpose of our involvement with the ABEF can be best summed up as follows:

*"The Hobart City Council is creating a continuous improvement culture that will deliver a sustainable future and recognition of the Council as an organisation of excellence."*

Coupled with the work being done through the ABEF processes, we have continued with our project, commenced in 1997, to have all of our activities assured to the International Standard for Quality Management Systems (AS/NZS ISO 9001: 2000). This project is due for completion in December 2006.

These projects have of course been undertaken in addition to the broad range of functions carried out in our day-to-day list of duties.

I particularly want to thank all employees for their commitment to this very special city of ours and to again thank the Aldermen for their role as the elected representatives of the Hobart community.

Brent Armstrong  
GENERAL MANAGER

# Council Aldermen



## LORD MAYOR ALDERMAN ROB VALENTINE *MACS*

**Committee Membership** Council (Chairman), Policy and Intergovernment (Chairman)

**Representations** Festivals and Tourism Special Committee, Australian Sister Cities Association, Southern Tasmanian Councils Board (Chairman), Kalang Avenue Residents' Traffic Committee, West New Town Local Area Traffic Management Committee, Local Government Association of Tasmania General Management Committee, Local Government Association of Tasmania – General Meetings, Cornelian Bay Working Group (Chairman), Hobart City Council Arts Advisory Committee, Sandy Bay Shopping Centre Traders' Traffic Committee, Sandy Bay Residents' Traffic Committee, Premier's Local Government Council



## DEPUTY LORD MAYOR ALDERMAN EVA RUZICKA

**Committee Membership** Development and Environmental Services, Policy and Intergovernment, Parks and Customer Services

**Representations** Audit Committee, Heritage Account Special Committee, Battery Point Sullivans Cove Community Association – Hall Sub-Committee, Local Government Association of Tasmania General Management Committee (proxy), Local Government Association of Tasmania – General Meetings (proxy), Trustees of the Royal Tasmanian Botanical Gardens (proxy), Lenah Valley Progress Association Hall Trustees, City of Hobart Eisteddfod Society Inc. (proxy), Hobart City Council Access Advisory Committee (Chairman), South Hobart Community Centre – Management Committee, Cornelian Bay Working Group (proxy), Tasmanian Library Advisory Board, Migrant Resource Centre Board of Management, Southern Tasmanian Councils Board (proxy), Tasmanian Polar Network, Sandy Bay Shopping Centre Traders' Traffic Committee



## ALDERMAN LYN ARCHER

**Committee Membership** Development and Environmental Services (Chairman), Policy and Intergovernment, Community Development

**Representations** Battery Point Advisory Committee (Chairman), Sandy Bay Shopping Centre Traders' Traffic Committee, Wellington Park Management Trust, Targa Liaison Committee, Sandy Bay Residents' Traffic Committee, North Hobart Focus Group, Property Council of Australia, Heritage Account Special Committee, Road Safety Strategy for Hobart Steering Committee (proxy)



## ALDERMAN DARLENE HAIGH

**Committee Membership** City Services (Chairman), Policy and Intergovernment, Finance and Corporate Services, Parks and Customer Services

**Representations** (Hobart) City Safe Inc., Kalang Avenue Residents' Traffic Committee, Mount Stuart Residents' Traffic Committee, West New Town Local Area Traffic Management Committee, North Hobart Focus Group (Chairman), Hobart Emergency Management Committee (Chairman), Hobart Water (proxy), Southern Waste Strategy Authority, Hobart Community Police Liaison Group (Chairman), Road Safety Strategy for Hobart Steering Committee, Wellwood Street Residents' Traffic Committee, West Hobart Local Area Traffic Management Committee, Sandy Bay Residents' Traffic Committee, Sandy Bay Shopping Centre Traders' Traffic Committee

# Council Aldermen



## ALDERMAN MARTI ZUCCO

**Committee Membership** Community Development (Chairman), Policy and Intergovernment, Development and Environmental Services

**Representations** Audit Committee, Drug and Alcohol Strategy Reference Group (Chairman), Festivals and Tourism Special Committee, Australian Sister Cities Association (proxy), Southern Tasmanian Tourism Taskforce (proxy)



## ALDERMAN JEFF BRISCOE BSc (Hons), Dip Ed, TTC, MHum, LLB (Hons)

**Committee Membership** Policy and Intergovernment, Community Development, Development and Environmental Services

**Representations** Festivals and Tourism Special Committee, Corporate History of the Hobart City Council Steering Committee, Hobart Bicycle Plan Advisory Committee, West Hobart Local Area Traffic Management Committee, (Hobart) City Safe Inc. (proxy), Cornelian Bay Working Group (proxy), Greenhouse Reference Group, Queens Domain Advisory Committee (proxy), Mount Stuart Residents' Traffic Committee (proxy), Greenhouse Implementation Group, Southern Tasmanian Councils Natural Resource Management Sub-Committee, Dr Edward Hall Environment Awards Judging Panel (Chairman), Sandy Bay Residents' Traffic Committee, Sandy Bay Shopping Centre Traders' Traffic Committee



## ALDERMAN ERIC HAYES AO

**Committee Membership** Policy and Intergovernment, Finance and Corporate Services, City Services, Community Development

**Representations** Audit Committee, Festivals and Tourism Special Committee (Chairman), Hobart International Airport Co-ordination Council, 50 & Better Centre Advisory Committee (Chairman), Superannuation Policy Group, Southern Tasmanian Tourism Taskforce (Chairman), Southern Tasmanian Councils Board (proxy)



## ALDERMAN DR PETER SEXTON BSc(Hons), BMedSci, MBBS, PhD, FAFPHM, MRCMA

**Committee Membership** Parks and Customer Services (Chairman), Policy and Intergovernment, Finance and Corporate Services

**Representations** Audit Committee, Domain Tennis Centre Incorporated Board of Management, Hobart City Council Arts Advisory Committee, Queens Domain Advisory Committee (Chairman), Christmas Pageant Organising Committee (Chairman), Friends of Soldiers Walk Inc., Premier's Physical Activity Council, Trustees of the Royal Tasmanian Botanical Gardens, Wellington Park Management Trust

# Council Aldermen



## **ALDERMAN DR JOHN FREEMAN** MBBS, FRACP

**Committee Membership** Finance and Corporate Services (Chairman), Policy and Intergovernment, City Services, Parks and Customer Services

**Representations** Audit Committee (Chairman), Heritage Account Special Committee (Chairman), Trustees Tasmanian Museum and Art Gallery, Hobart Water, Superannuation Policy Group, Hobart City Council Arts Advisory Committee, Maritime Museum of Tasmania – Board of Trustees, *SV May Queen* Preservation Project – Board of Directors, Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee (Chairman)



## **ALDERMAN PATSY JONES**

**Committee Membership** Policy and Intergovernment, Development and Environmental Services, City Services

**Representations** Hobart Bicycle Plan Advisory Committee (Chairman), Greenhouse Reference Group, Corporate History of the Hobart City Council Steering Committee, Wellington Park Management Trust (proxy), Greenhouse Implementation Group, Southern Tasmanian Councils Natural Resource Management Sub-Committee, Sandy Bay Residents' Traffic Committee



## **ALDERMAN RON CHRISTIE**

**Committee Membership** Policy and Intergovernment, City Services, Community Development, Parks and Customer Services

**Representations** City of Hobart Eisteddfod Society Inc. (President), Festivals and Tourism Special Committee, "Get Walking" Reference Group, Salamanca Arts Centre Incorporated Executive Committee, Sandy Bay Shopping Centre Traders' Traffic Committee, Sandy Bay Residents' Traffic Committee



## **ALDERMAN HELEN BURNET** (Elected March 2005)

**Committee Membership** Policy and Intergovernment, Finance and Corporate Services



## **ALDERMAN MAT HINES** (Resigned February 2005)



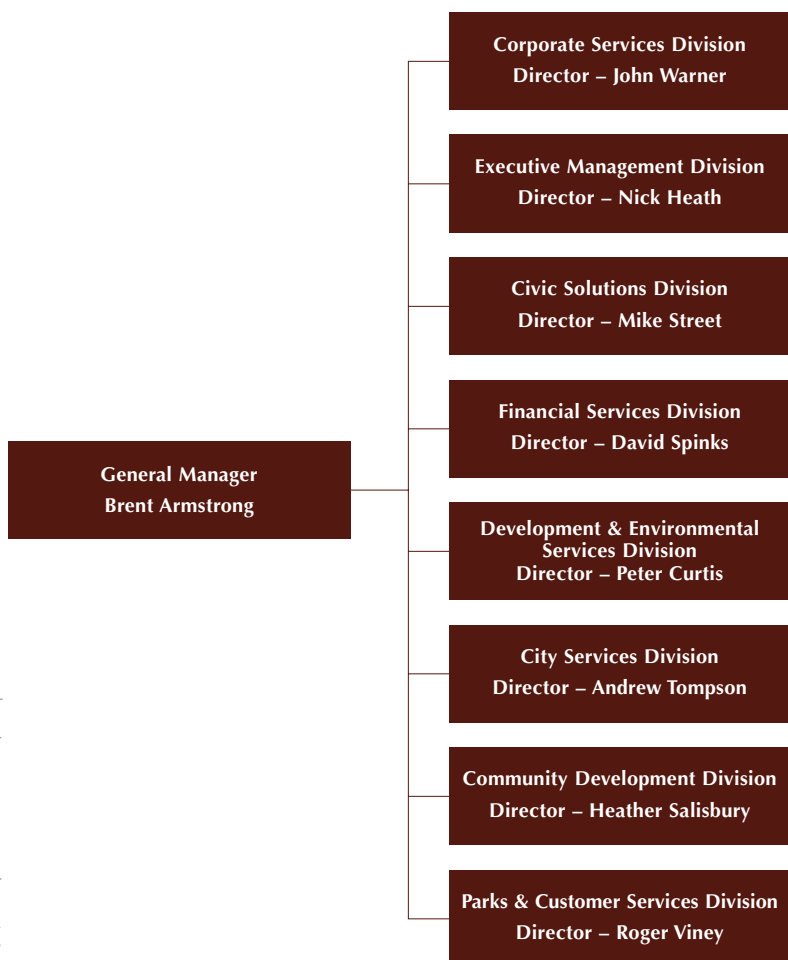
# Organisational Structure

**The Aldermen** are the decision-making and direction-setting arm of the Council. In support of that role is the administration of the Council, overseen by the General Manager. In turn the General Manager is supported by the Corporate Management Team in the implementation of Council decisions and policies. The team comprises the Director of each of the eight divisions of Council.



Back: David Spinks, John Warner, Nick Heath, Mike Street

Front: Peter Curtis, Andrew Tompson, Brent Armstrong, Roger Viney, Heather Salisbury



## Measuring Success

Performance is measured by completion of the actions and initiatives undertaken each year and outlined in this report.

Success is measured by the impact of those actions and initiatives in achieving the results and outcomes stated in the strategic plan.

A range of measures has been identified to inform the Council and community on the progress made towards achieving the strategic plan outcomes and, in turn, working towards achieving the vision established by the Council for the future of our city.

The measures are drawn from a number of sources including Tasmania *Together* Goals and Benchmarks, Local Government Association of Tasmania Measuring Council Performance in Tasmania Report, HCC Key Performance Indicators, HCC Resident and Business Surveys plus a range of internally developed measures.

The measures report on each of the 20 key strategic areas in the plan, which in turn are consolidated to demonstrate progress in each of the six strategic outcomes.





# Reporting Performance

Each year the Council endorses an operational plan, which identifies the actions and initiatives that will be undertaken for that particular year, both of a strategic and ongoing nature – effectively a work program of actions.

The format of this annual report is to identify the major strategic areas and the results that the Council is seeking to achieve through the strategic plan and to align the actions and initiatives outlined in the annual operational plan with those results. Performance in progressing the annual work program is indicated.

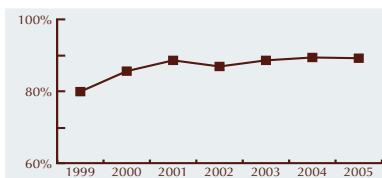
The report is divided into six sections based on the strategic outcomes in the 2001-2005 Strategic Plan:



## ACHIEVEMENT OF TARGETS

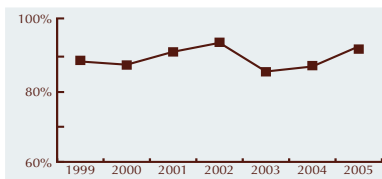
## STRATEGIC OUTCOME

## KEY STRATEGIES



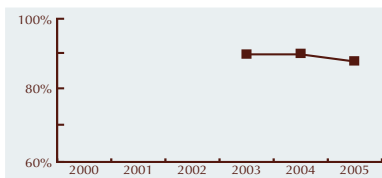
### A Liveable City

- Community Safety
- Community and Cultural Development
- Community Health
- Transportation
- Planning and Development Standards



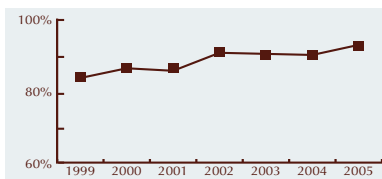
### Management of the Environment

- Environmental Management
- Natural Resource Management
- Environmental Services



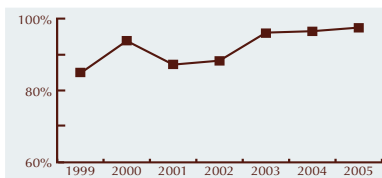
### Protection of our Heritage

- Cultural Heritage



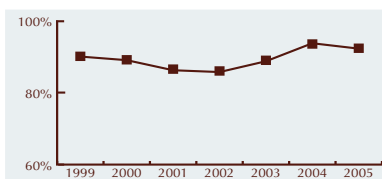
### Growth of the Economy

- Economic Development
- Sustainable Development Planning



### Gateway to Tasmania

- Integrated Tourism Development
- Sport and Recreation



### Management of our Resources

- Capital City Leadership
- Communication and Consultation
- Customer Services
- Infrastructure Planning and Management
- Service Delivery
- Organisational Management
- Financial Performance



**STRATEGIC OUTCOME:**

# A Liveable City

*Hobart will be a city that is a safe and convenient place for people, encouraging creativity and lifestyle opportunities.*

**KEY STRATEGY: COMMUNITY SAFETY**

Completed ✓  
 Under Way →  
 No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

**A city where people feel safe**

- Implement the Hobart Community Safety Strategy in conjunction with relevant State Government agencies
- Prepare a Tree Management Strategy
- Reinstate fire trail – The Springs to Grays Road
- Construct fire trail – Rialannah Road, Mt Nelson
- Construct fire trail – Ridgeway Reserve Trail R15

→  
✓  
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✓

**A city where people can use and enjoy public spaces and facilities free of risk**

- Continue implementing an inspection regime that identifies potential public hazards in Council's road reserves
- Ensure works by third parties (gas installation) are carried out in accordance with Council's requirements
- Review the operation of the Elizabeth Mall Information Booth and implement improvements to better suit businesses and patrons of the city
- Undertake risk management works at Waterworks Quarry
- Carry out the redevelopment of playgrounds in accordance with the Playground Development Strategy
- Review recreational beach water sampling program to ensure sampling regime includes prompt investigation into reasons for elevated results

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→  
✓  
→  
✓  
→

**A city that is appropriately prepared for emergencies and post-emergency recovery**

- Continue involvement with the State Emergency Service in regional emergency management through participation in the Southern Region Disaster Planning Group and the Southern Region Community Recovery Committee
- Continue the role of the Hobart Emergency Management Committee and a functioning committee for the oversight of emergency management activities for the Council
- Review the current municipal emergency management plan and develop an appropriate methodology for future plans
- Complete the development of the model recovery plan for statewide and general application
- Develop flood action plans for the major rivulets
- Install fire trail signage
- Preparation of waterways flood management action plans

✓  
✓  
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✓  
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**KEY STRATEGY: COMMUNITY SAFETY**  
(cont.)

Completed ✓  
Under Way →  
No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

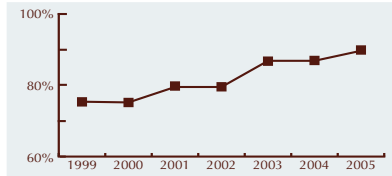
**PERFORMANCE**

**Recognition of the city's community safety practices and programs**

- Implement the Hobart Community Safety Strategy in conjunction with relevant State Government agencies

→

**Community Safety – Achievement of Targets**



*Steady improvement in perception of safety*







## KEY STRATEGY: COMMUNITY HEALTH

Completed ✓  
 Under Way →  
 No Action ✗

### RESULTS TO BE ACHIEVED

### 2004/05 ACTIONS/INITIATIVES

### PERFORMANCE

**High standard of public health and clean drinking water**

- Continue base survey of existing septic tanks to identify malfunctioning systems requiring rectification
- Develop tracking database for backflow prevention devices (re: protection of water supply)

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**Commercial premises are clean and the food prepared there is safe**

- Review procedures for the issue of inspection sheets and formal notices to food businesses including follow-up action
- Undertake random food business audits to improve use of documentation and to ensure a consistent and uniform approach in assessing their hygiene standard
- Continue the promotion and implementation of the Food Safe food handler training program to food business operators

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**A reduction in noise and other environmental pollutants**

- Clarify roles, responsibilities and enforcement procedures of after-hours noise complaints with Tasmania Police
- Stormwater Management Plan preparation

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**Improved community safety through the safer disposal of drug use equipment**

- *See next result area*

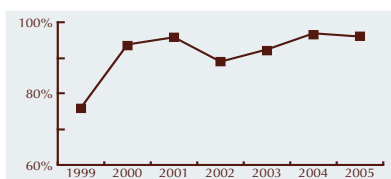
**A better informed community on drug related matters**

- Undertake a number of initiatives through Council's Drug and Alcohol Strategy including off-site immunisation to target youth, harm reduction messages in public toilets, review of the Drug and Alcohol Strategy and research of a Municipal Alcohol Plan
- Establish the National Illicit Drug Strategy Project in accordance with the Commonwealth contractual arrangements and guidelines

✓

✓

**Community Health – Achievement of Targets**



*Minor reduction in recreational and public bathing water quality standards and community perception of Council's immunisation program*





## KEY STRATEGY: COMMUNITY AND CULTURAL DEVELOPMENT

Completed ✓  
 Under Way →  
 No Action ✗

### RESULTS TO BE ACHIEVED

### 2004/05 ACTIONS/INITIATIVES

### PERFORMANCE

**A city in which all people have equal access to facilities, services and activities**

- Launch and promote Council's Equal Access Strategy, in consultation with Access Advisory Committee
- Develop a process for monitoring access works and upgrades in order to identify outstanding access issues
- Undertake internal refurbishments of public convenience facilities at Marieville Esplanade
- Provision of new public convenience facilities at Cornelian Bay and Mt Stuart
- Provide advice in relation to access issues at the Town Hall, including access from the parking deck
- Continue to investigate lift options in the Carnegie Building
- Launch and distribute the revised Hobart Mobility Map appropriately
- Collaborate with Tasmanians with Disabilities and other relevant stakeholders in organising an art exhibition for children with disabilities in mainstream schools as Council's event for International Day of People with a Disability

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**A harmonious community in which all people are valued and can be active participants in community life**

- Progress the proposal for a Social Plan for Hobart
- Work with the 50 & Better Centre Advisory Committee and the Centre Redevelopment Reference Group to progress the redevelopment proposal for the Centre, by:
  - working with key stakeholders
  - undertaking structural engineering report
  - further developing building designs and costings
  - sourcing capital funding
  - identifying a range of appropriate management structures for the redeveloped Centre
- Promote the 50 & Better Centre and develop collaborative programs with government agencies and community organisations
- Recruit volunteers to maintain existing Centre activities especially in relation to the provision of food service at the Centre
- Participate in Seniors Week through activities at the 50 & Better Centre, and the Town Hall Seniors Week concert
- Continue to provide support to the Midcity School for Seniors Program
- Develop, implement and evaluate an Intergenerational Arts Project in consultation with Youth Development
- Promote Children's Services to ensure maximum utilisation in all program areas
- Participate in 2005 National Youth Week

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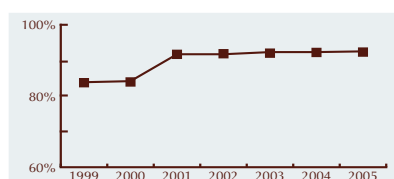
✓

Completed ✓  
 Under Way →  
 No Action ✗

## KEY STRATEGY: COMMUNITY AND CULTURAL DEVELOPMENT (cont.)

RESULTS TO BE ACHIEVED	2004/05 ACTIONS/INITIATIVES	PERFORMANCE
	<ul style="list-style-type: none"> <li>• Provide activities at the North Hobart Cultural Skate Park, in partnership with key stakeholders and businesses</li> <li>• Investigate the co-location of Migrant Resource Centre's Youth Services at Youth ARC</li> </ul>	<p>✓</p> <p>✓</p>
A city in which people are actively involved in shaping the community to meet its own needs	<ul style="list-style-type: none"> <li>• Implement the Youth Participation Model through Futures Youth Advisory Committee, Youth ARC, information technology and community education</li> <li>• Undertake a review of the Hobart City Council Youth Strategy, principally through a youth forum, in consultation with Futures</li> <li>• Undertake information sessions with the industry and wider community</li> </ul>	<p>✓</p> <p>✓</p> <p>→</p>
A city which values its creativity and cultural life and which celebrates its cultural diversity	<ul style="list-style-type: none"> <li>• Develop a Cultural Diversity Policy</li> <li>• Review, prioritise and continue to implement the Council's Arts and Cultural Strategy</li> <li>• Continue to support the Hobart City Council Arts Advisory Committee and Visual Arts Sub-Committee</li> <li>• Undertake a review of the Council's public art policy and current activities to identify options for, and make recommendations on, the development of a suitable public art program for Hobart</li> <li>• Manage public art projects as required</li> <li>• Document the city's public sculpture and monuments and the associated production of a sculpture and monuments trial brochure</li> <li>• Undertake an audit of artwork owned by Hobart City Council</li> <li>• Review and implement visual arts activities associated with the Hobart Summer Festival, specifically Gallery Night in the Cove</li> <li>• Development of Cultural Heritage Policy</li> </ul>	<p>→</p> <p>→</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>→</p> <p>→</p> <p>→</p> <p>✓</p> <p>→</p>
Hobart as a vibrant place to live and visit	<ul style="list-style-type: none"> <li>• Undertake the street tree planting program</li> <li>• Undertake spring bulb plantings in selected locations</li> <li>• Install the first stage of the LED bud lights in the plane trees at Salamanca</li> <li>• Replace chess pieces at Salamanca and Franklin Square</li> </ul> <p><i>Also see information under Integrated Tourism Development Strategy</i></p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

### Community and Cultural Development – Achievement of Targets



*High level of satisfaction with cultural development and special events*



## KEY STRATEGY: TRANSPORTATION

Completed ✓  
Under Way →  
No Action ✗

RESULTS TO BE ACHIEVED	2004/05 ACTIONS/INITIATIVES	PERFORMANCE
<b>Improved road safety</b>	• Respond to complaints/requests from the community, Council and other authorities	→
	• Provide advice to the community on traffic engineering matters	→
<b>Car parking supply to more closely match demand</b>	• Monitor vehicular parking in suburban areas and on the city's periphery in order to gauge the effect of commuter parking on residential and recreational areas	✓
	• Investigate adequacy of supply of parking in Hobart	→
	• Continue monitoring short-term shopper parking demand for Hobart CBD and suburban shopping centres and means for improving supply of parking	→
	• Continue monitoring commuter parking needs for Hobart	→
<b>Improved facilities for pedestrians, traffic and parking in suburban shopping centres</b>	• Maintain provision of parking facilities for vulnerable users, such as the elderly and people with disabilities	→
	• Continue monitoring short-term shopper parking demand for Hobart CBD and suburban shopping centres and means for improving supply of parking	→
<b>An efficient system for the movement of people and goods</b>	• Plan, design and implement projects necessary to meet the needs of road users	→
	• Provide traffic analysis for development applications to meet Council or statutory deadlines	→
<b>A revitalised CBD and commercial areas</b>	• Continue monitoring short-term shopper parking demands for Hobart CBD and suburban shopping centres and means for improving supply of parking	→
<b>Effective management of on-street and off-street parking</b>	• Continue to investigate and develop enforcement agreements with private car park owners	✓
	• Conduct training and implement the hand-held parking infringement computers	✓
	• Maintain the application of appropriate pricing policies for the use of all public car park facilities	→
	• Continue management of: Resident Parking Schemes; all kerbside parking under delegated authority from the State Government; on-street parking facilities for people with disabilities	→
	• Continue replacement of obsolete mechanical parking meters with electronic meters	→
	• Continue monitoring resident parking needs for areas of Hobart	→
<b>Improved facilities for cyclists, pedestrians and other road users</b>	• Maintain provision of parking facilities for vulnerable users, such as the elderly and people with disabilities	→
<b>Improved traffic management in suburban areas</b>	• Collect relevant transport data (such as volume, speed, origin/destination, accidents) to assist effective planning to meet future transportation requirements of the community	→

Completed ✓  
 Under Way →  
 No Action ✗

**KEY STRATEGY: TRANSPORTATION**  
*(cont.)*

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

**A more effective public transport system**

- Completion of Walking School Bus Project
- Collect relevant transport data (such as volume, speed, origin/destination, accidents) to assist effective planning to meet future transportation requirements of the community

✓  
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**Improved management of commercial and industrial through-traffic**

- Collect relevant transport data (such as volume, speed, origin/destination, accidents) to assist effective planning to meet future transportation requirements of the community

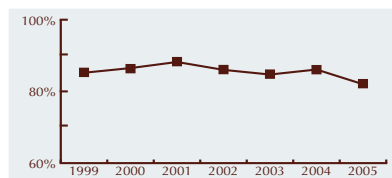
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**Safe and effective control of traffic for special events**

- Plan, design and implement traffic management works for special events in Hobart

→

**Transportation – Achievement of Targets**



*Reduction in the community perception of standard of traffic management, parking and local roads and footpaths*



# KEY STRATEGY: PLANNING AND DEVELOPMENT STANDARDS

Completed ✓  
 Under Way →  
 No Action ✗

## RESULTS TO BE ACHIEVED

## 2004/05 ACTIONS/INITIATIVES

## PERFORMANCE

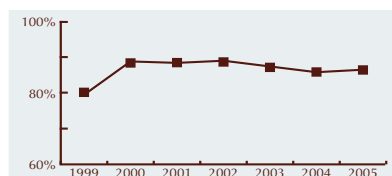
### More efficient and effective development approval and enforcement systems

- Continue the development of “help” brochures for development lodgement and make them available on Council’s internet site ✓
- Seek legislative reform to improve development assessment process ✓
- Develop procedures/work instruction to ensure clear roles and responsibilities between Compliance and Development Appraisal Units ✓
- Evaluate new building and plumbing legislation (re: approval process) and develop procedures with supporting work instructions ✓
- Refine and align new building and plumbing legislation operational procedures with development control tracking system ✓
- Align compliance process to new plumbing and building legislative requirements ✓
- Establish process to monitor infringement notice compliance →
- Standard method for preparing evidence prior to legal enforcement →
- Integrate existing compliance data with GIS ✗
- Review development control tracking system and develop reporting and statistical module →
- Complete review of Building Surveying Service delivery in light of the commencement of the *Building Act 2000* →
- Monitor the impact of the application of the *Building Act 2000* ✓
- Preparation of hydraulic systems capacity information for Planning Scheme →
- Assist in the development of the new Planning Scheme by: producing base plans; developing planning scheme map series; developing map production tools; providing information on infrastructure capacity for the city ✓
- Maintain and improve the cadastral property base and other core infrastructure data within the Geographic Information System for both internal and external use/sale →

### Building development that is sympathetic to existing heritage

- Develop the Cultural Heritage Policy →
- Implementation of recommendations from Heritage Study (Sandy Bay, South Hobart, West Hobart, City Fringe, Central Area) ✗
- Implementation of Partnership Agreement in respect of State Government heritage assets ✗

### Planning and Development Standards – Achievement of Targets



Improvement in number of planning decisions upheld at appeal, reduction in community perception of quality of development and public spaces





**STRATEGIC OUTCOME:**

# Management of our Environment

*Hobart will be a city that protects and conserves its environment and natural beauty.*

**KEY STRATEGY: ENVIRONMENTAL MANAGEMENT**

Completed ✓  
 Under Way →  
 No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

**A clean and healthy Derwent River and waterways**

- Operate and maintain the wastewater treatment plants at a high standard and conform within the guidelines set down by the Department of Primary Industries, Water and Environment
- Assist in monitoring facilities and sampling programs of trade waste businesses
- Continue enforcing the upgrading of pre-treatment devices for food industry premises particularly in the Salamanca/Hobart docks area
- Stormwater Management Plan preparation
- Investigate removal of sewage contamination from the Hobart Rivulet, Providence Gully Rivulet and Sandy Bay Rivulet
- Completion of the Catchment Management Plan for the Hobart Rivulet
- Construct stormwater reticulation into unserviced areas

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**High-quality air**

- Undertake Stage 2 of Air Quality Project

✓

**Reduction in greenhouse gas to meet targets**

- Continue to investigate all areas of the wastewater treatment plants that have an impact on greenhouse gas emissions and reduce where possible, including the installation of new cogeneration equipment at the Macquarie Point Wastewater Treatment Plant

✓

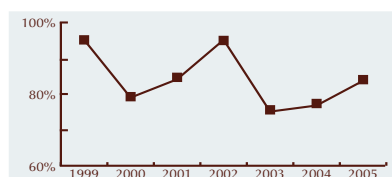
**Maintenance of important landscape values**

- Consider the outcomes of the Mt Nelson 6/99 amendment process and seek State Government policy and financial support for the protection of the Mt Nelson hills face and skyline
- Council implementation of the Fern Tree Urban Design Guidelines, in particular seeking Aurora support for the undergrounding of power near the Fern Tree bower

✓

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**Environmental Management – Achievement of Targets**



*Reduction in polluting incidents through storm events and systems failures*

## KEY STRATEGY: NATURAL RESOURCE MANAGEMENT

Completed ✓  
Under Way →  
No Action ✗

### RESULTS TO BE ACHIEVED

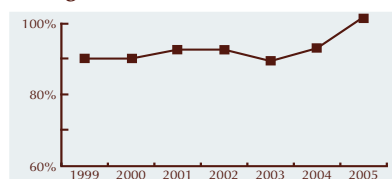
#### Protection and enhancement of bushland and natural environment

- Prepare a landscape plan for Valley Street Reserve
- Prepare a landscape plan for Ancanthe Park
- Complete the Bushland Strategy
- Undertake a 5-year revision of Knocklofty/McRobies Gully Fire Management Plan
- Undertake a 5-year revision of Lambert Park/Skyline Reserve Fire Management Plan
- Develop a Fire Management Plan for Tolmans Hill
- Develop a policy and procedures manual for the operations of the Bushcare Program
- Review Bushcare Adventures Program operations
- Implement Envirofund Grants – Knocklofty Reserve, Mt Nelson, Kangaroo Valley, Wellington Park
- Bushfire Risk Management Study (DoTARs)
- Complete Review of Local Action Plan under Cities for Climate Protection Program

### PERFORMANCE

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#### Natural Resource Management – Achievement of Targets



Increase in bushland volunteer hours

## KEY STRATEGY: ENVIRONMENTAL SERVICES

### RESULTS TO BE ACHIEVED

#### A clean city

- Complete works detailed in the City Cleansing Service Level Agreement
- Remove graffiti in accordance with community expectations and Council's resolutions
- Update the City Cleansing Service Level Agreement to take into consideration new assets that require cleaning

#### Improved waste management including resource recovery and reuse

- Conduct a recycling participation study for Hobart
- Continue to promote waste oil reuse and recycling in the region
- Promote waste education within schools and community groups
- Prepare long-term Waste Minimisation and Resource Recovery Plan for Council consideration
- Prepare Solid Waste Minimisation and Management Strategy for the commercial and industrial sectors including an evaluation of service delivery to the commercial sector

### PERFORMANCE

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**KEY STRATEGY: ENVIRONMENTAL SERVICES**  
 (cont.)

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

- Evaluate options and implement a strategic plan for future solid waste disposal →
- Investigate options to collect and compost food waste from large businesses →
- Investigate and implement cost-effective changes to increase the capacity and product quality of the green waste and composting facilities at McRobies Gully ✓

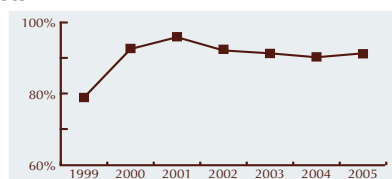
**Best practice environmental management practices and programs**

- Continue to implement the Environmental Management Plan for the Waste Management Centre and seek certification to the environmental standard ISO 1401 ✓
- Prepare an annual report on the Waste Management Centre for submission to the Department of Primary Industries, Water and Environment →
- Benchmark the Waste Management Centre disposal operations against other landfills →
- Continue improvements to the surface water management system at the Waste Management Centre ✓
- Maintain management system (quality and environmental management) in order to achieve industry best practice in wastewater treatment and achieve NATA accreditation for the Selfs Point Laboratory →

**Effective domestic animal control**

- Promote responsible dog ownership via the use of a range of promotional tools ✓
- Introduce courtesy ticketing process for off-lead offences ✓

**Environmental Services – Achievement of Targets**



*Increase in recycling collected at kerbside*



**STRATEGIC OUTCOME:**

# Protection of our Heritage

*Hobart will be a city that conserves and enhances its significant built and cultural heritage.*

**KEY STRATEGY: CULTURAL HERITAGE**

Completed ✓  
 Under Way →  
 No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

**Long-term conservation of heritage sites including buildings, streetscapes and cultural landscapes**

- Implement the Soldiers Memorial Avenue Management Plan
- Implementation of recommendations from Heritage Studies (Sandy Bay, South Hobart, West Hobart, City Fringe, Central Area)
- Completion of Mount Stuart/Lenah Valley Heritage Review – publication and implementation of recommendations
- New Town Heritage Study
- Cornelian Bay – historical research and interpretation project
- History of the Corporation – Stage 5 publication
- Bicentenary of Hobart 2003/04 – project implementation
- City Hall – implementation of strategies from Conservation Plan
- Supervision of projects under Heritage Funding Program
- Implementation of activities under Aboriginal Strategy including interpretation, opportunities and liaison regarding protection of Aboriginal cultural heritage
- Implementation of activities under Cultural Development Strategy

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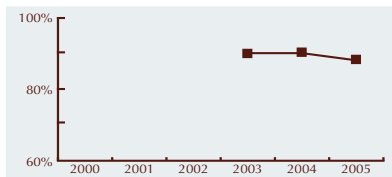
**A well-developed awareness and understanding of Hobart’s unique and diverse cultural heritage**

- Implementation of Partnership Agreement in respect to State Government heritage assets
- Development of Cultural Heritage Policy

✓

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**Cultural Heritage – Achievement of Targets**



*Reduction in community awareness of city heritage assets*



**STRATEGIC OUTCOME:**

# Growth of our Economy

*Hobart will be a city that encourages the sustainable growth and prosperity of the community.*

**KEY STRATEGY: ECONOMIC DEVELOPMENT**

Completed ✓  
Under Way →  
No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

**Business investment is attracted to the city**

- Continue to develop expressions of interest briefs for Council land sales as required by Council
- Present key data on the business profile of the city
- Undertake studies into the gaps and opportunities for the Hobart Business Framework

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**Recognition of Hobart as the island state's principal gateway, centre of government and premier business district**

- Assist in the development of the City Marketing Strategy

→

**An active and viable central business district**

- Complete the Central Area Zoning Review

✓

**Promotion of the city as an attractive place to live, work, invest and learn**

- Develop and implement a city-wide marketing plan, including action plans and the city's branding statements
- Implement marketing initiatives in accordance with the marketing plan to promote Hobart's capital city status

✓

✓

**There are established links and networks for economic growth**

- Establish communication channels with external organisations including the CBD Advisory Group
- Commence meetings of the Business/Economic Development Forum

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✓

**Greater employment and training opportunities**

- Ensure the Commonwealth contractual arrangements and guidelines for the new Job Placement, Employment and Training (JPET) contract are met, and continue to adopt a strategic approach to ensure the long-term viability of the program

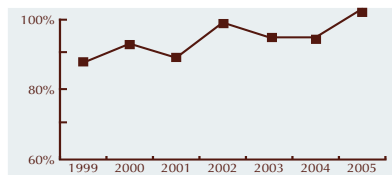
✓

**There are opportunities for young people to remain in the State**

- Develop and implement youth development initiatives, including Kool Skools' CDs, a Youth Business Enterprise and an intergenerational arts project in conjunction with Aged Services

✓

**Economic Development – Achievement of Targets**



*Increase in the value of building approvals, growth in the Annual Assessed Value of the city, business perception of Hobart as a business location and a reduction in office vacancy rate*

## KEY STRATEGY: SUSTAINABLE DEVELOPMENT

Completed ✓  
Under Way →  
No Action ✗

### RESULTS TO BE ACHIEVED

### 2004/05 ACTIONS/INITIATIVES

### PERFORMANCE

#### Integrated and sustainable land use, development and infrastructure provision

- Promote the completion of the City Infrastructure Capacity Review
- Progression of Capital City and Southern Tasmanian Council Partnership Schedules concerning regional planning and infrastructure issues
- Complete the City of Hobart Planning Scheme 1982, 2/2004 Ridgeway draft amendment statutory process
- Program of the preparation of a new City of Hobart Planning Scheme using the Simplified Planning Scheme's 'template'
- Initiate formal statutory process for a new Battery Point Planning Scheme using new 'template'

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#### Protection and enhancement of environmental, social and cultural values

- Commence the review of the Queens Domain Management Plan

✓

#### A protected skyline and landscapes

- Consider the outcomes of the Mt Nelson 6/99 amendment process and seek State Government policy and financial support for the protection of the Mt Nelson hills face and skyline
- Council implementation of the Fern Tree Urban Design Guidelines, in particular seeking Aurora support for the undergrounding of power near the Fern Tree bower

✓

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#### Sustainable use and development of natural and physical resources

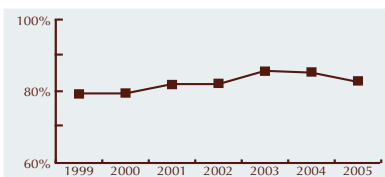
- Complete review of Local Action Plan under Cities for Climate Protection Program
- Develop the Adopt-a-Waterway pilot program
- Work in conjunction with the Asset Management Task Force developing corporate asset management strategies and plans for both the long (20 years) and short (5 years) terms

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✓

#### Sustainable Development – Achievement of Targets



*Reflects community perception of quality of development and public spaces*



**STRATEGIC OUTCOME:**

# Gateway to Tasmania

*Hobart will be a city that, as the state capital, commits itself to the development of the economic, tourism, cultural and social life of Tasmania.*

**KEY STRATEGY: INTEGRATED TOURISM DEVELOPMENT**

Completed ✓  
 Under Way →  
 No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

**Increased tourism visitation and expenditure**

- Provide support and advice to non-Council events and festivals such as the Australian Wooden Boat Festival, Ten Days on the Island, Antarctic Tasmania Midwinter Festival, the Great Tasmanian Bike Ride and the Hobart International Triathlon
- Continue to develop and maintain Salamanca Market's presence on the Council's website and explore use of a Market web cam as a promotional tool
- Assist in the implementation of Schedule 7.2 of the HCC/State Government Partnership Agreement – specifically the development of a Capital City Tourism and Marketing Strategy and the development of a Major Event Strategy for Hobart

✓

✓

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**High standard of infrastructure and planning**

- Install new electrical infrastructure at Salamanca Market to improve stallholder access to electrical power supply
- Implement and review new procedures for fixing tented structures at Salamanca Market
- Progression of Capital City and Southern Tasmanian Council Partnership Schedules concerning regional planning and infrastructure issues
- Prioritise initiatives arising from the Tourism and Major Events Strategy

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**More people are attracted to Hobart, thereby retaining the city's vitality**

- Continue to implement outcomes of the strategic review of the Hobart Summer Festival (HSF) and the Taste of Tasmania (The Taste)
- In line with the recommendations of the strategic review of the HSF/The Taste, update and implement a revised marketing strategy for the HSF, including The Taste
- Continue to develop and consolidate sponsorship opportunities for the Hobart Summer Festival
- Review HSF program with the view to refine and consolidate existing events, in particular the 1885 Dinner and the pre-Taste of Tasmania event, and explore opportunities for new content, which is tailored to distinct target markets
- Continue to support the operation of the Hobart Summer Festival Working Group (HSF and The Taste stakeholders)

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**KEY STRATEGY: INTEGRATED TOURISM DEVELOPMENT**  
(cont.)

Completed ✓  
Under Way →  
No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

- Review the Council funding mechanisms in support of major events and festivals
- Undertake a major review of the event design for the 2004 City of Hobart Carols by Candlelight, with a particular focus on relocating the event to a more suitable venue
- Address issues arising from the Hobart Waterfront Urban Design Framework as they relate to Council events and Salamanca Market

✓

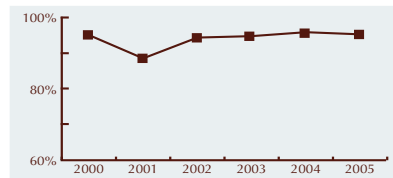
✓

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**Development that builds on and does not compromise Hobart's unique experience, location and quality**

- Refer *Planning and Development Standards* p.15 and *Cultural Heritage* p.19

**Integrated Tourism Development – Achievement of Targets**



*Maintains previous year's result*







## KEY STRATEGY: SPORT AND RECREATION

Completed ✓  
 Under Way →  
 No Action ✗

### RESULTS TO BE ACHIEVED

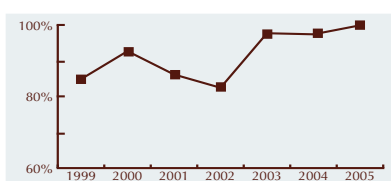
**A city in which all people have equal access to facilities, services and activities**

### 2004/05 ACTIONS/INITIATIVES

- Prepare the Bicentennial Walking Track brochure ✓
- Prepare the Knocklofty Reserve brochure ✓
- Replace toilet at the Pinnacle ✓
- Formalise walking tracks and construct the south-west viewing platform at the Pinnacle ✓
- Upgrade the Sphinx Rock Lookout – Mt Wellington →
- Implement Stage 3 of Wellington Park signage upgrade →
- Develop and implement a signage replacement program for sporting grounds ✓
- Progress the investigations for the provision of an in-ground public address system at the Hobart Cenotaph ✗
- Upgrade hockey goals at Cornelian Bay ✓
- Undertake repairs to the athletics track at the Domain Athletic Centre ✓
- Repair long jump facilities at John Turnbull Oval ✓
- Investigate the provision of additional junior soccer fields at Domain Crossroads East Oval ✓
- Replace retaining wall and landscape improvements at Lower Queenborough Oval →
- Replace protective netting at South Hobart Oval ✓
- Refurbish the drainage system and retaining wall at West Hobart Oval →
- Construction of a scoreboard at New Town Oval →
- Install CCTV facilities within Tattersall's Hobart Aquatic Centre (THAC) ✓
- Review the in-house food and beverage operations at THAC ✓
- Develop additional seating arrangements at THAC →
- Upgrade meeting room facilities at THAC ✓
- Introduce "Kinta", the mascot for major program promotions ✓
- Establish the cycling fitness program at THAC →
- Investigate e-commerce options for THAC ✗
- Develop major event entry (access) options for THAC ✓

### PERFORMANCE

### Sport and Recreation – Achievement of Targets



*High level of attendance at the Tattersall's Hobart Aquatic Centre and increase in use of parks, reserves and playgrounds*

**STRATEGIC OUTCOME:**

# Management of our Resources

*Hobart will be a city that prudently manages its affairs and the delivery of quality affordable services.*

**KEY STRATEGY: CAPITAL CITY LEADERSHIP**

Completed ✓  
Under Way →  
No Action ✗

**RESULTS TO BE ACHIEVED**

**2004/05 ACTIONS/INITIATIVES**

**PERFORMANCE**

**Positive leadership of the capital City in accordance with Council's values**

- Perform the function of the Secretariat for the Council of Capital City Lord Mayors

✓

**Strategic alliances enhanced and new partnerships developed**

- Implement the memorandum of understanding with the State Government Department of Health & Human Services
- Maintain the memorandum of understanding with the Salamanca Market Stallholders' Association Inc.
- Ongoing participation in the Hobart Waterfront Project
- Continue to implement the State Government/ Hobart City Council Partnership Agreements on "Crown Land Rationalisation" and "Data Sharing and Cadastral Upgrade"
- Oversee the implementation and reporting of the Capital City Partnership Agreement
- Ongoing participation in the Southern Tasmanian Tourism Taskforce

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**Effective regional relationships and co-operative regional development**

- Progression of Capital City and Southern Tasmanian Council Partnership Schedules concerning regional planning and infrastructure issues

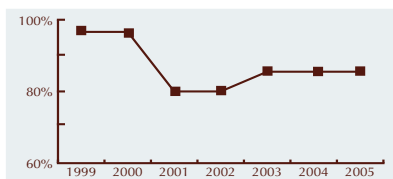
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**National and international recognition of Hobart as Tasmania's capital city**

- Achieve national recognition as an organisation of excellence

✓

**Capital City Leadership – Achievement of Targets**



*Maintains previous year's result*



## KEY STRATEGY: COMMUNICATION AND CONSULTATION

Completed ✓  
Under Way →  
No Action ✗

### RESULTS TO BE ACHIEVED

#### Greater community involvement in city planning and activities

- Invite targeted individuals and industry representatives to Divisional Management Coordination Group meetings
- Facilitate greater community awareness of Council's role within the resource management and planning system of Tasmania

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#### Effective collection of information for strategic planning and decision making

- Prepare for the biennial community and business surveys
- Develop an approach to the creation of a 2-year vision for the city in advance of the review of the Strategic Plan

✓

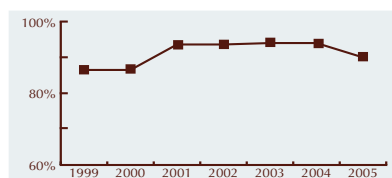
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#### A better informed community on Council matters

- Continue the development of Council's communication tools such as *Capital City News*, *Hobart Focus* and the website

✓

#### Communication and Consultation – Achievement of Targets



*Reduction in community perception of Council's performance in keeping residents informed*

## KEY STRATEGY: CUSTOMER SERVICES

### RESULTS TO BE ACHIEVED

#### High-quality customer service standards

- Continue to analyse statistics to identify areas where improved services can be provided
- Request regular feedback from customers
- Review and investigate payment methods available to customers, in particular credit card payments
- Introduce a new digital camera security system to the Customer Service Centre
- Introduce a new booking system for Waterworks Reserve
- Ascertain the level of client satisfaction of the development process through direct public surveys

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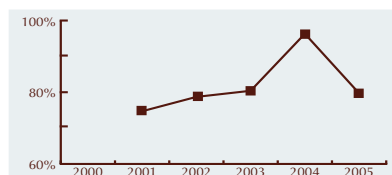
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#### Customer Services – Achievement of Targets



*Reduction in handling complaints and requests within agreed timeframes*

## KEY STRATEGY: INFRASTRUCTURE PLANNING AND MANAGEMENT

Completed ✓  
Under Way →  
No Action ✗

### RESULTS TO BE ACHIEVED

**Improved management to maximise the performance of existing infrastructure assets**

### 2004/05 ACTIONS/INITIATIVES

- Construct a formal access to the Cenotaph
- Progress the installation of back-flow prevention devices and water meters in selected parks
- Investigate the replacement of the ANZAC Parade lighting
- Implement the revised 2004 Liquid Trade Waste Policy
- Renew the existing Trade Waste Agreements
- Install additional sewer monitoring stations
- Continue auditing of all trade waste discharge sites
- Establish new trade waste agreements and permits with trade waste dischargers as identified
- Develop and implement a trade waste tracking system for grease arrestor pump-out and disposal monitoring
- Renewal of the Domain trunk sewer
- Hydraulic infrastructure renewals by trenchless technology
- Replacement of the Collins Street sewage pump station
- Upgrade of the Sandy Bay No. 2 sewage pump station
- Smoke testing in city sewerage catchment to remove stormwater from the sewerage system
- Renewal of Birngana Avenue water pump station
- Automation and telemetry upgrade of Arthur Street Reservoir
- Nelson Road Bend 2 erosion control works
- Sandy Bay Rivulet/Ridgeway Park erosion study
- Preparation of hydraulic incident notification plan
- Liverpool Crescent, Kooyong Glen and 114 Sandy Bay Road hydraulic schemes
- Continue development of processes to capture all project-related data and complete asset-related financial transactions
- Provide engineering surveys to facilitate the Council's work program

### PERFORMANCE

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**Strategic asset management to meet the city's needs now and into the future**

- Complete the development of an irrigation improvement strategy
- Develop a strategy for the improvement of car parks in parks and recreational areas
- Progress the development of a master plan for Salamanca Lawns
- Finalise the completion of the AJ White Park
- Complete the development of a Tree Management Strategy
- Commence the development of a five-year maintenance and master plan for Franklin Square

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## KEY STRATEGY: SERVICE DELIVERY

Completed ✓  
 Under Way →  
 No Action ✗

### RESULTS TO BE ACHIEVED

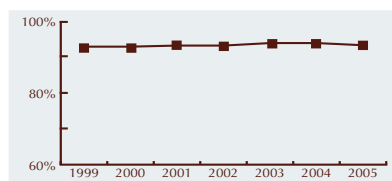
**Quality and efficiency in the delivery of essential services and infrastructure projects**

- Maintain Service Level Agreements with Civic Solutions
- Provision of engineering surveys as required by Council
- Facilitate road infrastructure maintenance works in accordance with the Road Maintenance Service Level Agreement
- Update the Road Maintenance Service Level Agreement to take into consideration the maintenance required on new Council assets and other new maintenance activities
- Review and improve the Service Level Agreements in Hydraulics Engineering Unit

### PERFORMANCE

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**Service Delivery – Achievement of Targets**



*Maintains previous year's result*

## KEY STRATEGY: ORGANISATIONAL MANAGEMENT

### RESULTS TO BE ACHIEVED

**An organisation of excellence, which embraces the principles of quality, best practice and continuous improvement**

- Continue to implement the Australian Business Excellence Framework
- Continue refinement of the stock control system for the inventory at the Hobart Regional Plant Nursery
- Improve storage of chemicals for the nursery and improve WH&S issues associated with chemical usage
- Progress investigations to proceed to gain NISA accreditation for the Hobart Regional Plant Nursery
- Examine opportunities for the application of quality assurance across community development activities
- Participate in the quality assurance scheme in family day care in conjunction with revised quality practices guidelines
- Address requirements relating to introduction of new state standards in family day care
- Review Vacation Care Program in relation to new state licensing requirements, quality assurance (QA) requirements and utilisation of program
- Develop and implement formalised project management strategies and processes for the delivery of Council-presented events (ISA 2002) as part of whole-of-division QA outcomes, including a complete set of operating procedures/manuals for Council-presented events

### PERFORMANCE

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## KEY STRATEGY: ORGANISATIONAL MANAGEMENT (cont.)

Completed ✓  
Under Way →  
No Action ✗

### RESULTS TO BE ACHIEVED

### 2004/05 ACTIONS/INITIATIVES

### PERFORMANCE

- Move the Development and Environmental Services Division towards certification under AS/NZ ISO 9001: 2000 'Quality Management Systems' ✓
- Monitor implementation of key findings (4) from AQC 2000 Feedback Report and Internal Self Assessment 2002/2003 →
- Preparation of submission for an Australian Business Excellence Framework – Business Excellence Award process ✓
- Extend scope of application of AS/NZS ISO 9001: 2000 to include other parts of the organisation →
- Facilitate Selfs Point Laboratory accreditation to AS 17025:1999 ✓
- Facilitate Waste Engineering Unit's certification to AS/NZS ISO 14001:1996 ✓

**The best possible service is provided at the lowest possible cost with consideration of:**  
 – best value (quality and price)  
 – Council's desire to continue being a major employer  
 – the long-term interests of the community

- Continue to implement and monitor the findings of the internal communications survey ✓
- Establish communication channels within Council using the Marketing and Communications Group ✓
- Continue to optimise Selfs Point and Macquarie Point Wastewater Treatment Plants to deliver the highest practicable standard of wastewater treatment at the lowest cost to the community ✓

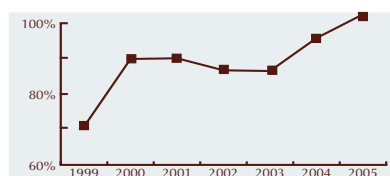
**Trained, informed and motivated staff**

- Provide event development training opportunities across the Community Development Division →
- Continue the in-house legal education program and provide appropriate training for other Councils →
- Maintain workers' compensation claims experience at similar or better levels than 2003/04 →
- Continue to implement and monitor the findings of the Internal Communications survey ✓

**Procedures in place to ensure business continuity**

- Establish Risk Management and Business Continuity Plans on the intranet ✓
- Review the content of the risk management information on the intranet →

### Organisational Management – Achievement of Targets



*An increase in number of employees engaged in quality assured activities, a reduction in time lost to injury and average sick leave taken*

## KEY STRATEGY: FINANCIAL PERFORMANCE

Completed ✓  
 Under Way →  
 No Action ✗

### RESULTS TO BE ACHIEVED

### 2004/05 ACTIONS/INITIATIVES

### PERFORMANCE

**Continued financial viability of the Council in accordance with a long-term financial strategy**

- Increase the provision for asset depreciation by 2.5% per annum
- Maintain operational expenditure minus the cost of new services and programs at 0.1% less than CPI
- Implementation of State and Local Government financial reforms
- Implementation of the Hobart Regional Nursery Business Plan
- Water Reform Package Rebate Scheme, Royal Tasmanian Botanical Gardens project, tariff review

✓

✓

✓

✓

→

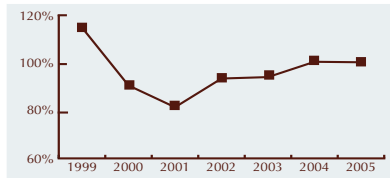
**A diversified revenue base**

- Implement the finalised trade waste charging model with major industries
- Develop a marketing strategy for the Mornington Skill Centre

✓

→

### Financial Performance – Achievement of Targets



*High standard of performance in the management of finances*







# Water Services Statement

The *Water Services Statement* is a statement regarding the Council's plans in relation to domestic water consumption. The statement is required under the provisions of the *Local Government Act 1993* Section 72. The statement on Council's domestic drinking water plans is addressed below and the financial information follows.

## STRATEGIC ISSUES

In order to ensure that residents receive a water supply that complies with national standards and guidelines, the Council employed asset management and drinking water quality monitoring programs.

The asset management program ensured that the older water supply system assets are replaced when they become unserviceable. The assets are managed through a computer-based register of each asset, and a decision-model to aid replacement decisions. A new software package has the capability to assess adequacy of water storages, pressures, flows and level of fire protection.

With respect to compliance with water quality objectives, the Council will update its systems in accordance with the National Health and Medical Research Council publication, *Australian Drinking Water Guidelines*, of which a revised version was recently released.

The Council has been examining the water mains into the New Town and Lenah Valley areas to enable supply to new subdivisions and ensure a reliable supply in the event of mains shutdown. In the longer term, the Council's Ten-Year New Asset Projects Program includes the construction of a reservoir off Pottery Road to augment the supply in the Lenah Valley area.

## WATER REFORM

The Government Prices Oversight Commission prepared a document for the Tasmanian State Government titled *Urban Water Pricing Guidelines for Local Government in Tasmania*, which is consistent with the CoAG water reforms. This guideline document was revised in January 2003.

The Council, at its 25 June 2001 meeting, endorsed in principle a Council document titled *Water Reform Package*, which includes consideration of issues such as:

- Non-residential sector metering
- Two-part pricing tariffs
- Full cost recovery plus a rate of return
- Cross-subsidisation
- Internal cost recovery
- Unaccounted for water
- Rate rebate for installation of low water use devices
- Water infrastructure charges

The Council will further consider approaches to and proposals for the various issues as they are developed. The *Water Reform Package* document can be viewed on the Council's web page [www.hobartcity.com.au](http://www.hobartcity.com.au)



## WATER UNDERTAKINGS 2004/05

### DETERMINATION OF FULL COST RECOVERY LEVELS

Cost item	Lower limit (Minimum business viability) \$'000	Upper limit (Maximum allowable revenue) \$'000
Operation and maintenance	7,721	7,721
Administration and overheads	435	435
Externalities	-	-
Taxes & tax equivalents (other than Income Tax)	68	68
Cost of asset consumption	1,521	1,323
Interest and dividends paid	346	
Cost of capital		6,164
<b>TOTAL</b>	<b>10,091</b>	<b>15,711</b>

#### *Cost of asset consumption*

- (a) Lower limit, 2% of written-down asset value
- (b) Upper limit, reported depreciation, based on current replacement values of assets

#### *Weighted average cost of capital*

8.105% real pre-tax rate, applied to net asset value

### COST RECOVERY AND RATE OF RETURN PERFORMANCE

	\$'000
Revenue from fixed charges	10,357
Revenue from volume-based charges	466
Council CSO payments	22
Other Revenue	155
<b>TOTAL REVENUE</b>	<b>11,000</b>

Average asset valuation (written-down replacement value) 76,052

Real rate of return on assets, % p.a. (c) 1.91%

- (c) Real rate of return on assets = earnings before interest and tax/average asset value



# Public Health Statement

Section 72(1)(ab) of the *Local Government Act 1993* requires a statement of the Council's goals and objectives in relation to public health activities to be included in the annual report.

The Council's Public Health Services and Environmental Monitoring Services programs are undertaken and managed by the Environmental Health Unit of the Development and Environmental Services Division.

Results to be achieved as stated in the Hobart City Council Strategic Plan 2001-2005 include:

- A high standard of public health and clean drinking water
- Commercial premises are clean and the food prepared there is safe
- A reduction in noise and other environmental pollutants

This unit comprises Manager Environmental Health, Senior Environmental Health Officer, five Environmental Health Officers, Medical Officer of Health (contract position) and two registered immunisation nurses (part-time). The unit operated on a budget of \$578,343 and generated an income of \$124,444. The delivery of public and environmental health activities also falls in part across other Council units.

The Public Health Services and Environmental Monitoring Services programs address a range of functions under the *Public Health Act 1997*, the *Food Act 2003* and the *Environmental Management and Pollution Control Act 1994*.

These functions include:

- Food Safety
- Notifiable diseases
- Immunisations
- Places of assembly
- Public health risk activities
- Unhealthy premises
- Cooling towers
- Water quality
- Public health nuisances
- Pollution incidents

Basic statistics reflecting the general level of activity throughout the year include:

Food premises registered	658
Notifiable diseases investigated	49
Persons immunised	2503
Places of assembly licensed	119
Public health risk activities registered (tattooing, acupuncture, ear/body piercing)	19
Cooling towers registered	36
Bathing water samples taken (public swimming pools/spas)	364
Recreation water samples taken (Derwent River)	146
Pollution/environmental nuisance complaints investigated	397

The following specific actions were undertaken in response to the Hobart City Council Strategic Plan and the unit's program objectives:

RESULTS TO BE ACHIEVED	2004/05 ACTIONS/INITIATIVES	PERFORMANCE
<b>High standard of public health and clean drinking water</b>	• Determine the likely impact on Council resources of the new state environmental policies	✓
	• Promote availability of free meningococcal C vaccine to schoolchildren	✓
<b>Commercial premises are clean and the food prepared there is safe</b>	• Identify, assess and license nightclubs and other entertainment venues as places of assembly	→
	• Identify and register all food stallholders operating at Salamanca Market under provisions of <i>Food Act 2003</i>	✓
	• Identify and register all food manufacturers operating from domestic premises under provisions of <i>Food Act 2003</i>	→
	• Review procedures for use of internal and statutory documentation relating to food business inspections	→
	• Undertake random food business audits to ensure consistent and uniform approach to assessing hygiene standards	✓
<b>A reduction in noise and other environmental pollutants</b>	• Determine resourcing levels necessary to meet requirements of EPP noise and air quality policies	✓
	• Review recreational beach water sampling program to ensure sampling regime includes prompt investigation into reasons for elevated bacterial results	→
	• Review conditions of approval for installation of on-site wastewater treatment and disposal systems	→

Throughout the year the Council took the opportunity to make formal comment on a number of changes to state legislation and ancillary documents that were being reviewed. The documents included the Burial and Cremations (Cemetery) Regulations 2004, Food and Nutrition Policy 2004, *Environmental Management and Pollution Control Act 1994* and the Public and Environmental Health Manual for Local Government. The documents that are used internally when officers undertake food business inspections and assessments were also reviewed and amended, as appropriate, to improve consistency of use and accuracy of record keeping.

The Environmental Health Unit's food safety inspection and record-keeping procedures were formally audited by an external auditor as part of the organisation's quality systems assessment process to maintain compliance with AS/NZS ISO 9001:2000. The scope of the audit included internal audit procedures and records, enforcement and follow-up action, record-keeping and compliance management, specific food safety activities and monitoring and measurement standards. The audit determined that the unit continues to remain in compliance with the standards necessary to retain AS/NZS 9001:2000 certification.

The food stallholders at the Salamanca Market were issued with food business registration forms in accordance with the requirements of the *Food Act 2003*. This procedure formally recognises the regularly operating food stalls as food businesses, and food business registrations were subsequently issued. This will become an annual process to ensure currency of records and compliance with the Food Act. The temporary food stalls and food vans operating at the market were inspected and assessed every weekend to ensure compliance with national food safety standards for temporary food outlets.

The Derwent Estuary Monitoring Program continues to monitor the environmental state of the Derwent River. As part of this program the Council takes weekly water samples from the recreational swimming sites at Nutgrove Beach and Little Sandy Bay Beach during the bathing season (November-March inclusive). Nutgrove Beach recorded several instances of elevated bacteria levels and on one occasion the Director of Public Health determined that the site be closed to the public. Subsequent testing of the water revealed a return to lower bacteria levels and the beach closure signs were removed four days later. Water quality results for Little Sandy Bay Beach were satisfactory. Additional regular water samples were also taken from the non-swimming beaches at Marieville Esplanade and Cornelian Bay.





A survey was undertaken to determine the number of premises licensed under the Liquor Act that provide or permit public entertainment. Such premises need to be assessed under the provisions of the Building Act and the Public Health Act and issued with an annual place of assembly licence. It is important that high-risk public entertainment activities that are particularly held in older public buildings, such as hotels, are regulated to ensure no public health or safety issues arise as a result of overcrowding or inadequate building fire safety compliance. Approximately 60 liquor-licensed premises have been identified as possibly requiring a place-of-assembly licence.

## Public Interest Disclosure Act 2002

The Council's guidelines for dealing with matters under the *Public Interest Disclosure Act 2002* are available for viewing on the Council's homepage at [www.hobartcity.com.au](http://www.hobartcity.com.au) or a copy can be made available by contacting the Director Executive Management on 6238 2717.

# Capital City Partnership Agreement

The Hobart City Council and the State Government of Tasmania signed an agreement on 11 December 2001 to jointly progress a number of initiatives to provide benefits to the community of Hobart and the State of Tasmania. The agreement, known as the 'Capital City Partnership Agreement', covered a range of economic, social and environmental initiatives and expired in December 2004.

The following is a summary of the key outcomes from the Hobart Partnership Agreement as tabled in the Final Report to Parliament in November 2004.

- The Partnership Agreement contains a number of schedules related to the Hobart waterfront, including the redevelopment of Princes Wharf No 1 and the Dunn Street Car Park, the review of the *Sullivans Cove Planning Act 1995* and a strategic approach to development of the area. An Urban Design Framework was completed and works to the Princes St Wharf No. 1 building were undertaken.
- The parties are exchanging a range of key data, including multicultural information, crime/safety statistics and land management data.
- Meetings between State Government ministers and Hobart City aldermen have been held on an annual basis since 2002, the latest occurring in June 2004.
- The Hobart Community Road Safety Partnership Action Plan was launched in August 2004 and is now being implemented.
- The alternative education program, ALTed, began in 1999 as a one-off program to assist young people aged 16-18 who were disengaged from school to undertake their Tasmanian Certificate of Education. The program has run continuously since its inception. A new program called EdZone has recently commenced, catering for 13-16 year olds.
- Young people were given the opportunity to participate in state and local government decision making through attendance at a youth forum conducted in August 2004. The review of the Council's Youth Strategy was one of the key issues discussed at the forum.
- The Council remains committed to providing scholarships and bursaries to students in the Hobart municipal area. The Council offered six scholarships in 2002. In 2003, an additional two bursaries were offered and in 2004 a new four-year scholarship was offered.
- A memorial to commemorate Tasmania's 13 Victoria Cross recipients was officially unveiled in May 2003. The Council and the Australian and State Governments jointly funded the memorial to the value of \$230,000.
- The parties signed a memorandum of understanding in March 2002 to deliver greenhouse gas community targets. A forum was held in May 2002 to discuss the Cities for Climate Protection Program, and the Brighton Council and Glenorchy City Council joined the project as a result.
- Air quality activities in Hobart have included:
  - Hobart City Council, Brighton Council and the Department of Primary Industries, Water and Environment have commenced a Targeted Wood Smoke Education Project to reduce wood smoke emissions.
  - The Department of Primary Industries, Water and Environment updated its air quality monitoring website in March 2004 to include a better range of air quality monitoring results and resources.
  - The Council conducted a study of wood smoke concentrations in the Hobart municipal area during the winter of 2003.
  - Air quality displays were held at Salamanca Market in June 2003 and during the closure of Liverpool Street during Sustainable Transport Week in March 2003.
  - An air quality feature was published in *The Mercury* in May 2003.

- A memorandum of understanding on Wellington Park was signed in February 2004 between the Hobart and Glenorchy City Councils and the State Government to provide for coordinated management of the park.
- The 'Go Wild' Wildlife Rehabilitation Centre was selected as the successful proponent to develop a development application and plan for the Beaumaris Zoo.
- A consultant was contracted to draft a business plan and financial analysis for the construction of a waterfront tramway. The Council considered the plan but decided not to go ahead with the construction of a waterfront tramway.
- The Hobart City Council and the State Government finalised the development of the outstanding Wapping land parcels.
- A memorandum of understanding on policy and service provision between Hobart City Council and the Department of Health and Human Services was signed in July 2004.
- The Council has reviewed its procurement protocols and all recommendations have been implemented.
- A number of strategies have been developed to focus activity, including:
  - The Antarctic Tourism Marketing Plan was completed in July 2002 and is being implemented.
  - The Hobart City Council Arts and Cultural Strategy was launched in December 2002.
  - A number of draft strategies have been developed, including the Community Safety Strategy.
  - The Positive Ageing Strategy was launched in December 2003 and is now being implemented.
  - The Hobart City Council Drug and Alcohol Strategy was approved in September 2002.
  - The Council's Aboriginal Strategy was launched in May 2002.
  - The draft Hobart Recreation Management Plan was completed in January 2004 and will be finalised shortly.
  - A draft of the Capital City Tourism and Events Strategy has been produced, but the plan has not yet been finalised.
  - A draft of the Major Events Strategy has been produced.
  - The draft Economic Development Plan has been completed.



# Enterprise Powers

The Council has not resolved to exercise any powers or undertake any activities in accordance with Section 21 of the *Local Government Act 1993*.







# Grants, Assistance and Benefits Provided

DETAILS	GST INCLUSIVE AMOUNT \$	DETAILS	GST INCLUSIVE AMOUNT \$
Antarctic Tasmania – Cultural Grant – Antarctic Midwinter Festival – Cash	11,000	Friends of Musica Viva Tasmania – Cultural Grant – Friends of Musica Viva Concerts – Cash	2,000
ANZAC Day Commemorative Committee – Cultural Grant – Anzac Day – Cash & In-Kind	10,635	Heritage & Conservation Grants – Cash	9,000
Art Foundation of Tasmania – Cultural Grant – Annual Grant – Cash	12,000	Hobart Athletic Club – Community Grant – Bikes & Spikes Event – In-Kind	476
Arts @ Works – Cultural Grant – Living Artists’ Week – Cash	4,400	Hobart Cat Centre – Funding Contribution – Cash	17,610
Australian F1 Superboat Series Inc. – Cultural Grant – Australian Formula 1 Super Boat Grand Prix – Cash	3,300	Hobart City Band – Community Grant – National Band Championships – Cash & In-Kind	2,912
Australian Wooden Boat Festival Incorporated – Cultural Grant – 2005 Australian Wooden Boat Festival – Cash	11,000	Hobart Fringe Festival – Community Grant – Hobart Fringe Festival Children’s Market – Cash	2,145
B&E/Budget Fun Run – Community Grant – 2005 Fun Run – In-Kind	556	Hobart Jazz Club Inc. – Hobart Jazz Festival – Cash	1,720
Bethlehem House Homeless Men’s Assistance Centre Inc. – Community Grant – Life Skills & Training Program – Cash	1,100	Hobart Playback Theatre – Community Grant – Hobart Stories for Young & Old – Cash	2,400
Bicycle Victoria – Cultural Grant – Great Tasmanian Bike Ride – Cash & In-Kind	1,770	IHOS Opera – Cultural Grant – IHOS Music Theatre Laboratory – Cash	3,850
Big Monkey Incorporated – Cultural Grant – The Island of Slaves – Cash	2,420	Island Magazine Inc. – Cultural Grant – Gwen Harwood Poetry Prize – Cash	440
Canteen – Community Grant – Healthy Living Program – Cash	1,100	Island Magazine Inc. – Cultural Grant – Wildcare Tasmania Nature Writing Prize – Cash	2,200
Charity 48 Hour Relay For Life – Community Grant – 2005 Charity Relay – In-Kind	1,250	Kickstart Arts – Cultural Grant – Every Wrinkle Tells a Story – Cash	6,050
City of Hobart Art Prize – Cash	16,100	Lenah Valley Progress Association – Community Grant – Lenah Valley Pura Milk Mural – Cash	1,100
City of Hobart Eisteddfod Society – Cultural Grant – 2004 Eisteddfod – Cash & In-Kind	11,458	Machine Laundry Café – Cultural Grant Hobart Tropfest Award 2005 – Cash	1,650
City to Casino Fun Run – Community Grant – Sponsorship – In-Kind	50	Migrant Resource Centre – Community Grant – Bonza Artwear Project – Cash	5,500
Claudio Alcorso Foundation – Cultural Grant – Residency for Italian Craftsperson – Cash	2,200	National Liaison Committee – Community Grant – Multicultural Week – Cash	2,000
Convention Wise – Community Grant – ACROD Conference – Cash	275	Octagon – Cultural Grant – Subaru Safari Tasmania Rally – Cash	1,870
Derwent Symphony Orchestra – Cultural Grant – Free Concert – Cash	600	Point to Pinnacle – Community Grant – 2004 Point to Pinnacle Run and Walk – Cash	1,000
Devonport Triathlon Assoc. – Cultural Grant – Hobart International Triathlon – Cash & In-Kind	17,053	Polish Association in Hobart Inc. – Community Grant Polish Welfare Office Expo – Cash	550
DPIWE – Derwent Estuary Program – Cash	34,100	Reconciliation Australia – Community Grant – Tasmania Youth Reconciliation Conference – Cash	2,640
Edge Radio – Community Grant – Community Service Announcement Project – Cash	2,200	Rosny College – Cultural Grant – Human Powered Vehicle Event – Cash	1,100
Estia Greek Festival – Cultural Grant – Estia Greek Festival – Cash	2,750	Royal Hobart Regatta Society – Cultural Grant – 2005 Royal Hobart Regatta – In-Kind	22,709



DETAILS	GST INCLUSIVE AMOUNT \$	DETAILS	GST INCLUSIVE AMOUNT \$
Royal Tasmanian Botanical Gardens – Cultural Grant – 2004 Tulip Festival – Cash & In-Kind	3,428	Wellington Park Management Trust – Historical Heritage Audit – Cash	5,500
Royal Tasmanian Botanical Gardens Community Grant – Annual Grant – Cash	9,996	Wellington Park Management Trust – Mt Wellington Book – Cash	6,600
Royal Yacht Club of Tasmania – Community Grant – Trophies Sydney to Hobart Yacht Race – In-Kind	595	Wellington Park Management Trust – Regulations Awareness Program – Cash	11,798
RSPCA – Annual Grant – Cash	5,000	Womensport Tasmania – Community Grant – Breakfast with the Stars – Cash	60
Salamanca Arts Centre – Cultural Grant/Annual Grant – Cash	63,632	World Environment Day – Cash	139
Sandy Bay Regatta – Cultural Grant – 2005 Sandy Bay Regatta – In-Kind	1,150	Rate Remissions – 240L Wheelie Bin	54,600
South Hobart Progress Association Inc. – Community Grant – Bonfire & Fireworks Night – Cash	2,000	Ex-Aldermen Fuel Expense	2,941
Targa Tasmania – In-Kind	16,149	<b>TOTAL</b>	<b><u>\$709,457</u></b>
Tas Association for Mental Health – Community Grant – Banners – Cash	2,420	Ex-aldermen of the Hobart City Council who have served a minimum period of eight years (and a former town clerk) are entitled to draw up to 108 litres of petrol per calendar month from the Council's supply, retain their Gold Pass and leave a vehicle in a metered area (at a 75% discount) and free of charge in any off-street car park operated by the Council.	
Tasmanian Canine Defence League – Funding Contribution – Cash	59,668	Remission of hire charges for Council Halls granted during 2004/2005 totalled \$1028.00 GST Inclusive.	
Tasmanian Convention Bureau – Annual Grant – Cash	55,000		
Tasmanian Environment Centre – Community Grant – Environmental Home Expo – In-Kind	2,136		
Tasmanian Museum & Art Gallery – Cultural Grant – Hobart Gallery Guide – Cash	1,100		
Tasmanian Racing Club – Cultural Grant – Hobartown Plate Meeting Sponsorship – Cash	500		
Tasmanian Symphony Orchestra – Cultural Grant – Annual Grant – Cash	8,977		
Tasmanian Writers' Centre – Cultural Grant – Hobart City Writers' Residencies – Cash	5,500		
Tasmania's South Regional Tourism Association – Funding Contribution – Cash	67,321		
Ten Days on the Island – Cultural Grant – Ten Days on the Island – Cash	11,000		
The Australian Script Centre – Cultural Grant – In the Museum – Cash	2,200		
Theatre Royal Management Board – Cultural Grant – Cash	6,409		
Tsunami Relief – Community Grant – Aceh Orphanage – Cash	55,000		
University of Tasmania – Community Grant – Bursaries & Scholarships – Cash	10,000		
UNYA Conference Participants – Community Grant – Netherlands – Cash	400		

# Allowances and Expenses Paid to Elected Members

Total allowances paid to the Lord Mayor, Deputy Lord Mayor and Aldermen: \$212,399.92

Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses): \$64,713.62

## Meeting Attendance

	COUNCIL	CITY SERVICES COMMITTEE	COMMUNITY DEVELOPMENT COMMITTEE	DEVELOPMENT & ENVIRONMENTAL SERVICES COMMITTEE	FINANCE & CORPORATE SERVICES COMMITTEE	PARKS & CUSTOMER SERVICES COMMITTEE	POLICY & INTERGOVERNMENT COMMITTEE
<b>Meetings held</b>	<b>24</b>	<b>20</b>	<b>16</b>	<b>32</b>	<b>22</b>	<b>18</b>	<b>20</b>
Alderman Valentine	24						18
Alderman Ruzicka	23			30		16	20
Alderman Archer	17		10	24			13
Alderman Haigh	24	20			16	14	11
Alderman Zucco	17		12	*7 of 12	*9 of 16		8
Alderman Briscoe	23	*8 of 12	13	*10 of 12			17
Alderman Hayes	21	18	11		19		17
Alderman Sexton	19				15	15	15
Alderman Freeman	20	14			20	13	15
Alderman Jones	21	19		29			14
Alderman Christie	21	16	13			12	16
Alderman Burnet	*5 of 8				*5 of 7		*4 of 5
Alderman Hines	*9 of 15			*10 of 23			*5 of 14

### COUNCIL MEETINGS

\*Alderman Burnet was elected to the Council on 10/3/2005

\*Alderman Hines resigned from the Council on 24/2/2005

### CITY SERVICES COMMITTEE

\*Alderman Briscoe resigned from the committee on 30/3/2005

### DEVELOPMENT AND ENVIRONMENTAL SERVICES COMMITTEE

\*Alderman Zucco was elected to the committee on 28/2/2005

\*Alderman Briscoe was elected to the committee on 28/2/2005

\*Alderman Hines resigned from the Council on 24/2/2005

### FINANCE AND CORPORATE SERVICES COMMITTEE

\*Alderman Zucco resigned from the committee on 30/3/2005

\*Alderman Burnet was elected to the committee 30/3/2005

### POLICY AND INTERGOVERNMENT COMMITTEE

\*Alderman Burnet was elected to the Council on 10/3/2005

\*Alderman Hines resigned from the Council on 24/2/2005



# Remuneration of Senior Employees

In accordance with Section 72(1)(cd) the total remuneration paid to employees, designated as senior employees by the Council, includes:

Total remuneration package	Number of employees
\$190,000-\$210,000	1
\$110,000-\$130,000	8

Total remuneration includes salary, contribution to superannuation, value of motor vehicle and any other allowance or benefit provided.

## Statement of Land Donated

The Council has not resolved to donate any lands in accordance with Section 177 of the *Local Government Act 1993*.





# Contracts for the Supply of Goods and Services

In accordance with section 23 (5) of the Local Government (General) Regulations 2005 the following contracts to the value of \$50,000 or above, excluding GST, were entered into during the 2004/05 financial year. In accordance with Section 27 (2) there were no instances of “non-application of public tender process”.

CONTRACT	CONTRACT PERIOD	EXTENSION OPTION	CONTRACT SUM (for term of contract incl. extension options)	CONTRACTOR
Hobart Summer Festival Marketing Campaign – Design and Production	8/7/04 – 10/1/05	Annual option to include 2005/2006 & 2006/2007 Taste of Tasmania	\$105,000 (\$36,954 p.a.)	Red Jelly 161 Davey Street Hobart TAS 7000
Provision of Sound, Reproduction Staging, Stage Lighting and Structures for the Taste of Tasmania	2/7/04 – 10/1/05	Annual option to include 2005/2006 & 2006/2007 Taste of Tasmania	\$110,863.63 (\$35,000 p.a.)	The Sound Company 8 Hall Street Rosevears TAS 7277
Hobart City Council Lift Maintenance	1/8/04 – 31/7/09		\$101,500 (\$20,300 p.a.)	OTIS Elevator Company Pty Ltd 60 Federal Street North Hobart TAS 7000
Town Hall Lift Upgrade	30/7/04 – 1/4/05		\$99,495	OTIS Elevator Company Pty Ltd 60 Federal Street North Hobart TAS 7000
Provision of Electronic Ticketing System	1/10/04 – 16/5/05		\$156,000	Reino International Pty Ltd Unit 15, 39 Herbert Street St Leonards NSW 2065
Cleaning of the Hobart Council Centre	18/10/04 – 17/10/06	Two-year extension option 18/10/06 to 17/10/08	\$283,261.81 (\$70,815 p.a.)	Cleenco PO Box 108 Moonah TAS 7009
Cleaning of the Argyle Street Car Park	18/10/04 – 17/10/06	Two-year extension option 18/10/06 to 17/10/08	\$309,000 (\$77,250 p.a.)	Cleenco PO Box 108 Moonah TAS 7009



<b>CONTRACT</b>	<b>CONTRACT PERIOD</b>	<b>EXTENSION OPTION</b>	<b>CONTRACT SUM (for term of contract incl. extension options)</b>	<b>CONTRACTOR</b>
Cleaning of the Hobart Central Car Park	18/10/04 – 17/10/06	Two-year extension option 18/10/06 to 17/10/08	\$185,818.18 (\$46,455 p.a.)	Curtisey Cleaning Services Suite 4, First Floor 113-117 Main Road Moonah TAS 7009
Cleaning of Centrepoint Car Park	18/10/04 – 17/10/06	Two year extension option 18/10/06 to 17/10/08	\$134,712.72 (\$33,678 p.a.)	Peekays Kleening PO Box 94 Sorell TAS 7172
Provision of Security Services at the Taste of Tasmania	5/10/04 – 10/1/05	Annual option to include 2005/2006 & 2006/2007 Taste of Tasmania	\$136,469.45 (\$45,490 p.a.)	Tasmanian Protective Services PO Box 158 Glenorchy TAS 7010
Printing of the 2004/2005 Hobart Summer Festival Program and Taste Navigator	6/10/04	Option to include 2005/2006 Taste of Tasmania	\$58,029.09 (\$29,015 p.a.)	PMP Print Pty Ltd 5-7 Bowen Road Moonah TAS 7009
Provision of Event Structures, Stalls and Sundry Items to the Taste of Tasmania	29/10/04 – 31/1/05	Annual option to include 2005/2006 & 2006/2007 Taste of Tasmania	\$166,134.54 (\$55,378 p.a.)	Weeding Party Hire 295 Invermay Road Invermay TAS 7248
Supply of Bud Lights for Salamanca Place	10/11/04 – 1/7/05		\$80,318.18	TOPS Office & Business Systems Pty Ltd 49 Sandy Bay Road Sandy Bay TAS 7005
Hire of Compressors	1/1/05 – 31/12/05	Two annual extension options 1/1/06-31/12/06 and 1/1/07-31/12/07	Schedule of Rates Estimate Value \$90,000 (\$30,000 p.a.)	Coates Hire Operations Pty Ltd 15 Lampton Avenue Derwent Park TAS 7009
Supply and Delivery of Aggregate for Asphalt	12/12/04 – 11/12/05	One-year extension option 12/12/05 to 11/12/06	\$251,196.26 (\$125,598 p.a.)	HBMI Pty Ltd 8b Lampton Avenue Derwent Park TAS 7009



<b>CONTRACT</b>	<b>CONTRACT PERIOD</b>	<b>EXTENSION OPTION</b>	<b>CONTRACT SUM (for term of contract incl. extension options)</b>	<b>CONTRACTOR</b>
Supply and Delivery of Sand for Asphalt	12/12/04 – 11/12/05	One-year extension option 12/12/05 to 11/12/06	\$61,454.54 (\$30,7274 p.a.)	RNB Trading Pty Ltd 15 Wilmot Street Hobart TAS 7000
Supply, Delivery and Commissioning of 20m <sup>3</sup> /hr Centrifuge – Selfs Point WWTP	16/12/04 – 25/10/05		\$227,090.90	Westfalia Separator Australia Pty Ltd 47 Northgate Drive Thomastown VIC 3074
Supply and Delivery of one Track-Type Tractor	17/12/04 – 11/2/05		\$343,000	William Adams Pty Ltd Bass Highway Somerset TAS 7322
Maintenance of Gym Equipment Tattersall's Hobart Aquatic Centre	1/1/05 – 31/12/06	Two-year extension option 1/1/07 to 31/12/08	Schedule of Rates Estimate Value \$61,818.18 (\$15,454 p.a.)	Enterprise Electrics Trust 8 Lyndhurst Avenue North Hobart TAS 7000
Installation of a LED Bud Lighting System in Salamanca Place	1/2/05 – 1/7/05		\$104,545.45	E H Burgess & Co Pty Ltd 10 Wignall Street North Hobart TAS 7000
Cleary's Gates Administration Building Extension	6/4/05 – 1/9/05		\$109,365	Hansen Yuncken Pty Ltd 39 Patrick Street Hobart TAS 7000
Fabrication, Supply and Fitment of one Tramcar Truck	20/4/05 – 1/9/05		\$121,733.63	Bendigo Tramways 1 Tramways Avenue Bendigo VIC 3550
Manufacture and Supply of Ready Mixed Concrete	1/7/05 – 30/6/07	Two-year extension option 1/7/07 to 30/6/09	\$596,177.64 (\$149,044 p.a.)	Boral Construction Materials Group Ltd Midland Highway Bridgewater TAS 7030
Supply and Delivery of Red Gravel (Decomposed Dolerite)	1/7/05 – 30/6/07	Two-year extension option 1/7/07 to 30/6/09	\$105,600 (\$26,400 p.a.)	Hazell Bros 8b Lampton Avenue Derwent Park TAS 7009

# General Purpose

# Financial Report

**FOR THE YEAR ENDED 30 JUNE 2005**

**INDEX**

**Statement of Financial Performance**

**Statement of Financial Position**

**Statement of Changes in Equity**

**Statement of Cash Flows**

**Notes to and forming part of the Financial Statements**

Note  
Number

Summary of Significant Accounting Policies .....	1
Significant Change from Previous Year .....	2
Functions/Activities of the Council .....	3
Employee Costs .....	4
Depreciation and Amortisation .....	5
Sales of Non-Current Assets .....	6
Other Expenses .....	7
Significant Items .....	8
Grants and Donations .....	9
Rates Received in Advance .....	10
Restricted Assets .....	11
Cash .....	12
Stock .....	13
Financial Instruments .....	14
Receivables .....	15
Employee Entitlements .....	16
Unearned Revenue .....	17
Loans .....	18
Property, Plant and Equipment .....	19
Investments .....	20
Plant and Equipment .....	21
Land and Buildings .....	22
Land Improvements .....	23
Infrastructure Plant .....	24
Pipes, Drains and Rivulets .....	25
Roads and Bridges .....	26
Other Structures .....	27
Capital Work in Progress .....	28
Other Non-Current Assets .....	29
Reserves .....	30
Reconciliation of Accrual-Based Results with Cash Flows .....	31
Financing Facilities .....	32
Commitments for Expenditure .....	33
Contingent Liabilities .....	34
Pecuniary Interests .....	35
Significant Business Activities .....	36



## STATEMENT OF FINANCIAL POSITION

	Notes	2004/05 \$,000	2003/04 \$,000
<b>Current Assets</b>			
Cash Advances	12	23	12
Cash at Bank	12	2,071	1,047
Short Term Investments	12	18,209	14,214
Stock	13	284	231
Receivables	15	3,403	2,982
Prepayments		252	242
<b>Total Current Assets</b>		<b>24,242</b>	<b>18,728</b>
<b>Non-Current Assets</b>			
Receivables	15	251	284
Investments	20	40,027	40,027
Property, Plant and Equipment	19	658,707	601,566
<b>Total Non-Current Assets</b>		<b>698,985</b>	<b>641,877</b>
<b>TOTAL ASSETS</b>		<b>723,227</b>	<b>660,605</b>
<b>Current Liabilities</b>			
Creditors		585	639
Accrued Charges		4,407	3,092
Trust, Deposits, Retention		1,499	921
Employee Entitlements	16	2,705	2,487
Unearned Revenue	17	305	228
Loans	18	1,051	1,939
<b>Total Current Liabilities</b>		<b>10,552</b>	<b>9,306</b>
<b>Non-Current Liabilities</b>			
Deferred Liabilities		45	45
Employee Entitlements	16	6,728	6,465
Loans	18	9,638	9,690
<b>Total Non-Current Liabilities</b>		<b>16,411</b>	<b>16,200</b>
<b>TOTAL LIABILITIES</b>		<b>26,963</b>	<b>25,506</b>
<b>Net Assets</b>		<b>696,264</b>	<b>635,099</b>
<b>Equity</b>			
Reserves	30	375,228	311,371
Retained Earnings		321,036	323,728
<b>TOTAL EQUITY</b>		<b>696,264</b>	<b>635,099</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2004/05 ACTUAL \$,000	2004/05 BUDGET \$,000	2003/04 ACTUAL \$,000
<b>Expenses from Ordinary Activities</b>				
Employee Costs	4	31,707	30,729	28,968
Materials, Services		21,119	19,587	19,929
Depreciation and Amortisation	5	20,655	21,330	21,303
Interest		783	1,091	823
Valuation Costs		43	-	54
Purchase Bulk Water		6,543	6,400	6,085
Library Contribution	2	-	-	1,180
State Fire Commission		4,847	4,847	4,887
Local Government Levy	2	-	-	506
Carrying Value of Plant and Equipment Sold	6	628	599	1,087
Carrying Value of Property Sold	6	1,025	275	15
Other Expenses	7	4,037	3,936	4,245
<b>Total Expenses from Ordinary Activities</b>		<b>91,387</b>	<b>88,794</b>	<b>89,082</b>
<b>Revenues from Ordinary Activities</b>				
Contributions				
Rates		57,200	57,220	52,868
Grants and Donations	9	5,075	2,832	3,802
Fines		3,056	3,177	3,013
Property, Plant and Equipment		610	-	613
Other		354	-	206
		66,295	63,229	60,502
Rendering of Services		16,639	15,566	14,940
Interest		1,225	735	891
Rents		1,942	1,865	1,813
Dividends		824	850	878
Proceeds from Sale of Plant and Equipment	6	599	599	927
Proceeds from Sale of Property	6	941	275	14
Other	8	450	-	3,277
<b>Total Revenues from Ordinary Activities</b>		<b>88,915</b>	<b>83,119</b>	<b>83,242</b>
<b>Change in Net Assets from Ordinary Activities</b>		<b>(2,472)</b>	<b>(5,675)</b>	<b>(5,840)</b>
Profit (Loss) from Extraordinary Items				
<b>Change in Net Assets for the Year</b>		<b>(2,472)</b>	<b>(5,675)</b>	<b>(5,840)</b>
<b>Valuation Adjustments Recognised Directly in Equity</b>				
Asset Revaluation Increments (Decrements)	30	63,637	-	33,079
<b>Total Valuation Adjustments Recognised Directly in Equity</b>		<b>63,637</b>	<b>-</b>	<b>33,079</b>
<b>TOTAL CHANGES IN EQUITY</b>		<b>61,165</b>	<b>(5,675)</b>	<b>27,239</b>

Note – Budget figures are unaudited.

## STATEMENT OF CHANGES IN EQUITY

	Total		Retained Earnings		Reserves*	
	2004/05 \$,000	2003/04 \$,000	2004/05 \$,000	2003/04 \$,000	2004/05 \$,000	2003/04 \$,000
Balance at Beginning of Period	635,099	607,860	323,728	334,511	311,371	273,349
Asset Revaluations	63,637	33,079			63,637	33,079
Change in Net Assets from Ordinary Activities	(2,472)	(5,840)	(2,472)	(5,840)		
Transfers to Reserves			(22,706)	(24,600)	22,706	24,600
Transfers from Reserves			22,486	19,657	(22,486)	(19,657)
<b>Balance at End of Period</b>	<b>696,264</b>	<b>635,099</b>	<b>321,036</b>	<b>323,728</b>	<b>375,228</b>	<b>311,371</b>

\* For further information, refer to Note 30.

## STATEMENT OF CASH FLOWS

	Notes	2004/05 ACTUAL \$,000	2004/05 BUDGET \$,000	2003/04 ACTUAL \$,000
<b>Cash Flows from Operating Activities</b>				
<i>Receipts</i>				
Rates		57,229	57,220	53,165
Rendering of Services		16,566	15,566	14,661
Interest		1,213	735	861
Government Grants		1,982	1,655	1,697
Rents		1,942	1,865	1,813
Fines		2,410	2,547	2,565
Dividends		824	850	878
Goods and Services Tax		3,077	3,115	3,077
Other Receipts		1,988	-	1,517
		<u>87,231</u>	<u>83,553</u>	<u>80,234</u>
<i>Payments</i>				
Employee Costs		(31,226)	(30,729)	(28,166)
Materials/Services		(20,531)	(19,587)	(19,740)
Interest		(797)	(1,091)	(835)
Goods and Services Tax		(3,001)	(3,115)	(3,115)
Other Payments		(13,227)	(13,053)	(13,897)
		<u>(68,782)</u>	<u>(67,575)</u>	<u>(65,753)</u>
<b>Net Cash Flow for Operating Activities</b>	31	<b>18,449</b>	<b>15,978</b>	<b>14,481</b>
<b>Cash Flows for Investing Activities</b>				
<i>Proceeds from:</i>				
Government Grants		1,736	1,177	1,885
Sales of Property		941	275	14
Sales of Plant and Equipment		599	599	948
		<u>3,276</u>	<u>2,051</u>	<u>2,847</u>
<i>Payments for:</i>				
Employee Costs		(2,412)	(2,400)	(2,269)
Materials/Services/Contracts		(6,968)	(11,895)	(8,550)
Property		(3,009)	(5,700)	(16)
Plant and Equipment		(3,366)	(3,169)	(3,463)
		<u>(15,755)</u>	<u>(23,164)</u>	<u>(14,298)</u>
<b>Net Cash Flow for Investing Activities</b>	31	<b>(12,479)</b>	<b>(21,113)</b>	<b>(11,451)</b>
<b>Cash Flows for Financing Activities</b>				
Proceeds from Borrowings	18	1,000	6,150	1,100
Repayment of Borrowings	18	(1,940)	(2,106)	(1,553)
<b>Net Cash Flow for Financing Activities</b>		<b>(940)</b>	<b>4,044</b>	<b>(453)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>5,030</b>	<b>(1,091)</b>	<b>2,577</b>
<b>Cash Held at the Beginning of the Year</b>		<b>15,273</b>	<b>15,273</b>	<b>12,696</b>
<b>Cash Held at the End of the Year</b>	12	<b>20,303</b>	<b>14,182</b>	<b>15,273</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Local Government Reporting Entity

All funds through which Council controls resources to carry out its functions have been included in the financial statements of the Council. This includes Controlling Authorities which Council has established pursuant to s.29 of the *Local Government Act 1993*, namely Civic Solutions and the Tattersall's Hobart Aquatic Centre.

The financial report of the Council incorporates only those items over which the Council has control.

Amounts received as tender deposit and retention amounts controlled by the Council are disclosed separately within current liabilities.

#### b) Basis of Preparation

The financial statements are a General Purpose Financial Report which has been prepared in accordance with Statements of Accounting Standards, Statements of Accounting Concepts, Urgent Issues Group (UIG) Consensus Views and the *Local Government Act 1993*.

The financial report has been prepared on the Accrual Basis under the convention of historical cost accounting and does not take into account changing money values, except in relation to some non-current assets which are stated at current valuations.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

#### c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Council, and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### **Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when Council obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the grantor and Council.

##### **Rendering of Services**

Where a contract has been completed, all related revenue is recognised when Council controls a right to be compensated for the services provided. Where a contract has not been completed, revenue is recognised only to the extent of costs incurred. Contracts generally arise as a result of requests for work to be carried out at a property owner's expense, or from compulsory works carried out by Council pursuant to legislation.

##### **Sale of Assets**

Revenue is recognised when control of the assets has passed to the buyer.

##### **Fines**

Revenue is recognised when Council controls a right to receive consideration for the enforcement of legislation and Council by-laws.

##### **Rents, Interest and Dividends**

Revenue is recognised when Council has attained control of a right to receive consideration for the provision of, or investment in, assets.

#### d) Cash (Note 12)

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank, deposits at call and highly liquid investments with short periods to maturity, net of outstanding bank overdrafts.

#### e) Stock (Note 13)

Stock is valued at historical cost using the weighted average cost method. Stock is reviewed annually and an appropriate provision for obsolete stock is made.

#### f) Receivables (Note 15)

Receivables are carried at amounts due. Penalty and interest are charged on outstanding rates in accordance with s.128(c) of the *Local Government Act 1993*. The collectibility of debts is assessed at year-end and specific provision is made for any doubtful accounts.

In respect of parking offences, accounts are regarded as doubtful when formal legal proceedings have been commenced by the preparation of a court summons.

#### g) Employee Entitlements (Note 16)

##### **Wages, Salaries and Annual Leave**

The provisions for employee entitlements to wages, salaries and annual leave represents the amount which the Council has a present obligation to pay resulting from employees' services provided up to the reporting date. The provision has been calculated at nominal amounts based on

remuneration rates expected to be paid when the obligation is settled, and includes related on-costs.

##### **Long Service Leave**

The liability for employee entitlements to long service leave represents the value of the estimated future cash outflows to be made by Council resulting from employees' services provided up to the reporting date. In determining "pre-conditional" entitlements, the amount of cash outflows required to be made by Council in the future have been estimated on a group basis after taking into consideration Council's experience with staff departures.

Long service leave entitlements which have satisfied the required qualifying period are measured at their nominal amounts based on remuneration rates expected to be paid when the obligation is settled, and include related superannuation contributions.

Other long service leave entitlements are measured at the present value of the estimated future cash outflows to be made. This involves estimating future increases in wage and salary rates and discounting estimated future cash flows to present value.

Discount rates used are those attaching to national government guaranteed securities at balance date which most closely match the terms to maturity of the related liabilities.

##### **Sick Leave**

The liability for employee entitlements to sick leave represents the value of the estimated future cash outflows to be made by Council resulting from employees' services provided up to the reporting date. The liability is equivalent to 10 percent of total accumulated sick leave entitlements at the reporting date because this amount is payable to employees on retirement or resignation. The provision has been calculated at nominal amounts based on remuneration rates expected to be paid when the obligation is settled.

##### **Superannuation**

Council contributes to two superannuation schemes in respect of its employees – an accumulation-type scheme and a defined-benefit scheme. No liability is recognised in respect of the defined-benefit scheme when it is in a deficit position.

Superannuation expense for the reporting period is the amount paid and payable to superannuation schemes in respect of services provided by employees up to the reporting date.

#### h) Non-Current Assets (Notes 19-29)

##### **Acquisition**

Purchases of non-current assets are initially recorded at cost. Cost is defined as the purchase consideration plus any costs incidental to the acquisition.

The cost of non-current assets constructed by Council includes the cost of all materials, direct labour and related labour overheads consumed in the construction, together with any consulting and engineering fees and an allowance for fixed overheads.

##### **Revaluations**

Plant and Equipment, Management Plans and the Valuation Roll are valued at cost. All other non-current assets are revalued at least every five years on a rolling basis, with indexation occurring between revaluations for some asset classes. All assets are revalued in accordance with the concept of Depival Value. The value returned by this methodology represents the loss which might be expected to be incurred by Council if it were deprived of the service potential or future economic benefits represented by the asset at the date of valuation. Unless otherwise specified, valuations have been carried out by Council officers. Where progressive revaluations have been employed for items of property, plant and equipment, revaluation of the particular asset class is completed within a three-year period. Earthworks are not included in the valuation of road assets.

Current cost in relation to an asset means the lowest cost at which the gross service potential of that asset could be obtained in the normal course of operations.

The carrying amount of each non-current asset whose service potential is related to its ability to generate net cash inflows is reviewed at balance date to determine whether such carrying amount is in excess of its recoverable amount. If the carrying amount of a non-current asset of the type mentioned does exceed the recoverable amount, the asset is written-down to the lower amount. In assessing recoverable amounts, the relevant cash flows have not been discounted to their present value.

No provision is made for capital gains tax liability in respect of revalued assets because Council is not subject to this tax.

##### **Depreciation and Amortisation**

Except for investment properties, which are not depreciated, all non-current assets having a limited useful life are systematically depreciated/amortised over their useful lives in a manner which reflects the consumption of the



service potential embodied in those assets. Land is considered to have an unlimited useful life and therefore is not depreciated. In general, residual values for road assets are assumed to be zero.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the beginning of the first reporting period following completion.

Useful lives are estimated on a time basis and are reviewed annually. The straight-line method is employed for all assets. Ranges of useful lives for major asset classes are:

	Years		Years
Buildings	30-200	Bridges	50-120
Infrastructure Plant	5-100	Sealed Roads	
Plant and Equipment		– Base	40-85
– Heavy Vehicles	5-25	– Surface	10-20
– Fleet Vehicles	3	Unsealed Road Surfaces	100
– Minor Plant	10	Footpaths, Kerb & Gutter	30-50
– Computer Equipment	5	Cycleways and Tracks	15-40
– Furniture	5-30	Sewer Mains	50-120
Reservoirs	20-80	Sewerage Outfalls	100
Stormwater Mains	50-120	Management Plans	10
Irrigation	9-20	Playground Equipment	15-50
Rivulets	30-125	Trees	10-250
Fountains	50	External Playing Surfaces	7-20
Planning Schemes	20	Water Mains	25-120

#### Leased Assets

Whilst Council is not presently a party to any finance leases, the following policy has been adopted to account for such transactions should this position change.

Leases under which Council assumes substantially all the risks and benefits of ownership are classified as finance leases and are capitalised. A lease asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense in the period in which they are incurred. Capitalised lease assets are amortised on a straight-line basis over the term of the relevant lease or, where it is likely that Council will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as an expense of the period.

Other leases are classified as operating leases and payments made pursuant to such leases are charged as expenses as incurred.

#### Transitional Provisions relating to Asset Recognition

In accordance with the transitional provisions of Australian Accounting Standard 27 (AAS27), Council has elected not to recognise land under roads as an asset in the Statement of Financial Position.

#### i) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether billed or not. The amounts are unsecured and are usually paid within 30 days of recognition.

#### j) Loans (Note 18)

Council has a number of loans in the form of both "principal and interest" loans and "interest-only" loans. All loans are secured by revenues of the Council. Instalments are paid either quarterly or semi-annually in arrears, and interest expense is accrued at the contracted rate and included in "Accrued Charges".

#### k) Investment in Hobart Regional Water Authority (Note 20)

Effective from the 1st January 1997, all assets and liabilities of the then Hobart Regional Water Board were transferred to a joint authority established pursuant to section 38 of the *Local Government Act 1993*. The joint authority is the Hobart Regional Water Authority, trading under the name of Hobart Water.

The joint authority's principal activity is to provide bulk water supplies within the area served by the Hobart Regional bulk water supply system at an acceptable price and quality.

Hobart Water is owned by the eight Councils in and around the greater Hobart area – namely Hobart, Glenorchy, Clarence, Kingborough, Brighton, Derwent Valley, Sorell and Southern Midlands. The Hobart City Council's ownership interest in the equity of the joint authority on the 30th June 2004 was 29.415%, but the voting power held is four votes out of a total of 20 votes.

The value of Council's investment at the 30th June 2004 was \$40.027M. As the Urgent Issues Group has expressed the view that AAS14 "Accounting for Investments in Associates" would only apply where an investment was held for the purposes of wealth accretion, this investment will be accounted for under the cost method, with the investment being revalued every three years based on the most recently available Hobart Water financial report.

#### l) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable net assets acquired, is amortised on a straight-line basis over a period of 20 years.

#### m) Heritage Account (Notes 11 and 12)

On the 16th July 1999, the *National Trust Preservation Fund (Winding-up) Act 1999* (the Act) commenced. The purpose of the Act is to provide for the winding-up of the National Trust Preservation Fund (Preservation Fund) and the distribution of the monies held in that fund. The Act requires the Hobart City Council to establish a Heritage Account, into which the Minister is to transfer one-half of the monies contained in the Preservation Fund.

On the 15th December 1999, Council established the required Heritage Account with Perpetual Trustees Tasmania Limited, and the Minister transferred an amount of \$1,216,205 to that account. At the 30th June 2005, the balance of the Heritage Account had accumulated to \$1,511,638.

The Act requires that funds transferred into the Heritage Account be applied for the provision of financial or other assistance in relation to an entry in either the National Trust register kept by the National Trust of Australia (Tasmania), or the Tasmanian Heritage Register.

In order to satisfy its responsibilities under the Act, Council has established a Heritage Account Special Committee as a Special Committee of Council pursuant to section 24 of the *Local Government Act 1993*.

#### n) Goods and Services Tax (GST)

Revenues, expenses and assets have been recognised net of GST where that GST is recoverable from the ATO. Where an amount of GST is not recoverable from the ATO, it has been recognised as part of the cost of acquisition of an asset or part of an item of expense to which it relates. Receivables and payables have been stated with the amount of GST included. The net amount of GST recoverable from the ATO has been included as part of receivables.

In the Statement of Cash Flows, all GST paid and GST received are disclosed as separate line items under the heading 'Cash Flows from Operating Activities'.

#### o) Adoption of Australian Equivalents to International Financial Reporting Standards

In accordance with the Financial Reporting Council's strategic directive, Council will be required to prepare financial statements which comply with Australian Equivalents to International Financial Reporting Standards (AEIFRS) in its financial report for the year ending 30 June 2006, and subsequent years. Council's financial report for that period will also need to disclose comparative amounts for the year ending 30 June 2005 prepared in accordance with AEIFRS.

#### Transition to the new Standards

During the year, Council has continued with its transition process to AEIFRS. This transition is now substantially complete. The opening Balance Sheet as at 1 July 2004 has been completed as it forms the basis of accounting under AEIFRS in the future and is required for the preparation of Council's first fully compliant financial statements for the year ending 30 June 2006. This opening Balance Sheet will incorporate the choice of accounting policies available, including elective exemptions under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*.

At the date of preparing this report, Council is not aware of any new standard which cannot be implemented using Council's current financial systems.

#### Impact of the new Standards

Set out below are the key areas where accounting policies are expected to change on adoption of AEIFRS and our best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005, and on the Operating Result for the year ended 30 June 2005.

The figures disclosed are management's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AEIFRS may differ from the estimates disclosed due to ongoing work being undertaken by the AEIFRS project teams, potential amendments to AEIFRS and Interpretations thereof being issued by the standard-setters, and emerging accepted practice in the interpretation and application of AEIFRS and UIG Interpretations.

(a) *Reconciliation of Equity as presented under AGAAP to that under AEIFRS*

Notes	30 June 2005** \$,000	1 July 2004* \$,000
<b>Total Equity under AGAAP</b>	<b>696,264</b>	<b>635,099</b>
<i>Adjustments to Retained Earnings</i>		
Defined Benefit Superannuation Plan (i)	(4,375)	(1,510)
Tip Site Restoration (ii)	(6,377)	(6,001)
Employee Benefits (iii)	537	695
Assets Held for Sale (iv)	-	(75)
Asset Revaluation Reserve (Deemed cost assets) (v)	1,286	1,286
	(8,929)	(5,605)
<i>Adjustments to Other Reserves</i>		
Asset Revaluation Reserve (Deemed cost assets) (v)	(1,286)	(1,286)
	(1,286)	(1,286)
<b>Total Equity under AEIFRS</b>	<b>686,049</b>	<b>628,208</b>

\* This column represents the adjustments as at the date of transition to AEIFRS.

\*\* This column represents the cumulative adjustments as at the date of transition to AEIFRS and those for the year ended 30 June 2005.

(i) *Defined Benefit Superannuation Plan*

Council provides employees with a defined benefit superannuation plan based on employees' years of service and final average salary. Under AGAAP, Council is only required to provide disclosures for the accrued benefits, net market value of the plan assets, the difference between the two preceding items, and vested benefits in relation to the defined benefit plan. This information is provided at Note 16.

AASB 119 *Employee Benefits* will require entities to recognise an asset or liability equal to the difference between the present value of the defined benefit obligation and the fair value of defined benefit plan assets at the reporting date. The defined benefit obligation is required to be discounted using commonwealth government bond rates as at each reporting date rather than the long-term expected rate of return on plan assets.

(ii) *Tip Site Restoration*

AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* requires a liability to be recognised when:

- an entity has a present obligation (legal or constructive) as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of the liability shall be the present value of the expenditures expected to be required to settle the obligation. This requires discounting expected future cash outflows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

It is considered that Council has a present obligation to rehabilitate the McRobies Gully tip site following completion of landfilling. The estimated value of the liability at 30 June 2005 is \$6.51M.

AASB 116 *Property, Plant and Equipment* provides that at the point of initial recognition, items of property, plant and equipment are recorded at cost. One of the elements of cost is the initial estimate of the costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which an entity incurs when the item is acquired.

AASB 116 therefore requires the value of property, plant and equipment to be increased to include restoration costs where a corresponding liability has been recognised in accordance with AASB 137.

Following initial recognition, UIG Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* addresses the accounting for changes in the measurement of liabilities that are recognised as part of the cost of an item of property, plant and equipment.

UIG Interpretation 1 requires the item of property, plant and equipment to be accounted for after initial recognition according to either the cost model or the revaluation model. Council will account for its item of property, plant and

equipment according to the cost model. This model requires a change in the liability due to a change in the estimated outflow of economic benefits or a change in the current market-based discount rate applying to the liability to be capitalised as part of the cost of the item of property, plant and equipment, and depreciated prospectively over its remaining life.

Council's best estimate of the amount that would have been included in the cost of the related asset when the liability first arose is \$0.6M. This amount would have been written-down to \$0.134M at 30 June 2005.

(iii) *Provision for Employee Benefits*

AASB 119 *Employee Benefits* requires liabilities for long-term employee benefits to be measured at present value i.e. discounted by an appropriate rate. AGAAP requires liabilities for wages and salaries, annual leave and sick leave to be measured at nominal amounts irrespective of whether they are expected to be settled within 12 months of the reporting date.

Application of AASB 119 would therefore result in a lower provision for Employee Benefits.

(iv) *Assets Held for Sale*

AGAAP does not require separate treatment of non-current assets that are "held for sale". AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations* requires separate classification and disclosure of the assets, the discontinuation of depreciation, and separate measurement requirements.

Application of AASB 5 would result in a write-down of assets classified as "held for sale".

(v) *Asset Revaluation Reserve*

AASB 1 *First-Time Adoption of Australian Equivalents to International Financial Reporting Standards* allows entities to measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date, or use a previous revaluation of an item of property, plant and equipment at, or before, the date of transition as deemed cost at the date of the revaluation.

Council has elected to use the deemed cost option for some asset classes. As a result, amounts in the Asset Revaluation Reserve in respect of those asset classes at the date of transition to AEIFRS would need to be transferred to Retained Earnings.

(b) *Reconciliation of Operating Result under AGAAP to that under AEIFRS*

	Notes	Year ended 30/6/05 \$,000
<b>Operating Result reported under AGAAP</b>		<b>(2,472)</b>
Movement in Defined Benefit Superannuation Plan	(i)	(274)
Additional Tip Site Restoration Expenses	(ii)	(376)
Movement in Provision for Employee Benefits	(iii)	(158)
Write-back loss on Assets Held for Sale	(iv)	75
<b>Operating Result under AEIFRS</b>		<b>(3,205)</b>

(i) *Defined Benefit Superannuation Plan*

The superannuation expense recognised under AASB 119 *Employee Benefits* comprises current service cost, interest cost, past service cost recognised during the period, expected return on plan assets and, depending on an entity's accounting policy, actuarial gains and losses (refer below). The superannuation expense recognised under AGAAP is the value of contributions paid and payable to the plan for the period.

Actuarial gains and losses arise from unanticipated changes in, or changes in assumptions underlying, either the present value of the defined benefit obligation or the fair value of related plan assets. Causes of actuarial gains and losses include:

- changes in the discount rate,
- current period employee turnover, retirement and mortality rates differing from those expected,
- changes in expectations about future period employee turnover, retirement and mortality rates and salary levels, and
- the actual return on plan assets differing from expectations.

Actuarial gains and losses may be recognised either in full through the income statement, in full direct to retained earnings, or partially in the income statement using the corridor approach. Council has elected to recognise actuarial gains and losses directly in retained earnings. In order to apply this accounting treatment in the transition to AEIFRS, Council has elected to "early adopt" AASB 119 *Employee Benefits* issued in December 2004.

Actuarial gains and losses for the year ended 30 June 2005 are estimated to be \$2.59M.

**(ii) Tip Site Restoration**

Under AASB 116 *Property, Plant and Equipment*, Council would depreciate capitalised restoration costs relating to its tip site, resulting in a charge to the income statement. In addition, under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the increase in the restoration provision relating to the unwinding of the discount would be recognised in the income statement.

**(iii) Provision for Employee Benefits**

The provision for Employee Benefits, which would reduce at the date of transition, has increased from 1 July 2004 resulting in an expense being recognised in the income statement.

**(iv) Assets Held for Sale**

Under AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, assets held for sale at 1 July 2004 would have been written-down, and the loss on disposal reported during 2004/05 under AGAAP would not have been incurred.

**(c) Restated AEIFRS Statement of Cash Flows for the year ended 30 June 2005**

No material impacts are expected to the cash flows presented under AGAAP on adoption of AEIFRS.

**2. SIGNIFICANT CHANGE FROM PREVIOUS YEAR**

The accounting policies adopted for the reporting period are consistent with those of the previous reporting period. However, the following item has had a significant impact on many aspects of the financial report during the current reporting period.

**State and Local Government Financial Reform**

On 17 November 2003, the *State and Local Government Financial Reform Act 2003* received Royal Assent. The objectives of the reforms were to

simplify and make more transparent the financial arrangements which existed between the two levels of government, focussing on those financial arrangements that involved concessions, exemptions or subsidies.

The reforms took effect from 1 July 2004 and have affected Council's financial results for 2004/05 in the following ways:

- Removal of the requirement for Council to pay the Local Government Levy pursuant to Part 10 of the *Local Government Act 1993*;
- Removal of the requirement for Council to pay the Library Levy pursuant to S10 of the *Libraries Act 1984*;
- Removal of the Crown's exemption to General Rates and Separate Rates pursuant to S87 of the *Local Government Act 1993*;
- Removal of Council's exemption to Stamp Duty on dutiable transactions pursuant to S53 of the *Duties Act 2001*;
- Removal of Council's exemption to Land Tax pursuant to S17 of the *Land Tax Act 2000*;
- Removal of Council's exemption to Payroll Tax pursuant to S10 of the *Payroll Tax Act 1971*; and
- Removal of Council's exemption to Motor Tax pursuant to Regulation 97 of the Vehicle and Traffic (Driver Licensing and Vehicle Registration) Regulations 2000.

The financial effects of these changes have been to increase revenues by approximately \$1.58M, increase expenses by approximately \$1.06M, and improve the Operating Result by approximately \$0.52M. Included in these changes are an increase in rates revenue of approximately \$1.6M and an increase in employee costs of approximately \$1.9M.

As a result of the above reforms, Council's Significant Business Activities (refer Note 36) now incur expenses for Stamp Duty, Land Tax, Payroll Tax and Motor Tax. These items were previously disclosed as competitive neutrality costs.

**3. FUNCTIONS/ACTIVITIES OF THE COUNCIL**

		Expenses		Revenues		Assets
		\$,000	Grants \$,000	Other \$,000	Total \$,000	\$,000
Public Order and Safety	2004/05	4,862	0	4,684	4,684	0
	2003/04	4,906	0	4,620	4,620	0
Health	2004/05	1,149	0	282	282	94
	2003/04	1,031	0	218	218	83
Welfare	2004/05	2,036	911	209	1,120	1,158
	2003/04	1,643	702	173	875	1,063
Community Amenities	2004/05	16,249	130	7,933	8,063	83,927
	2003/04	15,113	70	7,632	7,702	79,177
Recreation and Culture	2004/05	17,541	98	6,378	6,476	114,046
	2003/04	17,849	123	5,411	5,534	99,824
Parking	2004/05	6,206	0	7,756	7,756	28,726
	2003/04	5,569	0	7,516	7,516	27,400
Transport	2004/05	14,547	1,606	582	2,188	231,135
	2003/04	14,839	1,938	410	2,348	217,003
Economic Services	2004/05	1,429	0	762	762	113
	2003/04	1,376	0	997	997	47
Water Supply	2004/05	10,149	6	10,994	11,000	79,914
	2003/04	9,486	6	9,705	9,711	72,189
Sewerage	2004/05	7,255	0	7,395	7,395	91,658
	2003/04	7,037	0	7,154	7,154	77,283
Other (Not Attributed)*	2004/05	9,964	2,324	36,865	39,189	92,456
	2003/04	10,233	963	35,604	36,567	86,536
Total	2004/05	91,387	5,075	83,840	88,915	723,227
	2003/04	89,082	3,802	79,440	83,242	660,605

\* Rates for Water, Sewerage, Stormwater, Garbage and Fire have been attributed to functions, but general rates have not.

The activities relating to Council's functions are classified as follows:

PUBLIC ORDER AND SAFETY: fire prevention and emergency management

HEALTH: food control, immunisation services and animal control

WELFARE: childcare, youth services and aged care services

COMMUNITY AMENITIES: solid waste management, stormwater drainage, public conveniences, street lighting, council-owned properties and administration of planning schemes

RECREATION AND CULTURE: public halls, the Aquatic Centre, recreation centres, parks and reserves, the nursery and festivals

PARKING: car parks and on-street parking

TRANSPORT: roads, footpaths, bridges, traffic signs and the Hot Mix Plant

ECONOMIC SERVICES: Salamanca Market and tourism promotion

WATER SUPPLY: purchase of bulk water, water reticulation and water quality control

SEWERAGE: reticulation, treatment and discharge of liquid waste and sewage effluent

	Notes	2004/05 \$,000	2003/04 \$,000		Notes	2004/05 \$,000	2003/04 \$,000
<b>4. EMPLOYEE COSTS</b>				<b>6. SALES OF NON-CURRENT ASSETS</b>			
Gross Wages and Salaries		28,576	27,401	<i>Plant &amp; Equipment</i>			
Less: Amounts Capitalised		(1,583)	(1,573)	Proceeds from Sales		599	927
Leave Payments		(2,223)	(2,143)	Less Carrying Amount of Assets Sold		(628)	(1,087)
		<u>(3,806)</u>	<u>(3,716)</u>	<b>Gain/(Loss) on Disposal</b>		<b>(29)</b>	<b>(160)</b>
Wages and Salaries Expensed		24,770	23,685	<i>Land and Buildings</i>			
Leave Entitlements		2,473	2,155	Proceeds from Sales		941	14
Superannuation Expense		2,765	2,612	Less Carrying Amount of Assets Sold		(1,025)	(15)
Workers Compensation Insurance		345	427	<b>Gain/(Loss) on Disposal</b>		<b>(84)</b>	<b>(1)</b>
Payroll Tax	2	1,931	515	<b>7. OTHER EXPENSES</b>			
Aldermanic Allowances		213	174	Pensioner Rate Remissions		1,124	1,143
Redundancy Payments		39	96	Less: Reimbursements from Government	9	(1,042)	(1,055)
Labour Overheads Capitalised		(829)	(696)			82	88
		<b>31,707</b>	<b>28,968</b>	Grants and Specific Purpose Benefits		596	627
Number of Employees (Full-time equivalent)		584	576	Directors' Fees		16	16
				Auditor's Remuneration – Review of the Financial Report		18	17
<b>5. DEPRECIATION AND AMORTISATION</b>				Auditor-General's Remuneration – Review of the Financial Report		3	3
Land Improvements		721	909	Other Audit Fees		42	44
Buildings		2,200	2,185	Bad and Doubtful Debts		565	643
Infrastructure Plant		1,356	1,267	Assets Written-off	8	1,518	2,637
Plant and Equipment		2,209	2,119	Obsolete Stock		1	-
Pipes, Drains and Rivulets		3,382	3,353	Revaluation Decrement on Reservoirs		196	-
Roads and Bridges		8,870	10,354	Fringe Benefits Tax		184	170
Other Structures		1,610	826	Land Tax	2	816	-
Other		307	290			<b>4,037</b>	<b>4,245</b>
		<b>20,655</b>	<b>21,303</b>				



## 8. SIGNIFICANT ITEMS

The following items included in ordinary activities in the Statement of Financial Performance are of such a size, nature or incidence that their disclosure is relevant in explaining Council's financial performance for the reporting period:

Notes	2004/05 \$,000	2003/04 \$,000
<i>Revenues</i>		
Distribution of Wapping Implementation Project Funds	1,143	-
Legal Action Recoveries	-	920
Property Sales	941	-
Revaluation Increment on Investment in Hobart Water	-	2,280
Revaluation Increment on Valuables	50	-
Revaluation Increment on Drainage Structures	7	-
Revaluation Increment on Playground Equipment	116	-
	<b>2,257</b>	<b>3,200</b>
<i>Expenses</i>		
Work in Progress Write-Offs	-	1,285
Intangible Asset Write-Offs	-	216
Payroll Tax	-	515
Property Sales	1,025	-
Revaluation Decrement on Reservoirs	196	-
	<b>1,221</b>	<b>2,016</b>
	<b>1,036</b>	<b>1,184</b>

## 9. GRANTS AND DONATIONS

### a) Provided by Government

#### *for Recurrent Purposes*

Childcare Services	707	548
Grants Commission Equalisation Grants	775	758
Natural Heritage Trust – Restoration of Knocklofty Reserve	82	27
National Illicit Drug Strategy (NIDS)	40	18
Pensioner Rate		
Remission Grants	1,042	1,055
Employment Creation Initiatives	278	260
Energy Grants Credits Scheme	86	64
Miscellaneous	14	22
	<b>3,024</b>	<b>2,752</b>

#### *for Capital Purposes*

Roadworks	1,605	1,819
Hobart Major Rivulets – Natural Disaster Mitigation Project	26	-
On-Line Development Application Lodgement System	60	-
Miscellaneous	45	66
	<b>1,736</b>	<b>1,885</b>
	<b>4,760</b>	<b>4,637</b>

## Notes

### b) Other

#### *for Recurrent Purposes*

Distribution of Wapping Implementation Project Funds	1,143	-
Miscellaneous	9	-
	<b>1,152</b>	<b>-</b>

#### *for Capital Purposes*

Wapping – Sculpture Walk	-	75
Provision of Public Open Space	27	17
Provision of Parking Facilities	172	-
Sun Street Widening	-	120
Miscellaneous	6	8
	<b>205</b>	<b>220</b>
	<b>1,357</b>	<b>220</b>

#### **Total Grants and Donations**

	<b>6,117</b>	<b>4,857</b>
Less: Pensioner Rate		
Remission Grants netted against Remissions	7 (1,042)	(1,055)

#### **Grants and Donations as per Operating Statement**

	<b>5,075</b>	<b>3,802</b>
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### c) Conditions

Grants and donations which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a particular manner, but had yet to be applied in that manner as at the reporting date:

	662	524
Grants and donations which were recognised as revenues in a previous reporting period and were expended during the current reporting period in the manner specified by the contributor:	(317)	(293)

Net increase/(decrease) in assets subject to conditions

	345	231
Assets subject to conditions at the beginning of the period	870	639

#### **Assets subject to conditions at the end of the period**

11 With the exception of assets subject to conditions at the end of the period, all funds granted have been expended for the purpose for which they were provided.

	<b>1,215</b>	<b>870</b>
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Notes	2004/05 \$,000	2003/04 \$,000		2004/05 \$,000	2003/04 \$,000
<b>10. RATES RECEIVED IN ADVANCE</b>			<b>12. CASH</b>		
Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods	201	193	<b>a) Definition of Cash</b>		
Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period	(193)	(242)	For the purpose of the Statement of Cash Flows, the following items contained in the Statement of Financial Position comprise the Cash balance at the end of the period:		
<b>Net increase (decrease) in prepaid rates</b>	<b>8</b>	<b>(49)</b>	<i>Investments</i>		
			Term Deposits	12,000	9,800
			At Call	6,209	4,414
				<u>18,209</u>	<u>14,214</u>
			Cash Advances	23	12
			Cash at Bank	2,071	1,047
				<b>20,303</b>	<b>15,273</b>
<b>11. RESTRICTED ASSETS</b>			<b>b) Composition of Cash</b>		
<b>a) Grants and Donations subject to Conditions</b>			The following restrictions apply to the closing cash balance:		
Assets derived from grants and donations which were obtained on the condition that they be expended in a particular manner but had yet to be applied in that manner as at the reporting date were in respect of:			– Provision of Public Open Space	80	53
– Children’s Services	37	-	– Provision of Parking Facilities	428	233
– Community Aged Care Packages	-	3	– Children’s Services	37	-
– Contributions in lieu of Parking	428	255	– Community Aged Care Packages	-	3
– Contributions in lieu of Public Open Space	80	53	– Wapping – Sculpture Walk	75	75
– On Line Development Application Lodgement System	60	-	– Roadworks	223	243
– Cultural Park	3	3	– Heritage Funding	1,512	1,416
– Wapping – Sculpture Walk	75	75	– Other	372	241
– Natural Heritage Trust Grants	74	-		<u>2,727</u>	<u>2,264</u>
– Roadworks	223	243	The remainder of the Cash balance has been ear-marked for:		
– Miscellaneous	235	238	– Asset Replacement	368	290
	<u>1,215</u>	<u>870</u>	– Other Capital Works	2,089	1,666
			– Provision of Public Open Space	16	16
<b>b) Heritage Account</b>			– Provision of Parking Facilities	7,593	5,912
Assets acquired as a result of the winding-up of the National Trust Preservation Fund which are required by section 5(3) of the <i>National Trust Preservation Fund (Winding-up) Act 1999</i> to be applied for the provision of financial or other assistance in relation to an entry in either the National Trust Register or the Tasmanian Heritage Register 1(m)	1,512	1,416	– Bicentenary Projects	322	2,020
<b>Total Restricted Assets</b>	<b>2,727</b>	<b>2,286</b>	– Loan Redemption	731	657
			– Bushland Acquisition	33	367
			– Payment of Creditors and Accrued Charges	4,992	1,769
			– Other	384	312
			– Unallocated	1,048	-
				<u>17,576</u>	<u>13,009</u>
				<b>20,303</b>	<b>15,273</b>
			<b>13. STOCK</b>		
			Stock	285	231
			Less: Provision for Obsolete Stock	(1)	-
				<b>284</b>	<b>231</b>

## 14. FINANCIAL INSTRUMENTS

### a) Credit Risk Exposures

The credit risk on financial assets of Council which have been recognised in the Statement of Financial Position is generally the carrying amount, net of any provisions for loss.

In relation to amounts owed to Council in respect of unpaid rates, there is generally no credit risk as S137 of the *Local Government Act 1993* empowers councils to sell properties as a means of recovering rates outstanding.

### b) Interest Rate Risk Exposures

Council's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as Council intends to hold fixed rate assets and liabilities to maturity.

2004/05	Floating Interest Rate (\$,000)	Fixed Interest Maturing in:			Non-Interest Bearing (\$,000)	Total (\$,000)	Weighted Average Interest Rate
		1 year or less (\$,000)	Over 1 to 5 years (\$,000)	More than 5 years (\$,000)			
<b>Financial Assets</b>							
Cash Advances	-	-	-	-	23	23	N/A
Investments	8,280	12,000	-	-	-	20,280	5.65%
Receivables	1,274	26	-	-	2,354	3,654	1.71%
	9,554	12,026	-	-	2,377	23,957	
Weighted Average Interest Rate	6.35%	5.72%	0.00%	0.00%			
<b>Financial Liabilities</b>							
Bank Overdraft	-	-	-	-	-	-	8.45%
Creditors and Accrued Charges	-	-	-	-	4,992	4,992	N/A
Loans	-	1,051	8,544	1,094	-	10,689	7.10%
	-	1,051	8,544	1,094	4,992	15,681	
Weighted Average Interest Rate	0.00%	6.71%	7.27%	6.09%			
<b>Net Financial Assets/(Liabilities)</b>	<b>9,554</b>	<b>10,975</b>	<b>(8,544)</b>	<b>(1,094)</b>	<b>(2,615)</b>	<b>8,276</b>	

2003/04	Floating Interest Rate (\$,000)	Fixed Interest Maturing in:			Non-Interest Bearing (\$,000)	Total (\$,000)	Weighted Average Interest Rate
		1 year or less (\$,000)	Over 1 to 5 years (\$,000)	More than 5 years (\$,000)			
<b>Financial Assets</b>							
Cash Advances	-	-	-	-	12	12	N/A
Investments	5,461	9,800	-	-	-	15,261	5.49%
Receivables	1,286	26	-	-	1,954	3,266	1.97%
	6,747	9,826	-	-	1,966	18,539	
Weighted Average Interest Rate	6.69%	5.49%	0.00%	0.00%			
<b>Financial Liabilities</b>							
Bank Overdraft	-	-	-	-	-	-	8.45%
Creditors and Accrued Charges	-	-	-	-	3,731	3,731	N/A
Loans	-	1,939	7,356	2,334	-	11,629	7.18%
	-	1,939	7,356	2,334	3,731	15,360	
Weighted Average Interest Rate	0.00%	7.01%	7.73%	5.57%			
<b>Net Financial Assets/(Liabilities)</b>	<b>6,747</b>	<b>7,887</b>	<b>(7,356)</b>	<b>(2,334)</b>	<b>(1,765)</b>	<b>3,179</b>	

c) **Net Fair Value of Financial Assets and Liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value. The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

The carrying amounts and net fair values of financial assets and liabilities at the reporting date are as follows:

	2004/05		2003/04	
	Carrying Amount (\$,000)	Net Fair Value (\$,000)	Carrying Amount (\$,000)	Net Fair Value (\$,000)
<b>Financial Assets</b>				
Cash Advances	23	23	12	12
Cash at Bank and Investments	20,280	20,280	15,261	15,261
Receivables	3,654	3,654	3,266	3,266
	<b>23,957</b>	<b>23,957</b>	<b>18,539</b>	<b>18,539</b>
<b>Financial Liabilities</b>				
Creditors and Accrued Charges	4,992	4,992	3,731	3,731
Loans	10,689	11,050	11,629	11,969
	<b>15,681</b>	<b>16,042</b>	<b>15,360</b>	<b>15,700</b>

None of the above assets and liabilities are readily traded on organised markets in standardised form.

	2004/05 \$,000	2003/04 \$,000
<b>15. RECEIVABLES</b>		
Rates	1,394	1,423
Parking Fines	5,120	4,474
Accrued interest on investments	67	55
Wages and salaries paid in advance	69	71
Other Debtors	2,044	1,754
	<b>8,694</b>	<b>7,777</b>
Less Provision for Doubtful Debts	(5,040)	(4,511)
	<b>3,654</b>	<b>3,266</b>
Current	3,403	2,982
Non-Current	251	284
	<b>3,654</b>	<b>3,266</b>

	2004/05 \$,000	2003/04 \$,000
<b>16. EMPLOYEE ENTITLEMENTS</b>		
Wages and Salaries	859	697
Annual Leave (including loading)	2,658	2,828
Long Service Leave	3,676	3,316
Sick Leave	910	850
Superannuation Contributions	788	746
Payroll Tax	542	515
	<b>9,433</b>	<b>8,952</b>
Current	2,705	2,487
Non-Current	6,728	6,465
	<b>9,433</b>	<b>8,952</b>

**Superannuation**

Council contributes to an accumulation-type superannuation fund – 3% of gross wages and salaries in respect of all employees, and a further 3% in respect of temporary employees.

Council also contributes 8.3% of gross wages and salaries to a defined-benefit superannuation fund in respect of all permanent employees who commenced employment with Council prior to 11 March 2003. Employee contributions are 6% of gross wages and salaries. All employees are entitled to benefits on resignation, retirement, disability or death.

This fund provides a defined benefit based on years of service and final average wage/salary. An actuarial assessment of the fund at 30 June 2003 was carried out by Mr David Quinn-Watson, FIAA, on 7 April 2004. This assessment revealed the following:

Fund Assets at Net Market Value	\$29,671,084
Accrued Benefits	\$29,890,457
Deficit	\$219,373
Vested Benefits	\$29,844,815
Employer Contributions during 2004/05	\$1,376,639

Figures as at 30 June 2005 are as follows:

Fund Assets at Net Market Value	Unavailable
Vested Benefits	\$34,304,595

17. UNEARNED REVENUE		2004/05 \$,000	2003/04 \$,000	18. LOANS		2004/05 \$,000	2003/04 \$,000
Tattersall's Hobart Aquatic Centre memberships paid in advance		192	189	Loans outstanding at beginning of year		11,629	12,082
Rents Paid in Advance		3	4	New Borrowings		1,000	1,100
Other		110	35			12,629	13,182
		<b>305</b>	<b>228</b>	Redemptions		(1,940)	(1,553)
				<b>Loans outstanding at end of year</b>		<b>10,689</b>	<b>11,629</b>
				Current		1,051	1,939
				Non-Current		9,638	9,690
						<b>10,689</b>	<b>11,629</b>

19. PROPERTY, PLANT AND EQUIPMENT	Notes	Carrying Amount 30/6/2004 \$,000	Additions \$,000	Disposals \$,000	Net Revaluation Adjustments \$,000	Depreciation \$,000	Carrying Amount 30/6/2005 \$,000
Investment Properties	20	10,638	-	(850)	-	-	9,788
Plant and Equipment	21	12,649	3,507	(636)	-	(2,209)	13,311
Land	22	58,884	3,009	(175)	14,520	-	76,238
Buildings	22	73,080	343	(293)	-	(2,200)	70,930
Land Improvements	23	17,626	396	(192)	-	(721)	17,109
Infrastructure Plant	24	23,292	1,668	-	-	(1,356)	23,604
Pipes, Drains and Rivulets	25	164,562	3,915	(186)	19,706	(3,382)	184,615
Roads and Bridges	26	215,515	4,473	(651)	11,682	(8,870)	222,149
Other Structures	27	15,688	1,710	(146)	17,775	(1,610)	33,417
Capital Work in Progress	28	7,367	(681)	(1,285)	-	-	5,401
Other	29	2,265	256	-	(69)	(307)	2,145
		<b>601,566</b>	<b>18,596</b>	<b>(4,414)</b>	<b>63,614</b>	<b>(20,655)</b>	<b>658,707</b>

20. INVESTMENTS	Notes	2004/05 \$,000	2003/04 \$,000	21. PLANT AND EQUIPMENT	Notes	2004/05 \$,000	2003/04 \$,000
a) Investment Properties				At Cost		28,771	27,196
At Valuer-General's 2002 Valuation of Market Value		9,788	10,638	Less: Accumulated Depreciation		(15,460)	(14,547)
	19	<b>9,788</b>	<b>10,638</b>		19	<b>13,311</b>	<b>12,649</b>
b) Investment in Hobart Regional Water Authority	1(k)	40,027	40,027				
		<b>49,815</b>	<b>50,665</b>				

	Notes	2004/05 \$,000	2003/04 \$,000		Notes	2004/05 \$,000	2003/04 \$,000
<b>22. LAND AND BUILDINGS</b>				<b>24. INFRASTRUCTURE PLANT cont.</b>			
<b>Land</b>				At Independent Progressive Valuation of Current Replacement Cost – 2000		27,575	27,575
At Cost		3,640	631			47,599	45,931
At Valuer-General's 2002 Valuation of Market Value indexed to 2005		72,598	-	Less: Accumulated Depreciation		(23,995)	(22,639)
At Valuer-General's 2002 Valuation of Market Value		-	58,253		19	<b>23,604</b>	23,292
	19	76,238	58,884	<b>25. PIPES, DRAINS AND RIVULETS</b>			
<b>Buildings</b>				At Cost		13,612	9,783
At Cost		562	220	At Council's 2001 Valuation of Current Replacement Cost indexed to 2005		366,561	-
At Council's valuation of Current Replacement Cost – 2002		171,295	172,099	At Council's Progressive Valuation of Current Replacement Cost – 2002		16,153	16,153
		171,857	172,319	At Council's Progressive Valuation of Current Replacement Cost – 2001		-	322,786
Less: Accumulated Depreciation		(100,927)	(99,239)			396,326	348,722
	19	70,930	73,080	Less: Accumulated Depreciation		(211,711)	(184,160)
<b>Totals</b>					19	<b>184,615</b>	164,562
At Cost		4,202	851	<b>26. ROADS AND BRIDGES</b>			
At Valuation		243,893	230,352	At Cost		7,429	2,903
		248,095	231,203	At Council's 2004 Valuation of Current Replacement Cost indexed to 2005		325,959	-
Less: Accumulated Depreciation		(100,927)	(99,239)	At Council's Valuation of Current Replacement Cost – 2004		-	309,742
		<b>147,168</b>	131,964			333,388	312,645
<b>23. LAND IMPROVEMENTS</b>				Less: Accumulated Depreciation		(111,239)	(97,130)
At Cost		3,507	3,251		19	<b>222,149</b>	215,515
At Council's Valuation of Current Replacement Cost – 2002		19,597	19,944	<b>27. OTHER STRUCTURES</b>			
At Council's Valuation of Current Replacement Cost – 2001		13,934	14,114	At Cost		1,709	5,643
		37,038	37,309	At Council's Valuation of Current Replacement Cost – 2005		76,738	-
Less: Accumulated Depreciation		(19,929)	(19,683)	At Council's Progressive Valuation of Current Replacement Cost – 2002		-	10,834
	19	<b>17,109</b>	17,626	At Council's Progressive Valuation of Current Replacement Cost – 2001		-	3,108
Grassed areas within parks and sportsfields have not been recognised in the Statement of Financial Position because they cannot be reliably measured.				At Council's Progressive Valuation of Current Replacement Cost – 1999		78,447	30,130
<b>24. INFRASTRUCTURE PLANT</b>				Less: Accumulated Depreciation		(45,030)	(14,442)
At Cost		5,519	3,851		19	<b>33,417</b>	15,688
At Council's Progressive Valuation of Current Replacement Cost – 2002		7,722	7,722				
At Council's Progressive Valuation of Current Replacement Cost – 2001		1,500	1,500				
At Council's Progressive Valuation of Current Replacement Cost – 2000		5,283	5,283				

Council also controls a number of monuments. These assets have not been included in the Statement of Financial Position on the basis that they cannot be reliably measured.



	Notes	2004/05 \$,000	2003/04 \$,000		Notes	2004/05 \$,000	2003/04 \$,000
<b>28. CAPITAL WORK IN PROGRESS</b>				<b>29. OTHER NON-CURRENT ASSETS</b>			
Cleary's Gates Depot				<b>Planning Schemes</b>			
– Office Refurbishment		105	-	At Cost		8	104
Road and Bridge Works		1,994	2,469	At Council's Valuation of Current Replacement Cost – 2005		1,578	-
Footpath, Kerb and Gutter Works		458	287	At Council's Valuation of Current Replacement Cost – 2001		-	1,721
Traffic Management Works		275	240			1,586	1,825
Tram Restoration Work		-	335	Less: Accumulated Depreciation		(961)	(656)
Sewer Mains		863	367			625	1,169
Water Mains		148	837	<b>Management Plans</b>			
Stormwater Mains		91	306	At Cost		1,226	979
Parks and Gardens Works		19	211	Less: Accumulated Depreciation		(545)	(437)
Sandy Bay Beach Master Plan		-	223			681	542
Salamanca Market Electrical Upgrade		69	-	<b>Valuation Roll</b>			
Mt Wellington Pinnacle Site				At Cost		624	624
– Improvements to Public Amenities		175	-	Less: Accumulated Depreciation		(367)	(239)
Centrepoint Car Park – Replacement of Access and Control Equipment		96	-			257	385
Tattersall's Hobart Aquatic Centre		-	186	<b>Valuables</b>			
Macquarie Point Wastewater Treatment Plant Works		-	169	At Cost		-	2
Selfs Point Wastewater Treatment Plant Works		134	31	At Independent Valuation of Market Value – 2005		582	-
McRobies Gully Refuse Disposal Site – Surface Water Management		214	177	At Independent Valuation of Market Value – 2000		-	167
McRobies Gully Refuse Disposal Site – General Works		11	46			582	169
Hobart Docks and Salamanca Place Stormwater Improvements		-	148	<b>Totals</b>			
Replacement of On-street Parking Equipment		70	108	At Cost		1,858	1,709
Trackwork		30	176	At Valuation		2,160	1,888
History of the Corporation		-	79			4,018	3,597
Other		649	972	Less: Accumulated Depreciation		(1,873)	(1,332)
	19	<b>5,401</b>	<b>7,367</b>		19	<b>2,145</b>	<b>2,265</b>

### 30. RESERVES

	Balance 30/6/04 (\$,000)	Transfers to Reserves (\$,000)	Transfers from Reserves (\$,000)	Balance 30/6/05 (\$,000)
Asset Replacement	290	11,447	(11,369)	368
Bushland Fund	367	50	(384)	33
Bicentenary Fund	2,020	450	(2,148)	322
Debt Redemption	657	1,938	(1,864)	731
Parking Fund	6,084	8,405	(6,691)	7,798
Contributions in Lieu of Parking	256	195	(23)	428
Contributions in Lieu of Public Open Space	70	27	-	97
Heritage Account	1,398	122	(8)	1,512
Asset Revaluation	299,917	64,125	(487)	363,555
Other	312	72	-	384
	<u>311,371</u>	<u>86,831</u>	<u>(22,974)</u>	<u>375,228</u>

#### Asset Replacement Reserve

Council maintains a reserve for the replacement of its assets. Revenue and loans raised for this purpose are transferred to the reserve, whilst expenditure incurred on replacing existing assets is transferred from the reserve. The balance of the reserve represents expenditure which Council expects to incur in future reporting periods on replacing its assets.

#### Bushland Fund

Council has established a Bushland Fund and allocated funds from revenue to the reserve. The reserve was established for the purpose of purchasing strategic areas of bushland and open space.

#### Bicentenary Fund

Council has established a Bicentenary Fund and allocated funds from revenue to the reserve. The reserve was established for the purpose of marking and celebrating the Bicentenary of the European Founding of Hobart.

#### Debt Redemption

Council maintains a reserve for the redemption of its outstanding loans, including those loans for which repayment of principal is required in full on maturity. An allocation is made from revenue each year and allocated to the reserve, and all principal repayments on loans taken up for purposes other than the provision of parking facilities are allocated against the reserve. Principal repayments on loans taken up for the provision of parking facilities are allocated to the Parking Fund (see below).

#### Parking

Council has established a Parking Fund to separately account for fees, penalties and other monies received from the operation of parking meters and voucher machines. The proceeds so derived by the Fund are applied towards establishing, maintaining and supervising the use of restricted on-street parking throughout the city. Any surplus from the Fund is applied to the provision and operation of off-street parking facilities.

#### Heritage Account

Council has established a Heritage Account as required by the *National Trust Preservation Fund (Winding-up) Act 1999*. Amounts transferred to the account include the initial distribution from the National Trust Preservation Fund, together with interest accruing on the balance of the account.

The Act requires that funds transferred into the Heritage Account be applied for the provision of financial or other assistance in relation to an entry in either the National Trust Register kept by the National Trust of Australia (Tasmania), or the Tasmanian Heritage Register.

#### Asset Revaluation Reserve

Council maintains an Asset Revaluation Reserve in order to account for asset revaluation increments and decrements in accordance with AASBT041 Revaluation of Non-Current Assets.

#### Other Reserves

In addition to the above, Council maintains two other reserves. Firstly, a reserve has been established to separately account for funds provided to Council for the express purpose of providing areas of public open space throughout the city. Secondly, Council has established a reserve to meet the cost of an additional pay period which occurs during the 2008/09 financial year, and will allocate an amount to the reserve from revenue each year until then.

### 31. RECONCILIATION OF ACCRUAL-BASED RESULTS WITH CASH FLOWS

	2004/05 (\$,000)			2003/04 (\$,000)		
	Operating Activities	Investing Activities	Total	Operating Activities	Investing Activities	Total
Revenues	88,915			83,242		
Expenses/Expenditure	(91,387)	(16,743)		(89,082)	(14,109)	
<b>Change in Net Assets from Ordinary Activities</b>	<b>(2,472)</b>			<b>(5,840)</b>		
<b>Items not involving Cash:</b>						
Depreciation and Amortisation	20,655			21,303		
Carrying Value of Assets Sold	1,653			1,102		
Asset Write-downs	1,518			2,637		
Assets received for no consideration	(610)			(613)		
Asset Revaluation Adjustments	23			(2,280)		
<b>Re-classification of Revenues</b>						
Government Grants	(1,736)	1,736	-	(1,885)	1,885	-
Sales of Assets	(1,540)	1,540	-	(941)	941	-
<b>Changes in Operating Assets &amp; Liabilities:</b>						
(Increase)/Decrease in Receivables	(388)	-	<b>(388)</b>	78	21	99
(Increase)/Decrease in Stock	(53)	-	<b>(53)</b>	18	-	18
(Increase)/Decrease in Prepayments	(10)	-	<b>(10)</b>	(222)	-	(222)
Increase/(Decrease) in Accrued Charges	327	988	<b>1,315</b>	347	(189)	158
Increase/(Decrease) in Creditors	(54)	-	<b>(54)</b>	(348)	-	(348)
Increase/(Decrease) in Employee Entitlements	481	-	<b>481</b>	802	-	802
Increase/(Decrease) in Unearned Revenue	77	-	<b>77</b>	(59)	-	(59)
Increase/(Decrease) in Other Liabilities	578	-	<b>578</b>	382	-	382
<b>Net Cash Inflow/(Outflow)</b>	<b>18,449</b>	<b>(12,479)</b>		<b>14,481</b>	<b>(11,451)</b>	

### 32. FINANCING FACILITIES

Council has access to a bank overdraft facility of \$100,000. At the reporting date, this facility was not utilised. In fact, the bank account balance at the reporting date was \$1,993,039 in credit.

Council also has an approved borrowing allocation of \$5.15M at the reporting date which has not been utilised. Council's intention is to utilise these borrowings for capital expenditure.

**33. COMMITMENTS FOR EXPENDITURE****a) Capital Expenditure contracted for at the reporting date but not recognised in the Financial Report as liabilities:**

	2004/05 \$,000	2003/04 \$,000
Tramcar Motors	27	-
Access Control Equipment for Centrepoint Car Park	-	103
New Town Bay Wetlands Development	42	20
Domain Sewer Rehabilitation	-	1,042
Cogeneration Unit for Macquarie Point WWTP	6	187
Centrifuge for Selfs Point WWTP	55	-
Plant and Equipment Purchases	86	156
Other	21	170
	<b>237</b>	<b>1,678</b>

All contracted commitments are expected to be settled within 12 months of the reporting date.

**b) Operating Lease commitments at the reporting date not recognised in the Financial Report as liabilities:**

	2004/05 \$,000	2003/04 \$,000
Not longer than one year	30	45
Longer than one year and not longer than two years	29	30
Longer than two years and not longer than five years	39	68
Longer than five years	-	-
	<b>98</b>	<b>143</b>

**34. CONTINGENT LIABILITIES**

Council is currently acting as guarantor for the following loans:

	2004/05 \$,000	2003/04 \$,000
New Town Cricket Club	50	50
Tasmanian Sports Federation Inc.	70	70
Southern Tasmanian Netball Association	770	770
	<b>890</b>	<b>890</b>

Council currently has a number of legal claims outstanding. With the exception of the following, Council expects that these claims will be covered by insurance should it be deemed liable.

- a) A pending claim against Council relating to repairs to a retaining wall at 72 Barrack Street. Council strongly denies any liability in this matter.

**35. PECUNIARY INTERESTS**

The Council has dealings from time to time with its Aldermen and Directors in both their private and business capacities. Transactions between Council and its related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified in respect of any body or organisation with which the Council has major financial dealings.

### 36. SIGNIFICANT BUSINESS ACTIVITIES

Pursuant to section 84(2)(da) of the *Local Government Act 1993*, Council has identified Water Supply and Sewerage as significant business activities. It has also identified Parking and the Tattersall's Hobart Aquatic Centre as commercial-like undertakings. Details of each of these are set out below.

Competitive neutrality costs are costs which would have applied to the activity had it not been conducted within the umbrella of government. Therefore, from the local government perspective, such "costs" are notional only and are disclosed for information.

	Notes	2004/05 \$,000	2003/04 \$,000
<b>WATER SUPPLY</b>			
<b>REVENUES</b>			
Rates		10,357	8,981
User Fees and Charges		488	539
Grants and Donations		6	6
Profit/(Loss) on sale of Plant and Equipment		(8)	22
Other Income		157	163
		<b>11,000</b>	<b>9,711</b>
<b>EXPENSES</b>			
<b>Direct</b>			
Employee Costs	2	490	355
Materials and Contracts		688	647
Depreciation		1,323	1,328
Interest		346	341
Purchase of Water		6,543	6,084
Land Tax	2	41	-
Other		283	296
		<b>9,714</b>	<b>9,051</b>
<b>Indirect</b>			
Engineering and Administrative Overheads		435	435
		<b>435</b>	<b>435</b>
		<b>10,149</b>	<b>9,486</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>851</b>	<b>225</b>
<b>COMPETITIVE NEUTRALITY COSTS</b>			
Opportunity Cost of Capital		6,164	6,008
Income Tax		297	49
Council Rates		27	26
Payroll Tax	2	-	22
Land Tax	2	-	41
		<b>6,488</b>	<b>6,146</b>

	Notes	2004/05 \$,000	2003/04 \$,000
<b>SEWERAGE</b>			
<b>REVENUES</b>			
Rates		6,600	6,298
User Fees and Charges		647	659
Profit / (Loss) on sale of Plant and Equipment		7	-
Other Income		141	197
		<b>7,395</b>	<b>7,154</b>
<b>EXPENSES</b>			
<b>Direct</b>			
Employee Costs	2	1,393	1,411
Materials and Contracts		2,469	2,183
Depreciation		2,194	2,103
Interest		296	297
Purchase of Water		112	112
Land Tax	2	49	-
Other		81	270
		<b>6,594</b>	<b>6,376</b>
<b>Indirect</b>			
Engineering and Administrative Overheads		661	661
		<b>661</b>	<b>661</b>
		<b>7,255</b>	<b>7,037</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>140</b>	<b>117</b>
<b>COMPETITIVE NEUTRALITY COSTS</b>			
Opportunity Cost of Capital		6,846	6,505
Income Tax		30	-
Council Rates		58	55
Payroll Tax	2	-	86
Land Tax	2	-	49
		<b>6,934</b>	<b>6,695</b>



	Notes	2004/05 \$,000	2003/04 \$,000
<b>OFF-STREET PARKING</b>			
<b>REVENUES</b>			
User Fees and Charges		3,084	2,894
		<b>3,084</b>	2,894
<b>EXPENSES</b>			
<b>Direct</b>			
Employee Costs	2	749	656
Materials and Contracts		644	685
Depreciation		757	759
Interest		2	7
Land Tax	2	204	-
Other		21	-
		<b>2,377</b>	2,107
<b>Indirect</b>			
Engineering and Administrative Overheads		459	459
		<b>459</b>	459
		<b>2,836</b>	2,566
<b>OPERATING PROFIT/(LOSS)</b>		<b>248</b>	328
<b>COMPETITIVE NEUTRALITY COSTS</b>			
Opportunity Cost of Capital		2,223	2,390
Council Rates		357	341
Payroll Tax	2	-	40
Land Tax	2	-	204
		<b>2,580</b>	2,975
<b>ON-STREET PARKING</b>			
<b>REVENUES</b>			
User Fees and Charges		2,309	2,287
Fines		2,363	2,343
Profit/(Loss) on sale of Plant and Equipment		-	(8)
		<b>4,672</b>	4,622
<b>EXPENSES</b>			
<b>Direct</b>			
Employee Costs	2	2,256	2,001
Materials and Contracts		641	539
Depreciation		81	71
		<b>2,978</b>	2,611

	Notes	2004/05 \$,000	2003/04 \$,000
<b>ON-STREET PARKING cont.</b>			
<b>Indirect</b>			
Engineering and Administrative Overheads		392	392
		<b>392</b>	392
		<b>3,370</b>	3,003
<b>OPERATING PROFIT/(LOSS)</b>		<b>1,302</b>	1,619
<b>COMPETITIVE NEUTRALITY COSTS</b>			
Opportunity Cost of Capital		51	55
Income Tax		469	539
Payroll Tax	2	-	122
		<b>520</b>	716
<b>TATTERSALL'S HOBART AQUATIC CENTRE</b>			
<b>REVENUES</b>			
User Fees and Charges		3,372	3,133
Grants and Donations		86	10
Rental Income		-	2
Other Income		214	191
		<b>3,672</b>	3,336
<b>EXPENSES</b>			
Employee Costs	2	1,920	1,795
Materials and Contracts		1,833	1,760
Interest		23	35
Administration		61	61
Land Tax	2	16	-
Other		16	16
		<b>3,869</b>	3,667
<b>OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION</b>		<b>(197)</b>	(331)
Depreciation		662	504
<b>OPERATING PROFIT/(LOSS)</b>		<b>(859)</b>	(835)
<b>COMPETITIVE NEUTRALITY COSTS</b>			
Opportunity Cost of Capital		1,417	1,436
Council Rates		63	60
Payroll Tax	2	-	109
Land Tax	2	-	13
		<b>1,480</b>	1,618

## CERTIFICATION BY THE GENERAL MANAGER

In my opinion:

1. The Financial Report, consisting of a Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements numbered 1 to 36, fairly represents the financial position of the Hobart City Council as at 30 June 2005 and the results of its operations and cash flows for the year then ended in accordance with applicable Accounting Standards; and

2. The Financial Report has been prepared in accordance with the requirements of Section 84 of the *Local Government Act 1993*.

Signed at Hobart this twentieth day of September 2005.



Brent Armstrong  
GENERAL MANAGER

## INDEPENDENT AUDIT REPORT – HOBART CITY COUNCIL

### To the Aldermen of Hobart City Council

Financial Report for the Year Ended 30 June 2005

### Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements published in both the annual report and on the website of Hobart City Council for the year ended 30 June 2005. The Council's General Manager is responsible for the integrity of both the annual report and the website.

The audit report refers only to the financial statements and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Council's annual report.

### Scope

#### *The financial report and the General Manager's responsibilities*

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the General Manager's declaration for the year ended 30 June 2005.

The General Manager is responsible for the preparation and true and fair presentation of the financial report in accordance with Section 84 of the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit approach*

I conducted an independent audit in order to express an opinion to the Aldermen. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the General Manager.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

The Audit Opinion expressed in this report has been formed on the above basis.

### Independence

In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

### Audit Opinion

In my opinion the financial report presents fairly, in accordance with the *Local Government Act 1993* and applicable Accounting Standards and other mandatory financial reporting requirements in Australia, the financial position of Hobart City Council as at 30 June 2005, and the results of its operations and its cash flows for the year then ended.

TASMANIAN AUDIT OFFICE



H M Blake  
AUDITOR-GENERAL

11 October 2005  
HOBART

